Branco Vind ApS

Gyngemose Parkvej 50
2860 Søborg

CVR no. 41 15 27 37

Annual report for 2022

(3rd Financial year)

Adopted at the annual general
meeting on 7 July 2023

Jan Paulsen
chairman

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Statement by management on the annual report

The executive board has today discussed and approved the annual report of Branco Vind ApS for the financial year 1 January - 31 December 2022.

The annual report is prepared in accordance with the Danish Financial Statements Act.

In my opinion, the financial statements give a true and fair view of the company's financial position at 31 December 2022 and of the results of the company's operations for the financial year 1 January - 31 December 2022.

In my opinion, management's review includes a fair review of the matters dealt with in the management's review.

Management recommends that the annual report should be approved by the company in general meeting.

Copenhagen, 7 July 2023

Executive board

Jens-Peter Zink
Director

Independent auditor's report

To the shareholder of Branco Vind ApS

Opinion

We have audited the financial statements of Branco Vind ApS for the financial year 1 January - 31 December 2022, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes. The financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the company's financial position at 31 December 2022 and of the results of the company's operations for the financial year 1 January - 31 December 2022 in accordance with the Danish Financial Statements Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities for the financial statements

Management is responsible for the preparation of financial statements, that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Independent auditor's report

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

Independent auditor's report

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on management's review

Management is responsible for management's review.

Our opinion on the financial statements does not cover management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read management's review and, in doing so, consider whether management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of management's review.

Copenhagen, 7 July 2023

KPMG
Statsautoriseret Revisionspartnerselskab
CVR no. 25 57 81 98

Kenn Wolff Hansen
State Authorized Public Accountant
MNE no. mne30154

Company details

The company	Branco Vind ApS Gyngemose Parkvej 50 2860 Søborg CVR no.: 41 15 27 37 Reporting period: 1 January - 31 December 2022 Incorporated: 7 februar 2020 Domicile: Gladsaxe
Executive board	Jens-Peter Zink, director
Auditors	KPMG Statsautoriseret Revisionspartnerselskab Dampfærgevej 28 2100 København
Consolidated financial statements	The company is included in the group report for the parent company European Energy A/S Gyngemose Parkvej 50 DK-2860 Søborg The group report of European Energy A/S Gyngemose Parkvej 50 DK-2860 Søborg can be obtained at the following address: https://europeanenergy.com/ir-material/

Management's review

Business review

The company´s objective is to invest in Brazilian wind- and PV projects.

Financial review

The company's income statement for the year ended 31. december 2022 shows a profit of EUR 577.086, and the balance sheet at 31 December 2022 shows negative equity of EUR 1.140.995.

The company has lost more than 50% of its share capital. The mangement will at the ordinary general meeting account for the future financing.

The company's owner has submitted a letter of support in order to ensure sufficient funding. The letter of support is efficient until the Annual Report for 2023 has been signed.

Significant events occurring after the end of the financial year

No events have occurred after the balance sheet date which could significantly affect the company's financial position.

Accounting policies

The annual report of Branco Vind ApS for 2022 has been prepared in accordance with the provisions of the Danish Financial Statements Act for class B entities, as well as provisions applying to reporting class C entities.

The accounting policies applied are consistent with those of last year.

The annual report for 2022 is presented in EUR

Pursuant to sections §110 subsection 1, of the Danish Financial Statements Act, the company has not prepared consolidated financial statements.

Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including amortisation, depreciation and impairment losses, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the company and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow from the company and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. On subsequent recognition, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost using the effective interest method. Amortised cost is calculated as the historic cost less any installments and plus/less the accumulated amortisation of the difference between the cost and the nominal amount.

On recognition and measurement, allowance is made for predictable losses and risks which occur before the annual report is presented and which confirm or invalidate matters existing at the balance sheet date.

Income statement

Other external expenses

Other external expenses include expenses related to administration, etc.

Accounting policies

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts that relate to the financial year. Net financials include interest income and expenses, financial expenses relating to finance leases, realised and unrealised capital/exchange gains and losses on securities and foreign currency transactions, amortisation of mortgage loans.

Income from investments in subsidiaries.

The proportionate share of the profit/loss for the year of subsidiaries is recognised in the company's income statement after full elimination of intra-group profits/losses.

Tax on profit/loss for the year

Tax for the year, which comprises the current tax charge for the year and changes in the deferred tax charge, is recognised in the income statement as regards the portion that relates to the profit/loss for the year and directly in equity as regards the portion that relates to entries directly in equity.

Balance sheet

Tangible assets

Items of plant and machinery and fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

The depreciable amount is cost less the expected residual value at the end of the useful life.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use. The cost of self-constructed assets comprises direct and indirect costs of materials, components, sub-suppliers and wages.

Interest expenses on loans obtained specifically for the purpose of financing the manufacturing of items of property, plant and equipment are included in cost over the manufacturing period. All indirect, attributable borrowing costs are recognised in the income statement.

Straight-line depreciation is provided on the basis of the following estimated useful lives of the assets:

Accounting policies

Investments in subsidiaries

Investments in subsidaries are measured at the proportionate share of the net asset value of the entities, calculated on the basis of the group's accounting policies, plus or less unrealised intragroup gains or losses and plus or less any remaining value of positive or negative goodwill stated according to the purchase method.

Investments in subsidiaries with a negative net asset value are measured at DKK 0, and the carrying amount of any receivables from these entities is reduced to the extent that they are considered irrecoverable. If the parent company has a legal or constructive obligation to cover a deficit that exceeds the receivable, the balance is recognised under provisions.

Net revaluations of investments in subsidiaries are taken to the net revaluation reserve according to the equity method in so far as that the carrying amount exceeds the cost. Dividends from subsidiaries which are expected to be declared before the annual report of Branco Vind ApS is adopted are not taken to the net revaluation reserve.

Impairment of fixed assets

The carrying amount of property, plant and equipment and investments in subsidiaries is tested annually for impairment, other than what is reflected through normal amortisation and depreciation.

Cash and cash equivalents

Cash and cash equivalents comprise cash and deposits at banks.

Equity

Dividends

Proposed dividends are disclosed as a separate item under equity. Dividends are recognised as a liability when declared by the annual general meeting of shareholders.

Income tax and deferred tax

Current tax liabilities and current tax receivables are recognised in the balance sheet as the estimated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and tax paid on account.

Accounting policies

The company and all its Danish group entities are taxed on a joint basis. The current income tax charge is allocated between the jointly taxed entities relative to their taxable income. Tax losses are allocated based on the full absorption method. The jointly taxed entities are eligible for the Danish Tax Prepayment Scheme.

Deferred tax is measured according to the liability method in respect of temporary differences between the carrying amount of assets and liabilities and their tax base, calculated on the basis of the planned use of the asset and settlement of the liability, respectively. Deferred tax is measured at net realisable value.

Liabilities

Liabilities, which include trade payables, payables to group entities and other payables, aremeasured at amortised cost, which is usually equivalent to nominal value.

Other liabilities, which include trade payables, payables to group entities and other payables, are measured at amortised cost, which is usually equivalent to nominal value.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement as financial income or financial expenses. If foreign currency instruments are considered cash flow hedges, any unrealised value adjustments are taken directly to Equity.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Non-monetary items are translated at the exchange rates at the date of acquisition or at the date ofsubsequent revaluations of the asset. Income statement items are translated at the exchange ratesat the transaction date, whereas items derived from non-monetary items are translated athistorical exchange rates for the non-monetary item.

Accounting policies

The Company determines a functional currency for each reporting entity. Reporting entities that are special purpose vehicles, established with the limited purpose to hold all activities related to a specific development project, are considered integrated entities in Branco Vind ApS. Such special purpose vehicles have the same functional currency as Branco Vind ApS. Where entities are not considered integrated entities in Branco Vind ApS the functional currency is the currency used in the primary financial environment in which the individual reporting entity operates. Transactions in currencies other than the functional currency are foreign currency transactions. The functional currency of Branco Vind ApS is Euro (EUR), and the financial statements are presented in Euro (EUR). On initial recognition, transactions denominated in foreign currencies are translated into the functional currency at the exchange rate at the transaction date. Foreign currency translation adjustments arising from the settlement of such transactions and the translation of monetary items denominated in foreign currencies at year-end exchange rates are recognised in profit or loss under finance income and finance costs.

From 1. July 2022 subsidiaties are to be considered as not integrated entities in Branco Vind ApS.

Income statement 1 January - 31 December

	Note	2022 EUR	2021 EUR
Revenue		**0**	**0**
Other external expenses	1	-34.013	-1.412
Gross profit		**-34.013**	**-1.412**
Income from investments in subsidiaries		607.921	32.883
Financial income		311	0
Financial costs	2	-1.125	-25.381
Profit/loss before tax		**573.094**	**6.090**
Tax on profit/loss for the year		3.992	5.896
Profit/loss for the year		**577.086**	**11.986**
Reserve for net revaluation under the equity method		607.921	32.883
Retained earnings		-30.835	-20.897
		577.086	**11.986**

Balance sheet 31 December

	Note	2022	2021
		EUR	EUR
Assets			
Property, plant and equipment in progress		4.425.186	1.547.701
Tangible assets	3	**4.425.186**	**1.547.701**
Investments in subsidiaries	4	43.127.541	44.253.786
Fixed asset investments		**43.127.541**	**44.253.786**
Total non-current assets		**47.552.727**	**45.801.487**
Deferred tax asset		0	5.895
Receivables		**0**	**5.895**
Cash at bank and in hand		**126.317**	**168.428**
Total current assets		**126.317**	**174.323**
Total assets		**47.679.044**	**45.975.810**

Balance sheet 31 December

	Note	2022	2021
		EUR	EUR
Equity and liabilities			
Share capital		5.353	5.353
Retained earnings		-1.146.348	10.732
Equity		**-1.140.995**	**16.085**
Provision for deferred tax		87.421	0
Total provisions		**87.421**	**0**
Payables to group companies		30.324.130	27.330.777
Debt to credit institutions		18.396.833	17.575.993
Total non-current liabilities	5	**48.720.963**	**44.906.770**
Trade payables		11.655	1.052.955
Total current liabilities		**11.655**	**1.052.955**
Total liabilities		**48.732.618**	**45.959.725**
Total equity and liabilities		**47.679.044**	**45.975.810**

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Statement of changes in equity

	Share capital	Reserve for net revaluation under the equity method	Retained earnings	Total
Equity at 1 January 2022	5.353	32.883	-22.151	16.085
Exchange adjustment, foreign	0	-1.734.166	0	-1.734.166
Transfers, reserves	0	1.093.362	-1.093.362	0
Net profit/loss for the year	0	607.921	-30.835	577.086
Equity at 31 December 2022	**5.353**	**0**	**-1.146.348**	**-1.140.995**

Notes

		2022	2021
		EUR	EUR
1	**Staff costs**		
	Average number of employees	0	0

The Company has entered into an administrative agreement with European Energy A/S. This includes a minor share of management remuneration since the Company's management does not receive salary or other remuneration.

		2022	2021
		EUR	EUR
2	**Financial costs**		
	Financial expenses, group entities	2.038.500	415.523
	Other financial costs	821.972	6.600
	Exchange loss	-7	18.781
	Capitalized financial expenses	-2.859.340	-415.523
		1.125	**25.381**

3 Tangible assets

	Property, plant and equipment in progress
Cost at 1 January 2022	1.547.701
Additions for the year	2.877.485
Cost at 31 December 2022	4.425.186
Carrying amount at 31 December 2022	**4.425.186**
Interest expenses for the year recognised as part of additions for the year	2.859.340

Notes

4 Investments in subsidiaries

Cost at 1 January 2022	44.220.903	0
Additions for the year	0	44.220.903
Cost at 31 December 2022	44.220.903	44.220.903
Revaluations at 1 January 2022	32.883	0
Exchange adjustment	-1.734.166	0
Net profit/loss for the year	607.921	32.883
Revaluations at 31 December 2022	-1.093.362	32.883
Carrying amount at 31 December 2022	**43.127.541**	**44.253.786**

Investments in subsidiaries are specified as follows:

Name	Registered office	Ownership interest	Equity	Profit/loss for the year
Eolica Ouro Branco 1 S.A.	R. Do Bom Jesus, no. 183, sala 203 A, CEP 50.030-170	99%	14.250.665	70.966
Eolica Ouro Branco 2 S.A.	R. Do Bom Jesus, no. 183, sala 203 A, CEP 50.030-170	99%	15.601.688	54.017
Eolica Quatro Ventos S.A.	R. Do Bom Jesus, no. 183, sala 203 A, CEP 50.030-170	99%	13.275.189	482.938

Notes

5 Long term debt

	Debt at 1 January 2022	Debt at 31 December 2022	Instalment next year	Debt outstanding after 5 years
Payables to group companies	0	30.324.130	0	0
Debt to credit institutions	0	18.396.833	0	0
	0	**48.720.963**	**0**	**0**

6 Capital conditions

The company has lost more than 50% of its share capital. The mangement will at the ordinary genral meeting account for the future financing.
The company's owner has submitted a letter of support in order to ensure sufficient funding. The letter of support is efficient until the Annual Report for 2023 has been signed.

7 Contingent liabilities

The company is jointly taxed with its parent company, KEA Holding I ApS (Management company), and jointly and severally liable with other jointly taxed entities for payment of income taxed as well as for payment of withholding taxes on dividends, interest and royalties which fall due for payment from the date entering of the joint taxation group.

8 Related parties and ownership structure

Ownership structure

According to the company’s register of shareholders, the following shareholder holds at least 5% of the votes or at least 5% of the share capital:

European Energy A/S
Gyngemose Parkvej 50
DK-2860 Søborg

Notes

8 Related parties and ownership structure (continued)

Consolidated financial statements

The company is included in the group report for the parent company
European Energy A/S
Gyngemose Parkvej 50
DK-2860 Søborg

The group report of
European Energy A/S
Gyngemose Parkvej 50
DK-2860 Søborg can be obtained at the following address:

https://europeanenergy.com/ir-material/