

PKA Direct II K/S

1 April – 31 December 2020

Approved at the company's general meeting

Secretary

Klaus Risager

Contents

Fund Information	2
Management's statement	3
Management review	4
Independent Auditor's Report	5
Income statement	7
Balance sheet	8
Cash flow statement	10
Notes	11

Fund Information

Company

PKA Direct II K/S

Rosenborggade 1B

1130 Copenhagen

CVR-nr.: 41 31 54 31

Accounting period: 1 April – 31 December

Registered in: Copenhagen

Executive Board

Jannick Prehn Brøndum

Kasper Hansen

Auditors

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

Strandvejen 44

2900 Hellerup

Management's statement

The Executive Board have today considered and adopted the Annual Report of PKA Direct II K/S for the financial year 1 April – 31 December 2020.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In our opinion, the Financial Statements and the Consolidated Financial Statements give a true and fair view of the financial position at 31 December 2020 of the Company and the Group and of the results of the Company and Group operations and cash flows for 1 April – 31 December 2020.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Copenhagen, 18 June 2021

Executive Board:

Jannick Prehn Brøndum

Kasper Hansen

Management review

Key figures for Group

All amounts in '000 GBP	2020*
Gross gain/loss	23,444
Financial income & expenses	9,463
Net result	39,507
Total Assets	824,094
Equity	821,321
Equity ratio	99.66%
Return on equity	4.81%

* 2020 is the first fiscal year for PKA Direct II K/S.

Primary activities

The principal activities of the Company in the period under review were to own shares of:

- PKA Burbo Extension Holding ApS (100%)
 - PKA Burbo Extension Holding (UK) limited (100%)
 - Burbo Extension Holding limited (25%)
- PKA TeesRep Holding ApS (100%)
 - PKA TeesRep Holding (UK) limited (100%)
 - Chaptre Holdings limited (50%)
- PKA Walney Extension Holding ApS (100%)
 - PKA WLWF Holding (UK) limited (100%)
 - Anno 2017 Joint Holding (UK) limited (50%)

Development in activities and finances

The Company's Income Statement of the Financial year 1 April 2020 – 31 December 2020 shows a result of GBP -3,514 which is in line with the management's expectations.

Uncertainty in recognition and measurement

It is assessed that there is no significant uncertainty in the recognition and measurement of financial figures.

Principal risks and uncertainties

The management does not see any special risks to the company in connection with the ownership of the shares in PKA Burbo Extension Holding (UK) Limited, PKA TeesRep Holding (UK) limited or PKA WLWF Holding (UK) limited projects in addition to the commonly occurring risks within the companies' industry. Management sees no special risk of affecting the external environment in connection with the ownership of the shares in PKA Burbo Extension Holding (UK) Limited project.

Subsequent Events

No subsequent events have occurred after the balance sheet date that required adjustment to or disclosure in the financial statements.

Independent Auditor's Report

To the Shareholders of PKA Direct II K/S

Opinion

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2020, and of the results of the Group's and the Parent Company's operations as well as the consolidated cash flows for the financial year 1 April - 31 December 2020 in accordance with the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of PKA Direct II K/S Group for the financial year 1 April - 31 December 2020, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for both the Group and the Parent Company, as well as consolidated statement of cash flows ("financial statements").

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 Group 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 Financials Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Consolidated Financial Statements and the Parent Company Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement in Management's Review.

Management's Responsibilities for the Financial Statements

Management is responsible for the preparation of Consolidated Financial Statements and Parent Company 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 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 Group's and the Parent 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 Group or the Parent Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements 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 based on these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment 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 to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Parent 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 Group's and the Parent 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 Group and the Parent 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

Hellerup, 18 June 2021

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR-nr. 33 77 12 31

Per Rolf Larssen

State Authorised Public Accountant

Mne24822

Income statement

All amounts in thousands of GBP

	Notes	2020 Group	2020 Parent
Gross profit / loss		23,444	- 826
Income from associated companies		6,760	27,355
Financial income	3	9,468	22,453
Financial expenses	4	- 6	- 52,496
Profit before income taxes		39,666	- 3,514
Income taxes	5	- 159	-
Net result		39,507	- 3,514
<u>Proposed distribution of profit:</u>			
Dividend		46,175	46,175
Retained earnings		- 6,668	- 49,689
		39,507	- 3,514

Balance sheet

At 31 December (in thousands GBP)

Assets	Notes	2020 Group	2020 Parent
Non-current assets			
Financial assets			
Long term receivable loan		191,805	431,873
Investments in subsidiaries	6	-	383,189
Investments in associated companies	7	<u>620,167</u>	<u>-</u>
Total financial assets		<u>811,975</u>	<u>815,062</u>
Total non-current assets		<u>811,975</u>	<u>815,062</u>
Current assets			
Receivables			
Short term receivable loan		-	9,981
Other receivables		<u>8,824</u>	<u>-</u>
Total receivables		<u>8,824</u>	<u>9,981</u>
Cash and cash equivalents		<u>3,295</u>	<u>306</u>
Total current assets		<u>12,119</u>	<u>10,287</u>
Total assets		<u>824,094</u>	<u>825,349</u>

Balance sheet

At 31 December (in thousands GBP)

Equity and liabilities	Notes	2020 Group	2020 Parent
Equity			
Share capital		829,370	874,971
Hedging reserves		- 1,381	-
Retained earnings		- 6,668	- 49,689
Total equity		821,321	825,282
Current liabilities			
Other liabilities		2,773	67
Total current liabilities		2,773	67
Total equity and liabilities		824,094	825,349
Principal accounting policies	1		
Employees	2		
Contingent liabilities	8		
Group and ownership relations	9		

Change in equity - Group	Share capital	Suggested dividend	Hedging reserves	Retained earnings	Total
Equity at 1 April	-	-	-	-	-
Capital increase	829,370	-	-	-	829,370
Valuation changes	-	-	- 1,381	-	- 1,381
Proposed distribution of profit	-	46,175	-	- 6,668	39,507
Distributed capital	-	- 46,175	-	-	- 46,175
Equity at 31 December	829,370	-	- 1,381	- 6,668	821,321

Change in equity - Parent	Share capital	Suggested dividend	Hedging reserves	Retained earnings	Total
Equity at 1 April	-	-	-	-	-
Capital increase	874,971	-	-	-	874,971
Proposed distribution of profit	-	46,175	-	- 49,689	- 3,514
Distributed capital	-	- 46,175	-	-	- 46,175
Equity at 31 December	874,971	-	-	- 49,689	825,282

Cash flow statement

All amounts in thousands of GBP

	2020 Group
Net profit	39,507
Adjustments	- 16,223
Changes in working capital	- 7,433
Cash flow from operating activities	15,852
Investments in financial assets	- 811,975
Interests received	9,463
Dividend received	6,760
Cash flow from investing activities	- 795,752
Capital injected	829,370
Dividend paid	- 46,175
Cash flow from financing activities	783,195
Net cash flow for the period	3,295
Cash and cash equivalents at 1 April	-
Changes to liquid funds	3,295
Cash and cash equivalents at 31 December	3,295

Notes

Note 1

Accounting policies

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises.

The accounting policies applied to group are identical to the rules applied to the parent. This is the first fiscal year for the parent company and as a group. Comparative figures are therefore not available.

Consolidated financial statements

The consolidated financial statement comprises the parent and the group enterprises that are controlled by the parent. Control of a subsidiary is achieved by the parent, either directly or indirectly, holding more than 50% of the voting rights or in any other way exercising controlling influence. Enterprises in which the group, directly or indirectly, holds between 20% and 50% of the voting rights and exercises significant, but not controlling, influence are regarded as associates.

Basis of consolidation

The consolidated financial statements are prepared based on the financial statements of the parent and its subsidiaries. The consolidated financial statements are prepared by combining uniform items. On consolidation, intra-group income, expenses, accounts and dividends are eliminated. The financial statements used for consolidation have been prepared applying the group accounting policies.

Subsidiaries' financial statement items are recognised in full in the consolidated financial statements.

Presentation currency

The reporting currency is Pound sterling. All amounts are in thousands of GBP. The exchange rate per 31. December of 823.78 was used where translation from DKK to GBP was needed.

Recognition and measurement

Revenue is recognized in the income statement as it is earned, including value adjustments of financial assets and liabilities measured at fair value or amortized costs.

In addition, expenses incurred to achieve the year's earnings are recognized, including depreciation, write-downs, provisions, and reversals because of changed accounting estimates of amounts previously recognized in the income statement.

Assets are recognized in the balance sheet when it is probable because of a prior event that future economic benefits will flow to the company, and the value of the asset can be measured reliably. Liabilities are recognized in the balance sheet when the company has a legal or constructive obligation because of a prior event, and it is probable that future economic benefits will flow out of the company, and the value of the liabilities can be measured.

At initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each accounting item below.

Recognition and measurements consider the gains, losses and risks that arise before the annual report is presented and which corroborates or invalidates conditions that existed at the balance sheet date.

The group accounts are consolidated based on the subsidiaries individual accounts adjusted for any inter-company transactions and equity interest.

Foreign currency translation

Foreign currency transactions are translated at the exchange rate at the transaction date. Exchange rate differences arising between the exchange rate at the transaction date and the rate at the payment date are recognized in the income statement as a financial item.

Receivables, payables, and other monetary items in foreign currencies that have not been settled on the balance sheet date are translated at the exchange rate at the balance sheet date. The difference between the exchange rate at the balance sheet date and the exchange rate at the transaction date is recognized in the income statement as a financial item.

Income statement

Gross profit / loss

Gross profit / loss is calculated with reference to §32 of the Danish Financial Statements Act as a summary of other external costs.

Other external costs

Other external costs include costs for administration, etc.

Income from associated companies

Dividend income from associated companies is presented in the Income statement in the year of which it was declared.

Financial items

Financial income and expenses include interest income and expenses, realized and unrealized gains and losses on debt, fair value of investments & loans and transactions in foreign currencies.

Tax

Income taxes for the year, is recognized in the income statement with the part that can be attributed to the profit for the year.

Balance sheet

Investments in financial assets

Investments in subsidiaries and associates are recognized and measured at cost. If there is an indication of a need for impairment, an impairment test is performed. Where the carrying amount exceeds the recoverable amount it is written down to this lower value.

Cash and cash equivalents

Cash comprises cash in bank deposits.

Cash and cash equivalents comprise cash and bank balances net of bank overdrafts.

Equity

Dividend distributions proposed by the management for the financial year are shown as a separate item under equity.

Other Liabilities

Expenses with reference to the fiscal year are accrued for.

Cash flow statement

Cash flow from operating activities includes all cash transactions other than cash flows arising from investments, received dividends, paid and received financial items and equity transactions.

Cash flow statement is calculated based on the indirect method where the cash flow is based on the difference between year start and year end with adjustments for non-cash items.

Note 2**Employees**

Average number of employees

2020 Group	2020 Parent
-	-

Note 3**Financial income**

Interest from loans to group companies
Interest from Joint Ventures
Other financial income

2020 Group	2020 Parent
-	22,453
5,654	-
3,814	-
9,468	22,453

Total financial income**Note 4****Financial expenses**

Loss on foreign exchanges
Investment and loan fair value adjustment
Other financial expenses

2020 Group	2020 Parent
- 5	-
-	- 52,495
- 1	- 1
- 6	- 52,496

Total financial expenses**Note 5****Taxes**

Income taxes

2020 Group	2020 Parent
- 159	-
- 159	-

Total income taxes

Note 6

Investments in subsidiaries	2020 Group	2020 Parent
Cost at 1 April	-	-
Additions in year	-	383,189
Cost at 31 December	-	383,189
Total investments in subsidiaries	-	383,189

The company has investment in subsidiaries located in Denmark with 100% ownership:

- PKA Burbo Extension Holding ApS
- PKA TeesRep Holding ApS
- PKA Walney Extension Holding ApS

The detailed ownership structure is presented in the Primary activities section of the Management review.

Note 7

Investments in associated companies	2020 Group	2020 Parent
Cost at 1 April	-	-
Additions in year	620,167	-
Cost at 31 December	620,167	-
Total investments in associated companies	620,167	-

Note 8**Contingent liabilities**

The company has no contingent liabilities apart from the liabilities already recognized in the balance sheet.

Note 9**Group and ownership relations**

The fund is owned by:

- Pensionskassen for Sygeplejersker og Lægesekretærer (50%), CVR: 71 97 15 11
- Pensionskassen for Socialrådgivere, Socialpædagoger og Kontorpersonale (28%), CVR: 71 97 43 16
- Pensionskassen for Sundhedsfaglige (22%), CVR: 71 97 35 14

Other related parties include:

- PKA Direct GP ApS, CVR: 41 27 84 63

Besides the investment transactions shown in the financial statement and general partner fee, there are no transactions with related parties.

The Group is not part of any other consolidated financial statements.