

EE MSF ApS
Gyngemose Parkvej 50
2860 Søborg

CVR no. 41 46 21 24

Annual report for the period
1 January to 31 December 2022
(3rd Financial year)

Adopted at the annual general
meeting on 9 June 2023

Jan Paulsen
chairman

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Statement by management on the annual report

The Board of directors and Executive board have today discussed and approved the annual report of EE MSF ApS for the financial year 1 January - 31 December 2022.

The annual report is prepared in accordance with 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 our opinion, management's review includes a fair review of the matters dealt with in the management's review.

The financial statements have not been audited. Management considers the criteria for not auditing the financial statements to be met.

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

Søborg, 9 June 2023

Executive board

Knud Erik Andersen
Director

Board of directors

Knud Erik Andersen
chairman

Thorvald Spanggaard

Jens-Peter Zink

Company details

The company

EE MSF ApS
Gyngemose Parkvej 50
2860 Søborg

CVR no.: 41 46 21 24

Reporting period: 1 January - 31 December 2022

Incorporated: 17 June 2020

Financial year: 3rd financial year

Domicile: Gladsaxe

Board of directors

Knud Erik Andersen, chairman
Thorvald Spanggaard
Jens-Peter Zink

Executive board

Knud Erik Andersen, director

Consolidated financial statements

The company is included in the group report of European Energy A/S

The group report of European Energy A/S can be obtained at the following address:

www.europeanenergy.com

Management's review

Business review

The main focus of the Company is to invest in sustainable energy through construction of solar parks and/or any other objectives in this connection.

Financial review

The company's income statement for the year ended 31 December 2022 shows a loss of EUR 19.437, and the balance sheet at 31 December 2022 shows negative equity of EUR 31.936.

Financing

The Company has per 31. December 2022 lost more than half of the share capital. Management is aware of the Danish Company's Act and decision to re-establish the share capital will be discussed at the general meeting.

The Company's ability to continuously pay its creditors as they are due, are dependant of continuing financial support from European Energy A/S.

European Energy A/S has toward the Company confirmed continuing financial support, and to support the continuously operation and development with necessary capital and liquidity, as well as, if necessary, resign against the other creditors, at least until the approval of the annual report of 2023 by the General meeting.

The Management assesses, on this basis, that the Company's capital resource as being sufficient.

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 EE MSF ApS for 2022 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B, 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

Gross profit

In pursuance of section 32 of the Danish Financial Statements Act, the company does not disclose its revenue.

Gross profit reflects an aggregation of revenue and other operating income less direct costs and other external expenses.

Accounting policies

Other external expenses

Other external expenses includes expenses related to administration etc.

Financial income and expenses

Financial income and expenses includes interests & realized and unrealized exchange adjustments.

Results of 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

The company is subject to the Danish rules on compulsory joint taxation of the Group's Danish subsidiaries. Subsidiaries participate in the joint taxation arrangement from the time when they are included in the consolidated financial statements and until the time when they withdraw from the consolidation.

On payment of joint taxation contributions, the current Danish income tax is allocated between the jointly taxed entities in proportion to their taxable income. Entities with tax losses receive joint taxation contributions from entities that have been able to use tax losses to reduce their own taxable profits.

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

Investments in Subsidiaries

Investments in Subsidiaries are measured at the proportionate share of the Subsidiaries' equity value, calculated by the groups accounting policies with additions or deductions of unrealized intra-group gains and losses, and with additions or deductions of the remaining amount of positive or negative goodwill measured by the acquisition method.

Investments in subsidiaries are measured in the parent company financial statements using the equity method.

Accounting policies

Investments in Subsidiaries with negative carrying equity value are measured to EUR 0, and an eventual receivable toward these Companies are written down to the extent that the receivable is irrecoverable. To the extent that the Parent Company has a legal or factual liability to cover a deficit which exceeds the receivable, the remaining amount is recognized as provisions.

Net revaluation of investments in Subsidiaries are binded as reserve for net revaluation by the equity value method under the equity, to the extent that the carrying value exceeds the cost price. Dividends from Subsidiaries, which are expected to be carried before the approval of the annual report for EE Cocamba ApS, will not be binded under the reserve for net revaluation.

Impairment of fixed assets

The carrying amount of the investments in Subsidiaries is annually assessed for evidence of impairment, besides depreciation.

Where there is evidence of impairment, an impairment test is performed for each individual asset or group of assets. Write-down is made to the lower of the recoverable amount and the carrying amount.

The recoverable amount is the higher of the net present value and the value in use less expected costs to sell. The net present value is determined as the present value of the anticipated net cash flows from the use of the asset or group of assets and the anticipated net cash flows from the disposal of the asset or group of assets after the end of their useful life.

Receivables

Receivables are measured at amortised cost.

Cash and cash equivalents

Cash and cash equivalents comprise cash and deposits at banks.

Equity

Reserve for net revaluation according to the equity method

Reserve for net revaluation according to the equity method in the Company's annual report covers the net appreciation of investments in Subsidiaries compared to the cost price.

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.

Accounting policies

Provisions

Provisions comprise of investments in subsidiaries with negative net asset value.

Income tax and deferred tax

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 tax rules and at the tax rates applicable in the respective countries at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax adjustments resulting from changes in tax rates are recognised in the income statement, with the exception of items taken directly to equity.

Deferred tax assets, including the tax base of tax losses allowed for carry forward, are measured at the value to which the asset is expected to be realised, either as a set-off against tax on future income or as a set-off against deferred tax liabilities within the same legal tax entity. Any deferred net tax assets are measured at net realisable value.

Liabilities

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 a fair value reserve under '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.

Income statement 1 January - 31 December

	<u>Note</u>	<u>2022</u> EUR	<u>2021</u> EUR
Gross profit	1	-6.610	-14.139
Income from investments in subsidiaries		-13.484	-4.360
Financial income		32	11
Financial costs	2	<u>-1.054</u>	<u>-391</u>
Profit/loss before tax		-21.116	-18.879
Tax on profit/loss for the year		<u>1.679</u>	<u>3.194</u>
Profit/loss for the year		<u>-19.437</u>	<u>-15.685</u>
Recommended appropriation of profit/loss			
Retained earnings		<u>-19.437</u>	<u>-15.685</u>
		<u>-19.437</u>	<u>-15.685</u>

Balance sheet 31 December

	<u>Note</u>	<u>2022</u> EUR	<u>2021</u> EUR
Assets			
Investments in subsidiaries	3	<u>0</u>	<u>0</u>
Fixed asset investments		<u>0</u>	<u>0</u>
Deferred tax asset		<u>1.679</u>	<u>3.194</u>
Receivables		<u>1.679</u>	<u>3.194</u>
Cash at bank and in hand		<u>4.948</u>	<u>5.097</u>
Total current assets		<u>6.627</u>	<u>8.291</u>
Total assets		<u><u>6.627</u></u>	<u><u>8.291</u></u>

Balance sheet 31 December

	<u>Note</u>	<u>2022</u> EUR	<u>2021</u> EUR
Equity and liabilities			
Share capital		5.367	5.367
Retained earnings		<u>-37.303</u>	<u>-17.850</u>
Equity	4	<u>-31.936</u>	<u>-12.483</u>
Provisions relating to investments in subsidiaries		<u>19.936</u>	<u>6.435</u>
Total provisions		<u>19.936</u>	<u>6.435</u>
Payables to group entities	5	<u>12.155</u>	<u>14.339</u>
Total non-current liabilities		<u>12.155</u>	<u>14.339</u>
Trade payables		<u>6.472</u>	<u>0</u>
Total current liabilities		<u>6.472</u>	<u>0</u>
Total liabilities		<u>18.627</u>	<u>14.339</u>
Total equity and liabilities		<u>6.627</u>	<u>8.291</u>
Contingent liabilities	6		
Related parties and ownership structure	7		

Statement of changes in equity

	<u>Share capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity at 1 January 2022	5.367	-17.850	-12.483
Exchange adjustments	0	-16	-16
Net profit/loss for the year	<u>0</u>	<u>-19.437</u>	<u>-19.437</u>
Equity at 31 December 2022	<u>5.367</u>	<u>-37.303</u>	<u>-31.936</u>

Notes

	<u>2022</u>	<u>2021</u>
	EUR	EUR
1 Staff costs		
Average number of employees	<u>0</u>	<u>0</u>

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.

2 Financial costs		
Financial expenses, group entities	1.011	349
Financial costs from banks	23	31
Exchange adjustments costs	<u>20</u>	<u>11</u>
	<u>1.054</u>	<u>391</u>

Notes

	2022 EUR	2021 EUR
3 Investments in subsidiaries		
Cost at 1 January 2022	49	49
Cost at 31 December 2022	49	49
Revaluations at 1 January 2022	-49	-49
Exchange adjustment	-16	0
Net profit/loss for the year	-13.484	-4.359
Equity investments with negative net asset value transferred to provisions	13.500	4.359
Revaluations at 31 December 2022	-49	-49
Carrying amount at 31 December 2022	0	0

Investments in subsidiaries are specified as follows:

Name	Registered office	Ownership interest	Equity	Profit/loss for the year
Quandong Solar Farm Holdings PTY Ltd.	Victoria, Australia	80%	-24.919	-16.855

4 Equity

The share capital consists of 40.000 shares of a nominal value of EUR 1. No shares carry any special rights.

There have been no changes in the share capital during the last 5 years.

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 entities	14.339	12.155	0	0
	14.339	12.155	0	0

6 Contingent liabilities

The Company is jointly taxed with its ultimate parent company, KEA Holding I ApS (management company), and jointly and severally liable with the other jointly taxed entities

7 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, 2860 Søborg

Consolidated financial statements

The company is included in the group report of European Energy A/S

The group report of European Energy A/S can be obtained at the following address:

www.europeanenergy.com