

EE MSF ApS
Gyngemose Parkvej 50
2860 Søborg

CVR no. 41 46 21 24

Annual report for the period
1 January to 31 December 2023
(4th Financial year)

Adopted at the annual general
meeting on 12 June 2024

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 2023.

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 2023 and of the results of the company's operations for the financial year 1 January - 31 December 2023.

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, 12 June 2024

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 2023

Incorporated: 17 June 2020

Financial year: 4th 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 2023 shows a loss of EUR 5.019, and the balance sheet at 31 December 2023 shows negative equity of EUR 36.257.

Financing

The Company has per 31. December 2023 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 2024 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 2023 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 2023 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.

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.

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, realised and unrealised capital/exchange gains and losses on securities, liabilities and foreign currency transactions etc.

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.

Accounting policies

Balance sheet

Investments in Subsidiaries

Investments in subsidiaries 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. Negative goodwill is recognised in the income statement on acquisition. Where the negative goodwill relates to contingent liabilities having been taken over, the negative goodwill is not recognised until the contingent liabilities have been settled or no longer exist.

Investments in subsidiaries with a negative net asset value are measured at EUR 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 EE MSF ApS is adopted are not taken to the net revaluation reserve.

Impairment of fixed assets

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

Accounting policies

Equity

Reserve for net revaluation according to the equity method

The reserve for net revaluation according to the equity method in the company's financial statements comprises net revaluation of investments in subsidiaries relative to the cost.

Provisions

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

Income tax and deferred tax

According to the joint taxation rules the groups supreme parent company, as the administrative company, takes over the liability for the Company's corporate taxes to the tax authorities, in line with the payment of joint taxation contribution.

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.

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, are measured at amortised cost, which is usually equivalent to nominal value.

Accounting policies

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.

Fixed assets acquired in foreign currencies are translated at the exchange rate at the transaction date.

Income statement 1 January - 31 December

	<u>Note</u>	<u>2023</u> EUR	<u>2022</u> EUR
Gross profit	1	6.318	-6.610
Income from investments in subsidiaries		-9.287	-13.484
Financial income		57	32
Financial costs	2	<u>-898</u>	<u>-1.054</u>
Profit/loss before tax		-3.810	-21.116
Tax on profit/loss for the year		<u>-1.209</u>	<u>1.679</u>
Profit/loss for the year		<u>-5.019</u>	<u>-19.437</u>
 Recommended appropriation of profit/loss			
Retained earnings		<u>-5.019</u>	<u>-19.437</u>
		<u>-5.019</u>	<u>-19.437</u>

Balance sheet 31 December

	<u>Note</u>	<u>2023</u> EUR	<u>2022</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>0</u>	<u>1.679</u>
Receivables		<u>0</u>	<u>1.679</u>
Cash at bank and in hand		<u>814</u>	<u>4.948</u>
Total current assets		<u>814</u>	<u>6.627</u>
Total assets		<u><u>814</u></u>	<u><u>6.627</u></u>

Balance sheet 31 December

	<u>Note</u>	<u>2023</u> EUR	<u>2022</u> EUR
Equity and liabilities			
Share capital		5.367	5.367
Retained earnings		<u>-41.624</u>	<u>-37.303</u>
Equity	4	<u>-36.257</u>	<u>-31.936</u>
Provisions relating to investments in subsidiaries		<u>28.525</u>	<u>19.936</u>
Total provisions		<u>28.525</u>	<u>19.936</u>
Payables to group entities	5	<u>7.663</u>	<u>12.155</u>
Total non-current liabilities		<u>7.663</u>	<u>12.155</u>
Trade payables		0	6.472
Corporation tax		<u>883</u>	<u>0</u>
Total current liabilities		<u>883</u>	<u>6.472</u>
Total liabilities		<u>8.546</u>	<u>18.627</u>
Total equity and liabilities		<u><u>814</u></u>	<u><u>6.627</u></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 2023	5.367	-37.303	-31.936
Exchange adjustments	0	698	698
Net profit/loss for the year	0	-5.019	-5.019
Equity at 31 December 2023	<u>5.367</u>	<u>-41.624</u>	<u>-36.257</u>

Notes

	<u>2023</u>	<u>2022</u>
	EUR	EUR
1 Staff costs		
Number of fulltime employees on average	<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	889	1.011
Financial costs from banks	0	23
Exchange adjustments costs	<u>9</u>	<u>20</u>
	<u>898</u>	<u>1.054</u>

Notes

	2023 EUR	2022 EUR
3 Investments in subsidiaries		
Cost at 1 January 2023	49	49
Cost at 31 December 2023	49	49
Revaluations at 1 January 2023	-49	-49
Exchange adjustment	698	-16
Net profit/loss for the year	-9.287	-13.484
Equity investments with negative net asset value transferred to provisions	8.589	13.500
Revaluations at 31 December 2023	-49	-49
Carrying amount at 31 December 2023	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%	-35.655	-11.609

4 Equity

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

Notes

5 Long term debt

	Debt at 1 January 2023	Debt at 31 December 2023	Instalment next year	Debt outstanding after 5 years
Payables to group entities	12.155	7.663	0	0
	12.155	7.663	0	0

6 Contingent liabilities

The Company is jointly taxed with its ultimate parent company, KEA Holding III ApS (management company), and has limited and secondary liability together with other jointly taxed entities for payment of income taxes.

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