Encavis Solar Denmark ApS

C/O Momentum Gruppen A/S, Københavnsvej 81, 4000 Roskilde

CVR no. 42 71 55 81

Annual report 2021/22

(As of the establishment of the Company 28 September 2021 - 31 December 2022)

Approved at the Company's annual general meeting on 22 June 2023

Chair of the meeting:

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Niklas Will

Contents

Statement by the Executive Board

Today, the Executive Board has discussed and approved the annual report of Encavis Solar Denmark ApS for the financial year as of the establishment of the Company 28 September 2021 - 31 December 2022.

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

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 Company at 31 December 2022 and of the results of the Group's and the Company's operations for the financial year as of the establishment of the Company 28 September 2021 - 31 December 2022.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the annual general meeting.

Roskilde, 22 June 2023
Executive Board:

Niklas Will	Georg Johannes Kopp

Independent auditor's report

To the shareholders of Encavis Solar Denmark ApS

Opinion

We have audited the consolidated financial statements and the parent company financial statements of Encavis Solar Denmark ApS for the financial year as of the establishment of the Company 28 September 2021 - 31 December 2022, which comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies, for the Group and the Parent Company. The consolidated financial statements and the parent company financial statements are prepared in accordance with the Danish Financial Statements Act.

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 2022, and of the results of the Group's and Parent Company's operations for the financial year as of the establishment of the company 28 September 2021 - 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 consolidated financial statements and the parent Company financial statements" (herinafter collectively referred to as "the financial statements") section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

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 as to 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 the 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:

Independent auditor's report

- 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 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 note 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.

Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the 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 the Management's review and, in doing so, consider whether the 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 the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the 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 the Management's review.

Aarhus, 22 June 2023
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Peter U. Faurschou
State Authorised Public Accountant
mne34502

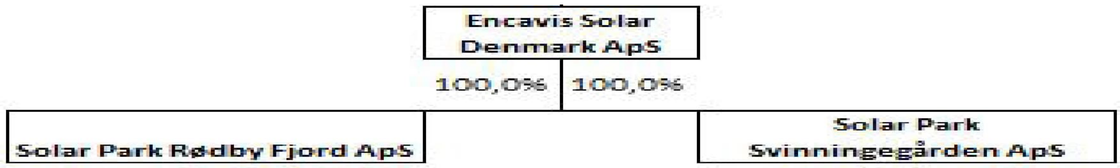
Management's review

Company details

Name	Encavis Solar Denmark ApS
Address, Postal code, City	C/O Momentum Gruppen A/S, Københavnsvej 81, 4000 Roskilde
CVR no.	42 71 55 81
Established	28 September 2021
Registered office	Roskilde
Financial year	28 September 2021 - 31 December 2022
Executive Board	Niklas Will Georg Johannes Kopp
Auditors	EY Godkendt Revisionspartnerselskab Værkmestergade 25, P.O. Box 330, 8100 Aarhus C, Denmark

Management's review

Group chart



Management commentary

Business review

The group´s purpose is to operate a solar installation and sell the produced electricity.

Financial review

The income statement for 2021/22 shows a loss of DKK 13,780,101, and the balance sheet at 31 December 2022 shows a negative equity of DKK 15,979,227.

Events after the balance sheet date

No events materially affecting the Group's and the Company's financial position have occurred subsequent to the financial year-end.

Consolidated financial statements and parent company financial statements for the period 28 September 2021 - 31 December 2022

Income statement

Note	DKK	Group 2021/22 15 months	Parent company 2021/22 15 months
	Gross profit/loss	24,253,800	-803,135
2	Staff costs	0	0
	Amortisation/depreciation and impairment of intangible assets and property, plant and equipment	-17,014,104	0
	Profit/loss before net financials	7,239,696	-803,135
3	Financial income	122,125	16,420,006
4	Financial expenses	-20,321,276	-20,408,006
	Profit/loss before tax	-12,959,455	-4,791,135
5	Tax for the year	-820,646	-748,245
	Profit/loss for the year	-13,780,101	-5,539,380

Consolidated financial statements and parent company financial statements for the period 28 September 2021 - 31 December 2022

Balance sheet

Note	DKK	Group 2021/22	Parent company 2021/22
	ASSETS		
	Fixed assets		
6	Property, plant and equipment		
	Plant and machinery	527,686,990	0
		527,686,990	0
7	Investments		
	Investments in group enterprises	0	104,287,753
	Receivables from group enterprises	0	406,984,468
	Deposits, investments	2,150,000	0
		2,150,000	511,272,221
	Total fixed assets	529,836,990	511,272,221
	Non-fixed assets		
	Receivables		
	Trade receivables	985,602	0
	Receivables from group enterprises	0	352,272
	Joint taxation contribution receivable	12,065,212	47,693
	Other receivables	2,705,694	0
	Prepayments	6,778,511	5,034,095
		22,535,019	5,434,060
	Cash	34,794,872	12,069,327
	Total non-fixed assets	57,329,891	17,503,387
	TOTAL ASSETS	587,166,881	528,775,608

Consolidated financial statements and parent company financial statements for the period 28 September 2021 - 31 December 2022

Balance sheet

Note	DKK	Group 2021/22	Parent company 2021/22
	EQUITY AND LIABILITIES		
	Equity		
	Share capital	40,000	40,000
	Hedging reserve	-2,821,994	-2,821,994
	Retained earnings	-13,197,233	-5,539,380
	Total equity	-15,979,227	-8,321,374
	Provisions		
	Deferred tax	42,890,373	0
	Other provisions	8,141,900	0
	Total provisions	51,032,273	0
	Liabilities other than provisions		
	Non-current liabilities other than provisions		
	Bank debt	190,298,459	190,298,459
	Payables to group entities	329,090,952	329,090,952
		519,389,411	519,389,411
	Current liabilities other than provisions		
	Bank debt	10,531,246	10,531,246
8	Derivative financial instruments	3,617,932	3,617,932
	Trade payables	13,287,793	1,858
	Payables to group enterprises	3,406,930	3,406,929
	Other payables	239,846	149,606
	Deferred income	1,640,677	0
		32,724,424	17,707,571
	Total liabilities other than provisions	552,113,835	537,096,982
	TOTAL EQUITY AND LIABILITIES	587,166,881	528,775,608

1 Accounting policies
9 Contractual obligations and contingencies, etc.
10 Collateral
11 Appropriation of profit/loss

Consolidated financial statements and parent company financial statements for the period 28 September 2021 - 31 December 2022

Statement of changes in equity

	Group			
DKK	Share capital	Hedging reserve	Retained earnings	Total
Cash payments concerning formation of enterprise	40,000	0	0	40,000
Transfer through appropriation of loss	0	0	-13,780,101	-13,780,101
Adjustment of hedging instruments at fair value	0	-3,617,932	0	-3,617,932
Tax on items recognised directly in equity	0	795,938	0	795,938
Equity at 31 December 2022	40,000	-2,821,994	-13,197,233	-15,979,227

	Parent company			
DKK	Share capital	Hedging reserve	Retained earnings	Total
Cash payments concerning formation of enterprise	40,000	0	0	40,000
Transfer through appropriation of loss	0	0	-5,539,380	-5,539,380
Adjustment of hedging instruments at fair value	0	-3,617,932	0	-3,617,932
Tax on items recognised directly in equity	0	795,938	0	795,938
Equity at 31 December 2022	40,000	-2,821,994	-5,539,380	-8,321,374

Consolidated financial statements and parent company financial statements for the period 28 September 2021 - 31 December 2022

Notes to the financial statements

1 Accounting policies

The annual report of Encavis Solar Denmark ApS for 2021/22 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class B entities and elective choice of certain provisions applying to reporting class C entities.

Reporting currency

The financial statements are presented in Danish kroner (DKK).

Consolidated financial statements

Control

The consolidated financial statements comprise the Parent Company and group entities controlled by the Parent Company.

Control means a parent company's power to direct a group entity's financial and operating policy decisions. Besides the above power, the parent company should also be able to yield a return from its investment.

In assessing if the parent company controls an entity, de facto control is taken into consideration as well.

The existence of potential voting rights which may currently be exercised or converted into additional voting rights is considered when assessing if an entity can become empowered to direct another entity's financial and operating decisions.

Income statement

Revenue

The Company has chosen IAS 11/IAS 18 as interpretation for revenue recognition.

Income from the sale of electricity, is recognised in revenue when the most significant rewards and risks have been transferred to the buyer and provided the income can be measured reliably and payment is expected to be received.
Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts and rebates granted are recognised in revenue.

Gross profit/loss

The items revenue, cost of sales, other operating income and external expenses have been aggregated into one item in the income statement called gross profit/loss in accordance with section 32 of the Danish Financial Statements Act.

Cost of sales

Cost of sales includes the cost of goods used in generating the year's revenue.

External expenses

Other external expenses include the year's expenses relating to the Company's core activities, including expenses relating to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Consolidated financial statements and parent company financial statements for the period 28 September 2021 - 31 December 2022

Notes to the financial statements

1 Accounting policies (continued)

Depreciation

The item comprises depreciation of property, plant and equipment.

The basis of depreciation, which is calculated as cost less any residual value, is depreciated on a straight line basis over the expected useful life. The expected useful lives of the assets are as follows:

Plant and machinery	30 years

Depreciation is based on the residual value of the asset and is reduced by impairment losses, if any. The depreciation period and the residual value are determined at the acquisition date and are reassessed annually. Where the residual value exceeds the carrying amount of the asset, no further depreciation charges are recognised.

In the case of changes in the depreciation period or the residual value, the effect on the depreciation charges is recognised prospectively as a change in accounting estimates.

Financial income and expenses

Financial income and expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest income and expenses as well as allowances and surcharges under the advance-payment-of-tax scheme, etc.

Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

The Company and its Danish group entities are jointly taxed. The total Danish income tax charge is allocated between profit/loss-making Danish entities in proportion to their taxable income (full absorption).

Jointly taxed entities entitled to a tax refund are reimbursed by the management company based on the rates applicable to interest allowances, and jointly taxed entities which have paid too little tax pay a surcharge according to the rates applicable to interest surcharges to the management company.

Balance sheet

Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use.

Deposits, investments

Investments in group entities

Investments in subsidiaries are measured at cost. Dividends received that exceed the accumulated earnings in the subsidiary during the period of ownership are treated as a reduction in the cost of acquisition.

Consolidated financial statements and parent company financial statements for the period 28 September 2021 - 31 December 2022

Notes to the financial statements

1 Accounting policies (continued)

Impairment of fixed assets

The carrying amount of intangible assets, property, plant and equipment and investments in group entities and associates is assessed for impairment on an annual basis.

Impairment tests are conducted on assets or groups of assets when there is evidence of impairment. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable amount).

The recoverable amount is the higher of the net selling price of an asset and its value in use. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the group of assets and the expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognised impairment losses are reversed when the reason for recognition no longer exists. Impairment losses on goodwill are not reversed.

Receivables

The Company has chosen IAS 39 as interpretation for impairment write-down of financial receivables.

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

Receivables in respect of which there is no objective evidence of individual impairment are tested for objective evidence of impairment on a portfolio basis. The portfolios are primarily based on the debtors' domicile and credit ratings in line with the Company's risk management policy. The objective evidence applied to portfolios is determined based on historical loss experience.

Impairment losses are calculated as the difference between the carrying amount of the receivables and the present value of the expected cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

Prepayments

Prepayments recognised under "Assets" comprise prepaid expenses regarding subsequent financial reporting years.

Cash

Provisions

Provisions comprise anticipated expenses relating to warranty commitments, onerous contracts, restructurings, etc. Provisions are recognised when the Company has a legal or constructive obligation at the balance sheet date as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

Provisions are measured at net realisable value or at fair value if the obligation is expected to be settled far into the future.

Consolidated financial statements and parent company financial statements for the period 28 September 2021 - 31 December 2022

Notes to the financial statements

1 Accounting policies (continued)

Income taxes

Current tax payables and receivables are recognised in the balance sheet as the estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

Deferred tax is measured according to the liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax assets are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

Liabilities

The Company has chosen IAS 39 as interpretation for liabilities.

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. On subsequent recognition, financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan. Financial liabilities also include the capitalised residual lease liability in respect of finance leases.

Other liabilities are measured at net realisable value.

Deferred income

Deferred income recognised as a liability comprises payments received concerning income in subsequent financial reporting years.

2 Staff costs

Group

The group has no employees.

Parent company

The parent Company has no employees.

Consolidated financial statements and parent company financial statements for the period 28 September 2021 - 31 December 2022

Notes to the financial statements

	DKK	Group 2021/22 15 months	Parent company 2021/22 15 months
3	Financial income		
	Interest receivable, group entities	0	16,245,179
	Other financial income	122,125	174,827
		122,125	16,420,006
4	Financial expenses		
	Interest expenses, group entities	0	18,920,653
	Other financial expenses	20,321,276	1,487,353
		20,321,276	20,408,006
5	Tax for the year		
	Estimated tax charge for the year	-780,387	0
	Deferred tax	7,087,100	0
	Refund in joint taxation	-5,486,067	748,245
		820,646	748,245

6 Property, plant and equipment

DKK	Group Plant and machinery
Additions	545,208,099
Disposals	-4,687,800
Cost at 31 December 2022	540,520,299
Depreciation	12,833,309
Impairment losses and depreciation at 31 December 2022	12,833,309
Carrying amount at 31 December 2022	527,686,990
Depreciated over	30 years

Note 10 provides more details on security for loans, etc. as regards property, plant and equipment.

Consolidated financial statements and parent company financial statements for the period 28 September 2021 - 31 December 2022

Notes to the financial statements

7 Investments

Parent company

Name	Domicile	Interest
Solar Park Svinningegården ApS	Søborg	100.00%
Solar Park Rødby Fjord ApS	Søborg	100.00%

8 Derivative financial instruments

Group

Interest rate risks

The Group uses interest rate swaps to hedge interest rate risks, whereby floating interest payments are rescheduled into fixed interest payments.

Group

Fair values

The fair value of the below financial instruments deviates from the value recognised in the Group's balance sheet at 31 December 2022.

Parent company

Interest rate risks

The Company hedges interest rate risks through interest rate swaps whereby floating interest payments are rescheduled into fixed interest payments.

Parent company

Fair values

The fair value of the below financial instruments deviates from the value recognised in the Company’s balance sheet at 31 December 2022.

Parent company

Fair values

DKK	Fair value	Principle for calculating fair value
Interest rate swap	3,617,932	1

Consolidated financial statements and parent company financial statements for the period 28 September 2021 - 31 December 2022

Notes to the financial statements

9 Contractual obligations and contingencies, etc.

Other financial obligations

Group

Rent and lease liabilities include a rent obligation totalling DKK 36,619 thousans in interminable rent agreements with remaining contract terms of 19-30 years. Furthermore, the Company has liabilities of interminable service agreements with remaining contracts of 1-14 years, totalling DKK 45,226 thousand.

Parent company

The Company is jointly taxed with Encavis Wind Danmark ApS, which acts as management company, and has limited and alternative liability together with other jointly taxed group entities for payment of income taxes for income year 2022 onwards as well as withholding taxes on interest, royalties and dividends falling due for payment on or after 28 September 2021.

10 Collateral

Group

As security for the Group's debt to banks, creditors and other suppliers, the Group has provided security or other collateral in its assets for at total amount of DKK 149,719 thousand. The total carrying amount of these assets is DKK 398,331 thousand.

DKK

11 Appropriation of profit/loss
Recommended appropriation of profit/loss
Retained earnings/accumulated loss