

Omø South Nearshore A/S

**Gyngemose Parkvej 50
2860 Søborg**

CVR no. 35 84 05 40

Annual report for 2020

(7th Financial year)

Adopted at the annual general
meeting on 6 April 2021

Jan Paulsen
chairman

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Statement by management on the annual report

The executive board and board of directors have today discussed and approved the annual report of Omø South Nearshore A/S for the financial year 1 January - 31 December 2020.

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 2020 and of the results of the company's operations for the financial year 1 January - 31 December 2020.

In our 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.

Søborg, 6 April 2021

Executive board

Knud Erik Andersen

Jasmin Bejdic

Board of Directors

Jens-Peter Zink
Chairman

Jasmin Bejdic

Mikael Dystrup Pedersen

Independent auditor's report

To the shareholders of Omø South Nearshore A/S

Opinion

We have audited the financial statements of Omø South Nearshore A/S for the financial year 1 January - 31 December 2020, 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 2020 and of the results of the company's operations for the financial year 1 January - 31 December 2020 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. 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, 6 April 2021

KPMG
Statsautoriseret Revisionspartnerselskab
CVR no. 25 57 81 98

Christian Møllegaard Larsen
State Authorised Public Accountant
MNE no. mne46614

Company details

The company

Omø South Nearshore A/S
Gyngemose Parkvej 50
2860 Søborg

CVR no.: 35 84 05 40

Reporting period: 1 January - 31 December 2020

Incorporated: 30 april 2014

Domicile: Gladsaxe

Board of Directors

Jens-Peter Zink, chairman
Jasmin Bejdic
Mikael Dystrup Pedersen

Executive board

Knud Erik Andersen
Jasmin Bejdic

Auditors

KPMG
Statsautoriseret Revisionspartnerselskab
Dampfærgevej 28
2100 København Ø

Management's review

Business review

The objective is to develop and/or sell all types of renewable energy and related activities.

Financial review

The company's income statement for the year ended 31. december 2020 shows a loss of EUR 129.952, and the balance sheet at 31 December 2020 shows negative equity of EUR 107.005.

In 2020 Denmark, and the rest of the world, has been significantly affected by COVID-19. The company's activities have not been significantly affected by the situation.

Financing

The Company has per 31. December 2020 lost more than 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.

European Energy A/S and JB Future ApS, on behalf of European Energy Offshore A/S, has delivered declaration of support to secure the necessary financing up until the signing of the annual report for 2021. On this background management assess that the Company's capital resources is 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 Omø South Nearshore A/S for 2020 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 2020 is presented in EUR

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, liabilities and foreign currency transactions, amortisation of financial assets and liabilities and surcharges and allowances under the Danish Tax Prepayment Scheme, 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.

Balance sheet

Tangible assets

Acquired project rights include rights for the development of the project until the time the construction can commence (development phase). Project rights include acquired rights of use, building permits, authorizations, etc. for the implementation of the project. Project rights are measured at initial recognition at cost. Costs includes direct and indirect costs for the development of the project.

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

Impairment of fixed assets

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

Accounting policies

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.

Receivables

Receivables are measured at amortised cost.

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>2020</u> EUR	<u>2019</u> EUR
Gross profit	2	-3.959	-4.026
Financial income		39	7
Financial costs	3	<u>-489</u>	<u>-27</u>
Profit/loss before tax		-4.409	-4.046
Tax on profit/loss for the year	4	<u>-125.543</u>	<u>886</u>
Profit/loss for the year		<u>-129.952</u>	<u>-3.160</u>
 Recommended appropriation of profit/loss			
Retained earnings		<u>-129.952</u>	<u>-3.160</u>
		<u>-129.952</u>	<u>-3.160</u>

Balance sheet 31 December

	<u>Note</u>	<u>2020</u> EUR	<u>2019</u> EUR
Assets			
Development projects in progress		<u>2.462.648</u>	<u>2.033.099</u>
Tangible assets	5	<u>2.462.648</u>	<u>2.033.099</u>
Total non-current assets		<u>2.462.648</u>	<u>2.033.099</u>
Other receivables		21.996	16.804
Deferred tax asset		<u>0</u>	<u>12.668</u>
Receivables		<u>21.996</u>	<u>29.472</u>
Cash		<u>30.550</u>	<u>110.094</u>
Total current assets		<u>52.546</u>	<u>139.566</u>
Total assets		<u><u>2.515.194</u></u>	<u><u>2.172.665</u></u>

Balance sheet 31 December

	<u>Note</u>	<u>2020</u> EUR	<u>2019</u> EUR
Equity and liabilities			
Share capital		68.000	68.000
Retained earnings		<u>-175.005</u>	<u>-45.053</u>
Equity	6	<u>-107.005</u>	<u>22.947</u>
Deferred tax		<u>130.807</u>	<u>0</u>
Total provisions		<u>130.807</u>	<u>0</u>
Payables to group entities		1.459.705	1.213.107
Other payables		<u>939.388</u>	<u>896.695</u>
Total non-current liabilities	7	<u>2.399.093</u>	<u>2.109.802</u>
Trade payables		<u>92.299</u>	<u>39.916</u>
Total current liabilities		<u>92.299</u>	<u>39.916</u>
Total liabilities		<u>2.491.392</u>	<u>2.149.718</u>
Total equity and liabilities		<u><u>2.515.194</u></u>	<u><u>2.172.665</u></u>
Uncertainty about the continued operation (going concern)	1		
Contingent liabilities	8		
Related parties and ownership structure	9		

Statement of changes in equity

	<u>Share capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity at 1 January	68.000	-45.053	22.947
Net profit/loss for the year	0	-129.952	-129.952
Equity at 31 December	<u>68.000</u>	<u>-175.005</u>	<u>-107.005</u>

Notes to the annual report

1 Uncertainty about the continued operation (going concern)

The Company has per 31. December 2020 lost more than 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.

European Energy A/S and JB Future ApS, on behalf of European Energy Offshore A/S, has delivered declaration of support to secure the necessary financing up until the signing of the annual report for 2021. On this background management assesses that the Company's capital resources is sufficient.

	<u>2020</u>	<u>2019</u>
	EUR	EUR
2 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.

3 Financial costs

Financial expenses, group entities	91.307	90.819
Other financial expenses	2.913	4.732
Exchange loss	166	28
Capitalized interest expenses	<u>-93.897</u>	<u>-95.552</u>
	<u>489</u>	<u>27</u>

4 Tax on profit/loss for the year

Deferred tax for the year	-820	-890
Adjustment of deferred tax concerning previous years	<u>126.363</u>	<u>4</u>
	<u>125.543</u>	<u>-886</u>

Notes to the annual report

5 Tangible assets

	Development projects in progress
Cost at 1 January	2.033.099
Additions for the year	429.549
Cost at 31 December	2.462.648
Carrying amount at 31 December	2.462.648
Interest expenses recognised as part of cost of development projects in progress	729.084

6 Equity

The share capital consists of 68.000 shares of a nominal value of EUR 1 each. No shares carry any special rights.

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

7 Non-current liabilities

	Debt at 1 January	Debt at 31 December	Instalment next year	Debt outstanding after 5 years
Payables to group entities	1.213.107	1.459.705	0	0
Other payables	896.695	939.388	0	0
	2.109.802	2.399.093	0	0

Notes to the annual report

8 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.

9 Related parties and 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 Offshore A/S, Gyngemose Parkvej 50, 2860 Søborg.