

FE II CIV K/S

c/o Bech-Bruun

Langelinie Allé 35

2100 Copenhagen Ø

CVR no. 35 44 58 89

Annual report 2021

Approved at the limited partnership's annual general meeting on 26 May 2022

Chairperson:

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Anders Michael Hauch

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Statement by Management on the annual report

Today, the Executive Board have discussed and approved the annual report of FE II CIV K/S for the financial year 1 January - 31 December 2021.

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

In our opinion, the financial statements give a true and fair view of the financial position of the limited partnership at 31 December 2021 and of the results of the limited partnership's operations for the financial year 1 January – 31 December 2021.

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.

Copenhagen, 26 May 2022
General Partner:
FE II GP ApS

Søren Piilgaard Barkholt

Erik Sejersen

Independent auditor's report

To the general partner and limited partners of FE II CIV K/S

Opinion

We have audited the financial statements of FE II CIV K/S for the financial year 1 January – 31 December 2021, which comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the limited partnership at 31 December 2021 and of the results of the limited partnership's operations for the financial year 1 January – 31 December 2021 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 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 Company 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 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 limited partnership'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 limited partnership 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 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 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 limited partnership's internal control.

Independent auditor's report

- 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 limited partnership'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 limited partnership 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.

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.

Copenhagen, 26 May 2022
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Jens Thordahl Nøhr
State Authorised
Public Accountant
mne32212

Bjørn Würtz Rosendal
State Authorised
Public Accountant
mne40039

Management' review

Details of the limited partnership

Name	FE II CIV K/S
Address	c/o Bech-Bruun Langelinie Allé 35 2100 Copenhagen
Registration no.	35 44 58 89
Date of establishment	15 December 2016
Registered office	Copenhagen, Denmark
Financial year	1 January – 31 December
General Partner	FE II GP ApS (from 28 June 2019, former General Partner: Frontier Energy Erhvervsdrivende Fond)
Auditor	EY Godkendt Revisionspartnerselskab Dirch Passers Allé 36, Postboks 250, 2000 Frederiksberg, Denmark

Management' review

Operating review

Principal activities

The purpose of the limited partnership is to be a limited partner and investor in Frontier Energy II Alpha K/S and Frontier Energy II Beta K/S.

Frontier Energy II Alpha K/S and Frontier Energy II Beta K/S are two parallel private equity limited partnerships established in 2017, which make, develop and realise investments in renewable energy and energy efficiency assets in countries in Sub-Saharan Africa.

Financial review

In 2021, FE II CIV K/S realised a loss of USD 13,951 (2020: loss of USD 18,374), which primarily is attributable to costs incurred.

During 2021, the limited partnership has made investments in portfolio companies totalling USD 1,324 (2020: USD 472).

At 31 December 2021, the equity amounted to USD 2,010 (2020: negative USD 2,079). The limited partners' contributed capital amounted to USD 74,010 (2020: USD 55,970), compared to the total committed capital of USD 200,000.

The limited partnership will draw down capital from the limited partners in the coming years to provide liquidity for the operations of the limited partnership and to cover costs incurred and investments in portfolio companies.

Events after the balance sheet date

No events have occurred after the balance sheet date that may have a significant influence on the assessment of the annual report.

Financial statements 1 January – 31 December 2021

Income statement

Note	USD	2021	2020
3	Value adjustment of investments in portfolio companies	819	19
	General partner fee	-8,002	-8,642
	Other external costs	-6,943	-10,074
	Loss before net financials	-14,126	-18,697
	Financial income	190	359
	Financial expenses	-15	-36
	Loss for the year	-13,951	-18,374
	Recommended appropriation of loss		
	Retained earnings/accumulated loss	-13,951	-18,374

Financial statements 1 January – 31 December 2021

Balance sheet

Note	USD	2021	2020
	ASSETS		
	Non-current assets		
	Financial assets		
3	Investments in portfolio companies	6,543	4,400
	Cash at bank and in hand	9,691	4,136
	Total non-current assets	16,234	8,536
	TOTAL ASSETS	16,234	8,536
	EQUITY AND LIABILITIES		
	Equity		
	Contributed capital	74,010	55,970
	Retained earnings/accumulated loss	-72,000	-58,049
	Total equity	2,010	-2,079
	Current liabilities		
	Payables to the general partner	8,409	4,508
	Accrued expenses	5,815	6,107
	Total current liabilities	14,224	10,615
	Total liabilities	14,224	10,615
	TOTAL EQUITY AND LIABILITIES	16,234	8,536
1	Accounting policies		
4	Contractual obligations and contingencies, etc.		
5	Related parties		

Financial statements 1 January – 31 December

Statement of changes in equity

USD	Contributed capital			Retained earnings/ accumulated losses	Total
	Commitment	Un-called	Commitment and called capital		
Balance at 1 January 2020	200,000	-164,030	35,970	-39,675	-3,705
Paid through cash calls during the year	0	20,000	20,000	0	20,000
Loss for the year	0	0	0	-18,374	-18,374
Equity at 31 December 2020	200,000	-144,030	55,970	-58,049	-2,079
Paid through cash calls during the year	0	18,040	18,040	0	18,040
Loss for the year	0	0	0	-13,951	-13,951
Equity at 31 December 2021	200,000	-125,990	74,010	-72,000	2,010

Financial statements 1 January – 31 December 2021

Notes

1 Accounting policies

FE II CIV K/S is a limited partnership and a commercial enterprise and therefore within the scope of Section 1 of the Danish Financial Statements Act.

The annual report of FE II CIV K/S for 2021 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class B entities with the special adjustments made caused by the entity being a limited partnership.

To provide a true and fair view of the limited partnership's investments, the presentation of the income statement is adjusted compared to the disclosure requirements of the Danish Financial Statement Act. Value adjustment of investments in portfolio investments is presented as part of the primary operations.

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rate at the transaction date and the rate at the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables and payables and other monetary items denominated in foreign currencies are translated at closing rates. 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.

Functional and presentation currency

The limited partnership's majority of returns are USD related, the capital is raised in USD and the performance is evaluated in USD terms and the liquidity of the limited partnership is also managed in USD. Therefore, the limited partnership concludes that USD is its functional currency. The limited partnership's presentation currency is also USD.

Income statement

Value adjustment of investments in portfolio companies

Realised and unrealised value adjustments of investments in portfolio companies are recognised in a separate item in the income statement.

Other external expenses

Other external expenses comprise expenses relating to administration, auditing, etc.

Financial income and expenses

Financial income and expenses comprise interest income and expense, fees and realised and unrealised gains and losses on foreign currencies (non-USD).

Tax for the year

The limited partnership is not an independent tax entity, and therefore tax is not recognised in the financial statements.

Financial statements 1 January – 31 December 2021

Notes

1 Accounting policies (continued)

Balance sheet

Investments in portfolio companies

Investments in portfolio companies are measured at fair value.

Taken into consideration the values in the specific portfolio companies, fair value measurement is based on the limited partnerships share of the net assets in the portfolio companies (level 3 in the fair value hierarchy). When determining the fair value of the portfolio companies, agreements entered into, etc., are taken into account.

Receivables

Receivables are measured at amortised cost with deduction of impairment to reflect expected losses.

Liabilities

Liabilities are measured at amortised cost.

Fair value

Fair value is determined based on the principal market. If no principal market exists, the measurement is based on the most advantageous market, i.e. the market that maximises the price of the asset or liability less transaction and/or transport costs.

All assets and liabilities that are measured at fair value or whose fair value is disclosed are classified based on the fair value hierarchy, see below:

Level 1: Value based on the fair value of similar assets/liabilities in an active market.

Level 2: Value based on generally accepted valuation methods on the basis of observable market information.

Level 3: Value based on generally accepted valuation methods and reasonable estimates based on non-observable market information.

2 Staff costs

The company does not have employees.

Financial statements 1 January – 31 December 2021

Notes

3 Investments in portfolio companies

USD	2021
Cost at 1 January	4,801
Additions	1,324
Disposals	0
Cost at 31 December	6,125
Value adjustments at 1 January	-401
Value adjustments in the year	819
Value adjustments at 31 December	418
Carrying amount at 31 December	6,543

Risks associated with measurement of investments in portfolio companies

As the portfolio companies are unlisted companies the valuation is associated with uncertainty. The recognised fair value of portfolio companies are based on audited financial statements of the underlying portfolio companies in which net assets are measured at either fair value or what would correspond to fair value according to agreements (level 3 in the fair value hierarchy).

Due to the articles of association of the portfolio companies and their participation in special investment agreements, restrictions and liabilities may apply in relation to distribution of dividends etc. Management has recognized the part of FE II CIV K/S' share of the portfolio companies' fair value that is assessed to pass on to FE II CIV K/S at the balance sheet date.

4 Contractual obligations and contingencies, etc.

Contingent liabilities

As the portfolio companies have entered into certain investments agreements, the limited partnership is under certain conditions committed to contribute further capital to portfolio companies. At 31 December 2021, the total unpaid commitment amounted to USD 3,875 (2020: USD 5,199). The limited partnership expects to call capital from the limited partners as needed based on the ongoing investment activities.

The limited partnership is according to the limited partnership agreement obligated to pay an annual general partner fee calculated in accordance with the limited partnership agreement.

Financial statements 1 January – 31 December 2021

Notes

5 Related parties

No person or legal entity has dominant influence over the limited partnership.

The limited partnership pays an annual general partner fee to the general partner of the limited partnership. The general partner has sole power and responsibility for all decisions pertaining to the acquisition and realisation of investments, including all final decisions to commit the limited partnership to an investment and any realisation of an investment.

Until 28 June 2019, Frontier Energy Erhvervsdrivende Fond, was the general partner of the limited partnership. From 28 June 2019, FE II GP ApS was the general partner.

The general partner fee is calculated in accordance with the limited partnership agreement. The general partner fee for 2021 is disclosed in a separate line item in the income statement.

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Søren Piilgaard Barkholt

On behalf of: FE II GP ApS (general partner)
Serial number: PID:9208-2002-2-975793097970
IP: 62.199.xxx.xxx
2022-05-26 09:23:22 UTC

NEM ID 

Erik Sejersen

On behalf of: FE II GP ApS (general partner)
Serial number: PID:9208-2002-2-774063329171
IP: 85.191.xxx.xxx
2022-06-07 12:21:50 UTC

NEM ID 

Jens Thordahl Noehr

State Authorised Public Accountant

On behalf of: EY Godkendt Revisionspartnerselskab
Serial number: CVR:30700228-RID:1268040410146
IP: 145.62.xxx.xxx
2022-06-07 12:27:37 UTC

NEM ID 

Bjørn Würtz Rosendal

State Authorised Public Accountant

On behalf of: EY Godkendt Revisionspartnerselskab
Serial number: PID:9208-2002-2-675336025815
IP: 165.225.xxx.xxx
2022-06-07 12:39:22 UTC

NEM ID 

Anders Michael Hauch

Chairman

On behalf of: FE II CIV K/S
Serial number: PID:9208-2002-2-650743677177
IP: 87.49.xxx.xxx
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