

VE 7 ApS

**c/o Harbour House, Sundkrogsgade 21, DK-
2100 Copenhagen**

CVR no. 29 42 59 49

Annual report for 2019

Adopted at the annual general meeting
on 7 May 2020



Jon Reinhold Jensen
chairman

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Statement by management on the annual report

The executive board has today discussed and approved the annual report of VE 7 ApS for the financial year 1 January - 31 December 2019.

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

In my opinion, the financial statements give a true and fair view of the company's financial position at 31 December 2019 and of the results of the company's operations for the financial year 1 January - 31 December 2019.

In my 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.

Copenhagen, 7 May 2020

Executive board


Alessandro Reitelli

Independent auditor's report

To the shareholders of VE 7 ApS

Opinion

We have audited the financial statements of VE 7 ApS for the financial year 1 January - 31 December 2019, which comprise income statement, balance sheet, statement of changes in equity, notes and summary of significant accounting policies. 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 2019 and of the results of the company's operations for the financial year 1 January - 31 December 2019 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.

Independence

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.

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 judgment and maintain professional skepticism 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, 7 May 2020

ERNST & YOUNG
Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28



Peter Andersen
State authorised public accountant
MNE no. mne34313

Company details

The company

VE 7 ApS
c/o Harbour House
Sundkrogsgade 21
DK-2100 Copenhagen

CVR no.: 29 42 59 49

Reporting period: 1 January - 31 December 2019

Domicile: Copenhagen

Executive board

Alessandro Reitelli

Auditors

ERNST & YOUNG
Godkendt Revisionspartnerselskab
c/o Postboks 250, Dirch Passers Allé 36
DK-2000 Frederiksberg

Consolidated financial statements

The company is included in the group annual report of Athena Investments A/S

The group annual report of Athena Investments A/S may be obtained at the following address:

c/o Harbour House
Sundkrogsgade 21
DK-2100 Copenhagen

Management's review

Business review

The principal activity is to invest in and finance wind energy projects.

Recognition and measurement uncertainties

The recognition and measurement of items in the annual report is not associated with any uncertainty.

Unusual matters

The income statement for 2019 is affected by a loss on sale of financial assets of DKK 109.119.865. Apart from this the company's financial position at 31 December 2019 and the results of its operations for the financial year ended 31 December 2019 are not affected by any unusual matters.

Financial review

The company's income statement for the year ended 31 December 2019 shows a loss of DKK 111.750.897, and the balance sheet at 31 December 2019 shows equity of DKK 65.935.926.

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.

Income statement 1 January - 31 December

	Note	2019 DKK	2018 DKK
Other external expenses		-524.601	-138.209
Gross profit		-524.601	-138.209
Impairment losses on financial assets		0	20.883.535
Loss on investments in subsidiaries		-109.119.865	0
Financial income	2	463.590	964.277
Financial expenses, group companies	3	-2.570.021	-1.148.637
Profit/loss before tax		-111.750.897	20.560.966
Tax on profit/loss for the year		0	70.965
Profit/loss for the year		-111.750.897	20.631.931
 Distribution of profit			
Proposed dividend for the year		16.433.340	0
Retained earnings		-128.184.237	20.631.931
		-111.750.897	20.631.931

Balance sheet 31 December

	Note	2019 DKK	2018 DKK
Assets			
Investments in subsidiaries		0	392.483.535
Receivables from group companies		0	22.930.031
Deposits		21.492.354	0
Cost exceeds income for the financial year		0	0
Fixed asset investments		<u>21.492.354</u>	<u>415.413.566</u>
Total non-current assets		<u>21.492.354</u>	<u>415.413.566</u>
Other receivables		33.591.219	0
Corporation tax		4.904	75.869
Receivables		<u>33.596.123</u>	<u>75.869</u>
Cash at bank and in hand		<u>11.136.090</u>	<u>990.924</u>
Total current assets		<u>44.732.213</u>	<u>1.066.793</u>
Total assets		<u><u>66.224.567</u></u>	<u><u>416.480.359</u></u>

Balance sheet 31 December

	Note	2019 DKK	2018 DKK
Equity and liabilities			
Share capital		140.000	140.000
Retained earnings		49.362.586	379.193.622
Proposed dividend for the year		16.433.340	0
Equity		<u>65.935.926</u>	<u>379.333.622</u>
Payables to group companies		0	26.683.294
Total non-current liabilities	4	<u>0</u>	<u>26.683.294</u>
Payables to group companies		144.398	54.297
Other payables		144.243	10.409.146
Total current liabilities		<u>288.641</u>	<u>10.463.443</u>
Total liabilities		<u>288.641</u>	<u>37.146.737</u>
Total equity and liabilities		<u><u>66.224.567</u></u>	<u><u>416.480.359</u></u>
Contingent liabilities	5		

Statement of changes in equity

	<u>Share capital</u>	<u>Retained earnings</u>	<u>Proposed dividend for the year</u>	<u>Total</u>
Equity at 1 January 2019	140.000	379.193.622	0	379.333.622
Extraordinary dividend paid	0	-201.646.799	0	-201.646.799
Net profit/loss for the year	0	-128.184.237	16.433.340	-111.750.897
Equity at 31 December 2019	<u>140.000</u>	<u>49.362.586</u>	<u>16.433.340</u>	<u>65.935.926</u>

Notes

	<u>2019</u> DKK	<u>2018</u> DKK
1 Staff costs		
Average number of employees	<u>0</u>	<u>0</u>

	<u>2019</u> DKK	<u>2018</u> DKK
2 Financial income		
Financial income, interest group companies	309.113	964.277
Exchange adjustments	<u>154.477</u>	<u>0</u>
	<u>463.590</u>	<u>964.277</u>

	<u>2019</u> DKK	<u>2018</u> DKK
3 Financial expenses		
Financial expenses, group companies	2.277.990	1.096.259
Other financial costs	292.031	19.052
Exchange adjustments costs	<u>0</u>	<u>33.326</u>
	<u>2.570.021</u>	<u>1.148.637</u>

On 25 July 2019 the company closed the sale transaction of Minerva Messina at price of Eur 41.Mln/€ with primary international found named Glenmonnt Partners. The company issued some guarantees in relation to this sale transaction, for other details please refer to contingencies description.

4 Long term debt

	<u>Debt at 1 January 2019</u>	<u>Debt at 31 December 2019</u>	<u>Instalment next year</u>	<u>Debt outstanding after 5 years</u>
Payables to group companies	26.683.294	<u>0</u>	<u>0</u>	<u>0</u>
	<u>26.683.294</u>	<u>0</u>	<u>0</u>	<u>0</u>

Notes

5 Contingent liabilities

The company issued some guarantees in relation to sale of its subsidiary Minerva Messina S.r.l. occurred on July 25, 2019 in favor of a primary international fund named Glennmont Partners. According to the Sale Purchase Agreement, the company established an Escrow Account of DKK 28.956.773 as the sole guarantee to cover any claim that can occur between VE 7 ApS and buyer. The guarantees will expire in three years so the Escrow Account will be released to the company at the end of July 2022. Additionally, the purchaser retained a portion of the price equal to an amount of DKK 26.126.800. This Retained price is related to the Confiscated Areas which is a portion of the area where Minerva Messina plant is located. That area was definitively subjected to a confiscation procedure in favour of the Agency of Confiscated properties (the "Agency"). The Retained Price will be released upon execution of a binding agreement with the Agency providing for the assignment in favour of Minerva Messina of the real estate rights on the Confiscated Areas.

The company is jointly taxed with other Danish companies in the Group. As a group company, the company has joint and several unlimited liability for Danish corporation taxes and withholding taxes on dividends, interest and royalties in the joint taxation unit.

Accounting policies

The annual report of VE 7 ApS for 2019 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B.

The accounting policies applied are consistent with those of last year.

The annual report for 2019 is presented in DKK

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 distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating 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 and foreign currency transactions, amortisation of mortgage loans and surcharges and allowances under the advance-payment-of-tax scheme, etc.

Accounting policies

Profit/loss from investments in subsidiaries and associates

Dividend from investments is recognised in the reporting year in which the dividend is declared.

Tax on profit/loss for the year

The company is subject to the Danish rules on compulsory joint taxation.

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

Investment in subsidiaries and associates are measured at cost. If cost exceeds the recoverable amount, a write-down is made to this lower value.

If the company sale the investments in subsidiaries recognized in P&L in the finance area the loss or the profit related to the sale. The loss or the profit will be calculate comparing the price received less transaction cost with net book value of investments in subsidiaries.

Impairment of fixed assets

The carrying amount of investments in subsidiaries is reviewed for impairment, other than what is reflected through normal amortisation and depreciation, on an annual basis.

Receivables

Receivables are measured at amortised cost.

Other receivables

The Loans and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement at fair value, are subsequently measured at amortized cost using the effective interest rate method (EIR), less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the Income Statement. The losses arising from impairment are recognized in the Income Statement in finance costs.

Prepayments

Prepayments recognised under 'Current assets' comprises expenses incurred concerning subsequent financial years.

Accounting policies

Cash and cash equivalents

Cash and cash equivalents comprise cash and short-term securities whose remaining life is less than three months and which are readily convertible into cash and which are subject only to insignificant risks of changes in value.

Income tax and deferred tax

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.

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 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

Other liabilities, which include trade payables 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 transactions are considered cash flow hedges, the value adjustments are taken directly to equity.