

CI Artemis HoldCo A/S

Nørregade 21
1165 Copenhagen
Business Registration No
32334075

Annual report 2018

The Annual General Meeting adopted the annual report on 27.05.2019

Chairman of the General Meeting



Name: Thomas Hinrichsen

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Entity details

Entity

CI Artemis HoldCo A/S

Nørregade 21

1165 Copenhagen

Central Business Registration No (CVR): 32334075

Founded: 13.02.2014

Registered in: Copenhagen

Financial year: 01.01.2018 - 31.12.2018

Supervisory Board

Jakob Baruéll Poulsen

Rune Bro Róin

Christian Troels Skakkebæk

Torsten Lodberg Smed

Christina Grumstrup Sørensen

Executive Board

Henrik Frydendal Havmose

Thomas Hinrichsen

Bank

Nordea Bank Danmark A/S

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

P.O. Box 1600

0900 Copenhagen

Statement by Management on the annual report

The Supervisory Board and the Executive Board have today considered and approved the annual report of CI Artemis HoldCo A/S for the financial year 01.01.2018 - 31.12.2018.

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

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2018 and of the results of its operations and cash flows for the financial year 01.01.2018 - 31.12.2018.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Copenhagen, 20.05.2019

Executive Board


Henrik Frydendal Havmose



Thomas Hinrichsen

Supervisory Board


Jakob Baruël Poulsen


Rune Bro Róin


Christian Troels Skakkebæk


Torsten Lodberg Smed


Christina Grumstrup Sørensen

Independent auditor's report

To the shareholder of CI Artemis HoldCo A/S

Opinion

We have audited the financial statements of CI Artemis HoldCo A/S for the financial year 01.01.2018 - 31.12.2018, which comprise the income statement, balance sheet, statement of changes in equity, cash flow statement and notes, including a summary of significant 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 Entity's financial position at 31.12.2018 and of the results of its operations and cash flows for the financial year 01.01.2018 - 31.12.2018 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 this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board of 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 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 Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity 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 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:

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 Entity'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 Entity'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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, 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 commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, 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 commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Independent auditor's report


Based on the work we have performed, we conclude that the management commentary 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 commentary.

Copenhagen, 20.05.2019

Deloitte

Statsautoriseret Revisionspartnerselskab


Central Business Registration No (CVR) 33963556



Bill Haudal Pedersen

State Authorised Public Accountant

Identification No (MNE) mne30131



Michael Thorø Larsen

State Authorised Public Accountant

Identification No (MNE) mne35823

Management commentary

	2018	2017	2016	2015	2014
	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000
Financial highlights					
Key figures					
Gross profit/loss	(127)	(132)	(64)	1	(9)
Operating profit/loss	(127)	(132)	(64)	1	(9)
Net financials	36,255	65,817	7,622	(16,791)	(11,904)
Profit/loss for the year	36,247	65,984	4,581	(19,403)	(12,334)
Total assets	314,119	297,443	372,244	372,175	372,062
Equity	118,115	102,168	84,716	80,135	99,538
Ratios					
Return on equity (%)	32.9	70.6	5.6	(21.6)	(12.4)
Equity ratio (%)	37.6	34.3	22.8	21.5	26.8

Financial highlights are defined and calculated in accordance with "Recommendations & Ratios" issued by the Danish Society of Financial Analysts.

Ratios	Calculation formula	Calculation formula reflects
Return on equity (%)	$\frac{\text{Profit/loss for the year} \times 100}{\text{Average equity}}$	The entity's return on capital invested in the entity by the owners.
Equity ratio (%)	$\frac{\text{Equity} \times 100}{\text{Total assets}}$	The financial strength of the entity.

Management commentary

Primary activities

The Company's main activity is to act as an investment company for CI Artemis K/S.

Development in activities and finances

The Company has realised a profit of EUR 36,247 thousand compared with a profit of EUR 65,984 thousand last year.

The development in the financial year's activities is as expected.

Outlook

Management expects a positive result in 2019.

Statutory report on corporate social responsibility

As a member of the CIP-group of fund management companies, CI Artemis HoldCo A/S' approach to Corporate Social Responsibility follows that of Copenhagen Infrastructure Partners I K/S (CIP), the overall fund management company in the group. This approach is set out below.

Environmental, Social, and Corporate Governance (ESG) principles are part of CIP's Ethical Policy and are an integral part of CIP's entire investment process. The Ethical Policy guides CIP in its capacity as Investment Manager throughout the investment process i.e. when CIP originate/screen/assess potential investments, select and propose investments, monitor and manage Investments, and propose divestments. CIP's Ethical Policy is based on the main principles of the UN Principles for Responsible Investment (www.unpri.org/).

The Ethical Policy outlines ESG principles which shall apply to CIP, and which CIP shall endeavour to ensure are observed by the project companies in which the Fund holds investments. This approach will contribute positively to the United Nations Agenda for Sustainable Development, and the corresponding Sustainable Development Goals.

The ESG principles are summarised below.

Environmental principles concerning

- Obligations to identify and assess environmental consequences and issues of an investment, and to properly observe relevant law or regulation; and
- Minimisation of the environmental consequences related to the construction and ongoing operations of infrastructure assets in accordance with good industry practice.

Management commentary

Social principles concerning

- Identification and assessment of relevant social and human rights issues of an investment;
- Acknowledgement of and adherence to the fundamental employees' rights by the investment project, including significant suppliers. Focus on HSE (Health Safety and Environment) and local labour laws is an important part of this; and
- No investment in the manufacture of weapons, which in the course of normal intended use would breach fundamental humanitarian principles.

Governance principles concerning

- No corruption and/or bribery shall take place or be carried out directly or indirectly by any of the parties involved in an investment;
- Active ownership of an investment shall be exercised, including exercise of voting rights;
- Governmental and community relations shall be promoted to the extent relevant;
- Appropriate disclosures on environmental, social and governance issues shall be promoted;
- Effective risk management shall be promoted; and
- Laws and regulations regarding, e.g. environmental, human rights and labour rights set out by relevant authorities, shall be complied with by all parties, including by significant suppliers, involved in an investment.

Statutory report on the underrepresented gender

The Company is working towards having a balanced gender distribution in its management body, taking into consideration the Company's strategy and other matters.

Events after the balance sheet date

On the 15 April 2019 CI Artemis HoldCo A/S has distributed extraordinary dividend of EUR 24,975 thousand to the Parent.

No other events have occurred after the balance sheet date to this date which would influence the evaluation of this annual report.

Income statement for 2018

	<u>Notes</u>	<u>2018</u> <u>EUR'000</u>	<u>2017</u> <u>EUR'000</u>
Other external expenses	1	(127)	(132)
Operating profit/loss		(127)	(132)
Income from investments in associates		58,364	159,715
Impairment losses on financial assets		(8,426)	(75,103)
Other financial expenses	3	(13,683)	(18,795)
Profit/loss before tax		36,128	65,685
Tax on profit/loss for the year	4	119	299
Profit/loss for the year	5	36,247	65,984

Balance sheet at 31.12.2018

	<u>Notes</u>	<u>2018</u> <u>EUR'000</u>	<u>2017</u> <u>EUR'000</u>
Investments in associates		288,412	296,838
Fixed asset investments	6	288,412	296,838
Fixed assets		288,412	296,838
Receivables from group enterprises		24,975	0
Other receivables		62	102
Receivables		25,037	102
Cash		670	503
Current assets		25,707	605
Assets		314,119	297,443

Balance sheet at 31.12.2018

	<u>Notes</u>	<u>2018</u> <u>EUR'000</u>	<u>2017</u> <u>EUR'000</u>
Contributed capital		1,000	1,000
Share premium		111,141	111,141
Retained earnings		5,974	(9,973)
Equity		<u>118,115</u>	<u>102,168</u>
Payables to group enterprises		194,647	195,236
Non-current liabilities other than provisions	7	<u>194,647</u>	<u>195,236</u>
Payables to group enterprises		1,234	0
Other payables		123	39
Current liabilities other than provisions		<u>1,357</u>	<u>39</u>
Liabilities other than provisions		<u>196,004</u>	<u>195,275</u>
Equity and liabilities		<u>314,119</u>	<u>297,443</u>
Contingent liabilities	9		
Transactions with related parties	10		

Statement of changes in equity for 2018

	Contributed capital EUR'000	Share premium EUR'000	Retained earnings EUR'000	Total EUR'000
Equity beginning of year	1,000	111,141	(9,973)	102,168
Extraordinary dividend paid	0	0	(20,300)	(20,300)
Profit/loss for the year	0	0	36,247	36,247
Equity end of year	1,000	111,141	5,974	118,115

There are not special dividend rights attached to specific share classes.

Cash flow statement for 2018

	<u>Notes</u>	2018 EUR'000	2017 EUR'000
Operating profit/loss		(127)	(132)
Working capital changes	8	<u>(24,851)</u>	<u>94</u>
Cash flow from ordinary operating activities		(24,978)	(38)
Financial expenses paid		(13,038)	(18,795)
Income taxes refunded/(paid)		<u>119</u>	<u>299</u>
Cash flows from operating activities		(37,897)	(18,534)
Dividends received		<u>58,364</u>	<u>159,715</u>
Cash flows from investing activities		58,364	159,715
Repayments of loans etc		0	(92,140)
Dividend paid		(20,300)	(48,801)
Cash increase of capital		<u>0</u>	<u>135</u>
Cash flows from financing activities		(20,300)	(140,806)
Increase/decrease in cash and cash equivalents		167	375
Cash and cash equivalents beginning of year		<u>503</u>	<u>128</u>
Cash and cash equivalents end of year		670	503

Notes

1. Other external expenses

The Company has no employees.

The Executive Board and Supervisory Board do not receive remuneration.

2. Fees to the auditor appointed by the Annual General Meeting

Fees in the financial year to the auditors appointed by the Company in general meeting:

	2018 EUR'000	2017 EUR'000
Statutory audit services	4	2
Tax services	5	5
Other services	5	0
	14	7

3. Other financial expenses

Financial expenses from group enterprises

Other interest expenses

	2018 EUR'000	2017 EUR'000
	13,671	18,772
	12	23
	13,683	18,795

4. Tax on profit/loss for the year

Adjustment concerning previous years

	2018 EUR'000	2017 EUR'000
	(119)	(299)
	(119)	(299)

5. Proposed distribution of profit/loss

Extraordinary dividend distributed in the financial year

Retained earnings

	2018 EUR'000	2017 EUR'000
	20,300	48,801
	15,947	17,183
	36,247	65,984

Dividend distributed after the balance sheet date

Extraordinary dividend

	24,975	0
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Notes

	Investments in associates
	EUR'000
6. Fixed asset investments	
Cost beginning of year	371,941
Cost end of year	371,941
Impairment losses beginning of year	(75,103)
Impairment losses for the year	(8,426)
Impairment losses end of year	(83,529)
Carrying amount end of year	288,412

Impairment losses for the year reflect a decreasing value in TenneT Offshore DolWin 3 Beteiligungs GmbH as a result of distributed dividend during the financial year.

	Registered in	Corpo- rate form	Equity inte- rest %	Equity EUR'000	Profit/loss EUR'000
Investments in associates comprise:					
TenneT Offshore DolWin3 Beteiligungs GmbH	Bayreuth, Germany	GmbH	67.0	486,700	129,100

	Outstanding after 5 years
	EUR'000
7. Liabilities other than provisions	
Payables to group enterprises	194,647
	194,647

Notes

	2018	2017
	EUR'000	EUR'000
8. Change in working capital		
Increase/decrease in receivables	(24,935)	73
Increase/decrease in trade payables etc	84	21
	(24,851)	94

9. Contingent liabilities

There is a remaining investment commitment of a total of EUR 12m.

There are no guarantees or contingent liabilities of the company.

10. Transactions with related parties

Only related party transactions not conducted on an arm's length basis are disclosed in the financial statements. All related party transactions during the financial year have been conducted on an arm's length basis.

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (large).

The accounting policies applied for these financial statements are consistent with those applied last year.

Reporting currency is euro (EUR).

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the one in effect at the payment date, or the rate at the balance sheet date are recognised in the income statement as financial income or financial expenses.

Income statement

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities.

Income from investments in associates

Income from investments in associates comprises dividends etc. received from the individual associates in the financial year.

Accounting policies

Impairment of financial assets

Impairment of financial assets comprises impairment of financial assets which are not measured at fair value on a current basis.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to enterprises and net exchange rate adjustments on transactions in foreign currencies.

Tax on profit/loss for the year

Tax for the year, which consists of current tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

Balance sheet

Investments in associates

Investments in associates are measured at cost and are written down to the lower of recoverable amount and carrying amount.

Receivables

Receivables are measured at amortised cost, usually equaling nominal value less write-downs for bad and doubtful debts.

Cash

Cash comprises cash in bank deposits.

Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

Cash flow statement

The cash flow statement shows cash flows from operating, investing and financing activities as well as cash and cash equivalents at the beginning and the end of the financial year.

Cash flows from operating activities are presented using the indirect method and calculated as the operating profit/loss adjusted for non-cash operating items, working capital changes and income taxes paid.

Cash flows from investing activities comprise payments in connection with acquisition and divestment of enterprises, activities and fixed asset investments.

Cash flows from financing activities comprise changes in the size or composition of the contributed capital and related costs as well as the raising of loans, instalments on interest-bearing debt, purchase of treasury shares, and payment of dividend.

Cash and cash equivalents comprise cash and short-term securities with an insignificant price risk less short-term bank debt.