

CIRC Investment 5 K/S

c/o Gorrissen Federspiel, Axeltorv 2
1609 København V

CVR no. 34 87 98 93

**Annual report for the period 1 January 2017 – 31 March
2018**

The annual report is hereby approved on behalf of
the general partner, CIRC Management 3 ApS

29 August 2018


Toshihiro Nakanishi and Weng Kwok Yiu

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CIRC Investment 5 K/S
Annual report 2017/18
CVR no. 34 87 98 93

Statement by the Executive Board

The Executive Board has hereby approved the annual report of CIRC Investment 5 K/S for the financial period 1 January 2017 – 31 March 2018.

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 Company's assets, liabilities and financial position at 31 March 2018 and of the results of the Company's operations for the financial period 1 January 2017 – 31 March 2018.

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

The Company as well as the general partner of the Company have resolved not to have the financial statements audited for the next financial year and thereafter.

Copenhagen, 29 August 2018
Executive Board:


Toshihiro Nakanishi


Wong Kwok Yiu

Independent auditor's report

To the shareholders of CIRC Investment 5 K/S

Qualified opinion

We have audited the financial statements of CIRC Investment 5 K/S (The "Company") for the financial period 01.01.2017 - 31.03.2018, comprising income statement, balance sheet 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, except for the missing comparative figures and the possible effect of the matter described in the *Basis for qualified opinions* section, the financial statements give a true and fair view of the Company's position at 31 March 2018 and of the results of its operations for the financial period 1 January 2017 – 31 March 2018 in accordance with the Danish Financial Statements Act.

Basis for qualified opinions

As stated in the *Summary of significant accounting policies* section of the financial statements, the Company's former owners have used the exemption clauses of the Danish Financial Statements Act, Section 5(1) and Section 146(1), see Section 145, as a result of which no financial statements were presented for 2016. For this reason and due to missing documentation related to opening balance sheet, we have not been able to obtain sufficient appropriate audit evidence about the opening balance sheet and its consequences for current year figures. We therefore qualify our opinion with respect to the following line items: "gross profit", "administrative expenses", "financial expenses", "equity", "trade payables", "payables to group enterprises" and subsidiary loan capital.

We do furthermore qualify our opinion with respect to the fact, that no comparative figure is included according to the Danish Financial Statements Act.

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 qualified opinions.

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 Company'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.

Independent auditor's report

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 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.

Independent auditor's report

Statement on the management commentary

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, 29 August 2018

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR no. 33 96 35 56



Michael Thorø Larsen
State Authorised
Public Accountant
mne35823

CIRC Investment 5 K/S
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Management's review

Company details

CIRC Investment 5 K/S
c/o Gorrissen Federspiel, Axeltorv 2
1609 København V

CVR no.: 34 87 98 93
Financial period: 1 January 2017 – 31 March 2018

Executive Board

Toshihiro Nakanishi
Wong Kwok Yiu

Auditor

Deloitte
Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
2300 København S

Management's review

Operating review

Principal activities

The Company's general purpose is to generate returns, by, directly or indirectly, investing in the Butendiek offshore wind farm west of the German Island of Sylt.

Development in activities and financial position

For the year under review, the Company reported a profit of EUR 388,313, which was in line with forecast. The Company's Management considers results satisfactory.

At the annual general meeting, the Company's financial year was changed to 1 April – 31 March. The Company's Management believes the requirements for changing the financial year are fulfilled. The transition period is 1 January 2017 to 31 March 2018.

Events after the balance sheet date

No events have occurred since the balance sheet date that change the assessment of the annual report.

Financial statements 1 January – 31 March

Income statement

EUR	Note	1 Jan 2017 - 31 Mar 2018
Gross profit		<u>2,342,028</u>
Administrative expenses	2	<u>-294,814</u>
Operating profit		<u>2,047,214</u>
Financial income		7,055
Financial expenses		<u>-1,665,956</u>
Profit for the year		<u><u>388,313</u></u>
Proposed profit appropriation		
Retained earnings		<u><u>388,313</u></u>

Financial statements 1 January – 31 March

Balance sheet

EUR	Note	31 Mar 2018
ASSETS		
Fixed assets		
Investments		
Other investments		<u>30,510,118</u>
		<u>30,510,118</u>
Total fixed assets		<u>30,510,118</u>
Current assets		
Receivables		
Receivables from group enterprises		<u>7,976</u>
		<u>7,976</u>
Cash at bank and in hand		<u>9,957</u>
Total current assets		<u>17,933</u>
TOTAL ASSETS		<u>30,528,051</u>
EQUITY AND LIABILITIES		
Equity		
Contributed capital		5,472,071
Retained earnings		<u>11,911,573</u>
Total equity		<u>17,383,644</u>
Liabilities		
Non-current liabilities	3	
Subordinary loan capital		<u>12,930,862</u>
		<u>12,930,862</u>
Current liabilities		
Trade payables		14,940
Payables to group enterprises		<u>198,605</u>
		<u>213,545</u>
Total liabilities		<u>13,144,407</u>
TOTAL EQUITY AND LIABILITIES		<u>30,528,051</u>
Contractual obligations, contingencies, etc.	4	

Financial statements 1 January – 31 March

Notes

1 Accounting policies

The annual report of CIRC Investment 5 K/S (the "Company") for 2017/18 has been prepared in accordance with the provisions applying to reporting class B entities under the Danish Financial Statements Act with option from higher reporting classes.

At the annual general meeting, the Company's financial year was changed to 1 April – 31 March. The Company's Management believes the requirements for changing the financial year are fulfilled. The transition period is 1 January 2017 to 31 March 2018.

The accounting currency have been changed from Danish Kroner to Euro. The comparative accounts for previous years have been converted accordingly at the conversion rate of 7.43.

In accordance with Article 5 of the Danish Financial Statements Act, historically the Company has elected not to prepare and file audited annual accounts. Instead, the Company has filed annual declaration of exemption with the Danish Business Authority in accordance with Article 146 of the Danish Financial Statements Act. Thus the annual report does not include comparative figures for previous years.

Income statement

Gross Profit

Pursuant to Section 32 of the Danish Financial Statements Act, the Company has decided only to disclose gross profit.

Gross profit mainly consist of dividend received from other investments measured at costs.

Administrative expenses

Administrative expenses comprise expenses incurred during the year for management and administration of the Company, including expenses for administrative staff, Management, office premises, office expenses and depreciation.

Financial income and expenses

Financial income and expenses comprise interest income and expense, financial costs regarding finance leases, gains and losses on securities, payables and transactions denominated in foreign currencies, amortisation of financial assets and liabilities as well as surcharges and refunds under the on-account tax scheme, etc.

Dividends from equity investments in measured at cost are recognised as income in the Parent Company's income statement in the financial year when the dividends are declared.

Financial statements 1 January – 31 March

Notes

1 Accounting policies (continued)

Balance sheet

Other investments

Other investments which are not listed are measured at cost.

When the recoverable amount is lower than cost, investments are written down to this lower value.

Receivables

Receivables are measured at amortised cost.

Write-down is made for bad debt losses where there is an objective indication that a receivable or a portfolio of receivables has been impaired. If there is an objective indication that an individual receivable has been impaired, write-down is made on an individual basis.

Receivables with no objective indication of individual impairment are assessed for objective indication of impairment on a portfolio basis. The portfolios are primarily based on the debtors' registered offices and credit rating in accordance with the Company's credit risk management policy. The objective indicators used in relation to portfolios are determined on the basis of historical loss experience.

Write-downs are calculated as the difference between the carrying amount of receivables and the present value of forecast 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.

Cash and cash equivalents

Cash and cash equivalents comprise cash and short-term marketable securities with a term of three months or less which are easily convertible into cash and which are subject to only an insignificant risk of changes in value.

Liabilities other than provisions

Financial liabilities are recognised at cost at the date of borrowing, corresponding to the proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost using the effective interest method. Accordingly, the difference between cost and the nominal value is recognised in the income statement over the term of the loan together with interest expenses.

Finance lease obligation comprise the capitalised residual lease obligation of finance leases.

Other liabilities are measured at net realisable value.

Financial statements 1 January – 31 March

Notes

2 Number of employees

There has not been any employees during the financial year.

3 Non-current liabilities other than provisions

T.EUR

Subordinary loan capital

	Total debt at 31 March 2018	Outstanding debt after five years
	<u>12,931</u>	<u>12,931</u>
	<u>12,931</u>	<u>12,931</u>

4 Contractual obligations, contingencies, etc.

The Company does not have any charges or surety or warranty obligations other than those disclosed in the annual report.