

CIRC Investment 1 K/S


c/o Gorrissen Federspiel, Axeltorv 2
1609 Copenhagen V

CVR no. 34 87 99 23

Annual report for the period 1 April 2019 – 31 March 2020

The annual report is hereby approved on behalf of the
general partner, CIRC Management 1 ApS

10 November 2020



Takayuki Saito and Wong Kwok Yiu

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CIRC Investment 1 K/S
Annual report 2019/20
CVR no. 34 87 99 23

Statement by the Executive Board

The Executive Board has today discussed and approved the annual report of CIRC Investment 1 K/S for the financial year 01.04.2019 - 31.03.2020.

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 2020 and of the results of the Company's operations for the financial year 01.04.2019 - 31.03.2020.

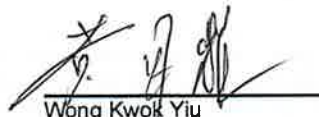
Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

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, 10 November 2020
Executive Board:



Takayuki Saito



Wong Kwok Yiu

Independent auditor's report

To the shareholders of CIRC Investment 1 K/S

Qualified opinion

We have audited the financial statements of CIRC Investment 1 K/S (the "Company") for the financial year 01.04.2019 - 31.03.2020 which comprise the 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 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 financial position at 31.03.2020 and of the results of its operations for the financial year 01.04.2019 - 31.03.2020 in accordance with the Danish Financial Statements Act.

Basis for qualified opinion

Due to missing documentation related to opening balance sheet from change of ownership, we have not been able to obtain sufficient appropriate audit evidence about the opening balance sheet from change of ownership in 2017 and its consequences for current year and comparative figures. We therefore qualify our opinion with respect to the financial line items "equity" "subordinated loan capital", "payables to group enterprises" and "financial expenses".

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 Company 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 responsibility 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 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.

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 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 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

The 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.

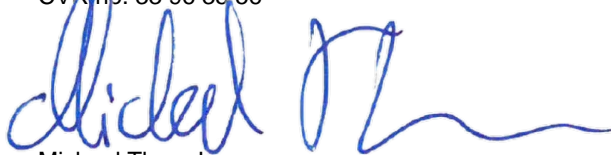
Moreover, it is our responsibility to consider whether the Management commentary provides the information required under the Danish Financial Statements Act.

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, 10 November 2020

Deloitte
Statsautoriseret Revisionspartnerselskab
CVR no. 33 96 35 56



Michael Thorø Larsen
State Authorised
Public Accountant
mne35823

CIRC Investment 1 K/S
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Management's review

Company details

CIRC Investment 1 K/S
c/o Gorrissen Federspiel, Axeltorv 2
1609 Copenhagen V

CVR no.: 34 87 99 23
Financial year: 1 April – 31 March

Executive Board

Takayuki Saito
Wong Kwok Yiu

Auditor

Deloitte
Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
2300 Copenhagen 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 141,811, which was in line with the forecast. The Company's Management considers the result to be satisfactory.

Events after the balance sheet date

The Covid-19 pandemic is expected to have no impact on the Company's financial performance and overall income due to its nature of business which is holding minority shares in an offshore wind farm with the guaranteed subsidy from the government.

Hence no events have occurred since the balance sheet date that would change the assessment of the annual report.

Financial statements 1 April – 31 March

Income statement

EUR	Note	1 April 2019 - 31 March 2020	1 April 2018 - 31 March 2019
Gross profit	2	481,622	481,924
Operating profit		481,622	481,924
Financial expenses	3	-339,811	-338,873
Profit for the year		141,811	143,051
Proposed profit appropriation			
Retained earnings		141,811	143,051
		141,811	143,051

Financial statements 1 April – 31 March

Balance sheet

EUR	Note	31 March 2020	31 March 2019
ASSETS			
Fixed assets			
Investments			
Equity investments in group entities		<u>8,803,509</u>	<u>8,803,509</u>
Total fixed assets		<u>8,803,509</u>	<u>8,803,509</u>
Current assets			
Cash at bank and in hand		<u>49,961</u>	<u>59,956</u>
Total current assets		<u>49,961</u>	<u>59,956</u>
TOTAL ASSETS		<u><u>8,853,470</u></u>	<u><u>8,863,465</u></u>

Financial statements 1 April – 31 March

Balance sheet

EUR	Note	31 March 2020	31 March 2019
EQUITY AND LIABILITIES			
Equity			
Contributed capital		1,578,897	1,578,897
Retained earnings		<u>3,488,553</u>	<u>3,484,319</u>
Total equity		<u>5,067,450</u>	<u>5,063,216</u>
Liabilities			
Non-current liabilities			
Subordinary loan capital	4	3,712,797	3,712,797
Trade payables		<u>12,031</u>	<u>0</u>
		<u>3,724,828</u>	<u>3,712,797</u>
Current liabilities			
Payables to group entities		<u>61,192</u>	<u>87,452</u>
Total liabilities		<u>3,786,020</u>	<u>3,800,249</u>
TOTAL EQUITY AND LIABILITIES		<u>8,853,470</u>	<u>8,863,465</u>
Accounting policies	1		
Contractual obligations, contingencies, etc.	5		

Financial statements 1 April – 31 March

Notes

1 Accounting policies

The annual report of CIRC Investment 1 K/S for 2019/20 has been prepared in accordance with the provisions applying to reporting class B entities under the Danish Financial Statements Act.

The accounting policies used in the preparation of the financial statements are consistent with those of prior years.

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 Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Company 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 Company, 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 each financial year.

Income statement

Gross profit

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

Gross profit consist of dividend received from other investment measured at cost less administrative expenses.

Administrative expenses

Administrative expenses include expenses relating to the Company's ordinary activities.

Financial income and expenses

Financial income and expenses comprise interest income and expense.

Financial statements 1 April – 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.

Cash and cash equivalents

Cash and cash equivalents comprise cash and bank deposits.

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.

Other liabilities are measured at net realisable value.

Financial statements 1 April – 31 March

Notes

2 Number of employees

The Company did not have any employees during the financial year.

3 Financial expenses

EUR	1 April 2019 - 31 March 2020	1 April 2018 - 31 March 2019
Interest expense to group entities	339,721	338,793
Other financial costs	90	80
	<u>339,811</u>	<u>338,873</u>

4 Non-current liabilities other than provisions

EUR	Total debt at 31 March 2020	Outstanding debt after five years
Subordinary loan capital	3,713,797	3,713,797
	<u>3,713,797</u>	<u>3,713,797</u>

5 Contractual obligations, contingencies, etc.

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