
Vindtestcenter Kappel A/S

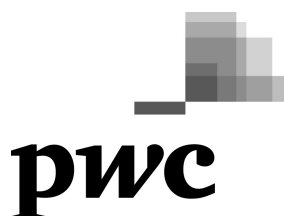
c/o Momentum Gruppen A/S, Københavnsvej 81,
DK-4000 Roskilde

Annual Report for 1 October 2021 - 30 September 2022

CVR No 35 03 47 57

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company on
14/11 2022

Maria Malling Eriksen
Chairman of the General
Meeting



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Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Vindtestcenter Kappel A/S for the financial year 1 October 2021 - 30 September 2022.

The Annual Report is 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 at 30 September 2022 of the Company and of the results of the Company operations for 2021/22.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Roskilde, 14 November 2022

Executive Board

Melanie Maria Schaub

Kim Madsen

Board of Directors

Andrew Wojtek
Chairman

Bernhard Gierke

Kim Madsen

Independent Auditor's Report

To the Shareholder of Vindtestcenter Kappel A/S

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 30 September 2022 and of the results of the Company's operations for the financial year 1 October 2021 - 30 September 2022 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Vindtestcenter Kappel A/S for the financial year 1 October 2021 - 30 September 2022, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("the Financial Statements").

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' 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 Financials Statements Act.

Based on the work we have performed, in our view, 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 in Management's Review.

Independent Auditor's Report

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, 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:

- 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.

Independent Auditor's Report

- 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.

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.

Hellerup, 14 November 2022

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Mads Blichfeldt Fjord

State Authorised Public Accountant

mne46065

Company Information

The Company

Vindtestcenter Kappel A/S
c/o Momentum Gruppen A/S
Københavnsvej 81
DK-4000 Roskilde

CVR No: 35 03 47 57

Financial period: 1 October - 30 September

Municipality of reg. office: Roskilde

Board of Directors

Andrew Wojtek, Chairman
Bernhard Gierke
Kim Madsen

Executive Board

Melanie Maria Schaub
Kim Madsen

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
DK-2900 Hellerup

Management's Review

Key activities

The Company's objective is directly or through investments in other companies associated with the energy industry, to develop, operate and/or sell all kinds of renewable energy and related activities.

The company operates a wind farm located at Lolland, Denmark.

Development in the year

The income statement of the Company for 2021/22 shows a profit of EUR 3,083,678, and at 30 September 2022 the balance sheet of the Company shows equity of EUR 7,702,206.

The result for the period is in accordance with expectations.

Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

Income Statement 1 October - 30 September

	Note	2021/22 EUR	2020/21 EUR
Revenue		8,716,888	5,438,128
Production costs		-2,404,487	-2,396,849
Gross profit/loss		6,312,401	3,041,279
Administrative expenses		-170,225	-104,720
Operating profit/loss		6,142,176	2,936,559
Profit/loss before financial income and expenses		6,142,176	2,936,559
Financial income		0	8,711
Financial expenses	1	-1,958,892	-1,313,619
Profit/loss before tax		4,183,284	1,631,651
Tax on profit/loss for the year	2	-1,099,606	-373,889
Net profit/loss for the year		3,083,678	1,257,762

Distribution of profit

Proposed distribution of profit

Retained earnings		3,083,678	1,257,762
		3,083,678	1,257,762

Balance Sheet 30 September

Assets

	Note	2022 EUR	2021 EUR
Project rights		2,605,984	2,736,974
Goodwill		39,062	41,025
Intangible assets	3	2,645,046	2,777,999
Plant and machinery		30,746,924	32,292,427
Property, plant and equipment	4	30,746,924	32,292,427
Other investments		0	76,471
Other receivables		68,209	0
Fixed asset investments	5	68,209	76,471
Fixed assets		33,460,179	35,146,897
Trade receivables		1,277,787	210,534
Receivables from group enterprises		292,171	0
Other receivables	6	7,138	17,670
Prepayments	7	2,764,930	2,870,390
Receivables		4,342,026	3,098,594
Cash at bank and in hand	8	4,289,455	2,430,102
Currents assets		8,631,481	5,528,696
Assets		42,091,660	40,675,593

Balance Sheet 30 September

Liabilities and equity

	Note	2022 EUR	2021 EUR
Share capital		68,356	68,356
Reserve for hedging transactions		58,771	50,589
Retained earnings		7,575,079	4,262,450
Equity		7,702,206	4,381,395
Provision for deferred tax		3,740,354	3,304,132
Provisions		3,740,354	3,304,132
Mortgage loans		9,024,948	12,091,024
Payables to group enterprises		16,530,814	16,530,814
Other payables		0	206,127
Long-term debt	9	25,555,762	28,827,965
Mortgage loans	9	3,066,073	3,066,073
Trade payables		104,407	80,507
Payables to group enterprises	9	739,131	992,000
Corporation tax		706,333	0
Other payables	9	477,394	23,521
Short-term debt		5,093,338	4,162,101
Debt		30,649,100	32,990,066
Liabilities and equity		42,091,660	40,675,593
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Statement of Changes in Equity

	Share capital	Reserve for hedging transactions	Retained earnings	Total
	EUR	EUR	EUR	EUR
Equity at 1 October	68,356	50,589	4,262,450	4,381,395
Fair value adjustment of hedging instruments, end of year	0	304,016	0	304,016
Tax on adjustment of hedging instruments for the year	0	-66,883	0	-66,883
Transfers, reserves	0	-228,951	228,951	0
Net profit/loss for the year	0	0	3,083,678	3,083,678
Equity at 30 September	68,356	58,771	7,575,079	7,702,206

Notes to the Financial Statements

	2021/22 EUR	2020/21 EUR
1 Financial expenses		
Interest paid to group enterprises	991,851	989,800
Other financial expenses	946,988	323,819
Exchange adjustments, expenses	20,053	0
	1,958,892	1,313,619
2 Tax on profit/loss for the year		
Current tax for the year	718,300	0
Deferred tax for the year	418,177	373,889
Adjustment of deferred tax concerning previous years	-36,871	0
	1,099,606	373,889
3 Intangible assets		
	Project rights EUR	Goodwill EUR
Cost at 1 October	3,274,762	49,083
Cost at 30 September	3,274,762	49,083
Impairment losses and amortisation at 1 October	537,788	8,058
Amortisation for the year	130,990	1,963
Impairment losses and amortisation at 30 September	668,778	10,021
Carrying amount at 30 September	2,605,984	39,062

Notes to the Financial Statements

4 Property, plant and equipment

	Plant and machinery EUR
Cost at 1 October	38,637,575
Cost at 30 September	38,637,575
Impairment losses and depreciation at 1 October	6,345,148
Depreciation for the year	1,545,503
Impairment losses and depreciation at 30 September	7,890,651
Carrying amount at 30 September	30,746,924

5 Fixed asset investments

	Other receiv- ables EUR
Cost at 1 October	0
Additions for the year	68,209
Cost at 30 September	68,209
Carrying amount at 30 September	68,209

6 Other receivables

Other receivables comprise the short-term part of the cross currency and interest rate swaps. The long-term part is classified as other receivables under fixed assets investments.

7 Prepayments

Prepayments include prepaid expenses relating to subsequent financial years, including rent of land for 20 years and service costs.

Notes to the Financial Statements

8 Cash at bank and in hand

In connection with the company's mortgage loan at HCB Bank, the Company has provided a cash account of EUR 1,775,049 as a guarantee to the bank for future payments of installments on the loan. The Company's free cash amounts to EUR 2,514,405 at 30 September 2022.

9 Long-term debt

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below:

Mortgage loans

After 5 years	4,254,334	5,255,376
Between 1 and 5 years	4,770,614	6,835,648
Long-term part	9,024,948	12,091,024
Within 1 year	3,066,073	3,066,073
	12,091,021	15,157,097

Payables to group enterprises

Between 1 and 5 years	16,530,814	16,530,814
Long-term part	16,530,814	16,530,814
Other short-term debt to group enterprises	739,131	992,000
	17,269,945	17,522,814

Other payables

After 5 years	0	113,240
Between 1 and 5 years	0	92,887
Long-term part	0	206,127
Within 1 year	476,539	0
Other short-term payables	855	23,521
Short-term part	477,394	23,521
	477,394	229,648

Notes to the Financial Statements

	2022	2021
	EUR	EUR

10 Contingent assets, liabilities and other financial obligations

Contingent assets

The Company has a pending tax case regarding withholding taxes in relation to dividends and interests paid out in years 2018-2021. The Company has expensed interests on the claimed amount equivalent to EUR 678,294. If the Company wins the tax case an equivalent amount will be received.

Service contract obligations

Service contract obligations. Total lease payments:

Within 1 year	357,172	399,436
Between 1 and 5 years	2,174,160	2,208,355
After 5 years	2,122,505	2,917,407
	<u>4,653,837</u>	<u>5,525,198</u>

Service-fee from Momentum Gruppen A/S	43,822	78,822
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Other contingent liabilities

The company has a pledge for HCB Bank where they have given a security transfer of plant and machinery. The book value of the assets is EUR 30.746.924 as per 30 September 2022.

11 Related parties

Ownership

The following shareholder is recorded in the Company's register of shareholders as holding at least 5% of the votes or at least 5% of the share capital:

Pangaea Renewables GmbH & Co. KG, Valentinskamp 70, D-20355 Hamburg, Germany

Notes to the Financial Statements

12 Accounting Policies

The Annual Report of Vindtestcenter Kappel A/S for 2021/22 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2021/22 are presented in EUR.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset 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 out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

Notes to the Financial Statements

12 Accounting Policies (continued)

Hedge accounting

Changes in the fair values of financial instruments that are designated and qualify as fair value hedges of a recognised asset or a recognised liability are recognised in the income statement as are any changes in the fair value of the hedged asset or the hedged liability related to the hedged risk.

Changes in the fair values of derivative financial instruments that are designated and qualify as hedges of expected future transactions are recognised in retained earnings under equity as regards the effective portion of the hedge. The ineffective portion is recognised in the income statement. If the hedged transaction results in an asset or a liability, the amount deferred in equity is transferred from equity and recognised in the cost of the asset or the liability, respectively. If the hedged transaction results in an income or an expense, the amount deferred in equity is transferred from equity to the income statement in the period in which the hedged transaction is recognised. The amount is recognised in the same item as the hedged transaction.

Income Statement

Revenue

Revenue from the sale of electricity is recognised when the risks and rewards relating to the electricity sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Company.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

Production costs

Production costs comprises costs incurred to achieve revenue for the year. Cost comprises direct and indirect expenses relating to rent, service, technical management, insurance and electricity costs to grid connection as well as depreciation of productive equipment and project rights.

Production costs also includes amortisation of goodwill to the extent that goodwill relates to production activities.

Administrative expenses

Administrative expenses comprise expenses for management administration and expenses relating to auditing fee, legal assistance, administrative services etc.

Notes to the Financial Statements

12 Accounting Policies (continued)

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 realised and unrealised capital/exchange gains and losses on securities, foreign currency transactions and amortisation of mortgage loans.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

Balance Sheet

Intangible assets

Goodwill acquired is measured at cost less accumulated amortisation. Goodwill is amortised on a straight-line basis over its useful life, which is assessed at 25 years.

Project rights are measured at cost less accumulated amortisation and impairment losses. Project rights are amortised on a straight-line basis over the remaining period. The amortisation period is 25 years.

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Interest expenses on loans raised directly for financing the construction of property, plant and equipment are recognised in cost over the period of construction.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Plant and machinery	25 years
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The fixed assets' residual values are determined at nil.

Depreciation period and residual value are reassessed annually.

Notes to the Financial Statements

12 Accounting Policies (continued)

Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

If so, the asset is written down to its lower recoverable amount.

Fixed asset investments

Investments are measured, using the equity method, at the companies' proportionate share of such enterprises' equity.

Other fixed asset investments

Other fixed asset investments consist of cross currency and interest rate swaps recognised at fair value.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

Prepayments

Prepayments comprise prepaid expenses concerning rent of land, service costs and insurance.

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

Notes to the Financial Statements

12 Accounting Policies (continued)

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Financial debts

Loans, such as mortgage loans, are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost; the difference between the proceeds and the nominal value is recognised as an interest expense in the income statement over the loan period.

Mortgage loans are measured at amortised cost, which for cash loans corresponds to the remaining loan. Amortised cost of debenture loans corresponds to the remaining loan calculated as the underlying cash value of the loan at the date of raising the loan adjusted for depreciation of the price adjustment of the loan made over the term of the loan at the date of raising the loan.

Other debts are measured at amortised cost, substantially corresponding to nominal value.