

Jammerland Bay Nearshore A/S

**Gyngemose Parkvej 50
2860 Søborg**

CVR no. 36 02 39 37

Annual report for 2017

(4th Financial year)

Adopted at the annual general
meeting on 31 May 2018

Anne Wichmann
chairman

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Statement by management on the annual report

The Board of Directors and the Executive Boards have today discussed and approved the annual report of Jammerland Bay Nearshore A/S for the financial year 1 January - 31 December 2017.

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 company's financial position at 31 December 2017 and of the results of the company's operations for the financial year 1 January - 31 December 2017.

In our 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 at the annual general meeting.

Søborg, 16 May 2018

Executive Boards

Patrick Philippe Marcel
Decostre

Knud Erik Andersen

Board of Directors

Jens-Peter Zink
chairman

Sylvain Aird

Patrick Philippe Marcel
Decostre

Jasmin Bejdic

Independent auditor's report

To the shareholders of Jammerland Bay Nearshore A/S

Opinion

We have audited the financial statements of Jammerland Bay Nearshore A/S for the financial year 1 January - 31 December 2017, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes. 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 2017 and of the results of the company's operations for the financial year 1 January - 31 December 2017 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.

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.

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, 16 May 2018

KPMG
Statsautoriseret Revisionspartnerselskab
CVR no. 25 57 81 98

Martin Eiler
State Authorised Public Accountant
mne32271

Company details

The company

Jammerland Bay Nearshore A/S
Gyngemose Parkvej 50
2860 Søborg

CVR no.: 36 02 39 37
Reporting period: 1 January - 31 December 2017
Incorporated: 26. June 2014
Domicile: Gladsaxe

Board of Directors

Jens-Peter Zink, chairman
Sylvain Aird
Patrick Philippe Marcel Decostre
Jasmin Bejdic

Executive Boards

Patrick Philippe Marcel Decostre
Knud Erik Andersen

Auditors

KPMG
Statsautoriseret Revisionspartnerselskab
Dampfærgevej 28
2100 København Ø

Management's review

Business activities

The objects of the Company are to develop, operate and/or sell all types of power plants and related activities, whether directly or through equity investments in other companies associated with the energy industry.

Recognition and measurement uncertainties

The project company Jammerland Bay Nearshore A/S is working on building a nearshore wind farm. The project is currently undergoing VVM approval by the Danish Energy Agency.

Business review

The Company's income statement for the year ended 31 December shows a loss of EUR 18.571, and the balance sheet at 31 December 2017 shows equity of EUR 3.567.238.

The Company has performed as expected in 2017.

Significant events occurring after end of reporting period

No events have occurred after the balance sheet date which could significantly affect the company's financial position.

Accounting policies

The annual report of Jammerland Bay Nearshore A/S for 2017 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 provisions as regards larger entities.

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

The annual report for 2017 is presented in EUR

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 instalments 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 administration, etc.

Financial income and expenses

Financial income and expenses include interest, realised and unrealised exchange adjustments.

Accounting policies

Tax on profit/loss for the year

Tax for the year, which comprises the current tax charge for the year and changes in the deferred tax charge, including changes arising from changes in tax rates, is recognised in the income statement as regards the portion that relates to entries directly in equity.

Balance sheet

Intangible assets

Development projects

Acquired project rights include rights for the development of the project until the time the construction can commence (development phase). Projects rights include acquired rights of use, building permits, authorizations, etc. for the implementation of the project. Project rights are measured at initial recognition at cost. Cost includes direct and indirect costs for the development of the project. At the start of the construction the costs incurred will be transferred to property, plan and equipment.

Receivables

Receivables are measured at amortised cost.

Equity

Dividend

Proposed dividends are disclosed as a separate item under equity. Dividends are recognised as a liability at the date of declaration by the annual general meeting.

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.

Liabilities

Other liabilities is measured at net realisable value.

Accounting policies

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.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Income statement 1 January - 31 December

| | <u>Note</u> | <u>2017</u> EUR | <u>2016</u> EUR |
|--|-------------|--------------------|--------------------|
| Other external expenses | | -23.775 | -44.087 |
| Gross profit | | -23.775 | -44.087 |
| Financial income | 1 | 2 | 28.731 |
| Financial costs | 2 | -9 | -302 |
| Profit/loss before tax | | -23.782 | -15.658 |
| Tax on profit/loss for the year | | 5.211 | 3.480 |
| Net profit/loss for the year | | -18.571 | -12.178 |
| Proposed distribution of profit | | | |
| Retained earnings | | -18.571 | -12.178 |
| | | -18.571 | -12.178 |

Balance sheet 31 December

| | <u>Note</u> | <u>2017</u> EUR | <u>2016</u> EUR |
|----------------------------------|-------------|--------------------------------|--------------------------------|
| Assets | | | |
| Development projects in progress | | <u>3.098.069</u> | <u>2.886.901</u> |
| Intangible assets | 3 | <u>3.098.069</u> | <u>2.886.901</u> |
| Fixed assets total | | <u>3.098.069</u> | <u>2.886.901</u> |
| Other receivables | | 15.440 | 48.739 |
| Deferred tax asset | | <u>19.413</u> | <u>14.202</u> |
| Receivables | | <u>34.853</u> | <u>62.941</u> |
| Cash | | <u>447.857</u> | <u>654.886</u> |
| Current assets total | | <u>482.710</u> | <u>717.827</u> |
| Assets total | | <u><u>3.580.779</u></u> | <u><u>3.604.728</u></u> |

Balance sheet 31 December

| | <u>Note</u> | <u>2017</u> EUR | <u>2016</u> EUR |
|-------------------------------------|-------------|--------------------------------|--------------------------------|
| Liabilities and equity | | | |
| Share capital | | 140.000 | 140.000 |
| Retained earnings | | <u>3.427.238</u> | <u>3.445.809</u> |
| Equity | 4 | <u>3.567.238</u> | <u>3.585.809</u> |
| Trade payables | | <u>13.541</u> | <u>18.919</u> |
| Short-term debt | | <u>13.541</u> | <u>18.919</u> |
| Debt total | | <u>13.541</u> | <u>18.919</u> |
| Liabilities and equity total | | <u><u>3.580.779</u></u> | <u><u>3.604.728</u></u> |
| Charges and securities | 5 | | |

Equity

| | <u>Share capital</u> | <u>Retained earnings</u> | <u>Total</u> |
|------------------------------|-----------------------|------------------------------|-------------------------|
| Equity at 1 January | 140.000 | 3.445.809 | 3.585.809 |
| Net profit/loss for the year | <u>0</u> | <u>-18.571</u> | <u>-18.571</u> |
| Equity at 31 December | <u>140.000</u> | <u>3.427.238</u> | <u>3.567.238</u> |

Notes to the annual report

| | <u>2017</u> | <u>2016</u> |
|------------------------------|-----------------|----------------------|
| | EUR | EUR |
| 1 Financial income | | |
| Other financial income | 0 | 26.382 |
| Exchange gains | <u>2</u> | <u>2.349</u> |
| | <u>2</u> | <u>28.731</u> |
| | | |
| 2 Financial costs | | |
| Other financial costs | 1.908 | 2.061 |
| Exchange loss | 9 | 299 |
| Capitalised interest expense | <u>-1.908</u> | <u>-2.058</u> |
| | <u>9</u> | <u>302</u> |

Notes to the annual report

3 Intangible assets

| | <u>Development projects in progress</u> |
|--|---|
| Cost at 1 January | 2.886.901 |
| Additions for the year | <u>211.168</u> |
| Cost at 31 December | <u>3.098.069</u> |
| Carrying amount at 31 December | <u><u>3.098.069</u></u> |
| | |
| Interest expenses recognised as part of cost of assets | <u>9.085</u> |

4 Equity

There have been no changes in the share capital since the foundation of the company.

The share capital comprises 140.000 shares of a nominal value of EUR 1,000 each. All shares rank equally.

5 Charges and securities

The Company has not provided any collateral or entered into any agreements on the provision of security in general.