

CI-II VM HoldCo K/S

Nørregade 21
1165 Copenhagen
Central Business Registration
No 36914750

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-II VM HoldCo K/S
Nørregade 21
1165 Copenhagen

Central Business Registration No (CVR): 36914750

Founded: 05.06.2015

Registered in: Copenhagen

Financial year: 01.01.2018 - 31.12.2018

Executive Board

John Michael Hannibal
Felix Pahl
Thomas Hinrichsen
Christina Grumstrup Sørensen
Henrik Tordrup
Christian Troels Skakkebæk

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 General Partner has today considered and approved the annual report of CI-II VM HoldCo K/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 consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent'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,

27.05.2019

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Independent auditor's report

To the shareholders of CI-II VM HoldCo K/S

Opinion

We have audited the consolidated financial statements and the parent financial statements of CI-II VM HoldCo K/S for the financial year 01.01.2018 - 31.12.2018, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for the Group as well as the Parent, and the consolidated cash flow statement. The consolidated financial statements and the parent financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2018, and of the results of their operations and the consolidated 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 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 consolidated financial statements and the parent financial statements section of this auditor's report. We are independent of the Group 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 consolidated financial statements and the parent financial statements

Management is responsible for the preparation of consolidated financial statements and parent 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 consolidated financial statements and parent financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements and the parent financial statements, Management is responsible for assessing the Group's and the Parent'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 consolidated financial statements and the parent financial statements unless Management either intends to liquidate the Group or the Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements and the parent financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the parent 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

Independent auditor's report

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 consolidated financial statements and these parent 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 consolidated financial statements and the parent 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 Group's and the Parent'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 consolidated financial statements and the parent 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 Group's and the Parent'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 consolidated financial statements and the parent 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 Group and the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements and the parent financial statements, including the disclosures in the notes, and whether the consolidated financial statements and the parent financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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 commentary.

Our opinion on the consolidated financial statements and the parent 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 consolidated financial statements and the parent financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the consolidated financial statements and the parent financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

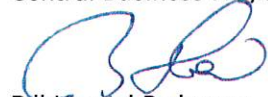
Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the management commentary is in accordance with the consolidated financial statements and the parent 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, 27.05.2019

Deloitte

Statsautoriseret Revisionspartnerselskab
Central Business Registration No (CVR) 33963556



Bili Haudal Pedersen
State Authorised Public Accountant
Identification No (MNE) mne30131



Michael Thorø Larsen
State Authorised Public Accountant
Identification No (MNE) mne35823

Management commentary

	2018 EUR'000	2017 EUR'000	2016 EUR'000	2015 EUR'000
Financial highlights				
Key figures				
Revenue	-	-	2,073	475
Gross profit/loss	(620)	(13)	1,781	383
Operating profit/loss	(620)	(13)	423	25
Net financials	33,678	25,846	23,459	11,091
Profit/loss for the year	33,058	25,833	23,792	11,114
Total assets	272,471	311,089	286,079	262,161
Equity	272,227	311,080	285,574	261,783
Ratios				
Return on equity (%)	11,3	8,7	8,7	4,2
Equity ratio (%)	99,9	100,0	99,8	99,9

The Company was established during 2015 therefore there is only key figures and ratios for four years. The financial highlights represents key figures and ratios for the Group.

Financial highlights are defined and calculated in accordance with the current version of "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 directly or indirectly to carry on business abroad through financing of and investments in infrastructure- and energy assets and other business related hereto.

Development in activities and finances

The Company has realised a profit of EUR 71,048 thousand compared with a profit of EUR 276 thousand last year.

The Group has realised a profit of EUR 33,058 thousand compared with a profit of EUR 25,833 thousand last year.

Divestment of the shareholding in the German offshore wind project Veja Mate was signed on 30 October 2018 with closing in February 2019.

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

Outlook

Management expects a positive result in 2019.

Material assumptions and uncertainties

The valuation of the investments in associates are affected by changes in power prices, the risk-free interest rate and the general cost of risk in the market. As a result accrued interest and the valuation of investments are subject to uncertainty.

Events after the balance sheet date

On 13 February 2019 closing was reached of divesting the shareholding in the German offshore wind project Veja Mate.

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

Consolidated income statement for 2018

	<u>Notes</u>	<u>2018 EUR'000</u>	<u>2017 EUR'000</u>
Other external expenses	1	(620)	(13)
Operating profit/loss		(620)	(13)
Income from investments in group enterprises		0	279
Income from investments in associates		13,585	0
Other financial income		20,112	25,571
Other financial expenses		(19)	(4)
Profit/loss for the year	2	33,058	25,833

Consolidated balance sheet at 31.12.2018

	<u>Notes</u>	<u>2018 EUR'000</u>	<u>2017 EUR'000</u>
Investments in associates		80,453	0
Other receivables		191,621	310,123
Fixed asset investments	3	272,074	310,123
Fixed assets		272,074	310,123
Cash		397	966
Current assets		397	966
Assets		272,471	311,089

Consolidated balance sheet at 31.12.2018

	<u>Notes</u>	<u>2018 EUR'000</u>	<u>2017 EUR'000</u>
Contributed capital		10,000	250,670
Retained earnings		262,227	60,410
Equity		272,227	311,080
Bank loans		2	0
Other payables		242	9
Current liabilities other than provisions		244	9
Liabilities other than provisions		244	9
Equity and liabilities		272,471	311,089
Associates	4		
Contingent liabilities	6		
Subsidiaries	7		

Consolidated statement of changes in equity for 2018

	Contributed capital EUR'000	Retained earnings EUR'000	Proposed extraordinary dividend EUR'000	Total EUR'000
Equity beginning of year	250,670	60,410	0	311,080
Decrease of capital	(240,670)	240,670	0	0
Extraordinary dividend paid	0	0	(71,911)	(71,911)
Profit/loss for the year	0	(38,853)	71,911	33,058
Equity end of year	10,000	262,227	0	272,227

Consolidated cash flow statement for 2018

	<u>Notes</u>	<u>2018 EUR'000</u>	<u>2017 EUR'000</u>
Operating profit/loss		(620)	(13)
Working capital changes	5	233	(12)
Cash flow from ordinary operating activities		(387)	(25)
Financial income received		0	5
Financial expenses paid		(15)	4
Other cash flows from operating activities		0	296
Cash flows from operating activities		(402)	280
Disposal of enterprises		0	50
Dividends received from associates		13,585	0
Repayments received		32,424	247
Interest received		25,735	0
Cash flows from investing activities		71,744	297
Dividend paid		(71,911)	0
Cash flows from financing activities		(71,911)	0
Increase/decrease in cash and cash equivalents		(569)	577
Cash and cash equivalents beginning of year		966	389
Cash and cash equivalents end of year		397	966

Notes to consolidated financial statements

1. Other external expenses

The Group has no employees in 2018.

The Management has not received any remuneration.

	2018 EUR'000	2017 EUR'000
2. Proposed distribution of profit/loss		
Extraordinary dividend distributed in the financial year	71,911	0
Retained earnings	(38,853)	25,833
	33,058	25,833
	Investments in associates EUR'000	Other receivables EUR'000
3. Fixed asset investments		
Cost beginning of year	0	250,000
Additions	80,453	0
Disposals	0	(100,000)
Cost end of year	80,453	150,000
Revaluations beginning of year	0	60,123
Other adjustments	0	20,110
Reversal regarding disposals	0	(38,612)
Revaluations end of year	0	41,621
Carrying amount end of year	80,453	191,621
	Registered in	Equity inte- rest %
4. Associates		
Veja Mate Offshore Project GmbH	Oststeinbek	23,4

Associates not measured at equity value

Veja Mate Offshore Project GmbH

The investment is measured at cost.

Notes to consolidated financial statements

	2018 EUR'000	2017 EUR'000
5. Change in working capital		
Increase/decrease in trade payables etc	233	(1)
Other changes	0	(11)
	233	(12)

6. Contingent liabilities

There are no guarantess or contingent liabilities of the group.

	Registered in	Corpo- rate form	Equity inte- rest %	Equity EUR'000	Profit/loss EUR'000
7. Subsidiaries					
CI-II VM A	Copenhagen	K/S	100,0	191,604	19,156
CI-II VM B	Copenhagen	K/S	100,0	80,506	13,914

Parent income statement for 2018

	<u>Notes</u>	<u>2018 EUR'000</u>	<u>2017 EUR'000</u>
Other external expenses	1	(7)	(4)
Operating profit/loss		(7)	(4)
Income from investments in group enterprises		71,061	279
Other financial income		(1)	5
Other financial expenses		(5)	(4)
Profit/loss for the year	2	71,048	276

Parent balance sheet at 31.12.2018

	<u>Notes</u>	<u>2018 EUR'000</u>	<u>2017 EUR'000</u>
Investments in group enterprises		250,000	250,000
Fixed asset investments	3	250,000	250,000
Fixed assets		250,000	250,000
Receivables from group enterprises		21	17
Receivables		21	17
Cash		99	966
Current assets		120	983
Assets		250,120	250,983

Parent balance sheet at 31.12.2018

	<u>Notes</u>	<u>2018 EUR'000</u>	<u>2017 EUR'000</u>
Contributed capital		10,000	250,670
Retained earnings		240,117	310
Equity		250,117	250,980
Other payables		3	3
Current liabilities other than provisions		3	3
Liabilities other than provisions		3	3
Equity and liabilities		250,120	250,983
Contingent liabilities	4		

Parent statement of changes in equity for 2018

	Contributed capital EUR'000	Retained earnings EUR'000	Proposed extraordinary dividend EUR'000	Total EUR'000
Equity beginning of year	250,670	310	0	250,980
Decrease of capital	(240,670)	240,670	0	0
Extraordinary dividend paid	0	0	(71,911)	(71,911)
Profit/loss for the year	0	(863)	71,911	71,048
Equity end of year	10,000	240,117	0	250,117

Notes to parent financial statements

1. Other external expenses

The Company has no employees.

The Management has not received any remuneration.

	2018 EUR'000	2017 EUR'000
2. Proposed distribution of profit/loss		
Extraordinary dividend distributed in the financial year	71,911	0
Retained earnings	(863)	276
	71,048	276
		Investments in group enterprises EUR'000
3. Fixed asset investments		
Cost beginning of year		250,000
Cost end of year		250,000
Carrying amount end of year		250,000

A specification of investments in subsidiaries is evident from the notes to the consolidated financial statements.

4. Contingent liabilities

There are no guarantees or contingent liabilities of the company.

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 (medium).

The accounting policies applied to these consolidated financial statements and parent 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.

Consolidated financial statements

The consolidated financial statements comprise the Parent and the group enterprises (subsidiaries) that are controlled by the Parent. Control is achieved by the Parent, either directly or indirectly, holding more than 50% of the voting rights or in any other way possibly or actually exercising controlling influence. Enterprises in which the Group, directly or indirectly, holds between 20% and 50% of the voting rights and exercises significant, but not controlling influence are regarded as associates.

Basis of consolidation

The consolidated financial statements are prepared on the basis of the financial statements of the Parent and its subsidiaries. The consolidated financial statements are prepared by combining uniform items. On consolidation, intra-group income and expenses, intra-group accounts and dividends as well as profits and losses on transactions between the consolidated enterprises are eliminated. The financial statements used for consolidation have been prepared applying the Group's accounting policies.

Subsidiaries' financial statement items are recognised in full in the consolidated financial statements.

Accounting policies

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 rate 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 group enterprises

Income from investments in group enterprises comprises dividend received from the individual group enterprises in the financial year. Profits or losses realised from disposals of subsidiaries have been recognised as well.

Income from investments in associates

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

Other financial income from group enterprises

Other financial income from group enterprises comprises interest income etc. on receivables from group enterprises.

Other financial income

Other financial income comprises interest income and net exchange gains on transactions in foreign currencies.

Other financial expenses

Other financial expenses comprise interest expenses and net exchange losses on transactions in foreign currencies.

Balance sheet

Investments in group enterprises

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

Investments in associates

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

Accounting policies

Receivables

Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

Cash

Cash comprises cash 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 and working capital changes.

Cash flows from investing activities comprise payments in connection with acquisition and divestment of investments in fixed assets 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 loans.