

# **K/S Svindbæk Vindkraft**

**Gyngemose Parkvej 50  
2860 Søborg**

**CVR no. 36 96 76 09**

**Annual report for 2020**

**(5th Financial year)**

Adopted at the annual general  
meeting on 15 March 2021

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Maria Malling Eriksen  
chairman

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## **Statement by management on the annual report**

The executive board has today discussed and approved the annual report of K/S Svindbæk Vindkraft for the financial year 1 January - 31 December 2020.

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 2020 and of the results of the company's operations for the financial year 1 January - 31 December 2020.

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 by the company at the general meeting.

Søborg, 15 March 2021

### **Directors**

Melanie Maria Schaub

Bernhard Gierke

## **Independent auditor's report**

*To the shareholder of K/S Svindbæk Vindkraft*

### **Opinion**

We have audited the financial statements of K/S Svindbæk Vindkraft for the financial year 1 January - 31 December 2020, which comprise income statement, balance sheet, statement of changes in equity, notes and summary of significant accounting policies. 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 2020 and of the results of the company's operations for the financial year 1 January - 31 December 2020 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 the 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 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.
- 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, 15 March 2021

KPMG  
Statsautoriseret Revisionspartnerselskab  
CVR no. 25 57 81 98

Martin Eiler  
State Authorised Public Accountant  
MNE no. mne32271

## Company details

### The company

K/S Svindbæk Vindkraft  
Gyngemose Parkvej 50  
2860 Søborg

CVR no.: 36 96 76 09

Reporting period: 1 January - 31 December 2020

Incorporated: 8. July 2015

Domicile: Gladsaxe

### Directors

Melanie Maria Schaub  
Bernhard Gierke

### Auditors

KPMG  
Statsautoriseret Revisionspartnerselskab  
Dampfærgevej 28  
2100 Copenhagen

## **Management's review**

### **Business review**

The Company's objective is to develop, operate and/or sell all kinds of renewable energy and related activities.

The company operates a wind farm, comprising of 7 turbines, located at mid Jutland.

### **Financial review**

The company's income statement for the year ended 31 December 2020 shows a loss of EUR 366.749, and the balance sheet at 31 December 2020 shows negative equity of EUR 497.331.

The equity is expected to be re-established by profit from the company's operation.

The company has negative equity, but the parent company has made a declaration of subordination towards other creditors.

In 2020 Denmark, and the rest of the world, has been significantly affected by COVID-19. The company's activities have not been significantly affected by the situation.

The company's operation is dependent on several factors. If unforeseen circumstances arise in the future, including e.g. initiatives from the government, this could affect the company's result and financial position.

### **Significant events occurring after the end of the financial year**

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



## **Accounting policies**

The annual report of K/S Svindbæk Vindkraft for 2020 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 enterprises of reporting class C

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

The annual report for 2020 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 installments 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**

### **Revenue**

Income from the sale of electricity is recognized in the income statement with the amount that is paid, or expected paid, from the receiver of the electricity, as the electricity is produced and delivered to the receivers grid, provided the production has taken place before the end of the year and that the income can be measured reliably and is expected to be received.

Revenue is measured net of VAT and discounts/rebates granted. Public grants are recognized when it is likely that the grants will be received. Grants for electricity production are recognized under revenue as the corresponding revenue of electricity is recognized.

## **Accounting policies**

### **Direct costs**

Direct costs include expenses incurred to generate the period's revenue. The item includes direct and indirect expenses relating to rent, service, technical management, insurance and electricity cost to grid connection.

### **Other operating income**

Other operating income comprises items secondary to the company's activities, including gains on disposal of intangible assets and items of property, plant and equipment.

### **Other external expenses**

Other external expenses include expenses incurred in the period for company management and administration, including expenses relating to auditing fee, legal assistance, administrative service fees etc.

### **Depreciation**

Depreciation comprise the year's depreciation of plant and equipment.

### **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 and foreign currency transactions etc.

### **Tax on profit/loss for the year**

The company is not an independent tax subject. Taxation is done with the limited partners.

## **Accounting policies**

### **Balance sheet**

#### **Tangible assets**

Items of plant and machinery and fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

The depreciable amount is cost less the expected residual value at the end of the useful life.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use. The cost of self-constructed assets comprises direct and indirect costs of materials, components, sub-suppliers, wages and interests during the period until the end of the construction project. Estimated costs for dismantling and restoration are added to the asset and depreciated together with the relevant asset.

Straight-line depreciation is provided on the basis of the following estimated useful lives of the assets:

Wind turbines	25 years
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Impairment tests are conducted of property, plant and equipment when there are indications of impairment. Impairment tests are conducted in respect of individual assets or groups of assets. The assets are written down to the higher of the value in use and net realisable value (recoverable amount) of the asset or group of assets if this is lower than the carrying amount.

#### **Other Investments**

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

#### **Receivables**

Receivables are measured at amortised cost.

#### **Prepayments**

Prepayments recognised under 'Current assets' comprises expenses incurred concerning subsequent financial years.

## **Accounting policies**

### **Equity**

#### **Dividends**

Proposed dividends are disclosed as a separate item under equity. Dividends are recognised as a liability when declared by the annual general meeting of shareholders.

#### **Provisions**

Provisions comprise expected expenses relating to dismantling and restoration of wind turbines etc. Provisions are recognised when, as a result of a past event, the company has a legal or constructive obligation and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

Provisions are measured at the value in use.

The value of provisions related to dismantling and restoration of production plant is recognized in property, plant and equipment and are depreciated together with the relevant assets.

#### **Liabilities**

Financial liabilities are recognised on the raising of the loan at the proceeds received net of transaction costs incurred. On subsequent recognition, the financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest method. Accordingly, the difference between the net proceeds and the nominal value is recognised in the income statement over the term of the loan.

Other liabilities, which include trade payables, payables to group entities and other payables, are measured at amortised cost, which is usually equivalent to nominal value.

#### **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. If foreign currency instruments are considered cash flow hedges, the value adjustments are taken directly to equity.

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.

## **Accounting policies**

Foreign exchange adjustments of balances with separate entities which are considered part of the investment in the subsidiary are taken directly to equity. Correspondingly, foreign exchange gains and losses on loans and derivative financial instruments entered into to hedge net investments in such entities are taken directly to equity.

### **Derivative financial instruments**

On initial recognition in the balance sheet, derivative financial instruments are measured at cost and subsequently at fair value. Positive and negative fair values of derivative financial instruments are included in 'Other receivables' or 'Other payables', respectively.

Fair value adjustments of derivative financial instruments designated as and qualifying for recognition as a fair value hedge of recognised assets or liabilities are recognised in the income statement together with fair value adjustments of the hedged asset or liability.

Fair value adjustments of derivative financial instruments designated as and qualifying for hedging of future cash flows are recognised in other receivables or other payables and in the fair value reserve under 'Equity'. If the future transaction results in recognition of assets or liabilities, amounts previously recognised in equity are transferred to the cost of the asset or the liability, respectively. If the future transaction results in income or expenses, amounts previously recognised in equity are transferred to the income statement in the period in which the hedged item affects the income statement.

As for derivative financial instruments that do not qualify for hedge accounting, fair value adjustments are recognised in the income statement on a current basis.

**Income statement 1 January 2020 - 31 December 2020**

	<u>Note</u>	<u>2020</u> EUR	<u>2019</u> EUR
<b>Revenue</b>		<b>2.420.659</b>	<b>3.038.493</b>
Other operating income		0	6.116
Direct costs		-584.234	-431.389
Other external expenses	1	-26.880	-756.249
<b>Gross profit</b>		<b>1.809.545</b>	<b>1.856.971</b>
Depreciations		-909.816	-906.420
<b>Ordinary operating profit</b>		<b>899.729</b>	<b>950.551</b>
Financial income	2	7.299	386.985
Financial costs	3	-1.273.777	-734.450
<b>Profit/loss for the year</b>		<b>-366.749</b>	<b>603.086</b>
Retained earnings		-366.749	603.086
		<b>-366.749</b>	<b>603.086</b>

**Balance sheet at 31 December 2020**

	<u>Note</u>	<u>31/12/2020</u> EUR	<u>31/12/2019</u> EUR
<b>Assets</b>			
Plant and machinery		<u>20.367.352</u>	<u>21.277.168</u>
<b>Tangible assets</b>	4	<b><u>20.367.352</u></b>	<b><u>21.277.168</u></b>
Other Investments	5	<u>65.371</u>	<u>59.076</u>
<b>Fixed asset investments</b>		<b><u>65.371</u></b>	<b><u>59.076</u></b>
<b>Total non-current assets</b>		<b><u>20.432.723</u></b>	<b><u>21.336.244</u></b>
Trade receivables		267.008	333.501
Other receivables		23.894	193.819
Prepayments	6	<u>1.201.576</u>	<u>1.245.537</u>
<b>Receivables</b>		<b><u>1.492.478</u></b>	<b><u>1.772.857</u></b>
<b>Cash at bank and in hand</b>		<b><u>61.467</u></b>	<b><u>228.732</u></b>
<b>Total current assets</b>		<b><u>1.553.945</u></b>	<b><u>2.001.589</u></b>
<b>Total assets</b>		<b><u>21.986.668</u></b>	<b><u>23.337.833</u></b>

**Balance sheet at 31 December 2020**

	<u>Note</u>	<u>31/12/2020</u> EUR	<u>31/12/2019</u> EUR
<b>Equity and liabilities</b>			
Share capital		133.874	133.874
Unpaid share capital		<u>-133.874</u>	<u>-133.874</u>
Paid share capital		0	0
Reserve for unpaid share capital		133.874	133.874
Fair value adjustment of hedging instruments		-258.649	-58.720
Retained earnings		<u>-372.556</u>	<u>-5.807</u>
<b>Equity</b>	7	<u><b>-497.331</b></u>	<u><b>69.347</b></u>
Other provisions	8	<u>123.949</u>	<u>123.949</u>
<b>Total provisions</b>		<u><b>123.949</b></u>	<u><b>123.949</b></u>
Mortgage loans		8.374.607	9.173.052
Fair value adjustment of hedging instruments		258.649	58.720
Payable to parent company		<u>12.787.389</u>	<u>12.796.016</u>
<b>Total non-current liabilities</b>	9	<u><b>21.420.645</b></u>	<u><b>22.027.788</b></u>
Short-term part of long-term debet	9	803.301	800.974
Trade payables		132.092	308.004
Other payables		<u>4.012</u>	<u>7.771</u>
<b>Total current liabilities</b>		<u><b>939.405</b></u>	<u><b>1.116.749</b></u>
<b>Total liabilities</b>		<u><b>22.360.050</b></u>	<u><b>23.144.537</b></u>
<b>Total equity and liabilities</b>		<u><b>21.986.668</b></u>	<u><b>23.337.833</b></u>
Contingent liabilities	10		
Mortgages and collateral	11		
Related parties and ownership structure	12		



## Statement of changes in equity

	Share capital	Unpaid share capital	Reserve for unpaid share capital	Fair value adjustment of hedging instruments	Retained earnings	Total
Equity at 1 January 2020	133.874	-133.874	133.874	-58.720	-5.807	69.347
Fair value adjustment of hedging instruments	0	0	0	-199.929	0	-199.929
Net profit/loss for the year	0	0	0	0	-366.749	-366.749
<b>Equity at 31 December 2020</b>	<b>133.874</b>	<b>-133.874</b>	<b>133.874</b>	<b>-258.649</b>	<b>-372.556</b>	<b>-497.331</b>

## Notes to the annual report

	<u>2020</u> EUR	<u>2019</u> EUR
<b>1 Staff costs</b>		
Average number of employees	<u>0</u>	<u>0</u>

The Company has outsourced all its administrative and technical services. The Company's management does not receive salary or other remuneration.

	<u>2020</u> EUR	<u>2019</u> EUR
<b>2 Financial income</b>		
Financial income, group entities	0	382.129
Exchange gains	<u>7.299</u>	<u>4.856</u>
	<b><u>7.299</u></b>	<b><u>386.985</u></b>

	<u>2020</u> EUR	<u>2019</u> EUR
<b>3 Financial costs</b>		
Financial expenses, group entities	1.021.783	313.978
Other financial costs	238.230	403.690
Exchange adjustments costs	<u>13.764</u>	<u>16.782</u>
	<b><u>1.273.777</u></b>	<b><u>734.450</u></b>

## Notes to the annual report

### 4 Tangible assets

	<u>Plant and machinery</u>
Cost at 1 January 2020	22.851.020
Additions for the year	<u>0</u>
Cost at 31 December 2020	<u>22.851.020</u>
Impairment losses and depreciation at 1 January 2020	1.573.852
Depreciation for the year	<u>909.816</u>
Impairment losses and depreciation at 31 December 2020	<u>2.483.668</u>
<b>Carrying amount at 31 December 2020</b>	<b><u><u>20.367.352</u></u></b>

### 5 Fixed asset investments

	<u>Other Investments</u>
Cost at 1 January 2020	58.037
Additions for the year	0
Disposals for the year	<u>0</u>
Cost at 31 December 2020	<u>58.037</u>
Revaluations at 1 January 2020	1.039
Revaluations for the year	<u>6.295</u>
Revaluations at 31 December 2020	<u>7.334</u>
<b>Carrying amount at 31 December 2020</b>	<b><u><u>65.371</u></u></b>

### 6 Prepayments

Prepayments comprise rent of land until 2047 and service.

## Notes to the annual report

### 7 Equity

The share capital consists of 1.000 shares of a nominal value of EUR 134(DKK 1.000). No shares carry any special rights. The share capital has not been paid.

There have been no changes in the share capital during the last 5 years.

	<u>31/12/2020</u>	<u>31/12/2019</u>
	EUR	EUR
<b>8 Other provisions</b>		
Provision for re-establishment	<u>123.949</u>	<u>123.949</u>
<b>Balance at 31 December 2020</b>	<b><u>123.949</u></b>	<b><u>123.949</u></b>

Provisions cover future costs for cleaning and dismantling of the wind turbines. Based on management's expectations for the maturity of the liability, these are recognized as non-current liabilities.

### 9 Long term debt

	Debt at 1 January 2020	Debt at 31 December 2020	Instalment next year	Debt outstanding after 5 years
Mortgage loans	9.173.052	8.374.607	803.301	5.483.041
Fair value adjustment of hedging instruments	58.720	258.649	0	0
Payable to parent company	<u>12.796.016</u>	<u>12.787.389</u>	<u>0</u>	<u>12.787.389</u>
	<b><u>22.027.788</u></b>	<b><u>21.420.645</u></b>	<b><u>803.301</u></b>	<b><u>18.270.430</u></b>

Payable to parent company subordinate before other debt.

### 10 Contingent liabilities

Obligations relating to outsourcing services represent EUR 80.324,51.

## Notes to the annual report

### 11 Mortgages and collateral

The company has granted the credit institution a mortgage in the wind turbines for a nominal EUR 21.195.543.

The book value of the asset is EUR 20.367.352.

### 12 Related parties and ownership structure

#### Controlling interest

Svindbaek Vindkraft HoldCo ApS, Gyngemose Parkvej 50, 2860 Søborg

#### Consolidated financial statements

The company is reflected in the group report for the parent company Tesseract Holdings Limited, Mermaid House, 2 Puddle Dock, London EC4V 3DB