

K/S Svindbæk Vindkraft

**Gyngemose Parkvej 50
2860 Søborg**

CVR no. 36 96 76 09

Annual report for 2022

(7th Financial year)

Adopted at the annual general
meeting on 31 March 2023

Emil Overby Stephensen
chairman

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Statement by management on the annual report

The executive board and the board of directors have today discussed and approved the annual report of K/S Svindbæk Vindkraft for the financial year 1 January - 31 December 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 company's financial position at 31 December 2022 and of the results of the company's operations for the financial year 1 January - 31 December 2022.

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, 31 March 2023

Directors

Bernhard Gierke

Supervisory board

Guillaume Lasserre

Andrew Ilias Macquame
Wojtek

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 2022, 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 2022 and of the results of the company's operations for the financial year 1 January - 31 December 2022 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 and IESBA Code. 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, 31 March 2023

KPMG
Statsautoriseret Revisionspartnerselskab
CVR no. 25 57 81 98

Kenn Wolff Hansen
State Authorised Public Accountant
MNE no. mne30154

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 2022

Incorporated: 8 July 2015

Domicile: Gladsaxe

Supervisory board

Guillaume Lasserre
Andrew Ilias Macquame Wojtek

Directors

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 2022 shows a profit of EUR 3.167.502, and the balance sheet at 31 December 2022 shows equity of EUR 4.346.137.

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 2022 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B and the Accounting Standard on small enterprises, as well as provisions applying to reporting class C entities.

The accounting policies applied are consistent with those of last year apart from the below mentioned change in accounting policies.

The annual report for 2022 is presented in EUR

Changes in accounting policies

The accounting policies have been changed in the following respect:

EUR 133.874 has been moved from "Unpaid share capital" under Equity to "Claim for payment of share capital" under current assets to align with gross presentation instead of net.

Comparatives have been restated to reflect the policy change.

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.

Accounting policies

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.

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 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

Plant and machinery 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 at fair value.

Receivables

Receivables are measured at amortised cost.

Prepayments

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

Cash and cash equivalents

Cash and cash equivalents comprise cash and deposits at banks.

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, any unrealised value adjustments are taken directly to a fair value reserve under '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 the fair value reserve under '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 2022 - 31 December 2022

	<u>Note</u>	<u>2022</u> EUR	<u>2021</u> EUR
Revenue		5.956.882	2.823.170
Direct costs		-647.497	-589.811
Other external expenses		-53.840	-49.333
Gross profit		5.255.545	2.184.026
Depreciations		-909.816	-909.816
Profit/loss before net financials		4.345.729	1.274.210
Financial income	2	29.584	2.888
Financial costs	3	-1.207.811	-1.262.391
Profit/loss for the year		3.167.502	14.707
 Distribution of profit			
Retained earnings		3.167.502	14.707
		3.167.502	14.707

Balance sheet at 31 December 2022

	<u>Note</u>	<u>31/12/2022</u> EUR	<u>31/12/2021</u> EUR
Assets			
Plant and machinery	4	18.547.720	19.457.536
Tangible assets		<u>18.547.720</u>	<u>19.457.536</u>
Other investments	5	68.082	68.082
Derivative financial instruments	5	1.298.988	100.472
Fixed asset investments		<u>1.367.070</u>	<u>168.554</u>
Total non-current assets		<u>19.914.790</u>	<u>19.626.090</u>
Trade receivables		671.989	379.544
Other receivables		30.574	25.307
Claim for payment of share capital		133.874	133.874
Prepayments	6	1.123.157	1.162.106
Receivables		<u>1.959.594</u>	<u>1.700.831</u>
Cash at bank and in hand		<u>958.647</u>	<u>40.448</u>
Total current assets		<u>2.918.241</u>	<u>1.741.279</u>
Total assets		<u><u>22.833.031</u></u>	<u><u>21.367.369</u></u>

Balance sheet at 31 December 2022

	<u>Note</u>	<u>31/12/2022</u> EUR	<u>31/12/2021</u> EUR
Equity and liabilities			
Share capital		133.874	133.874
Reserve for unpaid share capital		133.874	133.874
Fair value adjustment of hedging instruments		1.298.989	100.472
Retained earnings		<u>2.779.400</u>	<u>-388.102</u>
Equity	7	<u>4.346.137</u>	<u>-19.882</u>
Other provisions	8	<u>123.949</u>	<u>123.949</u>
Total provisions		<u>123.949</u>	<u>123.949</u>
Mortgage loans		5.230.321	7.653.944
Payable to parent company		<u>12.200.974</u>	<u>12.791.380</u>
Total non-current liabilities	9	<u>17.431.295</u>	<u>20.445.324</u>
Short-term part of mortgage loans	9	724.408	664.224
Trade payables		<u>207.242</u>	<u>153.754</u>
Total current liabilities		<u>931.650</u>	<u>817.978</u>
Total liabilities		<u>18.362.945</u>	<u>21.263.302</u>
Total equity and liabilities		<u>22.833.031</u>	<u>21.367.369</u>
Staff costs	1		
Mortgages and collateral	10		
Related parties and ownership structure	11		

Statement of changes in equity

	Share capital	Reserve for unpaid share capital	Fair value adjustment of hedging instruments	Retained earnings	Total
Equity at 1 January 2022	133.874	133.874	100.472	-388.102	-19.882
Fair value adjustment of hedging instruments	0	0	1.198.517	0	1.198.517
Net profit/loss for the year	0	0	0	3.167.502	3.167.502
Equity at 31 December 2022	133.874	133.874	1.298.989	2.779.400	4.346.137

Notes to the annual report

	<u>2022</u>	<u>2021</u>
	EUR	EUR
1 Staff costs		
Average number of employees	<u>0</u>	<u>0</u>
<p>The Company has outsourced all its administrative and technical services. The Company's management does not receive salary or other remuneration.</p>		
2 Financial income		
Interest income from bank accounts	27.049	0
Exchange gains	<u>2.535</u>	<u>2.888</u>
	<u>29.584</u>	<u>2.888</u>
3 Financial costs		
Financial expenses, group entities	1.018.991	1.018.991
Other financial costs	188.222	214.986
Exchange adjustments costs	<u>598</u>	<u>28.414</u>
	<u>1.207.811</u>	<u>1.262.391</u>

Notes to the annual report

4 Tangible assets

	<u>Plant and machinery</u>
Cost at 1 January 2022	22.851.020
Additions for the year	<u>0</u>
Cost at 31 December 2022	<u>22.851.020</u>
Impairment losses and depreciation at 1 January 2022	3.393.484
Depreciation for the year	<u>909.816</u>
Impairment losses and depreciation at 31 December 2022	<u>4.303.300</u>
Carrying amount at 31 December 2022	<u><u>18.547.720</u></u>

5 Fixed asset investments

	<u>Other investments</u>	<u>Derivative financial instruments</u>
Cost at 1 January 2022	58.037	100.472
Additions for the year	<u>0</u>	<u>1.198.516</u>
Cost at 31 December 2022	<u>58.037</u>	<u>1.298.988</u>
Revaluations at 1 January 2022	10.045	0
Revaluations for the year	<u>0</u>	<u>0</u>
Revaluations at 31 December 2022	<u>10.045</u>	<u>0</u>
Carrying amount at 31 December 2022	<u><u>68.082</u></u>	<u><u>1.298.988</u></u>

6 Prepayments

Prepayments comprise rent of land and other services.

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>31/12/2022</u>	<u>31/12/2021</u>
	EUR	EUR
8 Other provisions		
Provision for re-establishment	<u>123.949</u>	<u>123.949</u>
Balance at 31 December	<u>123.949</u>	<u>123.949</u>

9 Long term debt

	Debt at 1 January 2022	Long term Debt at 31 December 2022	Instalment next year	Debt outstanding after 5 years
Mortgage loans	<u>7.653.944</u>	<u>5.230.321</u>	<u>724.408</u>	<u>3.788.647</u>
Payable to parent company	<u>12.791.380</u>	<u>12.200.974</u>	<u>0</u>	<u>12.200.974</u>
	<u>20.445.324</u>	<u>17.431.295</u>	<u>724.408</u>	<u>15.989.621</u>

Notes to the annual report

10 Mortgages and collateral

The company has granted the credit institution with a total debt of EUR 5.954.729 at 31 December 2022 mortgage in the wind turbines with a carrying amount of EUR 18.547.720 at 31 December 2022.

11 Related parties and ownership structure

Controlling interest

Svindbaek Vindkraft HoldCo ApS, Gyngemose Parkvej 50, 2860 Søborg

Consolidated financial statements

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