

Momentum Energy Jutlandia Development K/S

Københavnsvej 81, 4000 Roskilde

Annual report

2021

Company reg. no. 37 20 58 50

The annual report was submitted and approved by the general meeting on the 2 June 2022.

Jacob Richter
Chairman of the meeting

Notes:

- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.

Contents

Page

Reports

- 1 Management's statement
- 2 Independent auditor's report

Management's review

- 5 Company information
- 6 Management's review

Financial statements 1 January - 31 December 2021

- 7 Accounting policies
- 10 Income statement
- 11 Balance sheet
- 13 Statement of changes in equity
- 14 Notes

Management's statement

Today, the Management has approved the annual report of Momentum Energy Jutlandia Development K/S for the financial year 2021.

The annual report has been prepared in accordance with the Danish Financial Statements Act.

We consider the chosen accounting policy to be appropriate, and in our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2021 and of the results of the Company's operations for the financial year 1 January - 31 December 2021.

Further, in our opinion, the Management's review gives a true and fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the Annual General Meeting.

Roskilde, 2 June 2022

Managing Director

Michael Shalmi

Board of directors

Kim Madsen

Michael Shalmi

General partner

Komplementarselskabet Momentum Energy Jutlandia Development ApS

Kim Madsen

Independent auditor's report

To the Limited Partners of Momentum Energy Jutlandia Development K/S

Opinion

We have audited the financial statements of Momentum Energy Jutlandia Development K/S for the financial year 1 January - 31 December 2021, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes, for the Company. 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 financial position of the Company at 31 December 2021, and of the results of the Company's operations for the financial year 1 January - 31 December 2021 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' 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.

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.

Independent auditor's report

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.

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.

Independent auditor's report

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 Statement Act. We did not identify any material misstatement of Management's Review.

Copenhagen, 2 June 2022

Martinsen

State Authorised Public Accountants
Company reg. no. 32 28 52 01

Leif Tomasson
State Authorised Public Accountant
mne25346

Lars Greve Jensen
State Authorised Public Accountant
mne32199

Company information

The company	Momentum Energy Jutlandia Development K/S Københavnsvej 81 4000 Roskilde
	Company reg. no. 37 20 58 50 Established: 5 November 2015 Domicile: Roskilde Financial year: 1 January - 31 December
Board of directors	Kim Madsen Michael Shalmi
Managing Director	Michael Shalmi
General partner	Komplementarselskabet Momentum Energy Jutlandia Development ApS
Auditors	Martinsen Statsautoriseret Revisionspartnerselskab Øster Allé 42 2100 København Ø
Parent company	Momentum Energy Jutlandia P/S

Management´s review

The principal activities of the company

The principal activities are owning and operating wind turbines.

The company owns a total of 85 wind turbines in 18 wind farms.

Development in activities and financial matters

The revenue for the year totals DKK 13.908.886 against DKK 28.137.538 last year. Income or loss from ordinary activities totals DKK -9.381.215 against DKK 13.514.790 last year. Management considers the net profit or loss for the year unsatisfactory.

In Q1 2022, the company acquired a total of 23 existing wind turbines.

Accounting policies

The annual report for Momentum Energy Jutlandia Development K/S has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class B enterprises. Furthermore, the company has decided to comply with certain rules applying to reporting class C enterprises.

The accounting policies are unchanged from last year, and the annual report is presented in DKK.

Income statement

Revenue

The enterprise will be applying IAS 11 and IAS 18 as its basis of interpretation for the recognition of revenue.

Revenue is recognised in the income statement if delivery and passing of risk to the buyer have taken place before the end of the year and if the income can be determined reliably and inflow is anticipated. Recognition of revenue is exclusive of VAT and taxes and less any discounts relating directly to sales.

Other external costs

Other external costs comprise costs incurred for administration.

Depreciation, amortisation, and writedown

Depreciation, amortisation, and writedown comprise depreciation on, amortisation of, and writedown relating to intangible and tangible assets, respectively.

Financial income and expenses

Financial income and expenses are recognised in the income statement with the amounts concerning the financial year. Financial income and expenses comprise interest income and expenses and realised and unrealised capital gains and losses relating to transactions in foreign currency.

Statement of financial position

Property, plant, and equipment

Wind turbines are measured at cost plus revaluations and less accrued depreciation and writedown for impairment.

The depreciable amount is cost less any expected residual value after the end of the useful life of the asset. The amortisation period and the residual value are determined at the acquisition date and reassessed annually. If the residual value exceeds the carrying amount, the depreciation is discontinued.

Accounting policies

If the amortisation period or the residual value is changed, the effect on amortisation will, in future, be recognised as a change in the accounting estimates.

The cost comprises acquisition cost and costs directly associated with the acquisition until the time when the asset is ready for use.

Wind turbines are subsequently measured at fair value, which represents the value for which the individual asset is assessed to be able to be sold on the reporting date to an independent buyer. The fair value is using the DCF model as the calculated capital value of the expected cash flows.

In determining the expected cash flows, the starting point is the budgeted cash flows of the individual wind turbine. The calculated cash flows are discounted back to net present value using a discount rate, which is determined for the individual assets on the basis of current market conditions on the reporting date for that type, etc., so that the discount rate is assessed to reflect the market's current return requirements on corresponding assets.

Added revaluations are recognised directly in company equity, while depreciation and writedown recognised in the income statement.

Depreciation is done on a straight-line basis according to an assessment of the expected useful life:

	Useful life
Wind turbines	40 years

Minor assets with an expected useful life of less than 1 year are recognised as costs in the income statement in the year of acquisition.

Investments

Other financial instruments and equity investments

Other unlisted financial instruments are measured at cost. Writedown for impairment is done to the recoverable amount if this value is lower than the carrying amount.

Inventories

Inventories are measured at cost according to the FIFO method. In cases when the net realisable value of the inventories is lower than the cost, the latter is written down for impairment to this lower value.

Costs of goods for resale, raw materials, and consumables comprise acquisition costs plus delivery costs.

Receivables

Receivables are measured at amortised cost, which usually corresponds to nominal value.

Accounting policies

Prepayments and accrued income

Prepayments and accrued income recognised under assets comprise incurred costs concerning the following financial year.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand.

Equity

Revaluation reserve

Reserve for revaluations of wind turbines. The reserve is reduced when the value of revalued wind turbine is reduced due to depreciation. The reduction represents the difference between depreciation based on the revalued carrying amount of the wind turbine and depreciation based on the original cost of the wind turbines.

Liabilities other than provisions

Other liabilities concerning payables to suppliers, group enterprises, and other payables are measured at amortised cost which usually corresponds to the nominal value.

Income statement 1 January - 31 December

All amounts in DKK.

<u>Note</u>	<u>2021</u>	<u>2020</u>
Revenue	13.908.886	28.137.538
Other external expenses	-10.253.812	-15.080.642
Gross profit	3.655.074	13.056.896
Depreciation and writedown	-15.900.135	-3.291.195
Operating profit	-12.245.061	9.765.701
Income from investments in associates	234.005	2.465.000
Other financial income from subsidiaries	5.109.847	1.970.894
Other financial income	0	582
1 Other financial expenses	-2.480.006	-687.387
Net profit or loss for the year	-9.381.215	13.514.790
 Proposed appropriation of net profit:		
Transferred to retained earnings	0	13.514.790
Allocated from retained earnings	-9.381.215	0
Total allocations and transfers	-9.381.215	13.514.790

Balance sheet at 31 December

All amounts in DKK.

Assets		
<u>Note</u>	<u>2021</u>	<u>2020</u>
Non-current assets		
2 Wind turbines	295.922.780	303.024.553
Total property, plant, and equipment	<u>295.922.780</u>	<u>303.024.553</u>
3 Other financial instruments and equity investments	347.000	1.461.483
Total investments	<u>347.000</u>	<u>1.461.483</u>
Total non-current assets	<u>296.269.780</u>	<u>304.486.036</u>
Current assets		
Raw materials and consumables	1.644.626	1.026.842
Total inventories	<u>1.644.626</u>	<u>1.026.842</u>
Trade receivables	9.781.524	1.774.680
Receivables from group enterprises	134.102.842	122.568.369
Other receivables	808.319	2.049.931
Prepayments	743.303	1.284.481
Total receivables	<u>145.435.988</u>	<u>127.677.461</u>
Cash and cash equivalents	5.956.452	2.942.584
Total current assets	<u>153.037.066</u>	<u>131.646.887</u>
Total assets	<u>449.306.846</u>	<u>436.132.923</u>

Balance sheet at 31 December

All amounts in DKK.

Equity and liabilities		
<u>Note</u>	<u>2021</u>	<u>2020</u>
Equity		
Contributed capital	102.870.000	102.870.000
Revaluation reserve	235.984.230	239.794.808
Retained earnings	25.234.926	22.007.201
Total equity	<u>364.089.156</u>	<u>364.672.009</u>
Long term liabilities other than provisions		
4 Bank loans	48.665.600	45.832.000
Total long term liabilities other than provisions	<u>48.665.600</u>	<u>45.832.000</u>
Current portion of long term liabilities	12.166.400	9.168.000
Bank loans	9.999.948	14.244.771
Trade payables	14.209.855	2.069.256
Other payables	175.887	146.887
Total short term liabilities other than provisions	<u>36.552.090</u>	<u>25.628.914</u>
Total liabilities other than provisions	<u>85.217.690</u>	<u>71.460.914</u>
Total equity and liabilities	<u>449.306.846</u>	<u>436.132.923</u>
5 Charges and security		
6 Related parties		

Statement of changes in equity

All amounts in DKK.

	Contributed capital	Revaluation reserve	Reserve for net revaluation according to the equity method	Retained earnings	Total
Equity 1 January 2020	102.870.000	133.837.091	11.961.593	62.693.982	311.362.666
Reversal of prior revaluations	0	-75.836.836	-11.961.593	-54.201.571	-142.000.000
Share of results	0	0	0	13.514.790	13.514.790
Revaluations for the year	0	176.602.084	0	0	176.602.084
Depreciation relating to revalued assets	0	5.192.469	0	0	5.192.469
Equity 1 January 2021	102.870.000	239.794.808	0	22.007.201	364.672.009
Share of results	0	0	0	-9.381.215	-9.381.215
Revaluations for the year	0	8.798.362	0	0	8.798.362
Depreciation relating to revalued assets	0	-12.608.940	0	12.608.940	0
	102.870.000	235.984.230	0	25.234.926	364.089.156

Notes

All amounts in DKK.

	<u>2021</u>	<u>2020</u>
1. Other financial expenses		
Other financial costs	<u>2.480.006</u>	<u>687.387</u>
	<u>2.480.006</u>	<u>687.387</u>

Notes

All amounts in DKK.

	31/12 2021	31/12 2020
2. Wind turbines		
Cost 1 January 2021	87.341.000	132.246.595
Disposals during the year	0	-44.905.594
Cost 31 December 2021	87.341.000	87.341.001
Revaluation 1 January 2021	239.794.808	133.837.091
Revaluations for the year	8.798.362	176.602.084
Transfers	0	-70.644.367
Revaluation 31 December 2021	248.593.170	239.794.808
Depreciation and writedown 1 January 2021	-24.111.255	-26.023.461
Depreciation for the year	-15.900.135	-3.291.196
Reversal of depreciation, amortisation and writedown, assets disposed of	0	5.203.401
Depreciation and writedown 31 December 2021	-40.011.390	-24.111.256
Carrying amount, 31 December 2021	295.922.780	303.024.553
Carrying amount less revaluations	47.329.610	63.229.745
The company's wind farms are composed as follows:		
Farm:	Type:	Age:
Abild	WindWorld 3700/500 - 4 stk.	27
Alsted	NEG Micon 750/48 - 3 stk.	21
Arrild	WindWorld 4200/600 - 11 stk.	22
Birkmose	Vestas 52-850KW-2G - 4 stk.	19
Borre	Vestas 47-660KW-1G - 4 stk.	20
Emmerlev	Micon 1500-600/150 - 4 stk.	27
Fjaldene	Vestas 39-500KW-1G - 13 stk.	27
Gl. Vrå Enge	NEG Micon 750/48 - 13 stk.	21
Hellevad (Kamp)	WindWorld 4200/600 - 1 stk.	22
Næsbjerg/Biltoft	NEG Micon 900/52 - 3 stk.	19
Rakkeby	NEG Micon 750/48 - 3 stk.	21
Ravning	Nordex 50 - 2 stk.	20
Sandholm	Vestas 47-600KW-2G - 2 stk.	21
Sdr. Bork	Vestas 44-600KW-1G - 2 stk.	21
Sdr. Vium	NEG Micon 900/52 - 3 stk.	20
Svendstrup	NEG Micon 900/52 - 1 stk.	20
Vedersø Kær	NEG Micon 1500C/64 - 9 stk.	19
Veldbæk	Nordtank 500/37 - 3 stk.	26

Notes

All amounts in DKK.

31/12 2021

31/12 2020

Wind turbines are measured at fair value using a DCF model, cf. the accounting policies.

The central assumptions behind the fair value calculations are expected production, electricity settlement prices, maintenance and operating costs, remaining life and the discount rate used.

Expected production is based on the 10-year historical average production for each wind farm. The effect of general expectations for either more or less wind in the coming decades has not been recognised.

For periods beyond fixed settlement prices for electricity, the spot price of electricity is DKK 0,275 with an annual indexation of 1,5%. Agreed subsidies have been added.

Costs of maintenance, operations, insurance etc. have been included on the basis of contracts entered and adjusted for inflation. Costs of repairs have been included on the basis of historical experience.

The service life of the wind turbines has been set to 40 years. The management as well as the Danish Energy Agency assess this to be the best service life estimate for well-operated and well-maintained wind turbines.

The discount rate is 7,0% for the period until the end of 2034.

Subsequently, the discount rate applied is 8,0%. When determining the discount rate, market prices of similar turbines as well as the levels at which loans can be obtained have been taken into account.

Scrap values, including the value of any repowering, have not been included, whereas costs of dismantling have been included.

All else equal, a 0,5 percentage point increase in the discount factor will reduce the total fair value by DKK 9.932.000.

All else equal, a DKK 0,01 increase or reduction, respectively, in the spot price used will increase the total fair value by DKK 12.741.000, or reduce the total fair value by DKK 12.741.000, respectively.

Notes

All amounts in DKK.

	<u>31/12 2021</u>	<u>31/12 2020</u>
3. Other financial instruments and equity investments		
Cost 1 January 2021	1.461.483	1.421.483
Additions during the year	100.000	40.000
Disposals during the year	<u>-1.214.483</u>	<u>0</u>
Cost 31 December 2021	<u>347.000</u>	<u>1.461.483</u>
Carrying amount, 31 December 2021	<u>347.000</u>	<u>1.461.483</u>

The company own shares in Sdr. Bork Vind K/S, which are represented in the above amount.

4. Bank loans		
Total bank loans	60.832.000	55.000.000
Share of amount due within 1 year	<u>-12.166.400</u>	<u>-9.168.000</u>
	<u>48.665.600</u>	<u>45.832.000</u>
Share of liabilities due after 5 years	<u>0</u>	<u>6.868.000</u>

5. Charges and security

As collateral for bank debt, DKK 70.831.948, the company has granted the following collateral: security in electricity, security in insurance payments, security in service and guarantee agreements, a charge on K/S shares, activity and dividend announcements, a general agreement on right of subrogation and an inter-creditor agreement.

The company guarantees as a surety guarantor for all balances with the bank in K/S Momentum Energy Hanstholm. The bank debt amounts to DKK 109.3 million. DKK per December 31, 2021

6. Related parties

Consolidated financial statements

The company is included in the consolidated financial statements of Momentum Energy Group A/S, Københavnsvej 81, 4000 Roskilde.