

Nøjsomheds Odde Wind Park ApS

**Mariagervej 58 B
9500 Hobro**

CVR no. 37 67 92 75

Annual report for 2018

Adopted at the annual general
meeting on 3 May 2019

Paolo Sereni
Chairman

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Statement by management on the annual report

The executive board has today discussed and approved the annual report of Nøjsomheds Odde Wind Park ApS for the financial year 1 January - 31 December 2018.

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 2018 and of the results of the company's operations for the financial year 1 January - 31 December 2018.

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 in general meeting.

Søborg, 3 May 2019

Executive board

Paolo Sereni
director

Coenraad Jan Phaf
director

Francisco José Feito
director

Independent auditor's report

To the shareholder of Nøjsomheds Odde Wind Park ApS

Opinion

We have audited the financial statements of Nøjsomheds Odde Wind Park ApS 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. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2018 and of the results of its operations 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 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 this auditor's report. We are independent of the Entity 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 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 Entity'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 financial statements unless Management either intends to liquidate the Entity 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 Entity'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 Entity'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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, 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 the management commentary.

Our opinion on the 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 financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the 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 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, 3 May 2019

Deloitte
Statsautoriseret Revisionspartnerselskab
CVR no. 33 96 35 56

Nikolaj Thomsen
state authorised accountant
MNE no. mne33276

Company details

The company

Nøjsomheds Odde Wind Park ApS
Mariagervej 58 B
9500 Hobro

CVR no.: 37 67 92 75

Reporting period: 1 January - 31 December 2018

Incorporated: 2. May 2016

Domicile: Mariagerfjord

Executive board

Paolo Sereni, director
Coenraad Jan Phaf, director
Francisco José Feito, director

Auditors

Deloitte
Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
0900 København C

Management's review

Business activities

The company's purpose is, directly or through investments in other companies associated with the energy industry, to develop, finance, produce and sell renewable energy.

Business review

The company's income statement for the year ended 31 December shows a profit of DKK 28.855.433, and the balance sheet at 31 December 2018 shows equity of DKK 29.800.258.

The wind farm, where construction was completed in December 2017, has been in full operation in 2018.

During the financial year, 2 of the 9 mills in the wind farm have been sold and 7 remain.

On 30 April 2018 Nøjsomheds Odde Vindkraft I/S has been merged into the company.

Significant events occurring after end of reporting period

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

Accounting policies

The annual report of Nøjsomheds Odde Wind Park ApS for 2018 has been prepared in accordance with the provisions of the Danish Financial Statements Act concerning reporting class B entities as well as selected provisions as regards larger entities.

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

The annual report for 2018 is presented in DKK.

Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including amortisation, depreciation and impairment losses, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the company and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow from the company and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. On subsequent recognition, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost using the effective interest method. Amortised cost is calculated as the historic cost less any instalments and plus/less the accumulated amortisation of the difference between the cost and the nominal amount.

On recognition and measurement, allowance is made for predictable losses and risks which occur before the annual report is presented and which confirm or invalidate matters existing at the balance sheet date.

Income statement

Revenue

Revenue is measured at fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. Revenue is net of all types of discounts granted.

Other operating income

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

Accounting policies

Direct costs

Costs of raw materials and consumables include the raw materials and consumables used in generating the year's revenue.

Other external expenses

Other external expenses include expenses related to administration etc.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise the year's amortisation, depreciation and impairment of intangible assets and property, 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 finance leases, realised and unrealised capital/exchange gains and losses on securities and foreign currency transactions, amortisation of mortgage loans and surcharges and allowances under the advance-payment-of-tax scheme, etc.

Tax on profit/loss for the year

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

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.

Property plant and equipment in progress includes started construction work of wind farms. The cost includes expenses in the development phase (development projects in progress) and expenses related to the construction phase, which primarily include direct and indirect expenses for subcontractors, project management and finance as well as interests during the period until the end of the construction project.

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

Accounting policies

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 and wages.

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

| | |
|---------------------|-------------|
| | Useful life |
| Plant and machinery | 25 years |

Investments in subsidiaries and associates

Investment in subsidiaries and associates are measured at cost. If cost exceeds the recoverable amount, a write-down is made to this lower value.

Other fixed asset investments

Other fixed asset investments include investment in a cooperative. The investment is measured at cost. If cost exceeds the recoverable amount, a write-down is made to this lower value.

Impairment of fixed assets

The carrying amount of property, plant and equipment and investments in subsidiaries and associates is tested for impairment, other than what is reflected through normal amortisation and depreciation, on an annual basis.

Where there is evidence of impairment, an impairment test is performed for each individual asset or group of assets, respectively. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable amount).

The recoverable amount is the higher of the net selling price and the value in use. The value in use is determined as the present value of the anticipated net cash flows from the use of the asset or group of assets and the anticipated net cash flows from the disposal of the asset or group of assets after the end of their useful life.

Receivables

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable is impaired, an impairment loss for that individual asset is recognised.

Accounting policies

Prepayments

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

Cash and cash equivalents

Cash and cash equivalents comprise cash and short-term securities whose remaining life is less than three months and which are readily convertible into cash and which are subject only to insignificant risks of changes in value.

Income tax and deferred tax

Current tax liabilities and current tax receivables are recognised in the balance sheet as the estimated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and tax paid on account.

Deferred tax is measured according to the liability method in respect of temporary differences between the carrying amount of assets and liabilities and their tax base, calculated on the basis of the planned use of the asset and settlement of the liability, respectively.

Adjustment is made to deferred tax resulting from elimination of unrealised intra-group profits and losses.

Deferred tax is measured according to the tax rules and at the tax rates applicable in the respective countries at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax adjustments resulting from changes in tax rates are recognised in the income statement, with the exception of items taken directly to equity.

Liabilities

Mortgage debt is measured at amortised cost, which for cash loans corresponds to the outstanding debt.

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.

Accounting policies

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement as financial income or financial expenses. If foreign currency transactions 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.

Fixed assets acquired in foreign currencies are measured at the exchange rate at the transaction date.

Income statement 1 January - 31 December

| | <u>Note</u> | <u>2018</u> DKK | <u>2017</u> DKK |
|--|-------------|--------------------------|-----------------------|
| Revenue | | 44.474.461 | 1.779.080 |
| Other operating income | | 14.920.962 | 0 |
| Direct costs | | -6.564.994 | -720.846 |
| Other external expenses | | -1.045.617 | -17.457 |
| Gross profit | | 51.784.812 | 1.040.777 |
| Depreciation, amortisation and impairment of intangible assets and property, plant and equipment | | -11.490.667 | 0 |
| Profit/loss before net financials | | 40.294.145 | 1.040.777 |
| Financial income | | 85.651 | 0 |
| Financial costs | 1 | -3.406.491 | -183 |
| Profit/loss before tax | | 36.973.305 | 1.040.594 |
| Tax on profit/loss for the year | 2 | -8.117.872 | -228.931 |
| Profit/loss for the year | | <u>28.855.433</u> | <u>811.663</u> |
| Recommended appropriation of profit/loss | | | |
| Retained earnings | | <u>28.855.433</u> | <u>811.663</u> |
| | | <u>28.855.433</u> | <u>811.663</u> |

Balance sheet 31 December

| | <u>Note</u> | <u>2018</u> DKK | <u>2017</u> DKK |
|---|-------------|---------------------------|---------------------------|
| Assets | | | |
| Plant and machinery | | 243.939.586 | 0 |
| Property, plant and equipment in progress | | <u>0</u> | <u>234.924.239</u> |
| Tangible assets | 3 | <u>243.939.586</u> | <u>234.924.239</u> |
| Investments in subsidiaries | 4 | 0 | 30.805.000 |
| Other fixed asset investments | 5 | <u>490.329</u> | <u>592.930</u> |
| Fixed asset investments | | <u>490.329</u> | <u>31.397.930</u> |
| Total non-current assets | | <u>244.429.915</u> | <u>266.322.169</u> |
| Trade receivables | | 5.361.589 | 0 |
| Other receivables | | 396.206 | 3.841.515 |
| Prepayments | | <u>323.710</u> | <u>0</u> |
| Receivables | | <u>6.081.505</u> | <u>3.841.515</u> |
| Cash at bank and in hand | | <u>237.041</u> | <u>1.813.356</u> |
| Total current assets | | <u>6.318.546</u> | <u>5.654.871</u> |
| Total assets | | <u>250.748.461</u> | <u>271.977.040</u> |

Balance sheet 31 December

| | <u>Note</u> | <u>2018</u> DKK | <u>2017</u> DKK |
|--------------------------------------|-------------|---------------------------|---------------------------|
| Equity and liabilities | | | |
| Share capital | | 50.000 | 50.000 |
| Retained earnings | | <u>29.750.258</u> | <u>804.658</u> |
| Equity | 6 | <u>29.800.258</u> | <u>854.658</u> |
| Provision for deferred tax | | <u>8.344.828</u> | <u>226.956</u> |
| Total provisions | | <u>8.344.828</u> | <u>226.956</u> |
| Mortgage loans | | 168.929.144 | 267.397.165 |
| Payables to group enterprises | | 25.704.466 | 0 |
| Other payables | | <u>0</u> | <u>476.187</u> |
| Total non-current liabilities | 7 | <u>194.633.610</u> | <u>267.873.352</u> |
| Short-term part of lon-term debt | 7 | 15.971.667 | 0 |
| Trade payables | | 125.316 | 2.096.711 |
| Payables to group enterprises | | 88.823 | 803.604 |
| Other payables | | <u>1.783.959</u> | <u>121.759</u> |
| Total current liabilities | | <u>17.969.765</u> | <u>3.022.074</u> |
| Total liabilities | | <u>212.603.375</u> | <u>270.895.426</u> |
| Total equity and liabilities | | <u>250.748.461</u> | <u>271.977.040</u> |
| Mortgages and collateral | 8 | | |

Egenkapitaloppgørelse

| | <u>Share capital</u> | <u>Retained earnings</u> | <u>Total</u> |
|-----------------------------------|----------------------|--------------------------|--------------------------|
| Equity at 1 January 2018 | 50.000 | 804.658 | 854.658 |
| Other equity movements | 0 | 90.167 | 90.167 |
| Net profit/loss for the year | 0 | 28.855.433 | 28.855.433 |
| Equity at 31 December 2018 | <u>50.000</u> | <u>29.750.258</u> | <u>29.800.258</u> |

Noter til årsrapporten

| | <u>2018</u> | <u>2017</u> |
|--|----------------------------|--|
| | DKK | DKK |
| 1 Financial costs | | |
| Financial expenses, group entities | 111.964 | 0 |
| Other financial costs | 3.069.116 | -1 |
| Exchange adjustments costs | <u>225.411</u> | <u>184</u> |
| | <u>3.406.491</u> | <u>183</u> |
| | | |
| 2 Tax on profit/loss for the year | | |
| Deferred tax for the year | <u>8.117.872</u> | <u>228.931</u> |
| | <u>8.117.872</u> | <u>228.931</u> |
| | | |
| 3 Tangible assets | | |
| | <u>Plant and machinery</u> | <u>Property, plant and equipment in progress</u> |
| Cost at 1 January 2018 | 0 | 264.620.536 |
| Additions for the year | 0 | 59.888.755 |
| Disposals for the year | -70.518.185 | 0 |
| Transfers for the year | <u>324.509.291</u> | <u>-324.509.291</u> |
| Cost at 31 December 2018 | <u>253.991.106</u> | <u>0</u> |
| | | |
| Depreciation for the year | 11.490.667 | 0 |
| Reversal of impairment and depreciation of sold assets | <u>-1.439.147</u> | <u>0</u> |
| Impairment losses and depreciation at 31 December 2018 | <u>10.051.520</u> | <u>0</u> |
| | | |
| Carrying amount at 31 December 2018 | <u>243.939.586</u> | <u>0</u> |
| | | |
| Interest expenses recognised as part of cost of assets | <u>2.207.688</u> | <u>0</u> |

Noter til årsrapporten

| | <u>2018</u> DKK | <u>2017</u> DKK |
|--|--------------------|--------------------------|
| 4 Investments in subsidiaries | | |
| Cost at 1 January 2018 | 30.805.000 | 0 |
| Additions for the year | 6.789.300 | 30.805.000 |
| Disposals for the year | <u>-37.594.300</u> | <u>0</u> |
| Cost at 31 December 2018 | <u>0</u> | <u>30.805.000</u> |
| Revaluations at 1 January 2018 | <u>0</u> | <u>0</u> |
| Revaluations at 31 December 2018 | <u>0</u> | <u>0</u> |
| Carrying amount at 31 December 2018 | <u>0</u> | <u>30.805.000</u> |

5 Fixed asset investments

| | <u>Other fixed asset investments</u> |
|--|--|
| Cost at 1 January 2018 | 592.930 |
| Disposals for the year | <u>-140.400</u> |
| Cost at 31 December 2018 | <u>452.530</u> |
| Revaluations for the year | <u>37.799</u> |
| Revaluations at 31 December 2018 | <u>37.799</u> |
| Carrying amount at 31 December 2018 | <u>490.329</u> |

6 Equity

The share capital consists of 50.000 shares of a nominal value of DKK 1. No shares carry any special rights.

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

Noter til årsrapporten

7 Long term debt

| | Long term debt at 1 January 2018 | Long term debt at 31 December 2018 | Instalment next year | Debt outstanding after 5 years |
|-------------------------------|---|--|--------------------------|--------------------------------------|
| Mortgage loans | 267.397.165 | 168.929.144 | 15.971.667 | 68.450.250 |
| Payables to group enterprises | 0 | 25.704.466 | 0 | 25.704.466 |
| Other payables | 476.187 | 0 | 0 | 0 |
| | <u>267.873.352</u> | <u>194.633.610</u> | <u>15.971.667</u> | <u>94.154.716</u> |

8 Mortgages and collateral

As security for the mortgage loans there is given a pledge in the wind farm as of 31 December 2018 of DKK 220.250.000.