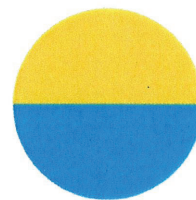


VATTENFALL



Vattenfall Vindkraft Vesterhav Nord P/S

Exnersgade 2, 6700 Esbjerg

CVR no. 38 27 55 69

Annual Report 2021

Approved at the annual general meeting of shareholders on 19 May 2022

Chairman:

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Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of Vattenfall Vindkraft Vesterhav Nord P/S for the financial year 1 January - 31 December 2021.

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 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 fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the annual general meeting.

Esbjerg, 19 May 2022
Executive Board:

.....
Mats Stefan Vikholm
CEO

Board of Directors:

.....
Catrin Fee Jung Draschill
Chairman

.....
Jonas Van Mansfeld

.....
Hans Werner Woltmann

Independent Auditor's Report

To the shareholders of Vattenfall Vindkraft Vesterhav Nord P/S

Opinion

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.

We have audited the Financial Statements of Vattenfall Vindkraft Vesterhav Nord P/S for the financial year 1 January - 31 December 2021, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("financial statements").

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.

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, in our view, 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 in Management's Review.

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.

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.

Aarhus, May 19 2022

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR-nr. 33 77 12 31

Thomas Riis
statsautoriseret revisor
Mne32174

Kristian Kjær Jensen
statsautoriseret revisor
Mne35627

Company details

Name:	Vattenfall Vindkraft Vesterhav Nord P/S
Address:	Exnersgade 2, 6700 Esbjerg
CVR no.:	38 27 55 69
Established:	21 December 2016
Registered office:	Esbjerg
Financial year:	1 January – 31 December
Board of Directors:	Catrin Fee Jung Draschil, Chairman Jonas Van Mansfeld Hans Werner Woltmann
Executive Board:	Mats Stefan Vikholm
Auditors:	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Jens Chr. Skous Vej 1, 8000 Aarhus

Management's review

Business review

The Company's activity is to develop, construct, run and own energy production plants and develop energy production together with other related activities.

Development in financial activities and matters

Following the Final Investment Decision by Vattenfall Group to construct the two Vesterhav projects, the previously reported uncertainty on the outcome has been removed.

The financial result for 2021 has been impacted by ongoing development cost, which are mainly capitalized. The construction process will start from 2022 and is expected to be finalized in 2023.

The company is satisfied with the outcome of 2021.

Events after the balance sheet date

No events materially affecting the Company's financial position have occurred subsequent to the financial year-end.

Financial statements

Income statement 1 January – 31 December

Note	DKK'000	2021	2020
	Gross loss	-1,005	-1,274
	Financial income	3	52
	Financial expenses from group entities	-449	-458
	Financial expenses	-14	-12
	Net profit/loss for the year	-1,465	-1,692
	Proposed profit appropriation/distribution of loss		
	Retained earnings/accumulated loss	-1,465	-1,692
		-1,465	-1,692

Financial statements

Balance sheet as of December 31

Note	DKK'000	2021	2020
	ASSETS		
	Fixed assets		
3	Property, plant and equipment		
	Property, plant and equipment under construction	332,061	293,232
	Total property, plant and equipment	332,061	293,232
	Total fixed assets	332,061	293,232
	Non-fixed assets		
	Receivables		
	Receivables from group entities	0	1,443
	Other receivables	913	495
	Total receivables	913	1,938
	Total non-fixed assets	913	1,938
	TOTAL ASSETS	332,974	295,170

Financial statements

Balance sheet as of December 31

Note	DKK'000	2021	2020
	EQUITY AND LIABILITIES		
	Equity		
	Share capital	504	504
	Retained earnings	168,155	169,620
	Total equity	168,659	170,124
4	Provisions		
	Other provisions	4,074	4,074
	Total provisions	4,074	4,074
	Liabilities other than provisions		
	Current liabilities		
	Trade payable	24,833	42,695
5	Payable to group entities	135,402	78,277
	Other payable	6	0
	Total current liabilities	160,241	120,972
	Total liabilities	160,241	120,972
	TOTAL EQUITY AND LIABILITIES	332,974	295,170

- 1 Accounting policies
- 2 Staff costs
- 6 Collateral
- 7 Related parties

Financial statements

Statement of changes in equity

DKK'000	Share capital	Retained earnings	Total
Equity at 1 January 2021	504	169,620	170,124
Profit/loss for the year	0	-1,465	-1,465
Equity at 31 December 2021	504	168,155	168,659

Financial statements

Notes to the financial statements

1 Accounting policies

Vattenfall Vindkraft Vesterhav Nord P/S' annual report for 2021 has been prepared in accordance with the provisions which apply to reporting class B entities under the Danish Financial Statements Act and elective choice of certain provisions applying to reporting class C entities.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Foreign currency translation

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

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rate 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 recognized in the most recent financial statements is recognized in the income statement as financial income or financial expenses.

Income statement

Gross loss

Gross loss includes costs for other external costs.

Other external costs

Other external costs includes general administration costs that cannot be capitalized on the project.

Financial income and expenses

Financial income and expenses are recognized in the income statements at the amounts that concern the financial year. The items comprise interest income and expenses, realized and unrealized capital gains and losses on transactions denominated in foreign currencies as well as amortization of financial assets and liabilities.

Tax

The limited partnership company is tax transparent and therefore is not independently taxable of its income. The individual partners in the company is therefore responsible for the tax. As a result of this, there is no current or deferred tax is recognized in the financial statements

Balance sheet

Property, plant and equipment

Property, plant and equipment in the course of construction are recognized as property, plant and equipment in the course of construction in the balance sheet until the application date. After the application date, these assets are transferred to the relevant financial statement items under property, plant and equipment.

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use. Subsequent costs, for example the replacement of components of property, plant and equipment, are recognized in the carrying amount of the asset, when it is probable that the cost will result in future economic benefits for the entity.

As regards self-developed assets, the cost includes the cost of materials and labour, etc. directly relating to the development.

The depreciation basis is calculated taking into account the residual value of the asset and reduced by any write-downs. The depreciation period and residual value are determined at the time of acquisition and are reviewed annually

Impairment tests are conducted of property, plant and equipment when there are indications of impairment.

Financial statements

Notes to the financial statements

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 realizable value (recoverable amount) of the asset or group of assets if this is lower than the carrying amount.

Receivables

Receivables are measured at amortized cost, which is usually equivalent to the nominal value. Write-down is made of the value for anticipated bad debt losses.

Provisions

Provisions comprise expected future costs for dismantling and restoring the production plant, etc.

Provisions are recognized when the enterprise has a legal or a constructive obligation and it is probable that there may be an outflow of resources embodying economic benefits to settle the obligation.

Provisions that are expected to be repaid later than one year after the balance sheet date are measured at the present value of the expected payments. Other provisions are measured at net realizable value.

The value of provisions related to dismantling and restoring the production plant is recognized as property, plant and equipment and depreciated together with the relevant assets. The increase in the present value due to passage of time is recognized in the income statement as financial expenses.

Liabilities

Financial liabilities comprising trade payables, amounts owed to group entities as well as other payables are recognized at the date of borrowing at cost. In subsequent periods, financial liabilities are measured at net realizable value.

Other liabilities are measured at net realizable value.

2 Staff costs

The Company has no employees in 2021 and 2020.

3 Property, plant and equipment

	Property, plant and equipment under construction DKK 000'
Cost at 1 January 2021	293,232
Additions	38,829
Disposals	0
Cost at 31 December 2021	332,061
Impairment losses and depreciations at 1 January 2021	0
Depreciations	0
Impairment losses and depreciations 31 December 2021	0
Carrying amount at 31 December 2021	332,061

Financial statements

Notes to the financial statements

4 Provisions

Provisions comprise expected future costs for dismantling and restoring the production site.

Based on Management's expectations of the liabilities' date of payment, the liabilities are recognized as long-term liabilities.

5 Payable to group entities

Included in payable to group enterprises is a group cash-pool payable of DKK 127,646 thousand.

6 Collateral

On behalf of the Company, there is at 31 December 2021 provided a parent guarantee to Energistyrelsen for a total amount of DKK 100 million for the establishment of the windfarm Vesterhav Nord.

7 Related parties

Vattenfall Vindkraft Vesterhav Nord P/S' related parties comprise the following:

Parties exercising control

Vattenfall Vindkraft Vesterhav Nord Holding A/S, CVR.nr.: 38 27 24 11, Exnersgade 2, 6700 Esbjerg, Denmark, which exercises control.

Information about consolidated financial statements

<u>Parent</u>	<u>Domicile</u>	<u>Requisitioning of the parent company's consolidated financial statements</u>
Vattenfall AB	Stockholm, Sweden	Vattenfall AB SE-169 92 Stockholm, Sweden https://corporate.vattenfall.com/investors/financial-reports/

The following documents were signed Sunday, May 22, 2022



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Signatures

5/19/2022 4:46:53 PM (CET)



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Signed with electronic ID (Nem ID)

5/19/2022 5:04:32 PM (CET)



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