

ESWIND01 A/S

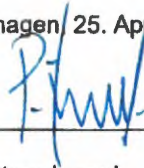
Annual report

1st January - 31th December 2018

CVR no: 38 39 57 18

The Annual Report was presented and
adopted at the Annual General Meeting

Copenhagen / 25. April 2019



Peter Strandgaard

ESWIND01 A/S
Dokvej 4
DK-6700 Esbjerg
Denmark

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MANAGEMENT'S STATEMENT

The Executive Board and Board of Directors have today considered and adopted the Annual Report of ESWIND01 A/S 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 financial position at 31 December 2018 of the Company 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 within the Management's review.

We recommend that the Annual Report be adopted at the Annual General Meeting.


Copenhagen. 25. April 2019


Executive Board




Kristian Ole Jakobsen


Board of Directors



Jakob Bo Thomsen
Chairman

Malcolm Brown

Scott Bruce Michael Moseley

Lars Oscar Tylegard

Philip Pacey

INDEPENDENT AUDITOR'S REPORT

To the Shareholder of ESWIND01 A/S

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2018, and of the results of the Company's operations for the financial year 1 January - 31 December 2018 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of ESWIND01 A/S for the financial year 1 January - 31 December 2018, which comprise income statement, balance sheet 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' 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.

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.

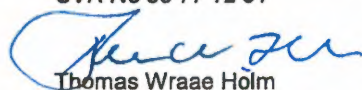
As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- 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.

Copenhagen, 25. April 2019

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31



Thomas Wraae Hølm
State Authorised Public Accountant
mne30141



Martin Lunden
State Authorised Public Accountant
mne32209

COMPANY INFORMATION

Company	ESWIND01 A/S Dokvej 4 DK-6700 Esbjerg
	Company no. 38 39 57 18
	Established 6th February 2017
	Accounting period 1st January to 31th December 2018
Executive Board	Kristian Ole Jakobsen
Board of Directors	Jakob Bo Thomasen Malcolm Brown Scott Bruce Michael Moseley Lars Oscar Tylegard Philip Pacey
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 DK-2900 Hellerup

MANAGEMENT'S REVIEW

Activities

The company's primary activity is to deliver safety and support at sea and provides service vessel activities for off shore wind farms.

Activity 2018

Result for the year

The result for the period 1 January - 31 December 2018 is 88 tDKK.

The result is in line with the expectations for 2018 given the fact that the contracted vessel will not be delivered until 2019. The management considers the result for the period as acceptable.

Subsequent events

No events have occurred after 31 December 2018 which may significantly affect the financial year 2018.

ACCOUNTING POLICIES

The Financial Statements for the company have been prepared in accordance with the provisions of the Danish Financial Statements Act applicable to class B companies, as well as selected rules applying to reporting class C. The Financial Statements for 2018 are presented in DKK.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the assets 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 the future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at costs. Subsequently, assets and liabilities are measured as described for each item below.

Foreign Currency Translation

Transactions in other currencies are translated to the exchange rate on the date of transaction. Receivables, payables and other monetary items in foreign currencies, that have not been settled at the balance sheet date, are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date, and the rates at the time, when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

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

INCOME STATEMENT

Other external costs

External costs comprise administration costs etc.

Financial items

Financial items include interest expenses and income as well as currency gains and losses.

Tax

Tax includes the amount expected to be paid for the year. The amount includes Danish taxation.

BALANCE SHEET

Tangible fixed assets

Tangible fixed assets are measured at cost less of accumulated depreciation and impairment losses.

Cost comprise the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use. Borrowing costs from specific as well as general borrowing directly related to assets with a long production period are attributed to costs during the period of construction.

Depreciation to estimated residual value is recognised in the income statement on a straight-line basis over the useful life, which is:

Vessels	up to 25 years
Docking costs	2½-5 years
Other operating equipment and fixtures etc.	3-5 years

ACCOUNTING POLICIES

New build vessels are depreciated over 25 years. Used vessels are depreciated over a shorter period based on the vessel age upon time of purchase. Charter contract related upgrades and other improvements are depreciated over expected useful life of 3-5 years. Residual values and depreciation periods for tangible fixed assets are reassessed on an ongoing basis.

Expenses for docking of vessels are recognised when incurred in the carrying amount of vessels and depreciated over the period until next docking.

Equity

Dividend for distribution is recognised as a separate component of equity.

Other liabilities

Other liabilities covering trade payables are recognised at amortised cost, which is usually equivalent to the nominal value.

INCOME STATEMENT

(DKK'000)	Note	1/1-31/12 2018	6/2-31/12 2017
Other external costs		<u>-109</u>	<u>-20</u>
Profit before financial items		<u>-109</u>	<u>-20</u>
Financial income	1	171	0
Financial expenses	1	<u>-3</u>	<u>-137</u>
Result before tax		<u>59</u>	<u>-157</u>
Tax on profit/loss for the year	2	<u>29</u>	<u>0</u>
Result for the year		<u>88</u>	<u>-157</u>
Proposed distribution of result for the year:		88	-157
Retained earnings		<u>88</u>	<u>-157</u>

BALANCE SHEET

(DKK'000)	Note	31/12 2018	31/12 2017
ASSETS			
Prepayments for tangible assets	3	24.500	20.699
Tangible assets		<u>24.500</u>	<u>20.699</u>
Total non-current assets		<u>24.500</u>	<u>20.699</u>
Corporation tax, receivable		25	0
Other receivables		24	0
Receivables		<u>48</u>	<u>0</u>
Cash and bank balances		<u>5</u>	<u>1.000</u>
Total current assets		<u>53</u>	<u>1.000</u>
TOTAL ASSETS		<u>24.553</u>	<u>21.699</u>
EQUITY AND LIABILITIES			
Share capital		1.000	1.000
Retained earnings		-69	-157
Total equity	4	<u>931</u>	<u>843</u>
Payables to group companies	5	23.587	20.837
Trade payables		35	20
Total current liabilities		<u>23.622</u>	<u>20.857</u>
Total liabilities		<u>23.622</u>	<u>20.857</u>
TOTAL EQUITY AND LIABILITIES		<u>24.553</u>	<u>21.699</u>
Related parties	6		

NOTES

(DKK'000)	1/1-31/12 2018	6/2-31/12 2017
1 Financial items		
Interest costs to group related companies	137	-137
Other financial expenses	-3	0
Other financial income	34	0
	<u>168</u>	<u>-137</u>
2 Tax on profit/loss for the year		
Tax on profit/loss for the year	-25	0
Adjustments in respect of prior years	-4	0
	<u>-29</u>	<u>0</u>
3 Prepayments for tangible assets		
Cost as of 1 January 2018	20.699	0
Addition during the year	3.801	20.699
Cost as of 31 December 2018	<u>24.500</u>	<u>20.699</u>
Carrying amount as of 31 December 2018	<u>24.500</u>	<u>20.699</u>
<p>The amount of borrowing costs capitalized during the year was tDKK 785. The rate used to determine the amount of borrowing cost eligible for capitalization was 3,73%.</p>		
4 Equity		
Equity 01.01.2017	1.000	
Profit for the year	-157	
Equity 31.12.2017	<u>843</u>	
Equity 01.01.2018	843	
Profit for the year	88	
Equity 31.12.2018	<u>931</u>	
5 Payables to group companies		
<p>The shareholders of the Company have assured, that the Company has the required liquidity, and capital resources to continue its activities.</p>		

NOTES

6 Related parties

Shareholders, with more than 5% ownership according to the Danish Companies Act provision 55:

ESWIND A/S, Dokvej 4, 6700 Esbjerg, Denmark.

The ultimate parent company is ERRV Luxembourg Holdings S.à.r.l., Luxembourg.

The Company is included in the consolidated accounts for:
ESVAGT A/S, Dokvej 4, 6700 Esbjerg