

Encavis Wind Danmark ApS

Københavnsvej 4, 4000 Roskilde

CVR no. 38 65 22 81

Annual report 2017

(As of the establishment of the Company 17 May - 31 December 2017)

Approved at the Company's annual general meeting on 18 april 2018

Chairman:


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Statement by the Executive Board

Today, the Executive Board has discussed and approved the annual report of Encavis Wind Danmark ApS for the financial year as of the establishment of the Company 17 May - 31 December 2017.

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 of the Company at 31 December 2017 and of the results of the Company's operations for the financial year as of the establishment of the Company 17 May - 31 December 2017.

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.

Roskilde, 4 April 2018
Executive Board:

Marian Raschke
CEO

Ingo Volker Willi Ermel
CEO

Independent auditor's report

To the shareholders of Encavis Wind Danmark ApS

Opinion

We have audited the financial statements of Encavis Wind Danmark ApS for the financial year as of the establishment of the Company 17 May - 31 December 2017, which comprise income statement, balance sheet, statement of changes in equity and notes, including 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 financial position of the Company at 31 December 2017 and of the results of the Company's operations for the financial year as of the establishment of the company 17 May - 31 December 2017 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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 rules and requirements.

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 as to 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 the 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.

Independent auditor's report

- ▶ 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 note 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 the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the 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 the Management's review and, in doing so, consider whether the 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 the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the 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 the Management's review.

Aarhus, 4 April 2018
ERNST & YOUNG
Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28



Klaus Skovsen
State Authorised Public Accountant
MNE no.: mne30204



Management's review

Company details

Name	Encavis Wind Danmark ApS
Address, Postal code, City	Københavnsvej 4, 4000 Roskilde
CVR no.	38 65 22 81
Established	17 May 2017
Registered office	Roskilde
Financial year	17 May - 31 December 2017
Executive Board	Marian Raschke, CEO Ingo Volker Willi Ermel, CEO
Auditors	Ernst & Young Godkendt Revisionspartnerselskab Værkmestergade 25, P.O. Box 330, 8100 Aarhus C, Denmark

Management commentary

Business review

The entities purpose is to conduct business with ownership and operation of renewable energy plants and, in the opinion of the Management Board, related activities.

Financial review

The income statement for 2017 shows a profit of DKK 495,997, and the balance sheet at 31 December 2017 shows equity of DKK 545,997.

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 for the period 17 May - 31 December 2017

Income statement

Note	DKK	2017 8 months
	Gross margin	<u>4,878,616</u>
	Amortisation of property, plant and equipment	<u>-2,281,471</u>
	Profit before net financials	<u>2,597,145</u>
2	Financial expenses	<u>-1,859,448</u>
	Profit before tax	<u>737,697</u>
3	Tax for the year	<u>-241,700</u>
	Profit for the year	<u>495,997</u>
	 Recommended appropriation of profit	
	Retained earnings	<u>495,997</u>
		<u>495,997</u>



Financial statements for the period 17 May - 31 December 2017

Balance sheet

Note	DKK	<u>2017</u>
	ASSETS	
	Fixed assets	
4	Property, plant and equipment	
	Land and buildings	8,770,408
	Plant and machinery	78,381,742
	Property, plant and equipment under construction	781,575
		<u>87,933,725</u>
	Investments	
	Other securities and investments	60,423
		<u>60,423</u>
	Total fixed assets	<u>87,994,148</u>
	Non-fixed assets	
	Receivables	
	Trade receivables	1,187,868
	Receivables from group enterprises	957,025
	Other receivables	95,656
	Prepayments	333,588
		<u>2,574,137</u>
	Cash	2,302,808
	Total non-fixed assets	<u>4,876,945</u>
	TOTAL ASSETS	<u>92,871,093</u>



Financial statements for the period 17 May - 31 December 2017

Balance sheet

Note	DKK	<u>2017</u>
	EQUITY AND LIABILITIES	
	Equity	
	Share capital	50,000
	Retained earnings	495,997
	Total equity	<u>545,997</u>
	Provisions	
	Deferred tax	241,700
	Total provisions	<u>241,700</u>
	Liabilities other than provisions	
	Non-current liabilities other than provisions	
	Payables to group entities	90,357,375
		<u>90,357,375</u>
	Current liabilities other than provisions	
	Trade payables	522,898
	Payables to group enterprises	1,167,116
	Other payables	36,007
		<u>1,726,021</u>
	Total liabilities other than provisions	<u>92,083,396</u>
	TOTAL EQUITY AND LIABILITIES	<u><u>92,871,093</u></u>

- 1 Accounting policies
- 5 Collateral



Financial statements for the period 17 May - 31 December 2017

Statement of changes in equity

DKK	<u>Share capital</u>	<u>Retained earnings</u>	<u>Total</u>
Cash payments concerning formation of enterprise	50,000	0	50,000
Transfer through appropriation of profit	0	495,997	495,997
Equity at 31 December 2017	<u>50,000</u>	<u>495,997</u>	<u>545,997</u>

Financial statements for the period 17 May - 31 December 2017

Notes to the financial statements

1 Accounting policies

The annual report of Encavis Wind Danmark ApS for 2017 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class B entities and elective choice of certain provisions applying to reporting class C entities.

This is the entities first financial year.

Reporting currency

The financial statements are presented in Danish kroner (DKK).

Income statement

Revenue

Income from the sale of electricity, is recognised in revenue when the most significant rewards and risks have been transferred to the buyer and provided the income can be measured reliably and payment is expected to be received.

Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts and rebates granted are recognised in revenue.

Other external expenses

Other external expenses include the year's expenses relating to the Company's core activities, including expenses relating to distribution, sale, administration, etc.

Depreciation

The item comprises depreciation of property, plant and equipment.

The basis of depreciation, which is calculated as cost less any residual value, is depreciated on a straight line basis over the expected useful life from construction date. The expected useful lives of the assets are as follows:

Land and buildings	20 years
Plant and machinery	20 years

The residual value is determined at the time of acquisition and are reassessed every year. Where the residual value exceeds the carrying amount of the asset, no further depreciation charges are recognised. In case of changes in the residual value, the effect on the depreciation charges is recognised prospectively as a change in accounting estimates.

Financial expenses

Financial expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest expenses as well as allowances and surcharges under the advance-payment-of-tax scheme, etc.

Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

Financial statements for the period 17 May - 31 December 2017

Notes to the financial statements

1 Accounting policies (continued)

Balance sheet

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.

Investments

Investments are measured at cost.

Impairment of fixed assets

The carrying amount of intangible assets, property, plant and equipment and investments in subsidiaries and associates is assessed for impairment on an annual basis.

Impairment tests are conducted on assets or groups of assets when there is evidence of impairment. 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 of an asset and its value in use. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the group of assets and the expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognised impairment losses are reversed when the reason for recognition no longer exists. Impairment losses on goodwill are not reversed.

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 has been impaired, an impairment loss is recognised on an individual basis.

Receivables in respect of which there is no objective evidence of individual impairment are tested for objective evidence of impairment on a portfolio basis. The portfolios are primarily based on the debtors' domicile and credit ratings in line with the Company's risk management policy. The objective evidence applied to portfolios is determined based on historical loss experience.

Impairment losses are calculated as the difference between the carrying amount of the receivables and the present value of the expected cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

Prepayments

Prepayments recognised under "Assets" comprise prepaid expenses regarding subsequent financial reporting years.

Income taxes

Current tax payables and receivables are recognised in the balance sheet as the estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

Financial statements for the period 17 May - 31 December 2017

Notes to the financial statements

1 Accounting policies (continued)

Deferred tax is measured according to the liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax assets are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

Other payables

Other payables are measured at net realisable value.

DKK	2017 8 months
2 Financial expenses	
Interest expenses, group entities	1,849,491
Other financial expenses	9,957
	<u>1,859,448</u>
3 Tax for the year	
Deferred tax adjustments in the year	241,700
	<u>241,700</u>

4 Property, plant and equipment

DKK	Land and buildings	Plant and machinery	Property, plant and equipment under construction	Total
Additions	9,000,000	80,433,621	781,575	90,215,196
Cost at 31 December 2017	9,000,000	80,433,621	781,575	90,215,196
Depreciation	229,592	2,051,879	0	2,281,471
Impairment losses and depreciation at 31 December 2017	229,592	2,051,879	0	2,281,471
Carrying amount at 31 December 2017	<u>8,770,408</u>	<u>78,381,742</u>	<u>781,575</u>	<u>87,933,725</u>

5 Collateral

The Company has not provided any security or other collateral in assets at 31 December 2017.