

**Holmen II Wind Park ApS**

**Gyngemose Parkvej 50  
2860 Søborg**

**CVR no. 38 87 55 15**

**Annual report for the period  
23 August 2017 to 31 December 2018  
(1st Financial year)**

Adopted at the annual general  
meeting on

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Jan Paulsen  
chairman

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## **Statement by management on the annual report**

The executive board has today discussed and approved the annual report of Holmen II Wind Park ApS for the financial year 23 August 2017 - 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 23 August 2017 - 31 December 2018.

Management recommends that the annual report should be approved by the company in general meeting.

Søborg, 11 March 2019

### **Executive board**

Jens-Peter Zink

Andreas Niels von Rosen

Knud-Erik Andersen

## **Independent auditor's report**

### ***To the shareholder of Holmen II Wind Park ApS***

#### **Opinion**

We have audited the financial statements of Holmen II Wind Park ApS for the financial year 23 August 2017 - 31 December 2018, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes. 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 company's financial position at 31 December 2018 and of the results of the company's operations for the financial year 23 August 2017 - 31 December 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 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.

#### **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 the 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.

## **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 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.

## **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 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, 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 Statements Act. We did not identify any material misstatement of management's review.

Copenhagen, 11 March 2019

KPMG  
Statsautoriseret Revisionspartnerselskab  
CVR no. 25 57 81 98

Martin Eiler  
State Authorised Public Accountant  
mne32271

## Company details

### The company

Holmen II Wind Park ApS  
Gyngemose Parkvej 50  
2860 Søborg

CVR no.: 38 87 55 15

Reporting period: 23 August 2017 - 31 December 2018

Incorporated: 23. August 2017

Domicile: Gladsaxe

### Executive board

Jens-Peter Zink  
Andreas Niels von Rosen  
Knud-Erik Andersen

### Auditors

KPMG  
Statsautoriseret Revisionspartnerselskab  
Dampfærgevej 28  
2100 København Ø

## **Management's review**

### **Business activities**

The Company's objective is to develop, operate and/or sell all kinds of renewable energy and related activities.

The company operates a wind farm, comprising of 5 wind turbines, located at Western part of Jutland, Denmark.

The wind farm was completed and commissioned during the year 2018.

### **Business review**

The Company's income statement for the year ended 31 December shows a profit of DKK 7.521.782, and the balance sheet at 31 December 2018 shows equity of DKK 7.571.782.

The result for the period is in accordance with expectations.

The profit for the financial year will be transferred to the next financial year.

During the year the Company has sold the shares in Holmen II Vindkraft I/S to Holmen Holding ApS.

### **Financing**

The shareholder loan will be refinanced from short to long debt in 2019 as the shareholder will be change in connection with sale of 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 Holmen II Wind Park ApS for 2017/18 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B entities as well as selected rules applying to reporting class C.

The annual report for 2017/18 is presented in DKK

As 2017/18 is the company's first reporting period, no comparatives have been presented.

### **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 from sales of electricity are recognized in the income statement when the risk transition to the buyer has taken place, provided that the income can be made up reliably. Revenue is measured net of VAT and discounts/rebates granted. Public grants are recognized when it is likely that the grants will be received. Grants for electricity production are recognized under revenue as the corresponding revenue of electricity is recognized.

## **Accounting policies**

### **Direct costs**

Direct costs include expenses incurred to generate the period's revenue. The item includes direct and indirect expenses relating to rent, service, technical management, insurance and electricity cost to grid connection.

### **Other external expenses**

Other external expenses include expenses incurred in the period for company management and administration, including expenses relating to auditing fee, legal assistance, administrative service fees 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 period. Net financials include interest income and expenses, financial expenses relating to realised and unrealised capital/exchange gains and losses on securities and foreign currency transactions, amortisation of mortgage loans.

### **Profit/loss from investments in subsidiaries and associates**

The proportionate share of the results after tax of the individual subsidiaries is recognised in the income statement of the company after full elimination of intra-group profits/losses.

### **Tax on profit for the year**

The company is subject to the Danish rules on compulsory joint taxation of the Group's Danish subsidiaries. Subsidiaries participate in the joint taxation arrangement from the time when they are included in the consolidated financial statements and until the time when they withdraw from the consolidation.

On payment of joint taxation contributions, the current Danish income tax is allocated between the jointly taxed entities in proportion to their taxable income. Entities with tax losses receive joint taxation contributions from entities that have been able to use tax losses to reduce their own taxable profits.

## **Accounting policies**

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.

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

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, wages and interests during the period until the end of the construction project. Estimated costs for cleaning and dismantling are added to the asset and depreciation together with the relevant asset.

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

Wind turbines	25	years
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Impairment tests are conducted of property, plant and equipment when there are indications of impairment. 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 realisable value (recoverable amount) of the asset or group of assets if this is lower than the carrying amount.

#### **Investment**

Investments are measured, using the equity method, at the companies' proportionate share of such enterprises' equity.

#### **Receivables**

Receivables are measured at amortised cost.

## **Accounting policies**

### **Equity**

#### **Dividends**

Proposed dividends are disclosed as a separate item under equity. Dividends are recognised as a liability when declared by the annual general meeting of shareholders.

#### **Provisions**

Provisions comprise expected expenses relating to cleaning and dismantling of wind turbines etc. Provisions are recognised when as a result of a past event the company's has a legal or constructive obligation and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

Provisions are measured at the value in use.

#### **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.

#### **Liabilities**

Mortgage debt is thus measured at amortised cost, which for cash loans corresponds to the outstanding debt. For bond loans, amortised cost corresponds to an outstanding debt calculated as the underlying cash value of the loan at the time of borrowing, adjusted by amortisation of the value adjustment of the loan at the time of borrowing.

Liabilities, which include trade receivables, payables to group entities and other payables, are measured at amortised cost, which is usually equivalent to nominal value.

#### **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.

## **Accounting policies**

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.

**Income statement 23 August 2017 - 31 December 2018**

	<u>Note</u>	<u>2017/2018</u> DKK
<b>Revenue</b>		<b>22.059.153</b>
Direct costs		-3.129.093
Other external expenses		<u>-415.434</u>
<b>Gross profit</b>		<b>18.514.626</b>
Depreciation		<u>-3.833.948</u>
<b>Ordinary operating profit</b>		<b>14.680.678</b>
Income from investments in subsidiaries		442.627
Financial income	2	581
Financial costs	3	<u>-4.163.768</u>
<b>Profit before tax</b>		<b>10.960.118</b>
Tax on profit for the year	4	<u>-3.438.336</u>
<b>Profit/loss for the year</b>		<b><u>7.521.782</u></b>
Retained earnings		<u>7.521.782</u>
		<b><u>7.521.782</u></b>

## Balance sheet at 31 December 2018

	<u>Note</u>	<u>31/12/2018</u> DKK
<b>Assets</b>		
Plant and machinery		188.872.354
<b>Tangible assets</b>	5	<b><u>188.872.354</u></b>
Other investments		315.675
<b>Fixed asset investments</b>		<b><u>315.675</u></b>
<b>Total non-current assets</b>		<b><u>189.188.029</u></b>
Trade receivables		3.443.187
Other receivables		38.886
Prepayments	6	11.548.758
<b>Receivables</b>		<b><u>15.030.831</u></b>
<b>Cash at bank and in hand</b>		<b><u>53</u></b>
<b>Total current assets</b>		<b><u>15.030.884</u></b>
<b>Total assets</b>		<b><u><u>204.218.913</u></u></b>

## Balance sheet at 31 December 2018

	<u>Note</u>	<u>31/12/2018</u> DKK
<b>Equity and liabilities</b>		
Share capital		50.000
Retained earnings		<u>7.521.782</u>
<b>Equity</b>	<b>7</b>	<b><u>7.571.782</u></b>
Provision for deferred tax		1.037.988
Other provisions	8	<u>1.008.903</u>
<b>Total provisions</b>		<b><u>2.046.891</u></b>
Mortgage loans		<u>142.395.476</u>
<b>Total non-current liabilities</b>	<b>9</b>	<b><u>142.395.476</u></b>
Trade payables		691.896
Shareholder loan	10	48.171.887
Corporation tax		2.400.348
Other payables		<u>940.633</u>
<b>Total current liabilities</b>		<b><u>52.204.764</u></b>
<b>Total liabilities</b>		<b><u>194.600.240</u></b>
<b>Total equity and liabilities</b>		<b><u>204.218.913</u></b>
Staff costs	1	
Contingencies, etc.	11	
Related parties and ownership structure	12	



## Equity

	Share capital	Retained earnings	Total
Equity at 23 August 2017	50.000	0	50.000
Net profit/loss for the year	0	7.521.782	7.521.782
<b>Equity at 31 December 2018</b>	<b>50.000</b>	<b>7.521.782</b>	<b>7.571.782</b>

## Notes to the annual report

	2017/2018 DKK
<b>1 Staff Costs</b>	
Average number of employees	0
<p>The Company has entered into an administrative agreement with European Energy A/S. This includes a minor share of management remuneration, since the Company's management does not receive salary or other remuneration.</p>	
<b>2 Financial income</b>	
Exchange gains	581
	<b>581</b>
<b>3 Financial costs</b>	
Financial expenses, group entities	1.376.258
Other financial costs	2.783.554
Exchange adjustments costs	3.956
	<b>4.163.768</b>
<b>4 Tax on profit for the year</b>	
Current tax for the year	2.400.348
Deferred tax for the year	1.037.988
	<b>3.438.336</b>

## Notes to the annual report

### 5 Tangible assets

	<u>Plant and machinery</u>
Cost at 23 August 2017	0
Additions for the year	<u>192.706.302</u>
Cost at 31 December 2018	<u>192.706.302</u>
Depreciation at 23 August 2017	0
Depreciation for the year	<u>3.833.948</u>
Depreciation at 31 December 2018	<u>3.833.948</u>
<b>Carrying amount at 31 December 2018</b>	<b><u><u>188.872.354</u></u></b>
Interest expenses recognised as part of cost of assets	<u>3.013.616</u>

## Notes to the annual report

### 6 Prepayments

Prepayments include prepaid expenses related to subsequent financial years and comprises rent of land for 25 years and service costs.

### 7 Equity

The share capital has developed as follows:

	2017/18
	DKK
Share capital at 23 August 2017	50.000
<b>Share capital</b>	<b>50.000</b>

The Share capital comprises 50.000 shares of nominal value of DKK 1 each. All shares rank equally.

### 8 Other provisions

Provision in year	1.008.903
<b>Balance at 31 December 2018</b>	<b>1.008.903</b>

In the annual report there are recognized provisions for future costs for cleaning and dismantling of the wind turbines. Based on management's expectations for the maturity of the liability, these are recognized as non-current liabilities.

## Notes to the annual report

### 9 Long term debt

	Debt at 23 August 2017	Debt at 31 December 2018	Instalment next year	Debt outstanding after 5 years
Mortgage loans	0	142.395.476	0	0
	<b>0</b>	<b>142.395.476</b>	<b>0</b>	<b>0</b>

The Company's mortgage loan expires 1st of February 2021.

### 10 Shareholder loan

The shareholder loan will be refinanced from short to long debt in 2019 as the shareholder will be change in connection with sale of the company.

### 11 Contingencies, etc.

A pledge of 50.000 shares in the company have been given as security for the mortgage debt.

### 12 Related parties and ownership structure

According to the company's register of shareholders, the following shareholder holds at least 5% of the votes or at least 5% of the share capital:

Holmen II Holding ApS, Gyngemose Parkvej 50, 2860 Søborg

#### Consolidated financial statements

The company is reflected in the group report of European Energy A/S