

AIP El Campo Holding K/S

Approved at the company's general meeting, 27 March 2020

Secretary

Klaus Risager

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Company details

Company

AIP El Campo Holding K/S
Rosenborggade 1 B,
1130 Copenhagen K
CVR-no.: 40 52 38 20
Financial year: 16 May 2019 – 31 December 2019
Registered office: Copenhagen

Executive Board

Lasse Helstrup
Kasper Hansen

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
2900 Hellerup

Management commentary

Principal activities

The principal activities of the Company in the period under review were to own shares of the US company AIP El Campo Holding (US), L, which owns an onshore wind farm along with co-investor Longroad Energy, located in Know County, Texas. The wind farm is own through the companies:

- El Campo Wind Renewables LLC (50%)
 - El Campo Wind Capital LLC (100%)
 - El Campo Wind Holdings LLC (TD Partnership) (100% share class B)
 - El Campo Wind LLC (projectCo) (100%)

Furthermore, AIP El Campo Holding K/S also owns the company AIP El Campo Holding (US) GP, Inc., which is complementary to the company AIP El Campo Holding (US) LP.

Development in activites and financial matters

The Company's Income Statement of the Financial year 16 May 2019 – 31 December 2019 shows a result of t.USD 2,648 and the Balance Sheet at 31 December 2019 a balance sheet total of t.USD 105,648 and an equity of t.USD 105,648.

Principal risks and uncertainties

The management does not see any special risks to the company in connection with the ownership of the shares in AIP El Campo Holding (US), LP project in addition to the commonly occurring risks within the company industry.

Management's statement

The Executive Board has considered and approved the annual report of AIP El Campo Holding K/S for the financial year 16 May 2019 – 31 December 2019.

The annual report is presented in accordance with the Danish Financial Statements Acts for class B companies.

In our opinion, the financial statements give a true and fair view of assets, liabilities and financial position of the Company at 31 December 2019 and of the results of the Company's operations for the financial year 16 May 2019 – 31 December 2019.

In our opinion, the Management review includes a true and fair account of the matter addressed in the review.

We recommend that the annual report be adopted at the Annual General Meeting.

Copenhagen, 27 March 2020

Executive Board:

Lasse Helstrup

Kasper Hansen

Independent Auditor's Report

To the Shareholders of AIP El Campo Holding K/S

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2019, and of the results of the Company's operations for the financial year 16 May - 31 December 2019 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of AIP El Campo Holding K/S for the financial year 16 May - 31 December 2019, 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' 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.

Annual report 2019

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.

Hellerup, 27 March 2020

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Per Rolf Larssen
State Authorised Public Accountant
Mne24822

Martin Jon Albæk Pedersen
State Authorised Public Accountant
Mne34149

Income statement for the period 16 May 2019 – 31 December 2019

All amounts in thousands of USD

	Notes	<u>2019*</u>
Gross loss		- 10
Financial income		2.659
Other financial expenses		-1
		<hr/>
Profit for the period		<u>2.648</u>
Proposed distribution of results:		
Retained earnings		2.648
		<hr/>
		<u>2.648</u>

* 2019 is the company's first financial year and the income statement presented is for the period 16 May 2019 – 31 December 2019.

Balance

All amounts in thousands of USD.

Assets	Notes	<u>2019</u>
Non-current assets		
Investments		
Investments in associates	3	31.042
Receivables from associates	4	<u>74.266</u>
Total Investments and other assets		<u>105.308</u>
Total non-current assets		<u>105.308</u>
Current assets		
Cash		<u>340</u>
Total Current assets		<u>340</u>
Total Assets		<u>105.648</u>

Balance

All amounts in thousands of USD

Liabilities	Note	2019
Equity		
Contributed capital		103.000
Retained earnings		2.648
Total equity	5	105.648
Total current liabilities		0
Total liabilities		105.648
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Notes

Note 1

Accounting policies

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises.

This is the Company's first financial year and comprise the period 16 May 2019 – 31 December 2019, and hence no comparative figures have been presented.

Presentation currency

The reporting currency is American US dollars. All amounts are in thousands of US dollars.

Recognition and measurement

Revenue is recognized in the income statement as it is earned, including value adjustments of financial assets and liabilities measured at fair value or amortized costs.

In addition, expenses incurred to achieve the year's earnings are recognized, including depreciation, write-downs, provisions and reversals as a result of changed accounting estimates of amounts previously recognized in the income statement.

Assets are recognized in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the company, and the value of the asset can be measured reliably. Liabilities are recognized in the balance sheet when the company has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the company, and the value of the liabilities can be measured.

At initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each accounting item below.

Recognition and measurements take into account the gains, losses and risks that arise before the annual report is presented and which corroborates or invalidates conditions that existed at the balance sheet date.

Foreign currency translation

Foreign currency transactions are translated at the exchange rate at the transaction date. Exchange rate differences arising between the exchange rate at the transaction date and the rate at the payment date are recognized in the income statement as a financial item.

Receivables, payables and other monetary items in foreign currencies that have not been settled on the balance sheet date are translated at the exchange rate at the balance sheet date. The difference between the exchange rate at the balance sheet date and the exchange rate at the transaction date is recognized in the income statement as a financial item.

Income statement

Gross profit

Gross profit is calculated with reference to Section 32 of the Danish Financial Statements Act as a summary of other external costs.

Other external costs

Other external costs include costs for administration, etc.

Financial items

Financial income and expenses include interest income and expenses, realized and unrealized gains and losses on debt and transactions in foreign currencies.

Tax

The company is not taxable independently, which is why the tax liability is incumbent on the company's investors. As a result, no tax and deferred tax has been set aside in the accounts.

Balance

Investments in associates

Investments in associates are recognized and measured at cost. If there is an indication of a need for impairment, an impairment test is performed. Where the carrying amount exceeds the recoverable amount it is written down to this lower value.

Receivables from associates

Receivables from associates are measured at amortized cost, which usually corresponds to nominal value, less write-downs for expected losses and including accrued interest.

Cash

Cash comprises cash in bank deposits.

Note 2

Employee relations

Average number of full-time employees

2019

0

Note 3

Investments in associates

Additions

Cost end of year

2019

31.042

31.042

Total investments in associates

31.042

The company holds shares in the following company:
AIP EL Campo Holding (US), LP domiciled in USA and a 100% ownership interest.

Note 4

Receivables from associates

Loan principal
Accrued interest

Cost end of year

2019

71.660

2.606

74.266

Total receivables from associates

74.266

Note 5

Equity

Issue of share capital 16 May 2019
Retained earnings

Total equity

**Share
capital**

**Retained
earnings**

Total

103.000

2.648

103.000

2.648

103.000

2.648

105.648

Note 6

Contingent liabilities

The company has no contingent liabilities but has an outstanding commitment of USD 9.9m.

Note 7

Subsequent events

The outbreak of Coronavirus in 2020 makes the economic prospects uncertain. However, management believes that a subsequent economic downturn will not have a significant impact on the company.