

**K/S Momentum Energy Hanstholm**

**Københavnsvej 81, 4000 Roskilde**

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**Annual report**

**1 January - 31 December 2021**

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**Company reg. no. 41 66 91 60**

The annual report was submitted and approved by the general meeting on the 2 June 2022.

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**Jacob Richter**  
Chairman of the meeting

Notes to users of the English version of this document:

- This document is a translation of a Danish version of the document. In the event of any dispute regarding the interpretation of any part of the document, the Danish version of the document shall prevail.
- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points remain unchanged from Danish version of the document. This means that DKK 146.940 corresponds to the English amount of DKK 146,940, and that 23,5 % corresponds to 23.5 %.

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## **Management's statement**

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Today, the Management has approved the annual report of K/S Momentum Energy Hanstholm for the financial year 1 January - 31 December 2021.

The annual report has been prepared in accordance with the Danish Financial Statements Act.

We consider the chosen accounting policy to be appropriate, and 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.

Further, in our opinion, the Management's review gives a true and 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, 2 June 2022

### **Managing Director**

Michael Shalmi

### **Board of directors**

Kim Madsen

Michael Shalmi

### **General partner**

Komplementarselskabet Momentum Energy Hanstholm ApS

Kim Madsen

## Independent auditor's report

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### To the Limited Partners of K/S Momentum Energy Hanstholm

#### Opinion

We have audited the financial statements of K/S Momentum Energy Hanstholm for the financial year 1 January - 31 December 2021, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes, for the Company. 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 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.

#### 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.

#### 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.

## Independent auditor's report

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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.

### 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.

## Independent auditor's report

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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 Statement Act. We did not identify any material misstatement of Management's Review.

Copenhagen, 2 June 2022

### **Martinsen**

State Authorised Public Accountants  
Company reg. no. 32 28 52 01

Leif Tomasson  
State Authorised Public Accountant  
mne25346

Lars Greve Jensen  
State Authorised Public Accountant  
mne32199

## Company information

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<b>The company</b>	K/S Momentum Energy Hanstholm Københavnsvej 81 4000 Roskilde
	Company reg. no. 41 66 91 60
	Established: 11 September 2020
	Domicile:
	Financial year: 1 January - 31 December
	2nd financial year
<b>Board of directors</b>	Kim Madsen Michael Shalmi
<b>Managing Director</b>	Michael Shalmi
<b>General partner</b>	Komplementarselskabet Momentum Energy Hanstholm ApS
<b>Auditors</b>	Martinsen Statsautoriseret Revisionspartnerselskab Øster Allé 42 2100 København Ø
<b>Parent company</b>	Momentum Energy Jutlandia P/S
<b>Participating interest</b>	Hanstholm Havn Vindkraft I/S, Hanstholm

## **Management´s review**

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### **The principal activities of the company**

The principal activities are owning and operating wind turbines.

The company owns a total of 2 Vestas V 126 wind turbines. Furthermore the company own 41,76% shares in Hanstholm Havn Vindkraft I/S. This company own 1 Vestas V 126 wind turbine.

### **Development in activities and financial matters**

The revenue for the year totals DKK 11.618.518 against DKK 4.680.241 last year. Income from ordinary activities totals DKK 6.391.551 against DKK 3.532.733 last year. Management considers the net profit or loss for the year satisfactory.



## Accounting policies

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The annual report for K/S Momentum Energy Hanstholm has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class B enterprises. Furthermore, the company has decided to comply with certain rules applying to reporting class C enterprises.

The accounting policies are unchanged from last year, and the annual report is presented in DKK.

### Income statement

#### Revenue

The enterprise will be applying IAS 11 and IAS 18 as its basis of interpretation for the recognition of revenue.

Revenue is recognised in the income statement if delivery and passing of risk to the buyer have taken place before the end of the year and if the income can be determined reliably and inflow is anticipated. Recognition of revenue is exclusive of VAT and taxes and less any discounts relating directly to sales.

#### Other external costs

Other external costs comprise costs incurred for administration.

#### Depreciation, amortisation, and writedown

Depreciation, amortisation, and writedown comprise depreciation on, amortisation of, and writedown of intangible and tangible assets, respectively.

#### Financial income and expenses

Financial income and expenses are recognised in the income statement with the amounts concerning the financial year. Financial income and expenses comprise interest income and expenses and realised and unrealised capital gains and losses relating to transactions in foreign currency.

#### Results from participating interest

After full elimination of intercompany profit or loss less amortised of consolidated goodwill, the investment in the participating interest is recognised in the income statement as a proportional share of the participating interests' post-tax profit or loss.

### Statement of financial position

#### Property, plant, and equipment

Wind turbines are measured at cost plus revaluations and less accrued depreciation and writedown for impairment.

## Accounting policies

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The depreciable amount is cost less any expected residual value after the end of the useful life of the asset. The amortisation period and the residual value are determined at the acquisition date and reassessed annually. If the residual value exceeds the carrying amount, the depreciation is discontinued.

If the amortisation period or the residual value is changed, the effect on amortisation will, in future, be recognised as a change in the accounting estimates.

The cost comprises acquisition cost and costs directly associated with the acquisition until the time when the asset is ready for use.

Wind turbines are subsequently measured at fair value, which represents the value for which the individual asset is assessed to be able to be sold on the reporting date to an independent buyer. The fair value is using the DCF model as the calculated capital value of the expected cash flows.

In determining the expected cash flows, the starting point is the budgeted cash flows of the individual wind turbine. The calculated cash flows are discounted back to net present value using a discount rate, which is determined for the individual assets on the basis of current market conditions on the reporting date for that type, etc., so that the discount rate is assessed to reflect the market's current return requirements on corresponding assets.

Added revaluations are recognised directly in company equity, while depreciation and writedown recognised in the income statement.

Depreciation is done on a straight-line basis according to an assessment of the expected useful life:

	Useful life
Wind turbines	40 years

Minor assets with an expected useful life of less than 1 year are recognised as costs in the income statement in the year of acquisition.

### Investments

#### Participating interest

Participating interest is recognised and measured by applying the equity method. The equity method is used as a method of consolidation.

## Accounting policies

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Participating interest is recognised in the statement of financial position at the proportionate share of the enterprise's equity value. This value is calculated in accordance with the accounting policies of the owner company with deductions or additions of unrealised intercompany gains and losses as well as with additions or deductions of the remaining value of positive or negative goodwill calculated in accordance with the acquisition method. Negative goodwill is recognised in the income statement at the time of acquisition of the equity investment. If the negative goodwill relates to contingent liabilities acquired, negative goodwill is not recognised until the contingent liabilities have been settled or lapsed.

To the extent the equity exceeds the cost, the net revaluation of participating interest transferred to the reserve under equity for net revaluation according to the equity method. The reserve is adjusted by other equity movements in participating interest.

### Receivables

Receivables are measured at amortised cost, which usually corresponds to nominal value.

In order to meet expected losses, impairment takes place at the net realisable value. The company has chosen to use IAS 39 as a basis for interpretation when recognising impairment of financial assets, which means that impairments must be made to offset losses where an objective indication is deemed to have occurred that an account receivable or a portfolio of accounts receivable is impaired. If an objective indication shows that an individual account receivable has been impaired, an impairment takes place at individual level.

### Prepayments

Prepayments and accrued income recognised under assets comprise incurred costs concerning the following financial year.

### Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand.

### Equity

#### Revaluation reserve

Reserve for revaluations of wind turbines. The reserve is reduced when the value of revalued wind turbines is reduced due to depreciation. The reduction represents the difference between depreciation based on the revalued carrying amount of the wind turbines and depreciation based on the original cost of the wind turbines.

#### Reserve for net revaluation according to the equity method

The reserve for net revaluation according to the equity method comprises net revaluation of equity investments in subsidiaries, associates and equity interests proportional to cost.

The reserve may be eliminated in the event of losses, realisation of equity investments, or changes in the accounting estimates.

## **Accounting policies**

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The reserve cannot be recognised by a negative amount.

### **Liabilities other than provisions**

Other liabilities concerning payables to suppliers, group enterprises, and other payables are measured at amortised cost which usually corresponds to the nominal value.

## Income statement 1 January - 31 December

All amounts in DKK.

<u>Note</u>	<u>2021</u>	<u>2020</u>
Revenue	11.618.518	4.680.241
Other external expenses	-3.197.046	-1.158.532
<b>Gross profit</b>	<b>8.421.472</b>	<b>3.521.709</b>
Depreciation and impairment of property, land, and equipment	-4.195.613	-785.831
<b>Operating profit</b>	<b>4.225.859</b>	<b>2.735.878</b>
Income from investment in participating interest	2.207.602	411.056
Other financial income	4.175.448	1.227.223
1 Other financial expenses	-4.217.358	-841.424
<b>Net profit or loss for the year</b>	<b>6.391.551</b>	<b>3.532.733</b>
<b>Proposed appropriation of net profit:</b>		
Reserves for net revaluation according to the equity method	2.044.162	-458.944
Transferred to retained earnings	4.347.389	3.991.677
<b>Total allocations and transfers</b>	<b>6.391.551</b>	<b>3.532.733</b>

**Balance sheet at 31 December**

All amounts in DKK.

<b>Assets</b>		
<u>Note</u>	<u>2021</u>	<u>2020</u>
<b>Non-current assets</b>		
2 Wind Turbines	148.385.819	155.504.111
Total property, plant, and equipment	<u>148.385.819</u>	<u>155.504.111</u>
3 Investment in participating interest	31.374.116	33.478.177
Total investments	<u>31.374.116</u>	<u>33.478.177</u>
<b>Total non-current assets</b>	<b><u>179.759.935</u></b>	<b><u>188.982.288</u></b>
<b>Current assets</b>		
Trade receivables	5.858.609	1.629.273
Receivables from subsidiaries	124.718.718	101.267.223
Other receivables	153.332	568.543
Prepayments	617.505	361.645
Total receivables	<u>131.348.164</u>	<u>103.826.684</u>
Cash and cash equivalents	<u>1.661</u>	<u>0</u>
<b>Total current assets</b>	<b><u>131.349.825</u></b>	<b><u>103.826.684</u></b>
<b>Total assets</b>	<b><u>311.109.760</u></b>	<b><u>292.808.972</u></b>

**Balance sheet at 31 December**

All amounts in DKK.

<b>Equity and liabilities</b>		
<u>Note</u>	<u>2021</u>	<u>2020</u>
<b>Equity</b>		
Contributed capital	142.000.000	142.000.000
Revaluation reserve	35.226.116	39.201.082
Reserve for net revaluation according to the equity method	7.405.951	7.017.206
Retained earnings	13.652.618	4.777.508
<b>Total equity</b>	<b><u>198.284.685</u></b>	<b><u>192.995.796</u></b>
<b>Long term liabilities other than provisions</b>		
4 Bank loans	47.350.000	0
Total long term liabilities other than provisions	<u>47.350.000</u>	<u>0</u>
Current portion of long term liabilities	11.150.000	0
Bank loans	50.777.697	96.057.225
Trade payables	3.534.284	504.190
Payables to subsidiaries	0	3.248.428
Other payables	13.094	3.333
Total short term liabilities other than provisions	<u>65.475.075</u>	<u>99.813.176</u>
<b>Total liabilities other than provisions</b>	<b><u>112.825.075</u></b>	<b><u>99.813.176</u></b>
<b>Total equity and liabilities</b>	<b><u>311.109.760</u></b>	<b><u>292.808.972</u></b>
5 Charges and security		
6 Contingencies		
7 Related parties		

## Statement of changes in equity

All amounts in DKK.

	Contributed capital	Revaluation reserve	Reserve for net revalua-tion according to the eq-uity method	Retained earnings	Total
Equity 1 January 2020	142.000.000	30.078.847	6.933.174	0	179.012.021
Share of results	0	0	411.056	3.991.677	4.402.733
Revaluations for the year	0	9.908.066	542.976	0	10.451.042
Distributed dividend, Hanstholm					
Havn Vindkraft I/S	0	0	-870.000	0	-870.000
Depreciation relating to revalued assets	0	-785.831	0	785.831	0
Equity 1 January 2021	142.000.000	39.201.082	7.017.206	4.777.508	192.995.796
Share of results	0	0	2.044.162	4.347.389	6.391.551
Distributed dividend, Hanstholm					
Havn Vindkraft I/S	0	0	-2.894.740	2.894.740	0
Revaluations for the year	0	-2.922.679	1.820.017	0	-1.102.662
Reversal re. disposals	0	0	-580.694	580.694	0
Depreciation relating to revalued assets	0	-1.052.287	0	1.052.287	0
	<b>142.000.000</b>	<b>35.226.116</b>	<b>7.405.951</b>	<b>13.652.618</b>	<b>198.284.685</b>



## Notes

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All amounts in DKK.

	<u>2021</u>	<u>2020</u>
<b>1. Other financial expenses</b>		
Momentum Energy Jutlandia Development K/S	0	14.903
Other financial costs	<u>4.217.358</u>	<u>826.521</u>
	<u><b>4.217.358</b></u>	<u><b>841.424</b></u>

## Notes

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All amounts in DKK.

	<u>31/12 2021</u>	<u>31/12 2020</u>
<b>2. Wind Turbines</b>		
Cost 1 January 2021	116.303.029	115.499.029
Additions during the year	<u>0</u>	<u>804.000</u>
<b>Cost 31 December 2021</b>	<b><u>116.303.029</u></b>	<b><u>116.303.029</u></b>
Revaluation 1 January 2021	39.986.913	30.078.847
Revaluations for the year	<u>-2.922.679</u>	<u>9.908.066</u>
<b>Revaluation 31 December 2021</b>	<b><u>37.064.234</u></b>	<b><u>39.986.913</u></b>
Depreciation and writedown 1 January 2021	-785.831	0
Depreciation for the year	<u>-4.195.613</u>	<u>-785.831</u>
<b>Depreciation and writedown 31 December 2021</b>	<b><u>-4.981.444</u></b>	<b><u>-785.831</u></b>
<b>Carrying amount, 31 December 2021</b>	<b><u>148.385.819</u></b>	<b><u>155.504.111</u></b>
Carrying amount less revaluations	<u>111.321.585</u>	<u>115.517.198</u>

## Notes

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All amounts in DKK.

31/12 2021

31/12 2020

The company's wind farm are composed of 2 pcs. Vestas V 126-3,45/3.6MW wind turbines. The turbines was built in 2017.

Wind turbines are measured at fair value using a DCF model, cf. the accounting policies.

The central assumptions behind the fair value calculations are expected production, electricity settlement prices, maintenance and operating costs, remaining life and the discount rate used.

Expected production is based on the average production in 2018, 2019 and 2020. The effect of general expectations for either more or less wind in the coming decades has not been recognised.

For periods beyond fixed settlement prices for electricity, the spot price of electricity is DKK 0,275 with an annual indexation of 1,5%. Agreed subsidies have been added.

Costs of maintenance, operations, insurance etc. have been included on the basis of contracts entered and adjusted for inflation. Costs of repairs have been included on the basis of historical experience.

The service life of the wind turbines has been set to 40 years. The management as well as the Danish Energy Agency assess this to be the best service life estimate for well-operated and wellmaintained wind turbines.

The discount rate is 4,0% for the period until the end of 2034. Subsequently, the discount rate applied is 5,5%. When determining the discount rate, market prices of similar turbines as well as the levels at which loans can be obtained have been taken into account.

Scrap values, including the value of any repowering, have not been included, whereas costs of dismantling have been included.

All else equal, a 0,5 percentage point increase in the discount factor will reduce the total fair value by DKK 2.160.000.

All else equal, a 1 mio. kWh reduction og increase, respectively, in produce will increase the total fair value by DKK 5.325.000, or reduce the total fair value by DKK 5.691.000, respectively.

All else equal, a DKK 0,01 increase or reduction, respectively, in the spot price used will increase the total fair value by DKK 4.206.000, or reduce the total fair value by DKK 4.206.000, respectively.

## Notes

All amounts in DKK.

	<u>31/12 2021</u>	<u>31/12 2020</u>
<b>3. Investment in participating interest</b>		
Cost 1 January 2021	26.460.971	26.460.971
Disposals during the year	<u>-2.492.806</u>	<u>0</u>
<b>Cost 31 December 2021</b>	<b><u>23.968.165</u></b>	<b><u>26.460.971</u></b>
Revaluations, opening balance 1 January 2021	7.017.206	6.933.174
Net profit or loss for the year before amortisation of goodwill	2.044.162	411.056
Reversals for the year concerning disposals	-580.694	0
Dividend	-2.894.740	-870.000
Revaluation	<u>1.820.017</u>	<u>542.976</u>
<b>Revaluation 31 December 2021</b>	<b><u>7.405.951</u></b>	<b><u>7.017.206</u></b>
<b>Carrying amount, 31 December 2021</b>	<b><u>31.374.116</u></b>	<b><u>33.478.177</u></b>
<b>Participating interest:</b>		
	<b>Domicile</b>	<b>Equity interest</b>
Hanstholm Havn Vindkraft I/S	Hanstholm	41,76 %
<b>4. Bank loans</b>		
Total bank loans	58.500.000	0
Share of amount due within 1 year	<u>-11.150.000</u>	<u>0</u>
	<b><u>47.350.000</u></b>	<b><u>0</u></b>
Share of liabilities due after 5 years	<u>8.500.000</u>	<u>0</u>
<b>5. Charges and security</b>		
<p>As collateral for bank debt, amounting to DKK 109.277.697, the company has granted the following collateral: security in electricity, security in insurance payments, security in service and guarantee agreements, a charge on I/S shares(Hanstholm Havn Vindkraft I/S), activity and dividend announcements, a general agreement on right of subrogation and an inter-creditor agreement.</p>		

## Notes

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All amounts in DKK.

### 5. Charges and security (continued)

The company guarantees as a surety guarantor for all balances with the bank in Momentum Energy Jutlandia Development K/S. The bank debt amounts to DKK 70.8 million. DKK per December 31, 2021.

### 6. Contingencies

#### Contingent liabilities

Land lease agreements with Hanstholm Havn (Port of Hanstholm) are non-terminable until February 2046. Subsequently, the lease can be terminated at 12 months' notice. The annual minimum lease payment is DKK 250.000 per turbine. From 2033, the minimum lease will increase by 1% annually. The total commitment for land lease agreements amounts to DKK 15,9 mill. for the Group's two wind turbines and a 41,76% ownership share of the wind turbine in Hanstholm Havn Vindkraft I/S.

K/S Momentum Energy Hanstholm is directly, jointly and severally, personally and fully liable for the liabilities of Hanstholm Havn Vindkraft I/S. The partners are mutually liable in relation to their undivided shares in the partnership

### 7. Related parties

#### Consolidated financial statements

The company is included in the consolidated financial statements of Momentum Energy Group A/S, Københavnsvej 81, 4000 Roskilde.