Thor Wind Farm I/S

Vesterbrogade 1L, 6

1620 Copenhagen V

CVR-nr. 41771321

Annual report 2023

3. financial year

The Annual Report was presented and
adopted at the Annual Partnership Meeting of
the Company on 28 June 2024

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Karin Gunborg Thunström, Chairman

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Management's Statement

Today, Management has considered and adopted the Annual Report of Thor Wind Farm I/S for the financial year 1 January 2023 - 31 December 2023.

The Annual Report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the Financial Statements give a true and fair view of the assets, liabilities and financial position of the Company at 31 December 2023 and of the results of the Company's operations for the financial year 1 January 2023 - 31 December 2023.

In our opinion, the Management's Review includes a true and fair account of the matters addressed in the review.

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

Copenhagen, 28 June 2024

Board of directors

Karin Gunborg Thunström Chairman	Karin Lykke Borg	Allan Topp Petersen

Independent Auditors' Report

To the Partners of Thor Wind Farm I/S

Opinion
In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2023, and of the results of the Company's operations for the financial year 1 January - 31 December 2023 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Thor Wind Farm I/S for the financial year 1 January 2023 – 31 December 2023, 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' 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.

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

Independent Auditors' Report

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 scepticism throughout the audit. We also:

- Identify and assess the risk of material misstatements in 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 a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or 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 the related disclosures made by Management.

- Conclude on whether Management's use of the going concern basis of accounting in preparing the financial statements is appropriate and, based on the audit evidence obtained, conclude on whether a material uncertainty exists relating to events or conditions, which could 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 auditors' 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 auditors' report. However, future events or conditions may imply that the Company can no longer remain a going concern.

- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements reflect 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, 28 June 2024

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR-nr. 33771231

Claus Dalager	Casper Larsen
State Authorised Public Accountant	State Authorised Public Accountant
mne26745	mne45855

Company information

Company	Thor Wind Farm I/S Vesterbrogade 1L, 6 1620 Copenhagen V
CVR No.	41771321
Date of formation	19 October 2020
Registered office	Copenhagen, Denmark
Financial year	1 January 2023 - 31 December 2023
Supervisory Board	Karin Gunborg Thunström Karin Lykke Borg Allan Topp Petersen
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab CVR-no.: 33771231

Management's review

The company's most important activities
Thor Wind Farm I/S was founded to build and operate the Thor Offshore Wind Farm. The establishment of the Thor Offshore Wind Farm is prompted by the Energy Agreement from 2018, after which the Danish Energy Agency prepared an EU tender. Thor Wind Farm I/S won the tender in December 2021.

In January 2022, the Danish Energy Agency and Thor Wind Farm I/S have entered into an "Agreement on the obligation to establish and connect the Thor Offshore Wind Farm to the grid".

- The Thor Offshore Wind Farm will be the largest offshore wind farm in Denmark to date and will be established in the North Sea approx. 22 km off the coast at Thorsminde in Jutland.
- The Thor Offshore Wind Farm will be established with a capacity of 1,000 MW and can annually produce approx. 5 TWh electricity corresponding to approx. 1. million households' annual consumption.
- The Thor Offshore Wind Farm must be fully established and connected to the grid by the end of 2027, and the production license is granted for 30 years with the option of being extended for 5 years.

The ultimate owner of Thor Wind Farm I/S is RWE AG, who is listed on the stock exchange in Frankfurt, Germany.

The development in activities and economic conditions
Thor Wind Farm I/S income statement for the financial year 2023 shows tEUR -123 (2022: tEUR -108), and the balance per 31-12-2023 shows a balance sheet of tEUR 438,273 (31-12-2022: tEUR 50,477), and an equity of tEUR 84,707 (31-12-2022 tEUR -169). During the financial year the partners in Thor Wind Farm I/S did a capital contribution of tEUR 85.000 and which has a positive impact on Thor Wind Farm I/S equity and cash position 31-12-2023.

In the financial year, investments were made in the establishment of the Thor Offshore Wind Farm of tEUR 301,890 (2022: tEUR 47.816).

In the first quarter of the financial year, a large number of development activities was carried out that supported an efficient preparation of the final investment decision for Thor Offshore Wind Farm which took place in March 2023.

The construction phase since then is following the original plans. The year's development in activities and results are considered satisfactory.

Uncertainty in recognition and measurement
Similar to previous year, impairment tests have been carried out on the accounting value of property, plant and equipment. The test was carried out based on expectations for the development of electricity prices, inflation and the level of interest rates including estimates from management, which may be subject to uncertainty. The prepared test has not indicated impairment.

The company measures its derivatives, which consist of a financial instrument, at fair value, including estimates from management, which may be subject to uncertainty.

Events after the end of the financial year
From the balance sheet date until today, no material circumstances have arisen which would alter the assessment of the annual report.

Accounting policies

Reporting Class
The annual report of Thor Wind Farm I/S for 2023 has been presented in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B.

The accounting policies used are unchanged compared to previous years.

Presentation currency
The reporting currency is Euro. All amounts are in thousands EUR. The exchange rate per 31. December 2023 of 0,1342 (2022: 0.1345) was used where translation from DKK to EUR was needed.

General in formation

Basis of recognition and measurement
The financial statement have been prepared under the historical cost principle. Income is recognised in the income statement as it is earned, including value adjustments of financial assets and liabilities that are measured at fair value or amortized cost. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortization, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

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

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

Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of a constant effective interest rate over the term. Amortised cost is calculated as original cost less repayments and with the addition/deduction of the accumulated amortisation of the difference between the cost and the nominal amount. This way, exchange losses and gains are allocated over the term.

In connection with recognition and measurement, consideration is given to predictable losses and risks occurring prior to the presentation of the financial statement, i.e. losses and risks which prove or disprove matters which exist at the balance sheet date.

Income statement

Gross profit/loss
The Company has decided to aggregate certain items of the income statement in accordance with the provisions of Section 32 of the Danish Financial Statements Act.

Gross profit/loss is a combination of the items of revenue and other external expenses.

Revenue
Revenue is recognised in the income statement if the goods have been delivered and the risk has passed to the buyer before year-end and if the revenue can be reliably calculated and expected to be received. Revenue is recognised excluding VAT and all discounts granted are recognised in revenue.

Other external expenses
Other external expenses include expenses for distribution, sales, advertising, administration, premises, bad debts, operating leasing expenses etc.

Accounting policies

Amortisation and impairment of tangible and intangible assets
Amortization and impairment of intangible assets, property, plant and equipment has been performed based on a continuing assessment of the useful life of the assets in the Company. Non-current assets are amortized on a straight line basis, based on cost, on the basis of the following assessment of useful life and residual values:

	Useful life
Properties	20-50 years
Plant and machinery	5-30 years

Land is not amortized.

Financial income and expenses
Financial income and expenses are recognised in the income statement based at the amounts that concern the financial year. Financial income and expenses include interest revenue and expenses, financial expenses of finance leases, realised and unrealised capital gains and losses regarding securities, accounts payable and transactions in foreign currencies, repayment on mortgage loans, and surcharges and allowances under the advance-payment of tax scheme.

Tax on net profit for the year
As a partnership, the company is not an independent tax subject, as the tax liability is borne by the company's capital owners. Current and deferred tax are therefore not recognized in the annual report.

Balance sheet

Property, plant and equipment
Property, plant and equipment are measured at cost on initial recognition and subsequently at cost less accumulated depreciation and impairment losses.

The depreciable amount is calculated taking into consideration the residual value of the asset at the end of its useful life, reduced by impairment losses, if any. The depreciation period and the residual value are determined at the data of acquisition. If the residual value exceeds the carrying amount of the asset, depreciation is discontinued.

In case of changes in depreciation period or residual value, the effect of a change in depreciation period is recognised prospectively in accounting estimates.

Cost includes the purchase price and expenses directly related to the acquisition until the time when the asset is ready for use. The cost of self-constructed assets includes costs for materials, components, subcontractors, direct payroll costs and indirect production costs. Further financial costs for financing tangible fixed assets with a long manufacturing period are recognized in the cost price.

The cost of composite asset is disaggregated into components, which are separately depreciated if the useful lives of the individual component differ.

The carrying amounts of property plant and equipment are tested annually to determine whether there is any indication of impairment other than what is expressed by amortization and depreciation. If so, the assets are tested for impairment to determine whether the recoverable amounts are lower than the carrying amounts and the relevant assets are written down to such lower recoverable amounts. An impairment test is carried out annually of ongoing development projects, whether or not there is any indication of impairment.

The recoverable amount of an asset is determined as the higher of the net sales price and the value in use. Where the recoverable amount of the individual assets cannot be determined, the assets are grouped together into the smallest group of assets that can be estimated to determine an aggregate reliable recoverable amount for those units.

Accounting policies

Receivables
Receivables are measured at amortized cost which usually corresponds to the nominal value. The value is reduced by write-downs for expected bad debts.

Impairment of accounts receivables past due is established on individual assessment of receivables.

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

Financial instruments
Derivative financial instruments are measured at first recognition in the balance sheet at cost and subsequently at fair value. The fair values of derivative financial instruments are presented as separate accounting items under cost-based assets and short-term liabilities.

Changes in the fair value of derivatives classified as hedging instruments, meeting the criteria for fair value hedge accounting, are recognized in the income statement during the same reporting period as the changes in value of the hedged asset or liability. For non-hedging derivative financial instruments, value adjustments are also recognized in the income statement based on their fair value.

Additionally, derivative financial instruments classified as cash flow hedges, satisfying the conditions for hedging future cash flows associated with specific risks, are reflected in equity. Any income or expenses related to such hedging transactions are transferred from equity upon realization of the hedged item and recorded in the same accounting category as the hedged item.

Equity
Equity comprises the working capital and a number of equity items that may be statutory or stipulated in the articles of association.

Liabilities
Financial liabilities are recognised initially at the proceeds received net of transaction expenses incurred. In subsequent periods, financial liabilities are measured at amortized cost, corresponding to the capitalized value using the effective interest method, so that the difference between the proceeds and the nominal value is recognised in the income statement over the life of the financial instrument.

Mortgage debt is accordingly measured at amortized cost, corresponding to the outstanding balance in case of cash loans. In case of bond loans, amortized cost corresponds to the outstanding balance determined as the underlying cash value of the loans at the time of borrowing adjusted for amortisation of capital losses on the loans over the repayment period.

Other liabilities are measured at net realisable value.

Other payables
Other payables are measured at amortized cost, which usually corresponds to the nominal value.

Contingent assets and liabilities
Contingent assets and liabilities are not recognised in the Balance Sheet but appear only in the notes.

Income Statement

	Note	2023 tEUR	2022 tEUR
Gross loss		-227	-108
Profit/ loss from ordinary operating activities		**-227**	**-108**
Financial income	1	103	0
Financial expenses	1	0	0
Profit / loss from ordinary activities before tax		**-123**	**-108**
Profit / loss		**-123**	**-108**
Proposed distribution of results			
Retained earnings		-123	-108
Distribution of profit / loss		**-123**	**-108**

Balance Sheet as of 31 December

	Note	2023 tEUR	2022 tEUR
Assets			
Property, plant and equipment in progress	2	351,983	50,093
Property, plant and equipment		**351,983**	**50,093**
Fixed assets		**351,983**	**50,093**
Receivables from group enterprises		218	0
Receivables from group enterprise, derivatives	6	71	0
Other short-term receivables		897	384
Receivables		**1,186**	**384**
Cash and cash equivalents		**85,103**	**0**
Current assets		**86,289**	**384**
Assets		**438,273**	**50,477**

	Note	2023 tEUR	2022 tEUR
Liabilities and equity			
Contributed capital		85,000	0
Retained earnings		-293	-169
Equity		**84,707**	**-169**
Payables to group enterprises	3	208,220	0
Trade payables		0	20,298
Long-term liabilities other than provisions		**208,220**	**20,298**
Trade payables		46,118	2,121
Payables to group enterprises		98,997	28,227
Payables to group enterprise, derivatives	6	231	0
Short-term liabilities other than provisions		**145,346**	**30,348**
Liabilities other than provisions within the business		**353,566**	**50,646**
Liabilities and equity		**438,273**	**50,477**

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1. Financial income and expenses	2023 tEUR	2022 tEUR
Financial income		
Value adjustments of derivatives, group enterprises	85	0
Interest, other	103	0
Financial income, total	**189**	**0**
Financial expenses		
Interest, group enterprises	-4,733	-105
Value adjustments of derivatives, group enterprises	-245	0
Interest, other	-904	0
Currency adjustments	-31	0
Fees, guarantees	-1,889	-895
Financial expenses, total	**-7,803**	**-1,000**
Financial expenses, net	**-7,614**	**-1,000**
Reconized as;		
Financial income via income statement	103	0
Financial expenses, net via balance sheet (capitalized)	-7,717	-1,000
	-7,614	**-1,000**

2. Property, plant and equipment under construction

	2023	2022
Cost at 1 January	50,093	2,277
Additions in the year	301,890	47,816
Cost at 31 December	**351,983**	**50,093**
Depreciation and amortization at 1 January	0	0
Depreciation and amortization in the year	0	0
Depreciation and amortization at 31 December	**0**	**0**
Carrying amount at 31 December	**351,983**	**50,093**

Additions for 2023 include net capitalized finance expenses tEUR 7.717 (2022: tEUR 1.000) as specified in note 1.

3. Long-term liabilities (tEUR)

	Due after 1 year	Due within 1 year	Due after 5 year
Payables to group enterprises	208,220	0	0
	208,220	**0**	**0**

4. Uncertainty in recognition and measurement

Similar to previous year, impairment tests have been carried out on the accounting value of property, plant and equipment. The test was carried out based on expectations for the development of electricity prices, inflation and the level of interest rates including estimates from management, which may be subject to uncertainty. The prepared test has not indicated impairment.

The company measures its derivatives, which consist of a financial instrument, at fair value, including estimates from management, which may be subject to uncertainty.

5. Employees

Average number of employees is 0 (2022; 0)

6. Derivatives

The unrealized value of derivatives measured at fair value via the fair value option recognized in the income statement for the period 1 January - 31 December 2023 amounts to 160 tEUR (net).

Overview of derivative positions (tEUR)	Fair value	Contractual principal amount	Term (months)
Currency derivatives			
Total	-160	116,638	
Assets	71	3,928	3-6
Liabilities	-231	112,710	1-13

Thor Wind Farm I/S has entered into hedging, as the company is exposed to DKK and GBP regarding costs for the construction of Thor Offshore Wind Farm.

The company only enters into hedging contracts against the parent company RWE AG. RWE AG has Investment Grade; Baa2 (Moody's) and BBB+ (Fitch).

Hedging contracts are valued according to generally recognized principles and are based on relevant observable spot rates and interest rate curves.

7. Contingent liabilities

No contingent liabilities exist at the balance sheet date.

As part of the company's activity, Thor Wind Farm I/S has in January 2022 entered into an "Agreement on the obligation to establish and connect the Thor Offshore Wind Farm" with the Danish Energy Agency.

The company has entered into operational leasing contracts with a total residual payment of tEUR 1.102 . Of this, tEUR 32 are due within 1 year, tEUR 162 between 1 and 5 years and tEUR 908 after 5 years.

8. Collaterals and securities

A bank guarantee of DKK 400 million has been provided to Danish Energy Agency.

9. Related parties

Controlling influence

RWE THOR 1 B.V.
Amerweg 1
4931 NC Geertruidenberg
Holland

RWE THOR 2 B.V.
Amerweg 1
4931 NC Geertruidenberg
Holland

RWE THOR 3 B.V.
Amerweg 1
4931 NC Geertruidenberg
Holland

RWE THOR 4 B.V.
Amerweg 1
4931 NC Geertruidenberg
Holland

RWE Renewables Denmark A/S
Vesterbrogade 1L, 1620 Copenhagen V.
Denmark

RWE AG, RWE Platz 1, 45141 Essen, Germany, is the ultimate owner.

Transactions

In accordance with §98c, subsection of the Annual Accounts Act. 7, information on transactions with related parties is omitted, as all such transactions are considered to have taken place on market terms.