

# Encavis Nordbrise A/S

Københavsvej 81, 4000 Roskilde

CVR no. 32 44 68 25

## Annual report 2020

Approved at the Company's annual general meeting on 17 May 2021

Chairman:

  
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## Statement by the Board of Directors and the Executive Board

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of Encavis Nordbrise A/S for the financial year 1 January - 31 December 2020.

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 2020 and of the results of the Company's operations for the financial year 1 January - 31 December 2020.

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, 17 May 2021  
Executive Board:



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Ingo Volker Willi Ermel

Board of Directors:



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Michael Kubicek



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Quirin Frans-Henrich Busse



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Ingo Volker Willi Ermel

## Independent auditor's report

To the shareholders of Encavis Nordbrise A/S

### Opinion

We have audited the financial statements of Encavis Nordbrise A/S for the financial year 1 January - 31 December 2020, 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 2020 and of the results of the Company's operations for the financial year 1 January - 31 December 2020 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.

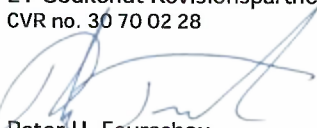
Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

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, 17 May 2021  
EY Godkendt Revisionspartnerselskab  
CVR no. 30 70 02 28



Peter U. Faurischou  
State Authorised Public Accountant  
mne34502

## Management's review

### Company details

Name	Encavis Nordbrise A/S
Address, Postal code, City	Københavnsvej 81, 4000 Roskilde
CVR no.	32 44 68 25
Established	8 September 2009
Registered office	Roskilde
Financial year	1 January - 31 December
Board of Directors	Michael Kubicek Quirin Frans-Henrich Busse Ingo Volker Willi Ermel
Executive Board	Ingo Volker Willi Ermel
Auditors	EY Godkendt Revisionspartnerselskab Værkmestergade 25, P.O. Box 330, 8100 Aarhus C, Denmark

## Management commentary

### Business review

The objective of the Company is to carry on business in renewable energy, which i.a. includes raising, acquisition and possession of portfolios of wind turbines, trade in wind turbines and wind energy as well as related business.

### Financial review

The income statement for 2020 shows a profit of DKK 32,435 thousand against a profit of DKK 21,548 thousand last year, and the balance sheet at 31 December 2020 shows equity of DKK 294,795 thousand.

### 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 1 January - 31 December

### Income statement

Note	DKK'000	2020	2019
	Gross profit	80,614	71,229
2	Staff costs	0	-984
	Amortisation/depreciation and impairment of intangible assets and property, plant and equipment	-36,561	-37,336
	Profit before net financials	44,053	32,909
3	Financial income	687	23
	Financial expenses	-5,350	-5,307
	Profit before tax	39,390	27,625
4	Tax for the year	-6,955	-6,077
	Profit for the year	32,435	21,548
	Recommended appropriation of profit		
	Proposed dividend recognised under equity	20,000	46,004
	Retained earnings/accumulated loss	12,435	-24,456
		32,435	21,548

## Financial statements 1 January - 31 December

### Balance sheet

Note	DKK'000	2020	2019
	<b>ASSETS</b>		
	Fixed assets		
5	Property, plant and equipment		
	Land and buildings	15,314	16,048
	Wind turbines	681,911	716,535
		<u>697,225</u>	<u>732,583</u>
	Investments		
	Deposits, investments	900	1,524
		<u>900</u>	<u>1,524</u>
	Total fixed assets	<u>698,125</u>	<u>734,107</u>
	Non-fixed assets		
	Receivables		
	Trade receivables	7,983	10,289
	Other receivables	5,411	0
	Prepayments	3,435	2,202
		<u>16,829</u>	<u>12,491</u>
	Cash	295	0
	Total non-fixed assets	<u>17,124</u>	<u>12,491</u>
	<b>TOTAL ASSETS</b>	<u>715,249</u>	<u>746,598</u>
	<b>EQUITY AND LIABILITIES</b>		
	Equity		
	Share capital	5,000	5,000
	Retained earnings	269,795	257,360
	Dividend proposed	20,000	46,004
	Total equity	<u>294,795</u>	<u>308,364</u>
	Provisions		
	Deferred tax	76,891	74,767
	Total provisions	<u>76,891</u>	<u>74,767</u>
	Liabilities other than provisions		
6	Non-current liabilities other than provisions		
	Bank debt	300,000	0
		<u>300,000</u>	<u>0</u>
	Current liabilities other than provisions		
6	Short-term part of long-term liabilities other than provisions	40,000	0
	Bank debt	0	361,956
	Trade payables	3,563	967
	Other payables	0	544
		<u>43,563</u>	<u>363,467</u>
	Total liabilities other than provisions	<u>343,563</u>	<u>363,467</u>
	<b>TOTAL EQUITY AND LIABILITIES</b>	<u>715,249</u>	<u>746,598</u>

1 Accounting policies

7 Contractual obligations and contingencies, etc.

8 Collateral



## Financial statements 1 January - 31 December

### Statement of changes in equity

DKK'000	Share capital	Retained earnings	Dividend proposed	Total
Equity at 1 January 2019	5,000	281,815	0	286,815
Transfer through appropriation of profit	0	-24,455	46,004	21,549
Equity at 1 January 2020	5,000	257,360	46,004	308,364
Transfer through appropriation of profit	0	12,435	20,000	32,435
Dividend distributed	0	0	-46,004	-46,004
Equity at 31 December 2020	5,000	269,795	20,000	294,795

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies

The annual report of Encavis Nordbrise A/S for 2020 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.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

#### Reporting currency

The financial statements are presented in Danish kroner (DKK'000).

#### 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.

##### Gross profit

The items revenue, other operating income and external expenses have been aggregated into one item in the income statement called gross profit in accordance with section 32 of the Danish Financial Statements Act.

##### Other operating income

Other operating income comprise items of a secondary nature relative to the Company's core activities, including gains on the sale of fixed assets.

##### Other external expenses

Other external expenses include the year's expenses relating to the Company's core activities, including expenses relating to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

##### Staff costs

Staff costs include wages and salaries, including compensated absence and pension to the Company's employees, as well as other social security contributions, etc. The item is net of refunds from public authorities.

##### Depreciation

The item comprises depreciation and impairment 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. The expected useful lives of the assets are as follows:

Land and buildings	25 years
Wind turbines	25 years

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Financial income and expenses

Financial income and expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest income and 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.

The Company and its Danish group entities are jointly taxed. The total Danish income tax charge is allocated between profit/loss-making Danish entities in proportion to their taxable income (full absorption).

Jointly taxed entities entitled to a tax refund are reimbursed by the management company based on the rates applicable to interest allowances, and jointly taxed entities which have paid too little tax pay a surcharge according to the rates applicable to interest surcharges to the management company.

##### 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.

Gains or losses are calculated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses from the disposal of property, plant and equipment are recognised in the income statement as other operating income or other operating expenses.

##### 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.

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### 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.

##### Cash

Cash comprise cash and short term securities which are readily convertible into cash and subject only to minor risks of changes in value.

##### Equity

###### *Proposed dividends*

Dividend proposed for the year is recognised as a liability once adopted at the annual general meeting (declaration date). Dividends expected to be distributed for the financial year are presented as a separate item under "Equity".

##### 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.

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.

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Liabilities

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. On subsequent recognition, financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan. Financial liabilities also include the capitalised residual lease liability in respect of finance leases.

Other liabilities are measured at net realisable value.

DKK'000	2020	2019	
2 Staff costs			
Wages/salaries	0	982	
Other social security costs	0	2	
	<u>0</u>	<u>984</u>	
Average number of full-time employees	<u>0</u>	<u>0</u>	
3 Financial income			
Interest receivable, group entities	687	23	
	<u>687</u>	<u>23</u>	
4 Tax for the year			
Deferred tax adjustments in the year	6,955	6,077	
	<u>6,955</u>	<u>6,077</u>	
5 Property, plant and equipment			
DKK'000	Land and buildings	Wind turbines	Total
Cost at 1 January 2020	18,350	895,344	913,694
Additions	0	1,203	1,203
Cost at 31 December 2020	<u>18,350</u>	<u>896,547</u>	<u>914,897</u>
Impairment losses and depreciation at 1 January 2020	2,302	178,809	181,111
Depreciation	734	35,827	36,561
Impairment losses and depreciation at 31 December 2020	<u>3,036</u>	<u>214,636</u>	<u>217,672</u>
Carrying amount at 31 December 2020	<u>15,314</u>	<u>681,911</u>	<u>697,225</u>
Depreciated over	<u>25 years</u>	<u>25 years</u>	

Note 8 provides more details on security for loans, etc. as regards property, plant and equipment.

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 6 Non-current liabilities other than provisions

Of the long-term liabilities, DKK 50,000 thousand falls due for payment after more than 5 years after the balance sheet date.

#### 7 Contractual obligations and contingencies, etc.

##### Other contingent liabilities

The Company is jointly taxed with its sister, Encavis Wind Danmark ApS, which acts as management company, and is jointly and severally liable with other jointly taxed group entities for payment of income taxes for the income year 2019 onwards as well as withholding taxes on interest, royalties and dividends falling due for payment on or after 20. december 2019.

#### 8 Collateral

As security for the Company's debt to banks, the Company has provided security or other collateral in its assets for at total amount of DKK 452,800 thousand. The total carrying amount of these assets is DKK 697,266 thousand.

As security the company has provided collateral in its sale of electricity, consequential loss insurance and service agreements.