

Wind Estate A/S

Læsøvej 1, DK-8940 Randers

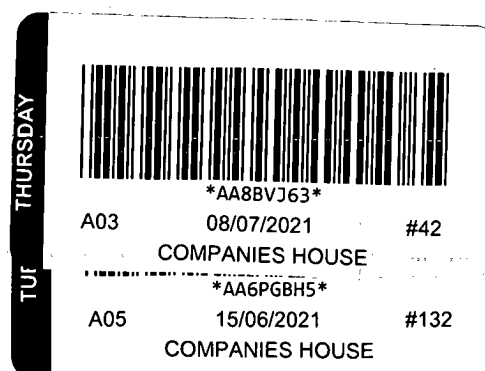
Annual Report for 1 January - 31 December 2020

CVR No 26 27 18 86

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company on
6 /4 2021

Lars Krull
Chairman of the General
Meeting

This is a translated version of the official Danish Annual Report 2020. All
amounts have been translated into EURO using exchange rate 7.4393
In case of discrepancy, the Danish version shall prevail.



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Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Wind Estate 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 at 31 December 2020 of the Company and of the results of the Company operations and cash flows for 2020.

In our opinion, 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 General Meeting.

Randers, 6 April 2021

Executive Board

Erik Abraham
CEO

Jens Petri Petersen

Board of Directors

Lars Krull
Chairman

Peter Christian Wager

Jens Petri Petersen

Independent Auditor's Report

To the Shareholders of Wind Estate A/S

Opinion

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 and cash flows for the financial year 1 January - 31 December 2020 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Wind Estate A/S for the financial year 1 January - 31 December 2020, which comprise income statement, balance sheet, statement of changes in equity, cash flow statement and notes, including a summary of significant accounting policies ("the 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 misstate-

Independent Auditor's Report

ment, 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.

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.
- 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

Independent Auditor's Report

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.

Skive, 6 April 2021

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Martin Furbo

statsautoriseret revisor

mne32204

Allan Christensen

statsautoriseret revisor

mne35463

Company Information

The Company

Wind Estate A/S

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DK-8940 Randers

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CVR No: 26 27 18 86

Financial period: 1 January - 31 December

Municipality of reg. office: Randers

Board of Directors

Lars Krull, Chairman

Peter Christian Wager

Jens Petri Petersen

Executive Board

Erik Abraham

Jens Petri Petersen

Company Information

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Resenvej 81
Postboks 19
DK-7800 Skive

Lawyers

Kromann Reumert
Rådhuspladsen 3
8000 Århus

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Østervold 20, 3
8900 Randers

Bankers

Nykredit
Tankedraget 25
9000 Aalborg

Financial Highlights

Seen over a five-year period, the development of the Company is described by the following financial highlights:

	2020	2019	2018	2017	2016
	TEUR	TEUR	TEUR	TEUR	TEUR
Key figures					
Profit/loss					
Gross profit/loss	12.920	20.101	14.823	27.653	18.133
Operating profit/loss	-555	6.740	5.864	10.776	7.360
Profit/loss before financial income and expenses	-490	6.741	5.897	17.554	8.158
Net financials	-664	-1.815	-128	36	-1.010
Net profit/loss for the year	-1.176	3.763	4.398	13.395	5.906
Balance sheet					
Balance sheet total	92.239	97.041	98.585	86.020	104.458
Equity	27.020	36.561	35.507	41.900	31.983
Cash flows					
Cash flows from:					
- operating activities	13.939	7.345	13.835	21.456	10.010
- investing activities	-5.348	-6.155	-19.010	14.212	8.785
including investment in property, plant and equipment	1.772	-7.847	-19.059	-13.080	-4.229
- financing activities	-8.602	-1.206	1.343	-25.906	-9.656
Change in cash and cash equivalents for the year	-10	-16	-3.832	9.762	9.139
Number of employees	24	25	21	20	18
Ratios					
Return on assets	-0,5%	6,9%	6,0%	20,4%	7,8%
Solvency ratio	29,3%	37,7%	36,0%	48,7%	30,6%
Return on equity	-3,7%	10,4%	11,4%	36,3%	19,7%

Management's Review

Key activities

Wind Estate is one of Denmark's leading energy companies in the production and sale of electricity from wind turbines.

The company's activities include the entire value chain from design and establishment of new wind farms, acquisition of existing wind turbines, as well as operation, monitoring, service and maintenance of the company's entire wind turbine portfolio with a view to selling electricity on the Nordpool stock exchange.

Development in the year

The year 2020 has been characterized by low electricity prices and lower electricity consumption (as a result of Covid-19), which has left its mark in the form of lower turnover and limited activity with wind turbine dealers in Denmark.

As a result, the result for the year was approx. DKK - 8.6 million after tax with an equity of approx. DKK 200 million at the end of the year, corresponding to a solvency ratio of 29.2%.

EBITDA of almost DKK 77 million was realized in the financial year, which is lower than budgeted. The deviation is largely due to a low settlement price.

Overall, the financial ratios for the year have developed as worse than budgeted, but given the external circumstances with low electricity prices and a lower demand for electricity, the management considers both the result for the year and the other financial ratios to be acceptable.

Market risks

Wind Estate has, to a greater extent than before, hedged its electricity production for varying periods with varying volumes, so that the risk of price fluctuations has been met to a greater extent.

Foreign exchange risks

To meet currency risks for the company's foreign operations (in the UK), all activities - operations and debt - are based on the same currency.

Management's Review

Interest rate risks

The majority of the company's financing is debt capital. Wind Estate has therefore made some strategic choices in this area. The strategy is twofold, so that both the degrees of committed and un-committed credit facilities are taken into account, just as the company at all times places its lending according to the same strategy in interest rate variable and interest rate hedged credits, respectively.

Wind Estate has still hedged part of the debt at a fixed interest rate, spread over different maturities. However, based on the low interest rate level, the rest of the company's moves on credit facilities are in short variable interest rates. This applies to both committed and un-committed credit facilities. Despite the interest rate hedging carried out, Wind Estate, as in previous years, has a strategy for hedging additional interest rate risk if the development in the 10-year Danish swap interest rate hits certain levels.

Targets and expectations for the year ahead

A positive result is expected for 2021.

Research and development

The development activities consist exclusively of the development of new renewable energy facilities.

External environment

The company continuously tries to improve and take the greatest possible account of the external environmental conditions.

Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

Income Statement 1 January - 31 December

	Note	2020 EUR	2019 EUR
Gross profit/loss		12.920.474	20.101.485
Staff expenses	1	-2.611.510	-2.639.184
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment	2	-10.798.649	-10.720.949
Profit/loss before financial income and expenses		-489.685	6.741.352
Income from investments in subsidiaries		-392.254	-1.184.638
Income from investments in associates		459.378	302.694
Financial income	3	151.102	56.102
Financial expenses	4	-882.712	-988.805
Profit/loss before tax		-1.154.171	4.926.705
Tax on profit/loss for the year	5	-21.564	-1.163.502
Net profit/loss for the year		-1.175.735	3.763.203

Balance Sheet 31 December

Assets

	Note	2020 EUR	2019 EUR
		1.964.981	2.088.789
Intangible assets	6	1.964.981	2.088.789
Land and buildings		2.580.860	2.548.399
Plant and machinery		71.554.288	80.468.426
Other fixtures and fittings, tools and equipment		300.250	373.788
Property, plant and equipment in progress		3.667.696	0
Property, plant and equipment	7	78.103.094	83.390.613
Investments in subsidiaries	8	2.654.887	69.418
Investments in associates	9	4.269.689	6.214.738
Receivables from group enterprises	10	656.286	626.097
Other investments	10	753.953	644.648
Fixed asset investments		8.334.815	7.554.901
Fixed assets		88.402.890	93.034.303
Trade receivables		1.261.787	2.744.603
Receivables from group enterprises		895.929	285.121
Other receivables		410.303	229.060
Prepayments	11	888.239	357.819
Receivables		3.456.258	3.616.603
Cash at bank and in hand		380.172	390.491
Currents assets		3.836.430	4.007.094
Assets		92.239.320	97.041.397

Balance Sheet 31 December

Liabilities and equity

	Note	2020 EUR	2019 EUR
Share capital		134.420	134.420
Reserve for hedging transactions		-5.253.582	-816.872
Retained earnings		32.139.109	33.210.381
Proposed dividend for the year		0	4.032.600
Equity		27.019.947	36.560.529
Provision for deferred tax	13	9.352.508	10.779.056
Provisions relating to investments in group enterprises		2.015.200	1.729.616
Provisions		11.367.708	12.508.672
Mortgage loans		16.674.913	19.039.395
Long-term debt	14	16.674.913	19.039.395
Mortgage loans	14	2.370.156	2.376.456
Credit institutions		23.893.424	23.291.679
Trade payables		1.431.963	324.579
Payables to group enterprises		2.050.920	5.056
Payables to group enterprises relating to corporation tax		0	843.043
Other payables	15	7.430.289	2.091.988
Short-term debt		37.176.752	28.932.801
Debt		53.851.665	47.972.196
Liabilities and equity		92.239.320	97.041.397
Distribution of profit	12		
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Statement of Changes in Equity

	Share capital	Reserve for net revalua- tion under the equity method	Reserve for hedging transactions	Retained earnings	Proposed dividend for the year	Total
	EUR	EUR	EUR	EUR	EUR	EUR
Equity at 1 January	134.420	0	-816.872	33.210.381	4.032.600	36.560.529
Ordinary dividend paid	0	0	0	0	-4.032.600	-4.032.600
Exchange adjustments relating to foreign entities	0	104.463	0	0	0	104.463
Fair value adjustment of hedging instruments, beginning of year	0	0	1.047.271	0	0	1.047.271
Fair value adjustment of hedging instruments, end of year	0	0	-6.735.360	0	0	-6.735.360
Tax on adjustment of hedging instruments for the year	0	0	1.251.379	0	0	1.251.379
Net profit/loss for the year	0	-104.463	0	-1.071.272	0	-1.175.735
Equity at 31 December	134.420	0	-5.253.582	32.139.109	0	27.019.947

Cash Flow Statement 1 January - 31 December

	Note	2020 EUR	2019 EUR
Net profit/loss for the year		-1.175.735	3.763.203
Adjustments	16	11.418.983	13.897.350
Change in working capital	17	5.466.907	-5.536.882
Cash flows from operating activities before financial income and expenses		15.710.155	12.123.671
Financial income		151.102	125.150
Financial expenses		-882.718	-1.288.628
Cash flows from ordinary activities		14.978.539	10.960.193
Corporation tax paid		-1.039.775	-3.615.422
Cash flows from operating activities		13.938.764	7.344.771
Purchase of intangible assets		-5	1
Purchase of property, plant and equipment		1.772.177	-7.847.027
Fixed asset investments made etc		-12.442.941	-309.281
Sale of property, plant and equipment		3.885.000	385.000
Sale of fixed asset investments etc		567.407	293.769
Dividends received from associates		870.800	1.322.382
Cash flows from investing activities		-5.347.562	-6.155.156
Repayment of mortgage loans		-2.370.780	-17.059.398
Repayment of loans from credit institutions		-3.874.853	-57.290.821
Repayment of payables to group enterprises		-18.019.820	1.432.545
Raising of mortgage loans		0	17.900.000
Raising of loans from credit institutions		4.476.597	56.500.000
Raising of loans from group enterprises		15.219.935	0
Dividend paid		-4.032.600	-2.688.400
Cash flows from financing activities		-8.601.521	-1.206.074
Change in cash and cash equivalents		-10.319	-16.459
Cash and cash equivalents at 1 January		390.491	406.950
Cash and cash equivalents at 31 December		380.172	390.491
Cash and cash equivalents are specified as follows:			
Cash at bank and in hand		380.172	390.491
Cash and cash equivalents at 31 December		380.172	390.491

Notes to the Financial Statements

	2020 EUR	2019 EUR
1 Staff expenses		
Wages and salaries	2.545.845	2.561.924
Pensions	32.400	38.105
Other social security expenses	33.265	39.155
	<u>2.611.510</u>	<u>2.639.184</u>
 Including remuneration to the Executive Board and Board of Directors	 <u>5.205.482</u>	 <u>5.014.352</u>
 Average number of employees	 <u>24</u>	 <u>25</u>
 2 Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		
Amortisation of intangible assets	123.807	123.807
Depreciation of property, plant and equipment	10.674.842	10.597.142
	<u>10.798.649</u>	<u>10.720.949</u>
 3 Financial income		
Income from fixed asset investments	118.365	25.918
Interest received from group enterprises	32.737	29.798
Exchange adjustments	0	386
	<u>151.102</u>	<u>56.102</u>

Notes to the Financial Statements

	2020 EUR	2019 EUR
4 Financial expenses		
Interest paid to group enterprises	32.084	0
Other financial expenses	850.481	988.805
Exchange adjustments, expenses	147	0
	882.712	988.805
5 Tax on profit/loss for the year		
Current tax for the year	0	1.837.050
Deferred tax for the year	-1.426.547	-670.606
Adjustment of tax concerning previous years	196.732	0
	-1.229.815	1.166.444
which breaks down as follows:		
Tax on profit/loss for the year	21.564	1.163.502
Tax on changes in equity	-1.251.379	2.942
	-1.229.815	1.166.444
6 Intangible assets		
		EUR
Cost at 1 January		4.744.279
Cost at 31 December		4.744.279
Impairment losses and amortisation at 1 January		2.655.490
Amortisation for the year		123.808
Impairment losses and amortisation at 31 December		2.779.298
Carrying amount at 31 December		1.964.981
Amortised over		5 - 25 years

Notes to the Financial Statements

7 Property, plant and equipment

	Land and buildings EUR	Plant and machinery EUR	Other fixtures and fittings, tools and equipment EUR	Property, plant and equipment in progress EUR
Cost at 1 January	2.943.419	152.465.032	1.151.220	0
Additions for the year	322.608	1.780.104	31.763	3.715.102
Disposals for the year	-262.119	-732.276	0	0
Transfers for the year	0	47.406	0	-47.406
Cost at 31 December	<u>3.003.908</u>	<u>153.560.266</u>	<u>1.182.983</u>	<u>3.667.696</u>
Impairment losses and depreciation at 1 January	395.019	71.996.605	777.431	0
Depreciation for the year	55.285	10.520.015	105.302	0
Reversal of impairment and depreciation of sold assets	<u>-27.256</u>	<u>-510.642</u>	<u>0</u>	<u>0</u>
Impairment losses and depreciation at 31 December	<u>423.048</u>	<u>82.005.978</u>	<u>882.733</u>	<u>0</u>
Carrying amount at 31 December	<u>2.580.860</u>	<u>71.554.288</u>	<u>300.250</u>	<u>3.667.696</u>
Depreciated over	<u>50 years</u>	<u>6 - 25 years</u>	<u>5 years</u>	
Interest expenses recognised as part of cost	<u>0</u>	<u>5.683.589</u>	<u>0</u>	<u>0</u>

Notes to the Financial Statements

	2020 EUR	2019 EUR
8 Investments in subsidiaries		
Cost at 1 January	80.652	80.652
Additions for the year	2.654.887	0
Disposals for the year	-67.210	0
Cost at 31 December	2.668.329	80.652
Value adjustments at 1 January	-1.740.851	-525.192
Exchange adjustment	104.463	-31.021
Net profit/loss for the year	-392.254	-1.184.637
Value adjustments at 31 December	-2.028.642	-1.740.850
Equity investments with negative net asset value transferred to provisions	2.015.200	1.729.616
Carrying amount at 31 December	2.654.887	69.418

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Votes and ownership	Equity	Net profit/loss for the year
Wind Estate UK ApS	Randers	50.000	100%	-14.868.988	-2.778.879
Wind Estate Hellas ApS	Randers	50.000	100%	-122.825	-139.243
Tagmark Vindselskab ApS	Thisted	1.108.300	59%	19.750.683	0

Notes to the Financial Statements

	2020 EUR	2019 EUR
9 Investments in associates		
Cost at 1 January	5.570.878	4.186.777
Additions for the year	0	1.384.099
Disposals for the year	-1.787.225	0
Cost at 31 December	3.783.653	5.570.876
Value adjustments at 1 January	643.863	1.603.762
Net profit/loss for the year	430.382	765.872
Dividends received	-834.227	-1.322.382
Other adjustments	246.018	-403.390
Value adjustments at 31 December	486.036	643.862
Carrying amount at 31 December	4.269.689	6.214.738

Investments in associates are specified as follows:

Name	Place of registered office	Votes and ownership	Equity	Net profit/loss for the year
Høgsted Vindkraft I/S	Hjørring	70%	22.233.738	3.079.002
Vester Barde Vindkraft I/S	Ringkjøbing-Skjern	30%	6.783.266	617.542
Assing Vindkraft I/S	Herning	29%	15.515.382	740.634
Abildå Vindkraft I/S	Herning	22%	19.404.040	1.636.302
Krusbjerg Vindkraft I/S	Herning	47%	11.356.239	592.184

Notes to the Financial Statements

10 Other fixed asset investments

	Receivables from group enterprises EUR	Other investments EUR
Cost at 1 January	581.020	163.617
Additions for the year	0	9.309
Cost at 31 December	581.020	172.926
Revaluations at 1 January	45.078	481.031
Revaluations for the year	30.188	99.996
Revaluations at 31 December	75.266	581.027
Carrying amount at 31 December	656.286	753.953

11 Prepayments

Prepayments consist of prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

12 Distribution of profit

	2020 EUR	2019 EUR
Proposed dividend for the year	0	4.032.600
Reserve for net revaluation under the equity method	-104.463	0
Retained earnings	-1.071.272	-269.397
	-1.175.735	3.763.203

13 Provision for deferred tax

Provision for deferred tax at 1 January	10.779.056	11.449.662
Amounts recognised in the income statement for the year	-175.168	-673.548
Amounts recognised in equity for the year	-1.251.380	2.942
Provision for deferred tax at 31 December	9.352.508	10.779.056

Notes to the Financial Statements

14 Long-term debt

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below:

	2020 EUR	2019 EUR
Mortgage loans		
After 5 years	7.220.770	9.526.512
Between 1 and 5 years	9.454.143	9.512.883
Long-term part	16.674.913	19.039.395
Within 1 year	2.370.156	2.376.456
	19.045.069	21.415.851

15 Derivative financial instruments

Agreements have been entered into on derivative financial instruments in the form of interest rate swaps and hedging. The fair value of derivative financial instruments at the balance sheet date is:

	2020 EUR	2019 EUR
Liabilities	50.100.000	5.400.000

Interest rate swap agreements have been entered into to hedge future interest payments on variable-rate loans. The agreements have a remaining term of 9 - 33 months. The agreements with total principal TDK 200,000 include the exchange of interest CITA 6M with fixed interest. The fair value of interest rate swaps on the balance sheet date is TDK -5,100.

An agreement on hedging on electricity price contracts has been entered into to hedge future rates on the settlement of electricity production. The fair value of the agreements at the balance sheet date amounts to TDKK -45,000.

Notes to the Financial Statements

	2020 EUR	2019 EUR
16 Cash flow statement - adjustments		
Financial income	-151.102	-56.102
Financial expenses	882.712	988.805
Depreciation, amortisation and impairment losses, including losses and gains on sales	10.732.933	10.719.443
Income from investments in subsidiaries	392.254	1.184.638
Income from investments in associates	-459.378	-302.694
Tax on profit/loss for the year	21.564	1.163.502
Exchange adjustment (should be transferred to other accounting lines)	0	199.758
	11.418.983	13.897.350
17 Cash flow statement - change in working capital		
Change in receivables	4.781.513	-1.499.300
Change in trade payables, etc	6.373.482	-4.050.954
Fair value adjustments of hedging instruments	-5.688.088	13.372
	5.466.907	-5.536.882

Notes to the Financial Statements

	2020 EUR	2019 EUR
18 Contingent assets, liabilities and other financial obligations		
Charges and security		
The following assets have been placed as security with mortgage lenders:		
Land and buildings with an accounting value of	19.199.967	18.958.492
As security for balances with mortgage credit institutions and credit institutions with a residual debt of TDKK 316,607, mortgage deeds of TDKK 339,280 are in wind turbines with a book value of TDKK 251,290.		
As security for balances with credit institutions, indemnity letters of TDKK 106,500 are in wind turbines with a book value of TDKK 19,030.		
Deposits with credit institutions are incl. TDKK 1,598 placed in escrow accounts.		
Credit institutions also have transport in electricity bills from Vindenergi Danmark and the Danish Energy Agency.		
Guarantee obligations		
Debt guarantee has been provided to credit institutions for the debt in Wind Estate (UK) Ltd.		
Other contingent liabilities		
The company has service contracts with service providers valid between 10-15 years from the start date. The obligation amounts to per. December 31, 2020 TDKK 5,887.		
The Group's Danish companies are jointly and severally liable for tax on the Group's jointly taxed income, etc. The total amount of corporation tax due appears from the annual report for Petri Holding 3 ApS, which is a management company. The Group's Danish companies are also jointly and severally liable for Danish withholding taxes in the form of dividend tax, royalty tax and interest tax. Any subsequent corrections to corporation taxes and withholding taxes may result in the company's liability constituting a larger amount.		
There are the normal warranty obligations for the industry.		
The company has entered into fixed price and portfolio agreements with Vindenergi Danmark and Energi Danmark, which per. 31 December 2020 has an overall negative market value of TDKK -108,701. Of this, TDKK -44,989 is recognized in equity.		

Notes to the Financial Statements

19 Related parties

The results of Wind Estate (UK) Limited for the year ended 31 December 2020 are included in these consolidated audited accounts. This company is exempt from audit of its own individual accounts in the UK by virtue of section 497A of the Companies Act 2006.

Basis

Controlling interest

Petri Holding ApS, Østervangsvej 28, 8830 Tjele Capital owner

Consolidated Financial Statements

Wind Estate A/S it self is included in the consolidated report for the parent company

<u>Name</u>	<u>Place of registered office</u>
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Petri Holding 3 ApS	Randers
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The consolidated report for Petri Holding 3 ApS can be requested at the following address: Østervangsvej 28, 8830 Tjele.

Notes to the Financial Statements

20 Accounting Policies

The Annual Report of Wind Estate A/S for 2020 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to medium-sized enterprises of reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2020 are presented in EUR.

Consolidated financial statements

With reference to section 112 of the Danish Financial Statements Act and to the consolidated financial statements of Petri Holding 3 ApS, the Company has not prepared consolidated financial statements.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, 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 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 out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Notes to the Financial Statements

20 Accounting Policies (continued)

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

Derivative financial instruments

Derivative financial instruments are initially recognised in the balance sheet at cost and are subsequently remeasured at their fair values. Positive and negative fair values of derivative financial instruments are classified as "Other receivables" and "Other payables", respectively.

Changes in the fair values of derivative financial instruments are recognised in the income statement unless the derivative financial instrument is designated and qualify as hedge accounting, see below.

Hedge accounting

Changes in the fair values of financial instruments that are designated and qualify as fair value hedges of a recognised asset or a recognised liability are recognised in the income statement as are any changes in the fair value of the hedged asset or the hedged liability related to the hedged risk.

Changes in the fair values of derivative financial instruments that are designated and qualify as hedges of expected future transactions are recognised in retained earnings under equity as regards the effective portion of the hedge. The ineffective portion is recognised in the income statement. If the hedged transaction results in an asset or a liability, the amount deferred in equity is transferred from equity and recognised in the cost of the asset or the liability, respectively. If the hedged transaction results in an income or an expense, the amount deferred in equity is transferred from equity to the income statement in the period in which the hedged transaction is recognised. The amount is recognised in the same item as the hedged transaction.

Changes in the fair values of financial instruments that are designated and qualify as hedges of net investments in independent foreign subsidiaries or associates are recognised directly in equity as regards the effective portion of the hedge, whereas the ineffective portion is recognised in the income statement.

Income Statement

Revenue

Revenue from the sale of goods is recognised when the risks and rewards relating to the goods sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Company.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

Notes to the Financial Statements

20 Accounting Policies (continued)

Expenses for raw materials and consumables

Expenses for raw materials and consumables comprise the raw materials and consumables consumed to achieve revenue for the year.

Other external expenses

Other external expenses comprise indirect production costs and expenses for premises, sales and distribution as well as office expenses, etc.

Gross profit/loss

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of revenue, , expenses for raw materials and consumables and other external expenses.

Staff expenses

Staff expenses comprise wages and salaries as well as payroll expenses.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Company, including gains and losses on the sale of intangible assets and property, plant and equipment.

Income from investments in subsidiaries and associates

The items "Income from investments in subsidiaries" and "Income from investments in associates" in the income statement include the proportionate share of the profit for the year.

Financial income and expenses

Financial income and expenses comprise interest, financial expenses in respect of finance leases, realised and unrealised exchange adjustments, price adjustment of securities, amortisation of mortgage loans as well as extra payments and repayment under the onaccount taxation scheme.

Notes to the Financial Statements

20 Accounting Policies (continued)

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and deferred tax for the year. The tax attributable to the profit for year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

Any changes in deferred tax due to changes to tax rates are recognised in the income statement.

The Company is jointly taxed with wholly owned Danish and foreign subsidiaries. The tax effect of the joint taxation with the subsidiaries is allocated to Danish enterprises showing profits or losses in proportion to their taxable incomes (full allocation with credit for tax losses).

Balance Sheet

Intangible assets

Patents and licences are measured at the lower of cost less accumulated amortisation and recoverable amount. Patents are amortised over the remaining patent period, and licences are amortised over the licence period; however not exceeding years.

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Interest expenses on loans raised directly for financing the construction of property, plant and equipment are recognised in cost over the period of construction.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Other buildings	42 - 50 years
Plant and machinery	6 - 25 years
Other fixtures and fittings, tools and equipment	5 years

Depreciation period and residual value are reassessed annually.

Notes to the Financial Statements

20 Accounting Policies (continued)

Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

If so, an impairment test is carried out to determine whether the recoverable amount is lower than the carrying amount. If so, the asset is written down to its lower recoverable amount.

The recoverable amount of the asset is calculated as the higher of net selling price and value in use. Where a recoverable amount cannot be determined for the individual asset, the assets are assessed in the smallest group of assets for which a reliable recoverable amount can be determined based on a total assessment.

Investments in subsidiaries and associates

Investments in subsidiaries and associates are recognised and measured under the equity method.

The items "Investments in subsidiaries" and "Investments in associates" in the balance sheet include the proportionate ownership share of the net asset value of the enterprises calculated on the basis of the fair values of identifiable net assets at the time of acquisition.

The total net revaluation of investments in subsidiaries and associates is transferred upon distribution of profit to "Reserve for net revaluation under the equity method" under equity. The reserve is reduced by dividend distributed to the Parent Company and adjusted for other equity movements in the subsidiaries and the associates.

Subsidiaries and associates with a negative net asset value are recognised at EUR 0. Any legal or constructive obligation of the Parent Company to cover the negative balance of the enterprise is recognised in provisions.

Fixed asset investments

Fixed asset investments, which consist of listed bonds and shares, are measured at their fair values at the balance sheet date. Fair value is determined on the basis of the latest quoted market price.

Investments which are not traded in an active market are measured at the lower of cost and recoverable amount.

Other fixed asset investments

Other fixed asset investments consist of I/S-shares in mill guilds.

Notes to the Financial Statements

20 Accounting Policies (continued)

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts. Provisions for bad debts are determined on the basis of an individual assessment of each receivable, and in respect of trade receivables, a general provision is also made based on the Company's experience from previous years.

Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

Equity

Dividend

Dividend distribution proposed by Management for the year is disclosed as a separate equity item.

Deferred tax assets and liabilities

Deferred tax is recognised in respect of all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised in respect of temporary differences concerning goodwill not deductible for tax purposes and other items - apart from business acquisitions - where temporary differences have arisen at the time of acquisition without affecting the profit for the year or the taxable income.

Deferred tax assets are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities.

Deferred tax assets and liabilities are offset within the same legal tax entity.

Current tax receivables and liabilities

Current tax receivables and liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on taxable incomes for prior years. Tax receivables and liabilities are offset if there is a legally enforceable right of set-off and an intention to settle on a net basis or simultaneously.

Notes to the Financial Statements

20 Accounting Policies (continued)

Financial debts

Loans, such as mortgage loans and loans from credit institutions, are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost; the difference between the proceeds and the nominal value is recognised as an interest expense in the income statement over the loan period.

Mortgage loans are measured at amortised cost, which for cash loans corresponds to the remaining loan. Amortised cost of debenture loans corresponds to the remaining loan calculated as the underlying cash value of the loan at the date of raising the loan adjusted for depreciation of the price adjustment of the loan made over the term of the loan at the date of raising the loan.

Other debts are measured at amortised cost, substantially corresponding to nominal value.

Cash Flow Statement

The cash flow statement shows the Company's cash flows for the year broken down by operating, investing and financing activities, changes for the year in cash and cash equivalents as well as the Company's cash and cash equivalents at the beginning and end of the year.

Cash flows from operating activities

Cash flows from operating activities are calculated as the net profit/loss for the year adjusted for changes in working capital and non-cash operating items such as depreciation, amortisation and impairment losses, and provisions. Working capital comprises current assets less short-term debt excluding items included in cash and cash equivalents.

Cash flows from investing activities

Cash flows from investing activities comprise cash flows from acquisitions and disposals of intangible assets, property, plant and equipment as well as fixed asset investments.

Cash flows from financing activities

Cash flows from financing activities comprise cash flows from the raising and repayment of long-term debt as well as payments to and from shareholders.

Cash and cash equivalents

Cash and cash equivalents comprise "Cash at bank and in hand" and "Overdraft facilities".

The cash flow statement cannot be immediately derived from the published financial records.

Notes to the Financial Statements

20 Accounting Policies (continued)

Financial Highlights

Explanation of financial ratios

Return on assets	$\frac{\text{Profit before financials} \times 100}{\text{Total assets}}$
Solvency ratio	$\frac{\text{Equity at year end} \times 100}{\text{Total assets at year end}}$
Return on equity	$\frac{\text{Net profit for the year} \times 100}{\text{Average equity}}$