

Windpark Krammer B.V.
Vlissingen

Report on the annual accounts 2019

April 7, 2020

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Windpark Krammer B.V.

Annual accounts 2019

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Management board's report

1. General

The principle objective of Windpark Krammer BV is to develop, realize and operate & maintain a 102 MW windfarm on and adjacent to the locks of Krammer (Dutch: Krammer sluizencomplex) in the Province of Zeeland. The total investment of windfarm Krammer amounts to over €195 million and is based on project financing. The shareholders of Windpark Krammer are Deltawind-Zeeuwind Holding (51%) en Enercon IPP (49%).

The construction of the windfarm started in January 2017 and the works were completed in March 2019. From April 2019 the operational phase started.

2. The year 2019

In 2019 the first three months focused on finalizing the construction and commissioning of the windfarm. The contractual milestone "Project Completion" was reached before the targeted date of 31st of March 2019. On 15 May 2019 the official inauguration of windfarm Krammer was done by King Willem-Alexander in the presence of special guests, members of Zeeuwind, Deltawind and colleagues of Enercon and the WPK-team. From 16 May until 18 May 2019 KrammerFest was organized for member of the project teams, the construction workers and the neighbours. The events were a great success.

In April 2019 the operational phase started. Members of the construction team left the project to work on other wind farms. The Asset Management team was installed. Production during the year 2019 lagged slightly on the predicted P50 values, mainly due to a nationwide lower windspeed in 2019.

3. Financial situation and results in 2019

Project completed in time and within budget

As per the date of Project Completion, on 27 March 2019, total investments in the development and realization of the windfarm amounted to 195,8 million euro. It is save to conclude that the windfarm has been constructed in time and within budget. Or in other words, the 10 million euro contingency budget has not been used.

By that date another 5 million euro was still to be spent on various items including a final settlement with turbine supplier Enercon (variation orders). These additional expenses were intended to be paid, and to the extent that it has come to a payment have actually been paid from still available equity. Of this 5 million euro, an amount of 582 thousand euro was still outstanding on 31 December (and is still as per date of this report).

As a result, an amount of more than ten million euro could be canceled under the Term Loan Facilities. On top of the cancellation, an amount of 14,9 million euro has been repaid from the early revenues (post take-over revenues) leading to a loan amount under the Term Loan Facilities of 139,7 million euro whereas 164,9 million euro was committed by the four lending banks.

Distribution of dividend and public participation bond

2019 was the first year in which dividends have been paid out. Taking into account a distribution test, an amount of 8,5 million euro has been made available to our shareholders.

2019 was also the first year for a mezzanine loan distribution to Enercon and the public participation bond holders. Stichting Obligatiehouders Windpark Krammer received a compensation for expenses as contractually agreed. No 'bonus interest' was paid out as the production volume in reference year, and construction year, 2018 did not meet the hurdle of 314 GWh.

4. An outlook to 2020

In 2020 the target is to achieve a high production and income stream. This is going to be managed in several ways.

- 1) Secure a high availability in accordance with the EPK contract. The technical issues which might occur in the early stage of the operation phase need to be solved in an adequate way. The Technical Operational Management of the windfarm is contracted to Outsmart. Together with the asset managers of WPK they will follow up all technical items with Enercon .
- 2) Also attention shall be given to the improvement of the performance of several auxiliary system, such as DT Bird, DT Bat and the Icing Detection system. These systems contribute to a safe and smooth operation of the windfarm in accordance with permits and legislation, but the number of "false" detections shall be limited to a minimum.
- 3) Improve the upside sharing mechanism in the PPA, by beating the SDE-factors and curtailing when possible.

The focus on safety will also be maintained in the Operation & Maintenance Phase. The management of WPK will develop and implement a safety awarding system for the personnel of the contractors.

Furthermore, WPK shall continue the good relations with the stakeholders (neighbours and authorities).

Goal is also to follow up on the implementation of the system that triggers aviation lighting by radar-detection. A process that was started in 2017.

Power Purchase Agreements

Calendar year 2020 is the first full operational year. As the preliminary settlements with the 4 offtakers turned out to be cumbersome for all parties involved, a new mechanism will be prepared in the operating committee. For this new mechanism to be implemented in 2021 it needs to be finalized, including bank approval, before November 2020.

5. Risks

After completion of the windfarm there are no construction risks left anymore. The following key risks in the Operation & Maintenance Phase are identified:

- Less wind then predicted.
Mitigation - not possible to mitigate
- Interruptions due to false detections by DT Bird system.
Mitigation - we work together with DT Bird to improve the detection system and expect improvements in the course of the year 2020.
- Damaged to cables due to digging works by third parties on Site.
Mitigation - all cables are duly registered and visible when a KLIC-notification is done.
- No or limited maintenance possibilities in breeding season.
Mitigation - with the construction of asphalt hard stand the changes of breeding close to the turbines is limited. We have reduced the changes that large cranes cannot be installed when necessary.

6. COVID-19

Power Purchase Agreements

The production of electricity generated from wind is not affected by economic cycles or social crises such as COVID-19. Being a subsidized activity, it can be considered resilient and with 4 large corporates as offtakers, the implemented PPA structure is a strong risk mitigation factor. With respect to these 4 offtakers, we refer to the recently published statements in the light of the current corona crisis.

On 23 March 2020, Koninklijke Philips NV issued a press release reaffirming the company's robust balance sheet and liquidity position, stating that a EUR 1.5 billion share repurchase program for 2020 will continue given the solid financial performance. Under this share repurchase program forward transactions are being used to maintain a liquidity buffer to absorb possible further impact of the COVID-19 pandemic.

On 26 March 2020, Koninklijke DSM NV issued a statement regarding the company's mitigation efforts towards COVID-19's influence on production, with the goal of keeping production facilities operational. Additionally, the balance sheet and liquidity position appear robust in the face of the pandemic, as an ongoing share repurchase program of EUR 1 billion remains unaffected, with a rough total of EUR 300 million worth of shares being repurchased in the course of March 2020 alone.

As a subsidiary of Alphabet Inc, Google LLC has not published press releases relating specifically to the business impact of COVID-19 on the financial performance of the company. An internal e-mail from Google CEO Sundar Pichai dated March 11, 2020, stipulates that working processes are adjusted to accommodate for remote working and improved safety measures while maintaining business output. Additionally, support is granted to local governments in the form of financial donations and capacity to employ Google infrastructure and resources in the mitigations efforts toward COVID-19.

Windpark Krammer B.V.

A press release issued by Nouryon Chemicals B.V. on 27 March 2020 details response efforts to mitigate the impact of COVID-19 on the operations, such as travel restrictions and work environment guidelines. The products of the company, by virtue of purpose and necessity, are stated to generally fall within "essential business" exceptions of laws and directives enacted to combat COVID-19. As such, the supply of the company's product portfolio to market is aimed to be secured

Operation & Maintenance by Enercon

On 23 March 2020 issued a statement i.a. referring to possible problems in the supply chain stating that "there is only a limited global supply risk, as the availability of substitutes was reviewed and ensured at an early stage. If there is no option to revert to substitutes, it is possible to fall back on existing stock in some cases. At the current time, there is no general disruption to ENERCON's supply chains and thus no general negative impact on project progress as a result of the coronavirus."

As a summary, the following was added in the statement: "Like all other industrial companies across the world, the situation has forced ENERCON into reaction mode. However, the global Crisis Management is anticipating a variety of possible scenarios and is proactively preparing for them. The company is therefore confident that severe and targeted measures to safeguard employees' health and the company's operational capacity to act will succeed in alleviating the inevitable impact if the dynamic situation were to intensify further."

7. Legal

On the subject of the dispute with Schouwen-Duiveland on the municipal fees for the building permit we foresee in 2020 a final verdict of the Court of Justice. Although we have tried to settle the matter over the last couple of months, we jointly came to the conclusion that having a verdict by an independent third party is the best solution. The Court of Justice has recently been notified.

8. Organization

WPK doesn't employ their own personnel but hires advisors and specialists in the market. Following team members are hired for the operational phase:

Director	Tijmen Keesmaat (Greentrust)
Financial Manager:	Niels de Fijter (IN.Credible)
Asset Managers:	Niek Tramper (Zeeuwind) & Gijs van Hout (Deltawind)
Office Managers:	Annelies van den Brink (Deltawind)
Financial Administrator:	Mirjam Lugtenburg (Deltawind) & Matthijs Geldof (Zeeuwind)
Communication Manager:	Gwen ter Horst (Greentrust)
Contract Manager:	Klaas Guldie (Greentrust)

Furthermore the following companies are contracted for operational services:

Enercon Services:	Maintenance and services
Outsmart:	Operation
DNWG:	HV installation management

9. Supervisory Board

The Supervisory Board of WPK consists of Jaap Huisman (chairman), Jan-Willem van der Graaf and Hans-Dieter Kettwig. Below you will find the position and ancillary function of them:

Mr. Jaap Huisman

Mr. Jan-Willem van der Graaf

Mr. Hans-Dieter Kettwig

Bruinisse, April 7, 2020

Tijmen Keesmaat
Director of Windpark Krammer B.V.

Windpark Krammer B.V.

Financial statements

Deloitte Accountants B.V.
For identification purposes only.
Related to the auditor's report
dated April 7, 2020

	31 December 2019		31 December 2018	
	€	€	€	€
Liabilities				
Equity				
Called-up share capital	20.000		20.000	
Premium reserve	30.001.559		30.001.559	
Other reserves	-5.670.532		-108.208	
Unappropriated result	7.196.259		2.916.578	
		31.547.286		32.829.929
Provisions				
Deferred tax liabilities	1.696.445		702.092	
Other provisions	1.601.369		410.067	
		3.297.814		1.112.159
Long-term debts				
Bank loans	120.082.508		131.838.179	
Shareholders' Long term loan	11.680.244		12.343.389	
Bond loans	9.419.018		9.981.264	
		141.181.769		154.162.832
Current liabilities				
Bank loans	-		552.208	
Repayment obligations	14.297.332		7.128.626	
Debts to suppliers and trade creditors	121.834		817.154	
Taxes	1.278.451		-	
Accounts payable to group companies	68.701		109.474	
Accounts payable to associated companies	527.106		20.323.194	
Other liabilities	1.183.774		929.205	
		17.477.199		29.859.861
		<u>193.504.067</u>		<u>217.964.781</u>

Profit and loss account for 2019

	2019	2018
	€	€
Net turnover	29.529.183	9.693.075
Capitalized indirect costs	935.523	4.513.791
<i>Gross operating result</i>	30.464.706	14.206.866
Costs		
Depreciation	9.821.538	3.577.500
Other operating expenses	5.935.414	2.495.045
	15.756.952	6.072.545
Operating result	14.707.754	8.134.321
Financial income and expenses (net)	-5.238.692	-4.488.599
Result before tax	9.469.063	3.645.722
Corporate income tax	-2.272.804	-729.144
Result after tax	7.196.259	2.916.578

Cash flow statement for 2019

The statement of cash flow is presented based on the indirect method

	2019		2018	
	€	€	€	€
Operating result	14.707.754		8.134.321	
Depreciation	9.821.538		3.577.500	
Movements in provisions	1.191.302		410.067	
Movements in receivables	2.406.102		-5.621.280	
Movements in current liabilities	-1.072.347		-	
Cash flow from operations	27.054.349		6.500.608	
Cash flow from operating activities	27.054.349		6.500.608	
Cash flow from investing activities				
Investments in tangible fixed assets	-20.988.105		-113.131.657	
Cash flow from financing operations				
Increase loans	18.592.544		86.149.548	
Bond loan issue	-		10.000.000	
Repayment loans	-24.990.999		-10.000.000	
Financial expenses	-4.573.205		-2.675.841	
Dividend payments	-8.478.902			
	-19.450.562		83.473.707	
Net cash-flow	-13.384.318		-23.157.342	
Composition of cash				
	2019		2018	
	€	€	€	€
Cash and cash equivalents as at January 1	20.343.838		43.501.180	
Mutation cash and cash equivalents	-13.384.318		-23.157.342	
Cash and cash equivalents as at December 31	6.959.520		20.343.838	

Notes to the financial statements

General

Activities

The activities of Windpark Krammer B.V. (the company) mainly consist of realization and exploitation of wind turbines (at the turbine location) around the lock complex Krammer and the dams.

Registered office, legal form and registration number at the chamber of commerce

The registered and actual address of Windpark Krammer B.V. is Boezemweg 13 in Oude-Tonge (statutory seat is in Vlissingen) and is registered at the chamber of commerce under number 54108306.

General accounting principles for the preparation of the financial statements

The financial statements are drawn up in accordance with the Dutch Accounting Principles and also in accordance with Part 9 of Book 2 of the Dutch Civil Code.

Assets and liabilities are generally valued at historical cost, production cost or at fair value at the time of acquisition. If no specific valuation principle has been stated, valuation is at historical cost. In the balance sheet and profit and loss account, references are made to the Notes.

Financial instruments

Derivatives are initially recognised in the balance sheet at fair value, the subsequent valuation of derivative financial instruments depends on whether or not the instrument is quoted in an open market. If the underlying object of the derivative financial instrument is listed on a stock exchange, it is valued at fair value. If the object is not quoted in an open market, it will be stated at cost or current value, if lower. Recognition of changes in the value of a derivative financial instrument is dependent on whether or not the instrument is designated as a hedging instrument to which hedge accounting is applied.

Derivative financial instruments valued at cost for which cost price hedge-accounting is applied

The company applies cost price hedge accounting to interest rate swaps that ensure that certain liabilities with variable interest rates are converted into loans with fixed interest rates. The ineffective portion of the change in value of the interest rate swaps is recognised in profit or loss under the financial income and expense. expense.

Principles of valuation of assets and liabilities

Tangible fixed assets

Other tangible fixed assets are valued at historical cost or production cost including directly attributable costs, less straight-line depreciation based on the expected future life and impairments. Fixed assets under construction are not depreciated. Direct costs which are attributable to the construction of the Wind farm and a reasonable part of the indirect costs are also included as investment.

Financial fixed assets

Deferred tax assets are recognised for all deductible temporary differences between the value of the assets and liabilities under tax regulations on the one hand and the accounting policies used in these financial statements on the other, on the understanding that deferred tax assets are only recognised insofar as it is probable that future taxable profits will be available to offset the temporary differences and available tax losses. The calculation of the deferred tax assets is based on the tax rates prevailing at the end of the reporting year or the rates applicable in future years, to the extent that they have already been enacted by law.

Receivables

Receivables are initially valued at the fair value of the consideration to be received, including transaction costs if material. Receivables are subsequently valued at the amortised cost price. Provisions for bad debts are deducted from the carrying amount of the receivable.

Cash at bank and in hand

Cash at banks and in hand represent cash in hand, bank balances and deposits with terms of less than twelve months. Overdrafts at banks are recognised as part of debts to lending institutions under current liabilities. Cash at banks and in hand is carried at nominal value.

Provisions

Provisions are measured at the best estimate of the amount that is necessary to settle the obligation as per the balance sheet date. The other provisions are carried at the nominal value of the expenditure that is expected to be necessary in order to settle the obligation, unless stated otherwise.

Deferred tax liabilities

Deferred tax liabilities are recognised for temporary differences between the value of the assets and liabilities under tax regulations on the one hand and the book values applied in these financial statements on the other. The computation of the deferred tax liabilities is based on the tax rates prevailing at the end of the reporting year or the rates applicable in future years, to the extent that they have already been enacted by law.

Deferred tax liabilities are valued at nominal value.

Other provisions

Provision for decommissioning obligations

Windpark Krammer B.V. is liable for decommissioning costs based on its market share in any year, because of this the Company will form a provision in that year for its share in the estimated decommissioning costs. The provision for decommissioning obligations is valued at the present value of the estimated future cash flows.

The amount of the provision is based on the best estimate at year end which comes down to € 584.500 per turbine. Taking account of the movement in Inflation (2,00%) the required provision at December 31 2036 is valued at € 28.283.538 (34 turbines). The annual allocation is based on an interest rate of 2,75%.

Long-term debts

On initial recognition long-term debts are recognised at fair value. Transaction costs which can be directly attributed to the acquisition of the long-term debts are included in the initial recognition. After initial recognition long-term debts are recognised at the amortised cost price.

Current liabilities

On initial recognition current liabilities are recognised at fair value. After initial recognition current liabilities are recognised at the amortised cost price, being the amount received, taking into account premiums or discounts, less transaction costs. This usually is the nominal value.

Principles for the determination of the result

General

The result is the difference between the realisable value of the goods/services provided and the costs and other charges during the year. The results on transactions are recognised in the year in which they are realised.

Net turnover

Net turnover comprises the income from the supply of goods from contracts after deduction of discounts and such like and of taxes levied on the turnover.

Depreciation

Amortisation and depreciation costs are presented as a separate item in the income statement. Future depreciation and amortisation is adjusted if there is a change in estimated future useful life. Gains and losses from the occasional sale of property, plant or equipment are included in depreciation.

Taxation

Corporate income tax is calculated at the applicable rate on the result for the financial year, taking into account permanent differences between profit calculated according to the financial statements and profit calculated for taxation purposes. Deferred tax assets (if applicable) are recognised only to the extent that realisation is probable.

Principles for preparation of the cash flow statement

The cash flow statement is prepared according to the indirect method.

The funds in the cash flow statement consist of cash and cash equivalents. Cash equivalents can be considered to be highly liquid investments.

Cash flows in foreign currencies are translated at an estimated average rate. Exchange rate differences concerning finances are shown separately in the cash flow statement.

Corporate income taxes, issuance of share capital, interest received and dividends received are presented under the cash flow from operating activities. Interest paid and dividends paid are presented under the cash flow from financing activities.

Transactions that do not result in exchange of cash and cash equivalents, such as financial lease, are not presented in the cash flow statement. The payments of the lease installments on account of the financial lease contract are presented as redemptions of debts for the redemption component and as paid interest for the interest component.

Notes to the specific items of the balance sheet

ASSETS

FIXED ASSETS

Tangible fixed assets

	Fixed assets	Fixed assets under construction	Total
	€	€	€
<i>Balance as at January 1, 2019</i>			
Aquisition costs	175.871.084	11.758.868	187.629.952
Cumulative impariments and depreciation	-3.577.500	-	-3.577.500
	<u>172.293.584</u>	<u>11.758.868</u>	<u>184.052.452</u>
<i>Movements</i>			
Investments	-	8.174.358	8.174.358
Depreciation	-9.821.538	-	-9.821.538
Commissioning	19.933.226	-19.933.226	-
	<u>10.111.688</u>	<u>-11.758.868</u>	<u>-1.647.180</u>
<i>Balance as at December 31, 2019</i>			
Aquisition costs	195.804.310	-	195.804.310
Cumulative impariments and depreciation	-13.399.038	-	-13.399.038
	<u>182.405.272</u>	<u>-</u>	<u>182.405.272</u>

Depreciation percentages

	%
Fixed assets	5
Fixed assets under construction	0

CURRENT ASSETS

Receivables

	December 31, 2019	December 31, 2018
	€	€

Trade debtors

Trade debtors	376.409	2.527.282
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Taxes

Value added tax	285.025	7.308.139
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Other receivables and accrued income

Other receivables	3.477.841	3.733.070
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Other receivables

PPA settlement	1.062.192	-
SDE settlement	1.947.664	-
Landlease	401.856	-
Prepaid financial expenses	-	581.457
Revenues to be billed	-	2.385.351
Other prepaid expenses	2.933	371.139
Other receivables	63.196	-
Interest	-	395.123
	3.477.841	3.733.070

Cash

ING Bank N.V. account number NL63 INGB 0007 7218 32	-	370.693
ING Bank N.V. account number NL72 INGB 0007 7218 64	-	1.236.584
ING Bank N.V. account number NL62 INGB 0007 7218 50	5.131.624	8.919.786
ASN Bank construction depot account number NL04 ASNB 0856 7346 75	1.827.896	1.827.896
ASN Bank construction depot account number NL73 ASNB 0856 7343 06	-	7.988.879
	6.959.520	20.343.838

An amount of € 1.827.896 is not freely available.

Liabilities

Equity

	December 31, 2019	December 31, 2018
	€	€
<i>Called-up share capital</i>		
98 shares A of € 100,00 each	9.800	9.800
102 shares B of € 100,00 each	10.200	10.200
	<u>20.000</u>	<u>20.000</u>
	2019	2018
	€	€
Premium reserve		
Balance as at Januari 1	30.001.559	30.001.559
Balance as at December 31	<u>30.001.559</u>	<u>30.001.559</u>

Share premium has originate as a result of the decision taken by shareholders at June 21, 2016 to expand the existing share capital of € 10.000 to € 20.000 as of September 21, 2016. Because of this the shareholder of the newly issued shares A paid an amount of € 22.418.264 to the share premium. The shareholder of the newly issued shares B paid a total amount to share premium of € 7.583.295.

This amount contains the following parts:

- € 6.499.800 related to the intercompany loan
- € 1.083.495 related to pre-investments.

Other reserves

Balance as at Januari 1	-108.208	-
Appropriation of result	2.916.578	-108.208
Dividends paid	-8.478.902	
Balance as at December 31	<u>-5.670.532</u>	<u>-108.208</u>

Unappropriated result

Balance as at Januari 1	2.916.578	-108.208
Appropriation of result	-2.916.578	108.208
Unappropriated result	<u>7.196.259</u>	<u>2.916.578</u>
Balance as at December 31	<u>7.196.259</u>	<u>2.916.578</u>

According to the article 18 of the statutory profit from 2019 amounting to € 7.196.259 will be added to the other reserves in the next year.

In anticipation of the adoption of this proposal by the general shareholders' meeting, this has not yet been accounted for in the financial statements. The profit of the financial year is included under unappropriated result.

Provisions

Deferred tax liabilities

Deferred tax liabilities are recognised for the taxable temporary differences between the tax and the accounting base of tangible fixed assets.

	Accounting base €	Tax base €	Difference €	%	Amount liabilities €
Tangible fixed assets	182.405.272	173.926.977	8.478.295	21,7	1.839.790
Other provisions	-1.601.369	-940.794	-660.575	21,7	-143.345
	<u>180.803.903</u>	<u>172.986.183</u>	<u>7.817.720</u>		<u>1.696.445</u>

	2019 €	2018 €
Balance as at Januari 1	702.092	-
Addition	994.353	702.092
Balance as at December 31	<u>1.696.445</u>	<u>702.092</u>

	December 31, 2019 €	December 31, 2018 €
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Other provisions

Provision for decommissioning obligations

	<u>1.601.369</u>	<u>410.067</u>
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	2019 €	2018 €
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Provision for decommissioning obligations

Balance as at Januari 1	410.067	-
Addition	1.191.302	410.067
Balance as at December 31	<u>1.601.369</u>	<u>410.067</u>

Long-term debts

	December 31, 2019	December 31, 2018
	€	€
Bank loans		
Bank loans	120.082.508	131.838.179
Bank loans		
Green Bank Term Loan (Rabobank)	27.364.565	28.271.178
Green Fund Term Loan (ASN Bank)	27.415.390	36.180.382
Standard Term Loan (ING/SMBC)	63.498.020	65.583.783
Debt Service Reserve Facility (ASN Bank, ING Bank, Rabobank, SMBC)	1.804.532	1.802.836
	120.082.508	131.838.179
	2019	2018
	€	€
Green Bank Term Loan (Rabobank)		
Balance as at January 1	29.740.325	4.336.209
Received loan	5.600.164	25.783.723
Repayment	-4.924.097	-
Amortised costs	-162.979	-396.137
	30.253.413	29.723.795
Released amortised costs	37.461	16.530
Balance as at December 31	30.290.874	29.740.325
Repayment within 1 year	-2.926.309	-1.469.147
Long term loan as at December 31	27.364.565	28.271.178

The Green Bank Term Loan is provided for funding the build of the Wind farm. Repayment is started at September 30, 2019. The rate of interest for each Interest period is the percentage rate per annum which is the aggregate of the applicable Margin (1,80%) and the applicable EURIBOR (-0,390%) which comes down to 1,410%.

Repayment of the loan is estimated to take 14,5 years. Of the total amount of the Green Bank Term Loan of € 30.860.416 an amount of € 17.441.046 has a remaining duration of longer than 5 years.

	2019	2018
	€	€
<i>Green Fund Term Loan (ASN Bank)</i>		
Balance as at January 1	37.649.529	37.614.064
Repayment	-7.312.436	-
Amortised costs	-40.254	-
	<u>30.296.839</u>	<u>37.614.064</u>
Released amortised costs	44.860	35.465
Balance as at December 31	<u>30.341.699</u>	<u>37.649.529</u>
Repayment within 1 year	-2.926.309	-1.469.147
Long term loan as at December 31	<u><u>27.415.390</u></u>	<u><u>36.180.382</u></u>

The Green Fund Term Loan is provided for funding the build of the Wind farm. Repayment is started at September 30, 2019. The rate of interest for each Interest period is the percentage rate per annum which is the aggregate of the applicable Margin (1,55%), the Base Rate (0,757%) and the Green Discount (0,50%) which comes down to 1,807%.

Repayment of the loan is estimated to take 14,5 years. Of the total amount of the Green Fund Term Loan of € 30.860.416 an amount of € 17.441.046 has a remaining duration of longer than 5 years.

<i>Standard Term Loan (ING/SMBC)</i>		
Balance as at January 1	68.992.203	10.059.207
Received loan	12.992.380	59.813.617
Repayment	-11.422.719	-
Amortised costs	-378.224	-918.965
	<u>70.183.640</u>	<u>68.953.859</u>
Released amortised costs	103.417	38.344
Balance as at December 31	<u>70.287.057</u>	<u>68.992.203</u>
Repayment within 1 year	-6.789.037	-3.408.420
Long term loan as at December 31	<u><u>63.498.020</u></u>	<u><u>65.583.783</u></u>

The Standard Term Loan is provided for funding the build of the Wind farm. Repayment is started at September 30, 2019. The rate of interest for each Interest period is the percentage rate per annum which is the aggregate of the applicable Margin (1,25%) and the applicable EURIBOR (-0,390%) which comes down to 0,860%.

Repayment of the loan is estimated to take 14,5 years. Of the total amount of the Standard Term Loan of € 71.591.923 an amount of € 40.458.989 has a remaining duration of longer than 5 years.

Windpark Krammer B.V.

	2019	2018
	€	€
<i>Debt Service Reserve Facility (ASN Bank, ING Bank, Rabobank, SMBC)</i>		
Balance as at January 1	1.802.836	1.801.139
Received loan	-	-
Amortised costs	-	-
	<u>1.802.836</u>	<u>1.801.139</u>
Released amortised costs	1.696	1.697
Long term loan as at December 31	<u>1.804.532</u>	<u>1.802.836</u>

The Debt Service Reserve Facility is provided for funding the build of the Wind farm. The rate of interest on each Debt Service Reserve Loan for each Interest Period is the percentage rate per annum which is the aggregate of the applicable Margin (1,50%) and three months EURIBOR (-0,364%) which comes down to 1,136%.

	December 31, 2019	December 31, 2018
	€	€
Shareholders' Long term loan		
Enercon GmbH - Dutch Branch	<u>11.680.244</u>	<u>12.343.389</u>

	2019	2018
	€	€
<i>Enercon GmbH - Dutch Branch</i>		
Balance as at January 1	12.753.688	21.400.548
Received loan	-	-
Repayment	-420.866	-10.000.000
Accrued interest	258.770	1.353.140
Long term loans as at December 31	<u>12.591.592</u>	<u>12.753.688</u>
Repayment within 1 year	-911.348	-410.299
Long term loan as at December 31	<u>11.680.244</u>	<u>12.343.389</u>

The interest rate at year-end is equal to 7,00%.

Repayment of the loan is started at September 30, 2019 according to an annuity repayment schedule.

Bond loans

	2019	2018
	€	€
Bond loans		
Balance as at January 1	10.352.877	-
Received loan	-	10.000.000
Accrued interest	168.767	352.877
Repayment	-358.297	-
Balance as at December 31	10.163.347	10.352.877
Repayment within 1 year	-744.329	-371.613
Long term loans as at December 31	9.419.018	9.981.264

The bond loan is provided for funding the build of the Wind farm. The rate of interest on each Bond loan for the Interest Period until the end of the construction period is 7%. In the operational phase the rate of interest is depending on the power production of the windfarm. The rate of interest is:

- 6% if the production in any calendar year is below 314,3 GWh.
- 7% if the production in any calendar year is between 314,3 GWh and 332,9 GWh.
- 8% if the production in any calendar year is more than 332,9 GWh.

Repayment of the loan is started at September 30, 2019 according to an annuity repayment schedule.

Current liabilities

	December 31, 2019	December 31, 2018
	€	€
Bank loans		
VAT Facility (ING Bank)	-	552.208

Repayment obligations

Green Bank Term Loan (Rabobank)	2.926.309	1.469.147
Green Fund Term Loan (ASN Bank)	2.926.309	1.469.147
Standard Term Loan (ING/SMBC)	6.789.037	3.408.420
Shareholders' Long term loan	911.348	410.299
Bond loans	744.329	371.613
	14.297.332	7.128.626

	December 31, 2019	December 31, 2018
	€	€
Debts to suppliers and trade creditors		
Creditors	121.834	817.154
Taxes		
Value added taxes	-	-
Corporate income tax	1.278.451	-
	1.278.451	-
Accounts payable to group companies		
Coöperatie Deltawind u.a.	22.466	63.026
Coöperatieve Windenergie Vereniging Zeeuwind u.a.	46.235	46.448
	68.701	109.474
Accounts payable to associated companies		
Enercon GmbH	527.106	20.323.194
Other liabilities and accrued expenses		
Other liabilities	1.183.774	929.205
Other liabilities		
Amounts to be paid	17.924	145.842
Interest and bank charges	632.300	704
SDE Subsidy	-	782.659
PPA credit-invoices	533.550	-
	1.183.774	929.205

Assets and liabilities not recognised in balance sheet (Contingent liabilities and assets)

Non-processed liabilities

Credit facility

At the end of the financial year the private company has the following credit facilities:

- € 3.750.000 VAT Facility by the ING Bank;
- € 3.750.000 VAT Facility by the SMBC;
- € 1.500.000 LC Facility by the ING Bank.

As a security first right of mortgage has been given to ING Bank for an amount of € 280 million.

Long-term financial commitments

Rental obligations real estate

The company has entered into a financial commitment until July 1, 2039 in respect of rental of business premises for € 60.000 a year. At the end of this period, the agreement will be renewed for a period of one year unless it has been terminated at least three months before it expires.

Leasehold

The annual leasehold for sites amounts to € 1.607.423. The remaining term of the contract is 19 years.

Maintenance contract

The company has a long-term maintenance contract for the maintenance of the turbines. The yearly payment amounts to € 2.8 mio. The first payment will be paid at the second quarter of 2021.

The remaining term of the contract is 14 years.

Financial instruments

Interest rate risk

The policy in respect of interest rate risk is aimed at mitigating the interest rate risks originating from the financing of the company and optimizing the net interest expenses at the same time. This policy translates into a desired profile of fixed-interest and variable-interest positions including cash, with which in principle the variable-interest position does not exceed 107% of the net liability.

The following is a schedule with information on the interest rate risks of the group

	Term	Interest revision dates	Nominal interest	Effective interest	Interest rate risk hedged through hedge instrument?
Green Bank Term Loan	December 31, 2019	none	1,410%	3,178%	no
Green Fund Term Loan	December 31, 2019	none	1,807%	2,046%	yes
Standard Term Loan	December 31, 2019	none	0,860%	2,600%	yes
DSRF	December 31, 2019	none	1,136%	1,136%	no

Interest rate swaps

Swap	Bank	Notional amount swap	Long-term debt	Effective date interest date swap	Maturity date interest date swap	Variable interest (3 months Euribor + Margin)	Fixed interest	Mark to marked value
1.	SMBC	36,811,239	44,280,509	31-8-2017	31-12-2031	-0,390% +1,25% = 0,860%	0,965%	-2,215,506
2.	ING	36,811,239	44,280,509	31-8-2017	31-12-2031	-0,390% +1,25% = 0,860%	0,965%	-2,215,506
3.	Rabobank	31.733.827	38.172.853	31-8-2017	31-12-2031	-0,390% +1,80% = 1,410%	0,965%	-1.868.366

Cost price hedge accounting

The effective part of financial derivatives that have been assigned for cost price hedge accounting is valued at cost. By comparing the critical comparative features of the hedge instrument with the critical features of the hedged position on every balance sheet date, it is determined whether there is an indication for ineffectiveness. In the event the critical features of the hedge instrument and the critical features of the hedged position are not equal, this is an indication that the cost price hedge contains an ineffective part. In that case a quantitative ineffectiveness measurement is carried out by comparing the cumulative change of the fair value of the hedge instrument with the cumulative change of the fair value of the hedged position since the designation of the hedge relationship. Ineffectiveness is recognised in the profit and loss account if and insofar as the quantitative ineffectiveness measurement shows a (cumulative) loss.

NOTES TO THE PROFIT AND LOSS ACCOUNT FOR 2019

	2019	2018
	€	€
Net turnover		
Revenues production phase	12.271.919	4.812.490
Guarentees of origin	688.835	309.342
SDE Subsidy	16.483.781	4.539.243
Rent income	84.648	32.000
	<u>29.529.183</u>	<u>9.693.075</u>
Capitalised indirect costs		
Capitalised indirect costs	<u>935.523</u>	<u>4.513.791</u>
Employees		
During 2019 there were no employees working with the company (2018: same).		
Depreciation		
Tangible fixed assets	<u>9.821.538</u>	<u>3.577.500</u>
Other operating expenses		
Other employee related costs	221.221	343.247
Landlease	1.206.197	14.715
Maintenance	671.595	-
Organisation costs	2.169.005	605.776
Addition decommissioning reserve	1.191.302	410.067
Overhead costs	476.095	835.921
Advisory costs	-	285.319
	<u>5.935.414</u>	<u>2.495.045</u>
Other employee related costs		
Travelling costs board of directors	6.159	10.740
Travelling costs supervisory board members	480	595
Fees board of directors	185.069	306.469
Fees supervisory board members	26.150	25.003
Other employee related costs	3.363	440
	<u>221.221</u>	<u>343.247</u>

	2019	2018
	€	€
Financial income and expenses (net)		
Interest and similar expenses	5.238.692	4.488.599
<i>Interest and similar expenses</i>		
Interest and banking costs	3.475.942	2.619.470
Interest mezzanine loan Enercon GmbH - Dutch Branch	932.395	1.353.152
Interest bond loans	642.920	352.877
Arrangement Fee Financial Close	187.434	163.100
	5.238.692	4.488.599
Corporate income tax		
Corporate income tax for the year	-1.278.451	-
Movement deferred tax liabilities	-994.353	-729.144
	-2.272.804	-729.144

Windpark Krammer B.V.

Other notes

Subsequent events

The first articles in the media about the Covid-19 outbreak in China in december 2019 were not even remotely expected to have any economic impact outside China, let alone to have any influence on Windpark Krammer B.V. As also mentioned in the Management board's report, we don't expect a material impact on the 2020 outlook for Windpark Krammer B.V., now that the windfarm is fully operational. All 4 offtakers are confident about there respective financial positions and Enercon as the maintenance-contractor is following the developments and guidelines from the governments very closely.

Signing of the financial statements

Vlissingen,

The Board of Directors

T. Keesmaat

The Supervisory Board

J. Huisman

H. Kettwig

J.W.G. van der Graaf

Windpark Krammer B.V.

Other information

Independent auditor's report

Reference is made to the auditor's report as included hereinafter

Proposal concerning the 2019 result appropriation

According to the article 18 of the statutory articles specifies the following:

Profit is at the free disposal of the General Meeting of Shareholders.

Independent auditor's report

To the shareholders and the Supervisory Board of Windpark Krammer B.V.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS 2019 INCLUDED IN THE ANNUAL ACCOUNTS

Our opinion

We have audited the accompanying financial statements 2019 of Windpark Krammer B.V., based in Vlissingen.

In our opinion the accompanying financial statements give a true and fair view of the financial position of Windpark Krammer B.V. as at December 31, 2019, and of its result for 2019 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The financial statements comprise:

1. The balance sheet as at December 31, 2019.
2. The profit and loss account for 2019.
3. The notes comprising a summary of the accounting policies and other explanatory information.

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the "Our responsibilities for the audit of the financial statements" section of our report.

We are independent of Windpark Krammer B.V. in accordance with the Wet toezicht accountantsorganisaties (Wta, Audit firms supervision act), the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of the impact of the coronavirus

The coronavirus also impacts Windpark Krammer B.V. Management disclosed the current impact and her plans to deal with these events or circumstances in page 31 and of the financial statements under the subsequent events and also in the Management Board's Report on page 6 and 7. Our opinion is not modified in respect of this matter.

REPORT ON THE OTHER INFORMATION INCLUDED IN THE ANNUAL ACCOUNTS

In addition to the financial statements and our auditor's report thereon, the annual accounts contains other information that consists of:

- Management Board's Report.
- Other Information as required by Part 9 of Book 2 of the Dutch Civil Code.

Based on the following procedures performed, we conclude that the other information:

- Is consistent with the financial statements and does not contain material misstatements.
- Contains the information as required by Part 9 of Book 2 of the Dutch Civil Code.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

Management is responsible for the preparation of the other information, including the Management Board's Report in accordance with Part 9 of Book 2 of the Dutch Civil Code, and the other information as required by Part 9 of Book 2 of the Dutch Civil Code.

DESCRIPTION OF RESPONSIBILITIES REGARDING THE FINANCIAL STATEMENTS

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore, management is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, management is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting framework mentioned, management should prepare the financial statements using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Management should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

The Supervisory Board is responsible for overseeing the company's financial reporting process.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit assignment in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

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. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgement and have maintained professional skepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included e.g.:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining 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.
- Obtaining 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.
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Concluding on the appropriateness of management's use of the going concern basis of accounting, 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.
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures.
- Evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identified during our audit.

Middelburg, April 7, 2020

Deloitte Accountants B.V.



W.A. de Leetuw

Initials for identification purposes:

