

REPORT

Released to
Windpark Zeewolde B.V.
p/a Landauer 2
3897 AB Zeewolde

regarding

ANNUAL REPORT 2020

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CONSOLIDATED ANNUAL REPORT 2020

1 Consolidated balance sheet as at December 31, 2020

(after appropriation of results)

	December 31, 2020		December 31, 2019	
	€	€	€	€
ASSETS				
Fixed assets				
Tangible fixed assets	(1)			
Capitalised project development costs (windfarm)	145,564,001		33,490,015	
Capitalised project development costs (substation)	16,261,116		5,513,022	
		161,825,117		39,003,037
Financial fixed assets	(2)			
Other receivables		1,083,375		8,375
Current assets				
Receivables, prepayments and accrued income	(3)			
Taxes and social securities	279,107		1,017,317	
Other receivables, prepayments and accrued income	12,590,924		2,291,093	
		12,870,031		3,308,410
Cash and cash equivalents	(4)	362,803		17,930,903
		<u>176,141,326</u>		<u>60,250,725</u>

		December 31, 2020		December 31, 2019	
		€	€	€	€
LIABILITIES					
Group equity	(5)		1,661,802		30,402
Subordinated loans	(6)		84,339,656		23,748,301
Non-current liabilities	(7)				
Privately placed loans		-		29,393,260	
Debts to credit institutions		84,921,263		-	
			84,921,263		29,393,260
Current liabilities	(8)				
Repayment obligation long-term debt		-		13,000	
Trade creditors		306,391		2,619,610	
Taxes and social securities		10,057		8,743	
Other liabilities and Accruals and deferred income		4,902,157		4,437,409	
			5,218,605		7,078,762
			<u>176,141,326</u>		<u>60,250,725</u>

2 Consolidated profit & loss account for the year 2020

		2020		2019
		€	€	€
		_____	_____	_____
Sum of operating income		-		-
Expenses				
Other operating expenses	(9)	3,500,000		-
Result before tax		-3,500,000		-
Taxes	(10)	875,000		-
Result after tax		-2,625,000		-
		_____		_____

4 Notes to the consolidated financial statements

General

Activities

The activities of Windpark Zeewolde B.V. (CoC file 67310273), with registered offices in Zeewolde, and its group holdings mainly consist of the following:

- the development and exploitation of a wind farm

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

The registered and actual address of Windpark Zeewolde B.V. (CoC file 67310273) is Landauer 2 in Zeewolde.

Group structure

The consolidated annual account of Windpark Zeewolde B.V. consists of the financial data of Windpark Zeewolde B.V. and the following group companies:

- Vogelweg HV Station B.V.

Group companies and other entities in which Windpark Zeewolde B.V. exercises control or whose central management it conducts are consolidated in full. Participating interests in group equity and group result are disclosed separately. Participating interests over which no control can be exercised (associates) are not included in the consolidation.

LIST OF PARTICIPATING INTERESTS

Windpark Zeewolde B.V. in Zeewolde is the head of a group of legal entities. The overview of the data as required in accordance with Articles 2:379 and 2:414 of the Dutch Civil Code is included below:

Name, statutory registered office	Share in issued capital	Included in consolidation
	%	
Vogelweg HV Station B.V. Zeewolde	100.00	Yes

Going concern

Due to the Covid-19 virus outbreak worldwide an uncertain situation has arisen. This uncertainty is partly caused by measures imposed by the government to limit the spread of the Covid-19 Virus. Despite the Covid-19 virus, WPZ BV managed to reach financial close in June 2020. So far, the impact of Covid-19 on the project has been limited. In cooperation with the contractors, we are monitoring the effects and measures are being taken. Covid-19 remains a risk with possible consequences for the project schedule. In view of the special situation surrounding the Covid-19 virus, we do not expect a continuity issue for the company. For this reason the management does not expect a severe uncertainty regarding continuity and therefore the general accounting principles of the financial statements are based upon going concern.

Consolidation principles

Financial information relating to group companies and other legal entities which are controlled by Windpark Zeewolde B.V. or where central management is conducted has been consolidated in the annual account of Windpark Zeewolde B.V. The consolidated annual account have been prepared in accordance with the accounting principles for valuation and result determination of Windpark Zeewolde B.V.

Financial information relating to the group companies and the other legal entities and companies included in the consolidation is fully included in the consolidated annual account, eliminating the intercompany relationships and transactions. Third-party shares in equity and results of group companies are separately disclosed in the consolidated annual accounts.

Financial statements of the subsidiaries are included in the consolidated financial statements from the date that control commences (the acquisition date) until the date that control ceases. At acquisition date the assets, provisions and liabilities are measured at fair values. Goodwill paid is capitalised, to which amortisation is charged based on the estimated useful life. The results of participating interests sold during the year are recognised until the moment of disposal.

General accounting principles for the preparation of the consolidated annual accounts

The financial statements are drawn up in accordance with the provisions of Title 9, Book 2, of the Dutch Civil Code and the Dutch Accounting Standards applicable to small legal entities, as published by the Dutch Accounting Standards Board ('Raad voor de Jaarverslaggeving').

Valuation of assets and liabilities and determination of the result takes place under the historical cost convention. Unless presented otherwise at the relevant principle for the specific balance sheet item, assets and liabilities are presented at nominal value.

Income and expenses are accounted for on accrual basis. Profit is only included when realized on the balance sheet date. Losses originating before the end of the financial year are taken into account if they have become known before preparation of the financial statements.

Revenues from goods are recognised upon delivery. The cost price of these goods is allocated to the same period. Revenues from services are recognised in proportion to the services rendered. The cost price of these services is allocated to the same period.

The financial statements are presented in euro, which is the Company's functional and presentation currency.

Financial instruments

The group applies hedge accounting based on generic documentation.

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.

Accounting principles applied to the valuation of assets and liabilities

Tangible fixed assets

Tangible fixed assets are presented at cost less accumulated depreciation and, if applicable, less impairments in value. Depreciation is based on the estimated useful life and calculated as a fixed percentage of cost, taking into account any residual value. Depreciation is provided from the date an asset comes into use. Land is not depreciated.

Financial fixed assets

Participations

Where significant influence is exercised participations in non-consolidated group companies are valued under the net asset value method.

Where no significant influence is exercised participations are valued at cost and if applicable less impairments in value. With the valuation of participations any impairment in value is taken into account.

In the event of an impairment loss, valuation takes place at the realisable value (see also section "Impairment of fixed assets"); an impairment is recognised and charged to the income statement.

Deferred tax claims

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.

Deferred income taxes are recognised at nominal value.

Receivables and deferred assets

Upon initial recognition the receivables on and loans to participations and other receivables are valued at fair value and then valued at amortised cost, which equals the face value, after deduction of any provisions. The fair value and amortised cost equal the face value. Any provisions for the risk of doubtful debts are deducted. These provisions are determined based on individual assessment of the receivables.

Cash and cash equivalents

The cash is valued at face value. If cash equivalents are not freely disposable, then this has been taken into account in the valuation.

Subordinated loans

On initial recognition subordinated 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 subordinated debts are recognised at the amortised cost price, being the amount received taking into account premiums or discounts and minus transaction costs.

The difference between stated book value and the mature redemption value is accounted for as interest cost in the profit and loss account on the basis of the effective interest rate during the estimated term of the subordinated debts.

Non-current liabilities

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, being the amount received taking into account premiums or discounts and minus transaction costs.

The difference between stated book value and the mature redemption value is accounted for as interest cost in the profit and loss account on the basis of the effective interest rate during the estimated term of the long-term debts.

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 and minus transaction costs. This is usually the nominal value.

Accounting 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.

The result is determined based upon the difference between the nett turnover and the costs and other expenses taking into account the aforementioned valuation principles.

Gross margin

The gross operating profit and loss comprises net turnover, the changes in inventories of finished goods and work in progress, work performed by the entity and capitalised, other operating income, cost price and cost of outsourced work and other external charges.

Taxes

Tax on the result is calculated based on the result before tax in the income statement, taking account of the losses available for set-off from previous financial years (to the extent that they have not already been included in the deferred tax assets) and exempt profit components and after the addition of non-deductible costs. Due account is also taken of changes which occur in the deferred tax assets and deferred tax liabilities in respect of changes in the applicable tax rate.

The allocation of corporate income tax to the partnerships included in the fiscal unit is realised as if the participating interests are independently taxable.

Principles for preparation of the consolidated cash flow statement

The cash flow statement has been prepared using the indirect method.

The funds in the cash flow statement consist of cash, short-term debt to finance companies and current securities.

Securities are considered to be highly liquid investments.

Income and expenses related to interest, received dividend and profit taxes are included in the cash flow statement for operational activities. Dividend payments are included in the cash flow statement for financing activities.

5 Notes to the consolidated balance sheet as of December 31, 2020

ASSETS

FIXED ASSETS

1. Tangible fixed assets

	Capitalised project development costs (windfarm)	Capitalised project development costs (substation)	Total
	€	€	€
<i>Carrying amount as of January 1, 2020</i>			
Purchase price	33,490,015	5,513,022	39,003,037
Cumulative depreciation and impairment	-	-	-
	<u>33,490,015</u>	<u>5,513,022</u>	<u>39,003,037</u>
<i>Movement</i>			
Investments	112,563,995	10,748,094	123,312,089
Contribution	-490,009	-	-490,009
Depreciation	-	-	-
	<u>112,073,986</u>	<u>10,748,094</u>	<u>122,822,080</u>
<i>Carrying amount as of December 31, 2020</i>			
Purchase price	145,564,001	16,261,116	161,825,117
Cumulative depreciation and impairment	-	-	-
Carrying amount as of December 31, 2020	<u>145,564,001</u>	<u>16,261,116</u>	<u>161,825,117</u>
Contribution	<u>-490,009</u>	<u>-</u>	<u>-490,009</u>

In 2018 the exploitation rights of eight wind turbines are transferred to Raedthuys and Eneco. Raedthuys and Eneco paid in 2018 a contribution of € 800.000 to WPZ B.V. In 2019 a contribution of € 1.460.879 was paid. In 2020 a contribution of € 490.009 was paid. The total contribution of € 2.750.888 is deducted from the capitalized development costs.

Regarding the connection to the substation Raedthuys and Eneco have paid an one-off connection fee of € 135.000 to Vogelweg HV Station B.V.. The connection fee is deducted from the capitalized development costs.

A mortgage right has been established on the immovable property for the benefit of the current loans and credits. A right of pledge has also been granted on movable property, stocks and receivables.

2. Financial fixed assets

	12/31/2020	12/31/2019
	€	€
Other receivables		
Guarantee deposit	208,375	8,375
Deferred tax claims	875,000	-
	<u>1,083,375</u>	<u>8,375</u>

CURRENT ASSETS**3. Receivables, prepayments and accrued income****Taxes and social securities**

VAT	<u>279,107</u>	<u>1,017,317</u>
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Other receivables, prepayments and accrued income

Other receivables	96,185	18,295
Prepayments and accrued income	<u>12,494,739</u>	<u>2,272,798</u>
	<u>12,590,924</u>	<u>2,291,093</u>

Other receivables

Other receivables	<u>96,185</u>	<u>18,295</u>
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Prepayments and accrued income

Guarantee deposit	112,500	-
Prepaid costs for obtaining financing	<u>12,382,239</u>	<u>2,272,798</u>
	<u>12,494,739</u>	<u>2,272,798</u>

4. Cash and cash equivalents

Bank account Rabobank	129,649	-
Bank account Rabobank	-	1,597,925
Bank account Rabobank	189,082	2,553,509
Bank account Rabobank	44,072	34,807
Savings account Rabobank	-	25,011
Savings account Rabobank	-	159,585
Bank guarantee Rabobank	-	3,250,000
Bank guarantee Rabobank	-	10,310,066
	<u>362,803</u>	<u>17,930,903</u>

The balance of cash and cash equivalents is freely available.

EQUITY AND LIABILITIES**5. Group equity**

Please refer to the notes to the non-consolidated balance sheet on page 33 of this report for an explanation of the equity.

	12/31/2020	12/31/2019
	€	€
6. Subordinated loans		
Enercon GmbH	-	23,748,301
Development Loan	19,970,042	-
Equity Close Loan	40,733,624	-
Junior Loan	23,635,990	-
	<u>84,339,656</u>	<u>23,748,301</u>

	2020	2019
	€	€
Enercon GmbH		
Carrying amount as at January 1	23,748,301	-
Funds withdrawn	11,500,000	23,500,000
Interest addition	492,822	248,301
Repayment	-35,741,123	-
Stand per December 31	<u>-</u>	<u>23,748,301</u>
Long-term part as at December 31	<u>-</u>	<u>23,748,301</u>

This subordinated loan is granted to finance 83 turbines.
The subordinated loan was fully refinanced this year.

Development Loan

Carrying amount as at January 1	-	-
Subordination	19,970,042	-
Long-term part as at December 31	<u>19,970,042</u>	<u>-</u>

This subordinated loan of € 18,075,349 is granted by STAK Windpark Zeewolde B.V.. Redemptions are paid during a period of 15 years after completion of the project. The interest rate until completion is 10%, when operations start the interest rate shall vary between 13,0% and 20,5% depending on profit before taxes as a percentage of the years revenues. Repayment is by means of monthly instalments. Completion of the project is planned for 2022. The exact date on which the operation will start is still unknown as at the balance sheet date and as a result, the part of the debts with a term longer than 5 years cannot be reliably determined.

	2020	2019
	€	€
Equity Close Loan		
Carrying amount as at January 1	-	-
Subordination	40,733,624	-
Long-term part as at December 31	40,733,624	-

This subordinated loan of € 36,868,950 is granted by STAK Windpark Zeewolde B.V. and consists of three loans, € 11,077,060 granted December 2019, € 15,000,000 granted January 2020 and € 10,791,890 granted May 2020. Redemptions are paid during a period of 15 years after completion of the project. The interest rate until completion is 10%, when operations start the interest rate shall vary between 10% and 12% depending on the amount of gigawatts produced (10% <830 gigawatt, 12% >830 gigawatt). Repayment is by means of monthly instalments.

Completion of the project is planned for 2022. The exact date on which the operation will start is still unknown as at the balance sheet date and as a result, the part of the debts with a term longer than 5 years cannot be reliably determined.

Junior Loan

Carrying amount as at January 1	-	-
Funds withdrawn	23,000,000	-
Interest addition	635,990	-
Long-term part as at December 31	23,635,990	-

This subordinated loan of € 23,000,000 is granted by Rabobank.

The interest rate is the aggregate of a margin of 5,25% and EURIBOR. In the case EURIBOR is less than zero, EURIBOR shall be deemed to be zero.

Full repayment is due on the maturity date, meaning the earlier of the date falling 90 days after completion or 90 days after Backstop Project Completion (31 December 2022).

7. Non-current liabilities

	12/31/2020	12/31/2019
	€	€
Privately placed loans		
Development Loan	-	18,154,583
Equity Close Loan	-	11,238,677
	-	29,393,260
	2020	2019
	€	€
<i>Development Loan</i>		
Carrying amount as at January 1	18,154,583	-
Funds withdrawn	-	18,075,349
Interest addition	1,815,459	79,234
Subordination	-19,970,042	-
Long-term part as at December 31	-	18,154,583

This loan of € 18,075,349 is granted by STAK Windpark Zeewolde B.V.. This loan has been subordinated upon achieving financial close.

	2020	2019
	€	€
<i>Equity Close Loan</i>		
Carrying amount as at January 1	11,238,677	-
Funds withdrawn	25,791,890	11,077,060
Interest addition	3,703,057	161,617
Subordination	-40,733,624	-
Long-term part as at December 31	-	11,238,677

This loan of € 36,868,950 is granted by STAK Windpark Zeewolde B.V.. This loan has been subordinated upon achieving financial close.

	12/31/2020	12/31/2019
	€	€

Loans

Project Facility Loan	84,921,263	-
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	2020	2019
	€	€

Project Facility Loan

Carrying amount as at January 1	-	-
Funds withdrawn	88,050,842	-
Financing cost	-3,230,742	-
Amortization	101,163	-
Long-term part as at December 31	84,921,263	-

This loan of € 88,050,842 is granted to finance the development of a wind farm. Redemptions are paid during a period of 15 years. The effective interest rate is 2.30%. Repayment is by means of quarterly instalments in accordance with the amortization schedule. First repayment is due on the maturity date, meaning the earlier of the date falling 90 days after completion or 90 days after Backstop Project Completion (31 December 2022). The remaining number of instalments are 57.

As of December 31, 2020 an amount of € 84,921,264 of the loans have a residual term longer than five years.

GUARANTEES

The following collateral has been provided for the mortgage loans and the credit limit:

- Mortgage rights on rights of superficies
- Mortgage rights on a plot of land of 7.200m²
- Subordination of the equity close and junior loans
- Direct agreements with mainsuppliers and buyers
- Parent company guarantees from mainsuppliers and buyers
- Omnibus Pledge Agreements in respect of, amongst others, (i) rights under the Project Documents and Equity Documents, subordinated loan receivables, certain specified bank accounts (excluding the Distribution Account and the Public Participation Bonds Account), intellectual property rights, insurance receivables, moveable assets, intercompany receivables and all other receivables of the Obligors and (ii) rights under the Shareholder Subordinated Loan Agreements and the Transfer and Equity Close Loan Agreements of the Shareholder.
- Share Pledge Agreement Borrower
- Share Pledge Agreement Guarantor

8. Current liabilities

	12/31/2020	12/31/2019
	€	€
Repayment obligation long-term debt		
Loans	-	13,000
Trade creditors		
Creditors	306,391	2,619,610
Taxes and social securities		
Pay-roll tax	10,057	8,743
Other liabilities and Accruals and deferred income		
Accruals and deferred income	4,902,157	4,437,409
Accruals and deferred income		
Reserve holiday allowance	11,862	8,132
Other liabilities	4,890,295	4,429,277
	4,902,157	4,437,409

NON-RECOGNISED ASSETS AND LIABILITIES AND CONTINGENT ASSETS EN LIABILITIES**Unprocessed allowances***Bank(er's) guarantee*

As of December 31, 2020 guarantee credits have been issued for an amount of € 44,797,014 by contractors.

SDE subsidy

The Rijksdienst voor Ondernemend Nederland (RVO) issued Windpark Zeewolde B.V. at January 18, 2018, December 27, 2018 and at February 13, 2019 a granted subsidy for the 83 wind turbines to be built. At May 15, 2020 RVO granted one year extension for the commissioning period for the wind turbines. The subsidy is paid per wind turbine in the form of a fee per MWh produced. This is an important part of the income during the operational phase of the Wind Farm.

Unprocessed obligations

Principal action project developers

On May 14, 2020, project developers issued a writ of summons to the State, the Province of Flevoland, the Municipality of Zeewolde, the Zuiderzeeland Water Board and Windpark Zeewolde B.V.

These project developers are landowners in the area of the Zeewolde Wind Farm. They intend to build housing in the area and believe that the realisation of the Wind Farm will interfere with their plans. They have therefore objected to all decisions taken so far (RIP, permits, obligation to tolerate) without success. All claims in each procedure have been rejected in their entirety.

Main claims in this case are

- A declaration for justice that the Public Authorities have assigned a scarce right to WPZ in violation of the law;
- A declaration for justice that this is unlawful towards the project developers and that the "involved" Defendants are jointly and severally liable for the damages suffered by Project Developers as a result

All claims are brought against both the Governments and WPZ.

The likelihood of the Project Developers' claims against WPZ being allowed is estimated to be low. An injunction against (further) implementation of the project, or an order to "redress" the alleged unlawful conduct, does not seem likely. Even if there were unlawful conduct, the case would seem to resolve itself in damages. For the time being it is not clear what damage Project Developers would suffer exactly. If there is damage that can be compensated to the Project developers, it remains to be seen whether WPZ will be ordered to pay (part of) this damage. In the unlikely event that WPZ is found jointly and severally liable with the public authorities, a discussion will have to be held about the question which part should be borne by WPZ. Without a court ruling this question cannot be answered at this stage.

Full notice to proceed

A full notice to proceed has been issued by Windpark Zeewolde B.V. regarding the infrastructure for the amount of 82,365,740 (Invoiced 43,431,059). The obligation for less than a year is 36,657,610, the obligation for more than one year is 2,277,071.

A full notice to proceed has been issued by Windpark Zeewolde B.V. regarding agreed changes for the infrastructure for the amount of 29,436,747 (Invoiced 17,239,610). The obligation for less than a year is 5,294,875, the obligation for more than one year is 6,902,262.

A full notice to proceed has been issued by Windpark Zeewolde B.V. regarding the turbines for the amount of 242,048,265 (Invoiced 43,037,891). The obligation for less than a year is 150,915,000, the obligation for more than one year is 48,095,374.

A full notice to proceed has been issued by Windpark Zeewolde B.V. regarding the VTW switchgear for the amount of 301,273 (Invoiced 0). The obligation for less than a year is 225,000, the obligation for more than one year is 76,273.

A full notice to proceed has been issued by Vogelweg HV Station B.V. regarding a substation and connection to the power grid of Tennet for the amount of 14,236,207 (Invoiced 12,900,000). The obligation for less than a year is 1,336,207, the obligation for more than one year is 0.

A full notice to proceed has been issued by Vogelweg HV Station B.V. regarding a agreed changes the substation and connection to the power grid of Tennet for the amount of 1,338,503 (Invoiced 0). The obligation for less than a year is 1,338,503, the obligation for more than one year is 0.

A full notice to proceed has been issued by Vogelweg HV Station B.V. regarding measurement services for the amount of 35,000 (Invoiced 0). The obligation for less than a year is 35,000, the obligation for more than one year is 0.

A full notice to proceed has been issued by Vogelweg HV Station B.V. regarding a dataconnection for the amount of 55,000 (Invoiced 0). The obligation for less than a year is 55,000, the obligation for more than one year is 0.

A full notice to proceed has been issued by Vogelweg HV Station B.V. regarding preparation commissioning for the amount of 69,120 (Invoiced 41,400). The obligation for less than a year is 27,720, the obligation for more than one year is 0.

There are no obligations longer than 5 years.

Long-term financial obligations*Rental commitments*

There is a multi-year rent agreement with regard to the business premises in use at the company business premises entered into with Countus Groep B.V. The rental obligation for less than a year is € 47,232 and the obligation for more than one year is € 0.

There is a multi-year rent agreement with regard to the business premises "De Ruit" entered into with Omroepmasten B.V. The rental obligation for less than a year is € 23,350 and the obligation for more than one year is € 5.838.

There is a multi-year rent agreement with regard to the printer entered into with Canon. The rental obligation for less than a year is € 1.344 and the obligation for more than one year is € 0.

There is a multi-year rent agreement with regard to the port in Lelystad entered into with Provincie Flevoland. The rental obligation for less than a year is € 113.963 and the obligation for more than one year is € 0.

PPA

Windpark Zeewolde B.V. has entered into a power purchase agreement to sell and deliver the energy output and guarantees of origin. The agreement ends 31st December following the 16th anniversary of the Completion date.

The PPA covers the total energy output for the full SDE+ term plus the construction period and transfers the balancing responsibility to Vattenfall. Pricing of the energy output is mirrored by the SDE+ market price mechanism to reduce the pricing risk on the Project's revenues.

Right of superficies

During 2019 Windpark Zeewolde B.V. has entered into several agreements with landowners to procure right of superficies during the building and operating period of the windturbines.

Regarding the rights of superficies, the landowner will be paid € 0.4 million annually until commissioning. The semi-government landowners will be paid an amount per MWh annually after the Turbines have been commissioned, based on the expected production. Other landowners will be paid a set amount per year. Based on the 2019 price level, the annual fee is expected to be € 2.5 million.

Obligations longer than 1 year 50,041,761 of which 40,033,409 longer than 5 years.

Remediation agreements

During 2019 Windpark Zeewolde B.V. has entered into several remediation agreements with owners of whom a windturbine has to be removed in order to complete this project. Compensation will be paid during the period 2021 until 2035.

At project completion a provision will be formed at cash value.

Long term agreements Vogelweg HV Station B.V.

Vogelweg HV Station B.V. has entered into a 15-year agreement with Kenter regarding GDS for the yearly amount of 21,000. Obligations longer than 1 year 294,000 of which 210,000 longer than 5 years.

Vogelweg HV Station B.V. has entered into a 15-year agreement with Kenter regarding measurement services OS for the yearly amount of 6,794. Obligations longer than 1 year 95,113 of which 67,938 longer than 5 years.

Vogelweg HV Station B.V. has entered into a 15-year agreement with Kenter regarding measurement services WTG's for the yearly amount of 36,731. Obligations longer than 1 year 514,240 of which 367,314 longer than 5 years.

Vogelweg HV Station B.V. has entered into a 5-year agreement with Volker Energy Solutions regarding maintenance of the substation and administration and maintenance of Klic-notifications for the yearly amount of 172,879. Obligations longer than 1 year 763,549 of which nil longer than 5 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 110% of the net liability.

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

Term: Project Facility Loan 31-12-2020
Interest revision dates: 6/25/2020
Nominal Interest: 1,792%
Effective interest: 2,300%
Interest rate risk hedged through hedge instruments? Yes

Interest rate swaps

Bank: Rabobank
Notional amount swap: 93,384,242
Long-term debt: 88,050,842
Effective date interest date swap: 6/25/2020
Maturity date interest date swap: 9/30/2022
Variable interest: Euribor 1M
Fixed interest: 0,032%
Mark to market value: -3,194,624

Bank: Rabobank
Notional amount swap: 407,476,665
Long-term debt: 425,517,184
Effective date interest date swap: 9/30/2022
Maturity date interest date swap: 12/31/2036
Variable interest: Euribor 3M
Fixed interest: 0,032%
Mark to market value: -6,206,264

6 Notes to the consolidated profit & loss account for the year 2020**Other operating expenses**

	<u>2020</u>	<u>2019</u>
	€	€
9. Other operating expenses		
Extraordinary expenses Enercon	<u>3,500,000</u>	<u>-</u>
10. Taxes		
Movement of deferred tax assets	<u>875,000</u>	<u>-</u>

7 Company balance sheet as at December 31, 2020

(after appropriation of results)

	December 31, 2020		December 31, 2019	
	€	€	€	€
ASSETS				
Fixed assets				
Tangible fixed assets (11)				
Capitalised project development costs (windfarm)		145,564,001		33,490,015
Financial fixed assets (12)				
Participations in group companies	360		360	
Receivables from participants and from companies in which participation takes place	16,282,581		7,574,281	
Other receivables	1,083,375		8,375	
		17,366,316		7,583,016
Current assets				
Receivables, prepayments and accrued income (13)				
Taxes and social securities	255,894		672,369	
Other receivables, prepayments and accrued income	12,590,924		2,291,093	
		12,846,818		2,963,462
Cash and cash equivalents (14)		318,731		14,646,096
TOTAL OF ASSETS		<u>176,095,866</u>		<u>58,682,589</u>

	December 31, 2020		December 31, 2019	
	€	€	€	€
EQUITY AND LIABILITIES				
Equity	(15)			
Issued share capital		37,496		30,402
Share premium reserve		4,249,306		-
Other reserves		-2,625,000		-
		1,661,802		30,402
Subordinated loans	(16)	84,339,656		23,748,301
Non-current liabilities	(17)			
Privately placed loans		-		29,393,260
Debts to credit institutions		84,921,263		-
		84,921,263		29,393,260
Current liabilities	(18)			
Repayment obligation long-term debt		-		13,000
Trade creditors		290,078		1,057,361
Pay-roll tax		10,057		8,743
Other liabilities and Accruals and deferred income		4,873,010		4,431,522
		5,173,145		5,510,626
TOTAL OF EQUITY AND LIABILITIES		<u>176,095,866</u>		<u>58,682,589</u>

8 Company profit and loss account over 2020

		2020		2019
		€		€
		<u> </u>		<u> </u>
Sum of operating income		-		-
Expenses				
Other operating expenses	(19)	3,500,000		-
Result before tax		<u>-3,500,000</u>		<u>-</u>
Taxes	(20)	875,000		-
Result after tax		<u><u>-2,625,000</u></u>		<u><u>-</u></u>

9 Notes to the company balance sheet as of December 31, 2020

ASSETS

FIXED ASSETS

11. Tangible fixed assets

	Capitalised project development costs (windfarm)
	€
<i>Carrying amount as of January 1, 2020</i>	
Purchase price	33,490,015
Cumulative depreciation and impairment	-
	<u>33,490,015</u>
<i>Movement</i>	
Investments	112,563,995
Contribution	-490,009
Depreciation	-
	<u>112,073,986</u>
<i>Carrying amount as of December 31, 2020</i>	
Purchase price	145,564,001
Cumulative depreciation and impairment	-
Carrying amount as of December 31, 2020	<u>145,564,001</u>
Contribution	<u>-490,009</u>

In 2018 the exploitation rights of eight wind turbines are transferred to Raedthuys and Eneco. Raedthuys and Eneco paid in 2018 a contribution of € 800.000 to WPZ B.V. In 2019 a contribution of € 1.460.879 was paid. In 2020 a contribution of € 490.009 was paid. The total contribution of € 2.750.888 is deducted from the capitalized development costs.

A mortgage right has been established on the immovable property for the benefit of the current loans and credits. A right of pledge has also been granted on movable property, stocks and receivables.

12. Financial fixed assets

	12/31/2020	12/31/2019
	€	€
Participations in group companies		
Vogelweg HV Station B.V. at Zeewolde (100%)	360	360
	2020	2019
	€	€
<i>Vogelweg HV Station B.V.</i>		
Carrying amount as at January 1	360	360
Carrying amount as of December 31	360	360
This is a 100% share in issued share capital in Vogelweg HV Station B.V. based in Zeewolde.		
	12/31/2020	12/31/2019
	€	€
Receivables from participants and from companies in which participation takes place		
Vogelweg HV Station B.V.	16,282,581	7,574,281
<i>Vogelweg HV Station B.V.</i>		
	2020	2019
	€	€
Carrying amount as at January 1	7,574,281	-360
Movement	7,979,166	7,377,749
Interest	729,134	196,892
Carrying amount as of December 31	16,282,581	7,574,281
	12/31/2020	12/31/2019
	€	€
Other receivables		
Guarantee deposit	208,375	8,375
Deferred tax claims	875,000	-
	1,083,375	8,375
	Stand per January 1, 2020	Carrying amount as of December 31, 2020
	€	€
Guarantee deposit	8,375	208,375
Deferred tax claims	-	875,000
	8,375	1,083,375
	Credit	€
	€	€
Guarantee deposit	200,000	208,375
Deferred tax claims	875,000	875,000
	1,075,000	1,083,375

	2020	2019
	€	€
<i>Guarantee deposit</i>		
Carrying amount as at January 1	8,375	8,375
Movement guarantee deposit traffic agreement	200,000	-
Carrying amount as of December 31	<u>208,375</u>	<u>8,375</u>
<i>Deferred tax claims</i>		
Carrying amount as at January 1	-	-
Movement	875,000	-
Carrying amount as of December 31	<u>875,000</u>	<u>-</u>

CURRENT ASSETS**13. Receivables, prepayments and accrued income**

	12/31/2020	12/31/2019
	€	€
Taxes and social securities		
VAT	<u>255,894</u>	<u>672,369</u>
Other receivables, prepayments and accrued income		
Other receivables	96,185	18,295
Prepayments and accrued income	<u>12,494,739</u>	<u>2,272,798</u>
	<u>12,590,924</u>	<u>2,291,093</u>
Other receivables		
Other receivables	<u>96,185</u>	<u>18,295</u>
Prepayments and accrued income		
Guarantee deposit	112,500	-
Prepaid costs for obtaining financing	<u>12,382,239</u>	<u>2,272,798</u>
	<u>12,494,739</u>	<u>2,272,798</u>

	12/31/2020	12/31/2019
	€	€
14. Cash and cash equivalents		
Bank account Rabobank	129,649	-
Bank account Rabobank	-	1,597,925
Bank account Rabobank	189,082	2,553,509
Savings account Rabobank	-	25,011
Savings account Rabobank	-	159,585
Bank guarantee Rabobank	-	10,310,066
	<u>318,731</u>	<u>14,646,096</u>

The balance of cash and cash equivalents is freely available.

EQUITY AND LIABILITIES**15. Equity**

	12/31/2020	12/31/2019
	€	€
Issued share capital		
Subscribed and paid up 37,496 ordinary shares at par value € 1.00	37,496	30,402
		Ordinary shares
		€
Carrying amount as of January 1, 2020		30,402
Issue of shares		7,094
Carrying amount as of December 31, 2020		37,496

	2020	2019
	€	€
Share premium reserve		
Carrying amount as at January 1	-	-
Allocation	4,249,306	-
Carrying amount as of December 31	4,249,306	-

Other reserves

Carrying amount as at January 1	-	-
Allocation of financial year nett result	-2,625,000	-
Carrying amount as of December 31	-2,625,000	-

The board of directors proposes to add the 2020 result to the other reserves for an amount of € 2,625,000. The General Meeting of Shareholders will be asked to approve the appropriation of the 2020 result, this proposition is already recognised in the financial statements.

	12/31/2020	12/31/2019
	€	€
16. Subordinated loans		
Enercon GmbH	-	23,748,301
Development Loan	19,970,042	-
Equity Close Loan	40,733,624	-
Transport	60,703,666	23,748,301

	12/31/2020	12/31/2019
	€	€
Transport	60,703,666	23,748,301
Junior Loan	23,635,990	-
	<u>84,339,656</u>	<u>23,748,301</u>
	2020	2019
	€	€

Enercon GmbH

Carrying amount as at January 1	23,748,301	-
Funds withdrawn	11,500,000	23,500,000
Interest addition	492,822	248,301
Repayment	-35,741,123	-
Long-term part as at December 31	<u>-</u>	<u>23,748,301</u>

This subordinated loan is granted to finance 83 turbines.
The subordinated loan was fully refinanced this year.

Development Loan

Carrying amount as at January 1	-	-
Subordination	19,970,042	-
Long-term part as at December 31	<u>19,970,042</u>	<u>-</u>

This subordinated loan of € 18,075,349 is granted by STAK Windpark Zeewolde B.V.. Redemptions are paid during a period of 15 years after completion of the project. The interest rate until completion is 10%, when operations start the interest rate shall vary between 13,0% and 20,5% depending on profit before taxes as a percentage of the years revenues. Repayment is by means of monthly instalments. Completion of the project is planned for 2022. The exact date on which the operation will start is still unknown as at the balance sheet date and as a result, the part of the debts with a term longer than 5 years cannot be reliably determined.

Equity Close Loan

Carrying amount as at January 1	-	-
Subordination	40,733,624	-
Long-term part as at December 31	<u>40,733,624</u>	<u>-</u>

This subordinated loan of € 36,868,950 is granted by STAK Windpark Zeewolde B.V. and consists of three loans, € 11,077,060 granted December 2019, € 15,000,000 granted January 2020 and € 10,791,890 granted May 2020. Redemptions are paid during a period of 15 years after completion of the project. The interest rate until completion is 10%, when operations start the interest rate shall vary between 10% and 12% depending on the amount of gigawatts produced (10% <830 gigawatt, 12% >830 gigawatt). Repayment is by means of monthly instalments.

Completion of the project is planned for 2022. The exact date on which the operation will start is still unknown as at the balance sheet date and as a result, the part of the debts with a term longer than 5 years cannot be reliably determined.

	2020	2019
	€	€
Junior Loan		
Carrying amount as at January 1	-	-
Funds withdrawn	23,000,000	-
Interest addition	635,990	-
Long-term part as at December 31	<u>23,635,990</u>	<u>-</u>

This subordinated loan of € 23,000,000 is granted by Rabobank.

The interest rate is the aggregate of a margin of 5,25% and EURIBOR. In the case EURIBOR is less than zero, EURIBOR shall be deemed to be zero.

Full repayment is due on the maturity date, meaning the earlier of the date falling 90 days after completion or 90 days after Backstop Project Completion (31 December 2022).

17. Non-current liabilities

	12/31/2020	12/31/2019
	€	€
Privately placed loans		
Development Loan	-	18,154,583
Equity Close Loan	-	11,238,677
	-	29,393,260

	2020	2019
	€	€
<i>Development Loan</i>		
Carrying amount as at January 1	18,154,583	-
Funds withdrawn	-	18,075,349
Interest addition	1,815,459	79,234
Subordination	-19,970,042	-
Long-term part as at December 31	-	18,154,583

This loan of € 18,075,349 is granted by STAK Windpark Zeewolde B.V.. This loan has been subordinated upon achieving financial close.

Equity Close Loan

Carrying amount as at January 1	11,238,677	-
Funds withdrawn	25,791,890	11,077,060
Interest addition	3,703,057	161,617
Subordination	-40,733,624	-
Long-term part as at December 31	-	11,238,677

This loan of € 36,868,950 is granted by STAK Windpark Zeewolde B.V.. This loan has been subordinated upon achieving financial close.

	12/31/2020	12/31/2019
	€	€
Loans		
Project Facility Loan	84,921,263	-

	2020	2019
	€	€
<i>Project Facility Loan</i>		
Carrying amount as at January 1	-	-
Funds withdrawn	88,050,842	-
Financing cost	-3,230,742	-
Amortization	101,163	-
Long-term part as at December 31	<u>84,921,263</u>	<u>-</u>

This loan of € 88,050,842 is granted to finance the development of a wind farm. Redemptions are paid during a period of 15 years. The effective interest rate is 2.30%. Repayment is by means of quarterly instalments in accordance with the amortization schedule. First repayment is due on the maturity date, meaning the earlier of the date falling 90 days after completion or 90 days after Backstop Project Completion (31 December 2022). The remaining number of instalments are 57.

As of December 31, 2020 an amount of € 84,921,264 of the loans have a residual term longer than five years.

18. Current liabilities

	12/31/2020	12/31/2019
	€	€
Repayment obligation long-term debt		
Loans	<u>-</u>	<u>13,000</u>
Trade creditors		
Creditors	<u>290,078</u>	<u>1,057,361</u>
Taxes and social securities		
Pay-roll tax	<u>10,057</u>	<u>8,743</u>
Other liabilities and Accruals and deferred income		
Accruals and deferred income	<u>4,873,010</u>	<u>4,431,522</u>
Accruals and deferred income		
Reserve holiday allowance	11,862	8,132
Other liabilities	<u>4,861,148</u>	<u>4,423,390</u>
	<u>4,873,010</u>	<u>4,431,522</u>

NON-RECOGNISED ASSETS AND LIABILITIES AND CONTINGENT ASSETS EN LIABILITIES

Unprocessed allowances

Tax entity

The company constitutes a tax entity for corporate income tax with Windpark Zeewolde B.V. and other group companies; consequently the company is severally liable for the resulting debts.

SDE subsidy

The Rijksdienst voor Ondernemend Nederland (RVO) issued Windpark Zeewolde B.V. at January 18, 2018, December 27, 2018 and at February 13, 2019 a granted subsidy for the 83 wind turbines to be built. At May 15, 2020 RVO granted one year extension for the commissioning period for the wind turbines. The subsidy is paid per wind turbine in the form of a fee per MWh produced. This is an important part of the income during the operational phase of the Wind Farm.

Unprocessed obligations*Principal action project developers*

On May 14, 2020, project developers issued a writ of summons to the State, the Province of Flevoland, the Municipality of Zeewolde, the Zuiderzeeland Water Board and Windpark Zeewolde B.V. These project developers are landowners in the area of the Zeewolde Wind Farm. They intend to build housing in the area and believe that the realisation of the Wind Farm will interfere with their plans. They have therefore objected to all decisions taken so far (RIP, permits, obligation to tolerate) without success. All claims in each procedure have been rejected in their entirety.

Main claims in this case are

- A declaration for justice that the Public Authorities have assigned a scarce right to WPZ in violation of the law;
- A declaration for justice that this is unlawful towards the project developers and that the "involved" Defendants are jointly and severally liable for the damages suffered by Project Developers as a result

All claims are brought against both the Governments and WPZ.

The likelihood of the Project Developers' claims against WPZ being allowed is estimated to be low. An injunction against (further) implementation of the project, or an order to "redress" the alleged unlawful conduct, does not seem likely. Even if there were unlawful conduct, the case would seem to resolve itself in damages. For the time being it is not clear what damage Project Developers would suffer exactly. If there is damage that can be compensated to the Project developers, it remains to be seen whether WPZ will be ordered to pay (part of) this damage. In the unlikely event that WPZ is found jointly and severally liable with the public authorities, a discussion will have to be held about the question which part should be borne by WPZ. Without a court ruling this question cannot be answered at this stage.

Full notice to proceed

A limited notice to proceed has been issued by Windpark Zeewolde B.V. regarding the infrastructure for the amount of 82,365,740 (Invoiced 43,431,059). The obligation for less than a year is 36,657,610, the obligation for more than one year is 2,277,071.

A limited notice to proceed has been issued by Windpark Zeewolde B.V. regarding agreed changes for the infrastructure for the amount of 29,436,747 (Invoiced 17,239,610). The obligation for less than a year is 5,294,875, the obligation for more than one year is 6,902,262.

A limited notice to proceed has been issued by Windpark Zeewolde B.V. regarding the turbines for the amount of 242,048,265 (Invoiced 43,037,891). The obligation for less than a year is 150,915,000, the obligation for more than one year is 48,095,374.

A limited notice to proceed has been issued by Windpark Zeewolde B.V. regarding the VTW switchgear for the amount of 301,273 (Invoiced 0). The obligation for less than a year is 225,000, the obligation for more than one year is 76,273.

There are no obligations longer than 5 years.

Long-term financial obligations

Rental commitments

There is a multi-year rent agreement with regard to the business premises in use at the company business premises entered into with Countus Groep B.V. The rental obligation for less than a year is € 47,232 and the obligation for more than one year is € 0.

There is a multi-year rent agreement with regard to the business premises "De Ruit" entered into with Omroepmasten B.V. The rental obligation for less than a year is € 23,350 and the obligation for more than one year is € 5.838.

There is a multi-year rent agreement with regard to the printer entered into with Canon. The rental obligation for less than a year is € 1.344 and the obligation for more than one year is € 0.

There is a multi-year rent agreement with regard to the port in Lelystad entered into with Provincie Flevoland. The rental obligation for less than a year is € 113.963 and the obligation for more than one year is € 0.

PPA

Windpark Zeewolde B.V. has entered into a power purchase agreement to sell and deliver the energy output and guarantees of origin. The agreement ends 31st December following the 16th anniversary of the Completion date.

The PPA covers the total energy output for the full SDE+ term plus the construction period and transfers the balancing responsibility to Vattenfall. Pricing of the energy output is mirrored by the SDE+ market price mechanism to reduce the pricing risk on the Project's revenues.

Right of superficies

During 2019 Windpark Zeewolde B.V. has entered into several agreements with landowners to procure right of superficies during the building and operating period of the windturbines.

Regarding the rights of superficies, the landowner will be paid € 0.4 million annually until commissioning. The landowners will be paid an amount per MWh annually after the Turbines have been commissioned, based on the expected production. Based on the 2019 price level, the annual fee is expected to be € 2.3 million. Obligations longer than 1 year 50,041,761 of which 40,033,409 longer than 5 years.

Remediation agreements

During 2019 Windpark Zeewolde B.V. has entered into several remediation agreements with owners of whom a windturbine has to be removed in order to complete this project. Compensation will be paid during the period 2021 until 2035.

At project completion a provision will be formed at cash value.

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 110% of the net liability.

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

Term: Project Facility Loan 31-12-2020

Interest revision dates: 6/25/2020

Nominal Interest: 1,792%

Effective interest: 2,300%

Interest rate risk hedged through hedge instruments? Yes

Interest rate swaps

Bank: Rabobank

Notional amount swap: 93,384,242

Long-term debt: 88,050,842

Effective date interest date swap: 6/25/2020

Maturity date interest date swap: 9/30/2022

Variable interest: Euribor 1M

Fixed interest: 0,032%

Mark to market value: -3,194,624

Bank: Rabobank

Notional amount swap: 407,476,665

Long-term debt: 425,517,184

Effective date interest date swap: 9/30/2022

Maturity date interest date swap: 12/31/2036

Variable interest: Euribor 3M

Fixed interest: 0,032%

Mark to market value: -6,206,264

10 Notes to the company profit and loss account 2020**19. Other operating expenses**

	<u>2020</u>	<u>2019</u>
	€	€
<i>Other operating expenses</i>		
Extraordinary expenses Enercon	<u>3,500,000</u>	<u>-</u>

20. Taxes

Movement of deferred tax assets	<u>875,000</u>	<u>-</u>
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Signing of the financial statements*Adoption of the financial statements*

The consolidated and separate financial statements are created and adopted by the management respectively the General Meeting.

Zeewolde, April 01, 2021

Wind4Ind B.V. on their behalf H.R. Sieburgh
Sjoerdsma

VMPT Project&Contract Man. B.V. on their behalf A.J.W. Vrijdag

T.L. Tonkes

M.J. van Es

J. Scheperkeuter

J.A. Veenink

W. Veldboom

C.A.M. Rennen