

WindShareFund II B.V.

**Mariëndaal 8
6861 WN OOSTERBEEK**

Annual report 2021

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1. FINANCIAL STATEMENTS

1.1 Balance sheet as of 31 December 2021

(Before result appropriation)

ASSETS	31 December 2021		31 December 2020	
	€	€	€	€
Fixed assets				
<i>Intangible fixed assets</i>	[1]			
Goodwill		<u>715,348</u>	<u>865,948</u>	
		715,348		865,948
<i>Financial fixed assets</i>	[2]			
Participation in group company		<u>603,184</u>	<u>767,208</u>	
		603,184		767,208
Current assets				
<i>Receivables</i>	[3]			
Receivables from group company		50,000	20,000	
Taxes		184,614	181,946	
Accrued income		<u>-</u>	<u>20,000</u>	
		234,614		221,946
<i>Cash at bank and in hand</i>		4,443		286
Total assets		<u><u>1,557,589</u></u>	<u><u>1,855,388</u></u>	

1.1 Balance sheet as of 31 December 2021

(Before result appropriation)

	31 December 2021		31 December 2020	
	€	€	€	€
LIABILITIES				
Shareholder's equity	[4]			
Issued share capital	100,000		100,000	
Other reserves	(1,530,203)		(1,271,976)	
Result financial year	<u>(424,394)</u>		<u>(233,671)</u>	
		(1,854,597)		(1,405,647)
Non-current liabilities	[5]			
Bonds	2,450,000		2,450,000	
Prepaid income	<u>25,127</u>		<u>30,149</u>	
		2,475,127		2,480,149
Current liabilities				
Accounts payable	3,278		-	
Debts to third party	932,281		759,286	
Other debts	-		100	
Accrued liabilities	<u>1,500</u>		<u>21,500</u>	
		937,059		780,886
Total liabilities		<u>1,557,589</u>		<u>1,855,388</u>

1.2 Profit and loss account 2021

		2021		2020	
		€	€	€	€
Net turnover	[6]	10,000		10,000	
Release prepaid income		5,022		5,036	
			15,022		15,036
Gross operating result			15,022		15,036
Amortisation intangible fixed assets	[7]	150,600		150,600	
General costs		12,709		11,500	
Total operating costs			163,309		162,100
Operating result			(148,287)		(147,064)
Interest and similar expenditure	[8]	(122,693)		(122,744)	
Total financial income and expenditure			(122,693)		(122,744)
Result before taxation			(270,980)		(269,808)
Taxation			-		-
Result after taxation			(270,980)		(269,808)
Share in result of participation	[9]		(153,414)		36,136
Result after taxation			(424,394)		(233,672)

1.3 Notes to the financial statements

General notes

Activities

WindShareFund II B.V. (the 'Company') was incorporated on 5 February 2016. The Company has its statutory seat in Arnhem, the Netherlands and its registered office at Mariëndaal 8, Oosterbeek. The sole shareholder of the Company is WindShareFund B.V., Oosterbeek, the Netherlands.

The actual activities are carried out at Mariëndaal 8, Oosterbeek.

Going concern

The current equity of the Company shows a negative net equity. This is primarily due to the initial start-up costs and the depreciation of the goodwill paid on the investment in the Company's subsidiary. The accounts were drawn up on a going concern basis since the investment in the Company's participation is expected to generate positive cash flow, income, and an expected positive result on the sale of the Company's subsidiary in due course. In addition, the shareholder has issued a letter of support for a period of at least 12 months after the date of these financial statements. These measures combined should enable the Company to operate on a going concern basis.

Legal form and registration number at the chamber of commerce

WindShareFund II B.V., a limited liability company, has been registered at the Chamber of Commerce under file number 65276809.

Group relationships

Consolidated accounts have not been prepared as permitted by Article 407, Part 9, Book 2 of the Dutch Civil Code.

Estimates

In applying the principles and policies for drawing up the financial statements, the management of the Company makes different estimates and judgments that may be essential to the amounts disclosed in the financial statements. If it is necessary in order to provide the transparency required under art. 362, sub 1, book 2 of the Dutch Civil Code the nature of these estimates and judgments, including related assumptions, is disclosed in the Notes to the relevant financial statement item.

General accounting policies

General

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

1.3 Notes to the financial statements

Comparison with previous year

The valuation principles and method of determining the result are the same as those used in the previous

ACCOUNTING POLICIES APPLIED TO THE VALUATION OF ASSETS AND LIABILITIES

Intangible fixed assets

Intangible fixed assets are stated at historical cost less amortisation. Impairments are taken into consideration; this is relevant in the event that the carrying amount of the asset (or of the cash-generating unit to which the asset belongs) is higher than its realisable value.

Goodwill

Goodwill resulting from acquisitions is capitalised and amortised on a straight-line basis over the estimated economic life.

Negative goodwill is released in the income statement to the extent that charges and losses occur, if it is taken into account in the allocation of the acquisition and these charges and losses can be measured reliably. If expected charges and losses have not been taken into account, the negative goodwill is released based on the weighted average of the remaining life of the acquired amortisable assets. Insofar as the negative goodwill exceeds the fair value of the non-monetary assets identified, the surplus is recognised directly in the income statement.

Financial fixed assets

Participations

Participations, over which significant influence can be exercised, are valued according to the net asset value method. In the event that 20% or more of the voting rights can be exercised, it may be assumed that there is significant influence.

The net asset value is calculated in accordance with the accounting principles that apply for these financial statements; with regard to participations in which insufficient data is available for adopting these principles, the valuation principles of the respective participation are applied.

If the valuation of a participation, based on the net asset value, is negative, it will be stated at € 1. If and insofar as the company can be held fully or partially liable for the debts of the associate, or has the firm intention of enabling the participation to settle its debts, a provision is recognised for this.

Newly acquired associates are initially recognised on the basis of the fair value of their identifiable assets and liabilities at the acquisition date. For subsequent valuations, the principles that apply for these financial statements are used, with the values upon their initial recognition as the basis.

The amount by which the carrying amount of the group company has changed since the previous financial statements as a result of the net result achieved by the associate is recognised in the income statement.

1.3 Notes to the financial statements

Accounts receivable

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 banks 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.

Non-current liabilities (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, 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 income statement 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, 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 Profit or loss is determined taking into account the recognition of unrealised changes in fair value of investment property, securities included in current assets and derivative financial instruments not designated as hedging instruments.

Revenue recognition

General

Net turnover comprises the income from the supply of services.

Costs

Costs are determined on a historical basis and are attributed to the reporting year to which they relate.

Amortisation of intangible fixed assets

Intangible assets, including goodwill, are amortised over their estimated useful lives.

1.3 Notes to the financial statements

Financial income and expense

Interest income and interest expenses

Interest income and expenses are recognised on a pro rata basis, taking account of the effective interest rate of the assets and liabilities to which they relate. In accounting for interest expenses, the recognised transaction expenses for loans received are taken into consideration.

Income tax

Corporate income tax is calculated at the applicable tax rates based on the result before taxation shown in the Profit and loss account and taking into account tax allowances and tax adjustments. Deferred tax assets arising from tax loss carry forwards are only recognised if recovery is reasonably certain.

Result from participations (valued at net asset value)

The result is the amount by which the carrying amount of the participation has changed since the previous financial statements as a result of the earnings achieved by the participation to the extent that this can be attributed to the company.

1.4 Notes to the balance sheet

ASSETS

FIXED ASSETS

Intangible fixed assets [1]

A summary of the movements of intangible fixed assets is given below:

	<u>Goodwill</u>
	€
Acquisition value	1,167,147
Accumulated amortisations	<u>(301,199)</u>
Book value as of 1 January	<u>865,948</u>
Amortisations for the year	<u>(150,600)</u>
Movements 2021	<u>(150,600)</u>
Acquisition value	1,167,147
Accumulated amortisations	<u>(451,799)</u>
Book value as of 31 December	<u>715,348</u>

Amortisation percentages:

Goodwill 12.9%

Goodwill on the Company's partnership in Windpark Tiefenbrunnen I GmbH & Co. KG ("KG") was only recognised as of 31 December 2018 and based on the difference between the price paid to the previous partner and the net equity value as of 31 December 2018, minus repayments from the KG's capital and results for 2018. The net equity value was not determined at the moment of the purchase. Goodwill was not amortised during the financial year 2018. Amortisation started as of 1 January 2019 until 1 October 2026.

1.4 Notes to the balance sheet

Financial fixed assets [2]

Participation in group company

Participation in group company is as follows:

Name	Place of business	Share in capital	Equity last annual accounts (100%)	Result last annual accounts (100%)
		%	€	€
Windpark Tiefenbrunnen I GmbH & Co. KG	Walddorf-häslach, Germany	44	1,370,873	(348,668)
			31-12-2021	31-12-2020
			€	€

Participation in group company

Windpark Tiefenbrunnen I GmbH & Co. KG

	603,184	767,208
	2021	2020
	€	€
<i>Windpark Tiefenbrunnen I GmbH & Co. KG</i>		
Value as of 1 January	767,208	724,862
Accumulated provision as of 1 January	36,136	-
Net asset value as of 1 January	803,344	724,862
Other movements	(46,746)	6,210
Share in result	(153,414)	36,136
	603,184	767,208
Withdrawal from partner's capital in KG	-	-
Value as of 31 December	603,184	767,208

CURRENT ASSETS

Receivables [3]

	31-12-2021	31-12-2020
	€	€
Receivables from group company		
Receivable from Windpark Tiefenbrunnen I GmbH & Co. KG	50,000	20,000

1.4 Notes to the balance sheet

LIABILITIES

SHAREHOLDER'S EQUITY [4]

	2021	2020
	€	€
Issued share capital		
Value as of 1 January	100,000	100,000
Value as of 31 December	<u>100,000</u>	<u>100,000</u>

The share capital amounts to € 100,000, divided into 1,000 shares with a face value of € 100. The issued share capital amounts to € 100,000.

	2021	2020
	€	€
Other reserves		
Value as of 1 January	(1,271,976)	(1,006,649)
Result prior period	(233,671)	(271,537)
Adjustments prior year	(24,556)	6,210
Value as of 31 December	<u>(1,530,203)</u>	<u>(1,271,976)</u>

The 'Adjustments prior year' mainly relate to adjustments management had to make to the valuation of the Company's participation.

Proposed appropriation of result for the financial year 2021

The board of directors proposes to the general meeting that the result for the 2021 financial year, amounting to € -424,394, should be transferred fully to other reserves and that no dividend should be paid.

The retained part of the result for the year 2021 is € 0.

NON-CURRENT LIABILITIES [5]

	31-12-2021	31-12-2020
	€	€
Bonds		
Issued WindShareFund ClimateBonds	<u>2,450,000</u>	<u>2,450,000</u>

	2021	2020
	€	€
<i>Issued WindShareFund ClimateBonds</i>		
Principal amount	2,450,000	2,450,000
Relay prior financial years	-	-
Value as of 31 December	<u>2,450,000</u>	<u>2,450,000</u>

1.4 Notes to the balance sheet

During 2017, the Company issued 4,900 WindShareFund ClimateBonds with a nominal value of € 500 per bond, totaling a nominal amount of € 2,450,000. The interest on the bonds amounts to 5%, fixed for the period of the bond loan, which runs until 1 October 2026. The Company will repay the bonds over the course of the term, when the investment in its participation is sold, or at the end of the term in 2026.

The interest percentage remains unchanged over the period of the loan. Since management believes that the interest percentage is in conformity with that of comparable bonds, no premium or discount calculations on the value of the bond loan were taken into account.

As a security for these bonds, a right of mortgage was set on the wind turbine, owned by the Company's participation, in rank immediately after the right of mortgage for the bank loan as issued to the Company's participation. The right of mortgage is issued to Stichting WindShareFund II ClimateBondHolders.

	<u>31-12-2021</u>	<u>31-12-2020</u>
	€	€
Prepaid income		
Emission costs on ClimateBonds	<u>25,127</u>	<u>30,149</u>

With the subscription on ClimateBonds, bond holders paid an additional amount of € 49,000. This amount represents the emission costs that were calculated (2% of the total ClimateBonds). The amount for the emission costs is released over the period of the ClimateBonds to the Company's income.

1.5 Notes to the profit and loss account

	<u>2021</u>	<u>2020</u>
	€	€
Net turnover [6]		
Management fees	<u>10,000</u>	<u>10,000</u>
Release prepaid income		
Release emission costs	<u>5,022</u>	<u>5,036</u>
Depreciation intangible fixed assets [7]		
Goodwill	<u>150,600</u>	<u>150,600</u>
Financial income and expenditure		
Interest and similar expenditure [8]		
Interest expense issued bonds	122,438	122,500
Bank charges	<u>255</u>	<u>244</u>
	<u>122,693</u>	<u>122,744</u>
Share in result of participation [9]		
Share in result on limited partnership in Windpark Tiefenbrunnen I GmbH & Co. KG	<u>(153,414)</u>	<u>36,136</u>

Oosterbeek, 7 December 2022
WindShareFund II B.V.

WindShareFund N.V.