

Wind Enterprise P/S

Annual Report for
30 November 2020 –
31 December 2021



Wind Enterprise P/S
CVR 41896159
Byholm Søpark 21e
DK - 8700 Horsens

Table of Contents

Contents

MANAGEMENT REVIEW	2
STATEMENT BY THE BOARD OF DIRECTORS AND EXECUTIVE MANAGEMENT	10
INDEPENDENT AUDITOR'S REPORT	11
FINANCIAL STATEMENTS AND FINANCIAL REVIEW	13
NOTES TO THE FINANCIAL STATEMENTS	17

Management Review

About Wind Enterprise P/S

Name:	Wind Enterprise P/S
Address:	Bygholm Søpark 21e DK - 8700 Horsens
Registration number:	41 89 61 59
Established:	30 November 2020
Registered office:	Horsens, Denmark
Financial year:	1 January – 31 December
Board of Directors:	Lars Thorsgaard Jensen, Chairman Jacob Østergaard Bergenholtz Thorsten Henrik Jalk
Executive management:	Thorsten Henrik Jalk
Auditors:	BDO Statsautoriseret revisionsaktieselskab Jeppe Aakjærs Vej 10 DK - 9500 Hobro

Wind Enterprise P/S is a fully owned subsidiary of ZITON A/S. The sole purpose of Wind Enterprise P/S is to own and enter into customer contracts with vessel J/U WIND ENTERPRISE. Wind Enterprise P/S was established in November 2020.

On 18 December 2020, Wind Enterprise P/S' parent company ZITON A/S exercised its call option to purchase J/U WIND ENTERPRISE, partly by issuing new shares to the seller of the vessel equivalent to EUR 10.0m. J/U WIND ENTERPRISE was purchased for EUR 42.5m, of which EUR 32.5m was cash and EUR 10.0m shares in ZITON A/S.

The purchase of the vessel was financed by establishing Wind Enterprise P/S as a wholly owned subsidiary of ZITON A/S. The EUR 10.0m in new capital was transferred into Wind Enterprise P/S as subordinated capital. Wind Enterprise P/S purchased the vessel J/U WIND ENTERPRISE and is the counterpart to Siemens Gamesa Renewable Energy ("SGRE") under the SGRE time charter contract of 3 years and 8 months ("SGRE contract") from 1 March 2021 to 31 October 2024.

Wind Enterprise P/S has no employees, but an operational support agreement with ZITON A/S for the performance of all services related to sales, technical management, maintenance costs, operations, crewing, administration etc. The structure was set up to provide new bondholders with strong security as cash flows from the SGRE long-term charter and security in the vessel J/U WIND ENTERPRISE is ringfenced into Wind Enterprise P/S. This enabled Wind Enterprise P/S to issue a bond loan of EUR 35.0m to finance the cash payment to the seller of J/U WIND ENTERPRISE as well as for general corporate purposes in Wind Enterprise P/S.

Information in this report

The information provided in this Annual Report is submitted in accordance with the Bond Agreement for Wind Enterprise P/S EUR 35,000,000 Senior Secured Callable Bonds 2020/2024 (ISIN NO001091126)

Contract overview

On 17 December 2020, Siemens Gamesa Renewable Energy (SGRE) and Wind Enterprise P/S signed a time charter of 3 years and 8 months from 1 March 2021 to 31 October 2024 for J/U WIND ENTERPRISE (SGRE long-term charter).

The time charter was initiated on 1 March 2021. As customary for time charter contracts, SGRE will pay a fixed time charter rate and pay for variable OPEX-related costs during the tenor of the time charter. SGRE will take on the full weather risk and risk of bunker fuel while Wind Enterprise P/S will be responsible for operational uptime of the vessel.

Vessel operations

The vessel entered into the SGRE long-term charter on 1 March 2021 and continues to operate successfully on the time charter with limited off-hire days.

On 18 December 2020, Wind Enterprise P/S' parent company ZITON A/S exercised its purchase option to acquire J/U WIND ENTERPRISE. ZITON's purchase of the vessel was closed in January 2021. On 1st March 2021, Wind Enterprise P/S purchased the vessel from its parent company.

During January and February 2021, J/U WIND ENTERPRISE completed its 10-years dry-dock surveys and repairs to maintain the vessel in good condition to avoid unexpected off-hire days going into the SGRE long-term charter on 1st March 2021. During the stay in the dry dock various damages to the legs and the jetting system were discovered. In order to avoid conditions of class, these critical conditions were repaired. As it was not possible to detect these damages before the vessel was in dry dock, the cost of the docking stay exceeded the budgeted cost of 1.6 MEUR by 1.0 MEUR. According to the operational support agreement between ZITON A/S and Wind Enterprise P/S, ZITON A/S will be reimbursed when the cash generation can cover the additional Capex. The vessel entered into the SGRE long-term charter on 1 March 2021.

Utilisation rate

The utilisation rate for 2021 was at 77%, reflecting that the vessel was not operational for the first two months of 2021 as the vessel completed its 10-years dry-dock surveys and repairs. From 1 March 2021, the vessel has been on time charter with SGRE within limited off-hire days. However, SGRE converted contractual mobilisation days to a free monthly charter day during the last ten months of 2021.

2021 performance review

We provided initial guidance for 2021 to the bondholders on 3 December 2020 in connection with issuance of EUR 35m bond in Wind Enterprise P/S. Initial guidance was for EBITDA for 2021 of EUR 7-9m. During the first two months of 2021, OPEX was accounted for by the parent company, consequently, the EBITDA guidance was increased by EUR 1m from EUR 7-9m to EBITDA in the range of EUR 8-10m in connection with release of the Q1 2021 interim report.

EBITDA for the full year 2021 ended the year at EUR 7.7m, slightly below the most recent guidance EBITDA of EUR 8-10m.

Outlook for 2022

The outlook for 2022, is based on the key assumptions that J/U WIND ENTERPRISE will continue to operate successfully on the SGRE time charter with limited off-hire days. The guidance for 2022 is for EBITDA in the range of EUR 8-10m.

Addressing parent company's capital structure

Bonds issued by Wind Enterprise P/S holds security in cash flows from the SGRE long-term charter and security in the vessel J/U WIND ENTERPRISE. However, Wind Enterprise P/S's parent company ZITON A/S provides the company with operational support for of all services related to sales, technical management, maintenance costs, operations, crewing, administration etc. Therefore, Wind Enterprise P/S, is dependent upon having a financially viable parent company. During the last years, ZITON's balance sheet deteriorated as operational earnings declined. As communicated in earlier stock exchange announcements dated 31st March, 29th April and 1st June 2022, ZITON A/S

("ZITON") and its majority shareholder have had ongoing discussions with holders of its financial indebtedness to reach a solution for a long-term and viable capital structure.

The parties have reached an agreement in principle and have entered into a lock-up agreement, subject to certain conditions precedent and regulatory approvals, to execute a transaction which will significantly improve the capital structure and liquidity of ZITON. The proposed transaction includes an extension of maturities of the first and second lien bond by 24 months, equitization of EUR 37m in subordinated debt and EUR 13.2m in incremental liquidity (EUR 10m in new second lien bonds, plus a waiver of amortisation and capitalisation of first lien interest totalling EUR 3.2m). EUR 3m of the new liquidity will be applied towards repayment of part of the second super senior working capital facility. Subject to satisfaction of the conditions and obtaining regulatory approvals, the debts of certain consenting creditors of ZITON will be partly or fully converted into equity, resulting in those creditors acquiring ~90% of the post-restructured ordinary equity of ZITON, and 100% of the preferred equity, subject to certain dilution. Following the transaction, proforma equity would be approximately EUR 10m and the controlling shareholder would be Permira Credit Solutions III Sub Master Euro S.à.r.l..

The contemplated changes for bonds issued by ZITON A/S and Wind Enterprise P/S are listed below.

Implications for first lien bond holders in ZITON A/S (ISIN: NO0010832488 & NO0010878598)

- Maturity of the bonds to be extended by 24 months to 3 October 2024
- Certain covenant amendments and waivers, including a change of control waiver and the replacement of the subordinated capital ratio with a minimum EBITDA covenant of EUR 16.25m.
- One quarter's interest payment to be paid-in-kind and EUR 1.25m of the April 2022 amortisation to be waived
- Additional 1% margin, paid-in-kind upon repayment of the bonds
- Consent fee of 0.5% of first lien bonds held to be paid in cash for consenting first lien bondholders at the restructuring date
- Warrants for 10% of the value exceeding a total enterprise value of EUR 235m to be shared pro rata amongst consenting first lien bondholders at the restructuring date

Implications for second lien bond holders in ZITON A/S (ISIN: NO0010832512)

- Maturity of the bonds to be extended by 24 months to 3 April 2025
- Certain covenant amendments and waivers, including a change of control waiver the replacement of the subordinated capital ratio with a minimum EBITDA covenant of EUR 16.25m.
- Reduction of interest by 3.85% to Euribor + 9.0%
- Issuance of a pari passu incremental second lien bond in an amount of EUR 10.0m as cash injection into the company which will be provided by certain parties to the lock-up agreement

Implications for first lien bond holders in Wind Enterprise P/S (ISIN: NO0010911126)

First lien bondholders in Wind Enterprise P/S are expected to receive summons for a bondholders' meeting during the next few weeks. The main proposals of the bondholders' resolution relate to certain covenant amendments and waivers, including a change of control waiver and a loosening of the interest coverage ratio covenant.

Knowledge resources

Wind Enterprise P/S has no employees, but an operational support agreement with ZITON. It is essential for ZITON Group's continued growth to attract and maintain highly skilled labour to carry out efficient operations of the vessels and commercial people with good relationships in the industry.

Research and development activities

The company does not undertake any research and development activities. The focus of the company is to support its customers within O&M activities for offshore wind farms.

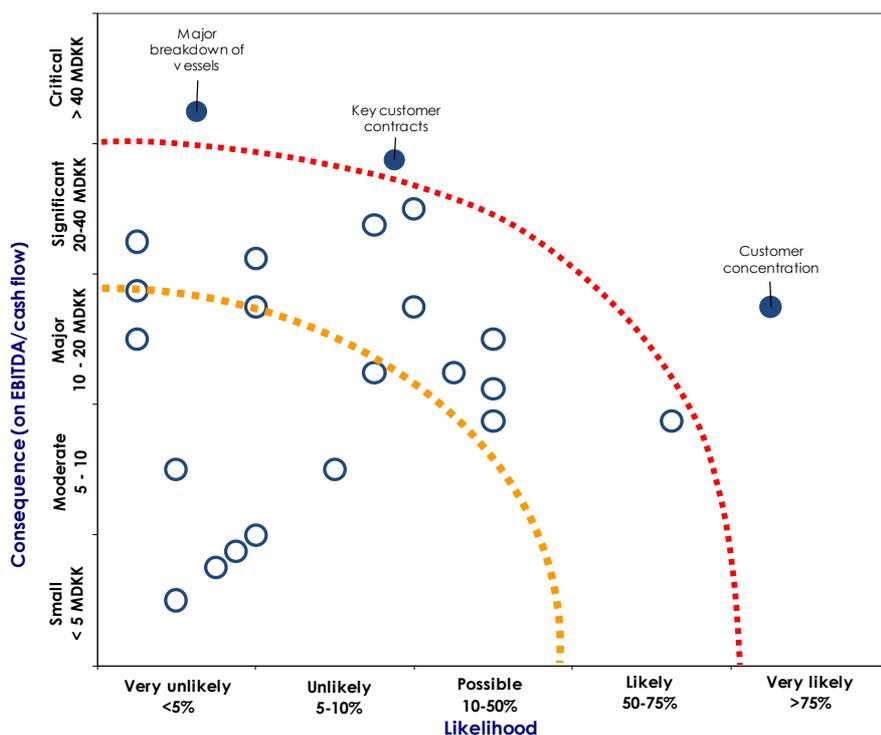
General risks and uncertainties

Risk management process

At regular board meetings the Board of Directors assess and discuss main changes to key risks. Depending on their origin, risk factors are categorised as strategic, operational, financial or compliance risk.

Risk heat map

To help visualise risks and opportunities, we prepare a heat map to illustrate the net risks after possible mitigation. Risk is defined as the combination of the likelihood of an event occurring and its consequences (defined as the impact on EBITDA and/or cash flow). The risks beyond the dotted red line are assessed to be the most significant risks to which the Company is exposed.



Evaluation of main risks

The Board of Directors has reviewed the risk assessment. The three most important risk factors shown in the risk heat map are elaborated upon below.

Risk factors	Possible causes	Potential consequences	Ensuing mitigation
Major breakdown of vessels	<ul style="list-style-type: none"> Breakdown of J/U WIND ENTERPRISE can range from a breakdown that can be resolved within a couple of weeks to a total loss. A major breakdown could for example be caused by damage to the jacking system or the crane, in practice making the vessel in operational. A breakdown of the vessel can occur for multiple reasons including, but not limited to, extremely harsh weather, punch through a hard crust while jacking, broken wire in the crane, malfunction of the electrical system or software of the jacking system etc. 	<ul style="list-style-type: none"> A major breakdown of J/U WIND ENTERPRISE involves the suspension of hire for the vessel, and SGRE will have the option to terminate the contract early if the vessel is not operational for some weeks 	<ul style="list-style-type: none"> The company is insured against vessel total loss and breakdowns. The latter, however is limited to a few months of cover. The company performs preventive maintenance on mechanical parts on the vessels, and has certain levels of redundancy build into the design of vessels

Key customer contracts	<ul style="list-style-type: none"> The company relies on being able to fulfil contracts with its key customers to secure future revenue. Inability to meet requirements of contracts with key customers will have material consequences for the company's cash flows. In the medium to long term, the company relies on the extension of existing contracts and on winning new contracts 	<ul style="list-style-type: none"> SGRE may terminate contract with minimum 30 days' notice against paying a compensation in the amount of 6 months hire. 	<ul style="list-style-type: none"> The time charter with SGRE expires in October 2024. Thus, it is a long-term contract with predictable revenue in the coming years with a substantial compensation amount to the company if the contract is cancelled
Customer concentration	<ul style="list-style-type: none"> The time charter contract with SGRE is for the company's only vessel J/U WIND ENTERPRISE and therefore SGRE accounts for all of the company's revenue 	<ul style="list-style-type: none"> With only one customer there is a risk that the company will be a price taker with downward pressure on prices 	<ul style="list-style-type: none"> The time charter with SGRE is for a fixed price for the duration of the contract, thus mitigating the effect of customer concentration

The Board reviewed the potential impact of "Brexit". Brexit has so far not prevented ZITON from operating efficiently in the UK, and management does not foresee that to occur going forward.

The Board reviewed the potential impact of the virus that is causing the COVID-19 disease. The potential impact on the company is that vessel crews are quarantined and not allowed or able to operate the vessels because someone from the crew has been infected, or delays caused by other parties in the value chain beyond the control of the company. A number of precautions has been taken to avoid quarantine of vessel crews, which are based on the recommendations from relevant authorities, and we are continuously informing and subcontractors of any changes in the recommendations. Further, the level of immunity has been substantially increased in the geographical areas where J/U WIND ENTERPRISE operates.

The Board reviewed the potential impact from current geopolitical turmoil on bunker prices and other supply chain issues. In general, the lead time for procurement of certain spare parts has increased, but we have generally been able to keep unchanged maintenance standards on our vessel. Further, higher bunker prices have had no effect on the company as SGRE' time charter of the vessel involves that SGRE pay for bunker and other variable costs.

High dependence of the parent company ZITON A/S

The company is dependent on the work to be performed by ZITON A/S under the operational support agreement in order for the company to perform under the SGRE contract incl. financial viability of the ZITON A/S. Thus, the company is exposed to risks related to ZITON's performance level as the company itself has no employees, and instead has this operational support agreement with ZITON A/S for the performance of all services related to sales, technical management, maintenance costs, operations, crewing, administration etc. Consequently, if ZITON fails to perform under the operational support agreement, the company will be unable to operate. During 2021, there has been no interruptions to the services provided by ZITON to the company according to the operational support agreement between the two parties.

Impact on the external environment

Environment, Social & Governance ("ESG") is a strategic objective for the ZITON Group and is key to its ability to create long-term value for its shareholders. The Group operates within the offshore wind industry. Offshore wind is expected to play an important role in the transition to a low-carbon and climate-resilient economy. For ZITON Group and the Company the offshore wind industry provides important climate-related opportunities for growth as the number of turbines installed in northern Europe is expected to continue to increase in the foreseeable future.

Climate impact

ZITON and the company maintains a DNV-GL-certified Ship Energy Efficiency Management Plan (“SEEMP”) to optimise fuel consumption with a view to keeping energy consumption as low as possible, making our vessels less harmful to the environment compared to many of the other vessels in the market.

ZITON’s consumption of fuel is aligned with Annex VI of the MARPOL 73/78 convention, which effective from 1 March 2020 specifies a maximum sulphur content outside of the Emission Control Areas of 0.5%, while the maximum content allowed inside the areas has been 0.1% since 2015. The Baltic Sea and the North Sea are both part of an Emission Control Area, while the Irish Sea is the only one of ZITON’s primary markets, which is not within such an area. To be able to work in the Baltic Sea and the North Sea, ZITON has been using Marine Gas Oil both before and during the entire measurement period. Marine Gas Oil is a clean fuel with a sulphur content below the maximum limit of 0.1%. The engines on all ZITON’s vessel also complies with the NO_x control requirements of Annex VI’s regulation 13.

CO₂, NO_x and SO_x emissions are monitored in accordance with the BIMCO Shipping KPI system. CO₂ emissions from J/U WIND ENTERPRISE decreased slightly to 11,733 tonnes in 2021, while NO_x decreased to 201,971 and SO_x decreased to 3,672 kilograms – in all cases more or less equal to the level from 2020, which was due to the same number of interventions being completed in both years.

	2020	2021
CO ₂ emission from vessels (Tonnes CO ₂)	12,001	11,773
CO ₂ emission per intervention (Tonnes CO ₂ / interventions)	522	512
NO _x emission from vessels (Kilograms NO _x)	205,874	201,971
NO _x emission per intervention (Kilograms NO _x / interventions)	8,951	8,781
SO _x emission from vessels (Kilograms SO _x)	3,743	3,672
SO _x emission per intervention (Kilograms SO _x / interventions)	163	160

	2020	2021
Water consumption on vessels (Cubic metres water)	2,051	2,305

Water consumption on the J/U WIND ENTERPRISE increased in 2021, due to more people onboard the vessel with SGRE’s staff. Most of our water consumption is for cleaning purposes onboard the vessels, while relatively small amounts are used in kitchens and for bathing. ZITON employs a policy of keeping water consumption at a level as low as possible, and our sewage and waste water policy is part of Annex IV of the MARPOL 73/78 convention, which all crew members are made aware of.

Environmental impact

ZITON on behalf of the Company maintains an environmental policy specifying the objective to prevent environmental spills including oil, ballast water, garbage, etc. Our environmental policy is tested regularly through port stay controls performed by the maritime authorities of the country in question. Inspections are performed to check a vessel’s certificates, its general condition as well as its compliance with various regulations including environmental regulations. If a vessel is not compliant with the regulations, the maritime authorities can place it in detention until the issue is resolved. ZITON Group has had zero detentions during the past five years and the Company has had zero detentions since the Company’s inception. Accidental fuel oil and hydraulic oil spills is an important environmental issue. ZITON Group uses biodegradable hydraulic oil so as not to harm the environment in case of accidental spills. J/U WIND ENTERPRISE has had no spills in 2021, and we target zero oil spills going forward.

Ballast water management violations are increasingly subject to scrutiny by maritime authorities due to the negative impact on the environment if ballast water from one biological area is emptied into other waters. ZITON Group has had zero ballast water violations during the past five years and the Company has had zero violations since the Company's inception.

Our policy for garbage management aims to minimise the production of waste onboard our vessels and also at our office premises. Our garbage management policy is part of Annex V of the MARPOL 73/78 convention. The policy stresses, among other things, that the volume of packaging brought on board our vessels must be kept at an absolute minimum, and where packaging is imperative, we prefer two-way-packaging or recyclable material. All crew members must be fully familiar with the content of the ZITON Group garbage management policy. Crew members are required to sign a statement confirming that they have familiarised themselves with and fully understand the garbage management policy. ZITON Group has had zero garbage disposal violations during the past five years and the Company has had zero violations since the Company's inception.

Respect for Human right

Within the area of human rights and labour, the company maintains a policy of not employing people under the age of 18 onboard the company's vessels. The aim is to avoid people under the age of 18 performing hazardous work when working for the company. We have been certified to the Maritime Labour Convention by the Danish Maritime Authority. We enforce this policy for all work carried out onboard our vessels by our own employees and by those of our suppliers or subcontractors. As in previous years, the policy was successfully applied in 2021, as no direct employees or employees of suppliers or subcontractors under the age of 18 worked on our vessels during the year.

Anti-bribery and anti-corruption

The company maintains an anti-bribery and anti-corruption policy. The aim is to conduct our business in a lawful and ethical manner with integrity towards our stakeholders. We enforce this policy mainly by our management promoting our values across our organisation. In addition, we require receipts for all costs consumed and all costs must be approved by a superior to the person consuming the costs. To the best of our knowledge, the policy was successfully applied in 2021 with no indications of bribery or corruption.

Account of the gender composition of management

According to the statutory requirements for gender composition of management in accordance with section 99b of the Danish Financial Statements Act, the requirements are covered by the parent company ZITON A/S's annual report for 2021.

Data ethics policy

According to the statutory requirements for a data ethics policy in accordance with section 99c of the Danish Financial Statements Act, the requirements are covered by the parent company ZITON A/S's annual report for 2021.

Key figures

	2020/21
	EUR '000
Income statement	
Revenue	14,118
EBITDA	7,664
Net financial expenses	-2,848
Income before tax	2,759
Income after tax	2,759
Balance sheet items	
Non-current assets	47,792
Current assets	2,609
Total assets	50,401
Equity	2,812
Equity and subordinated capital	16,012
Current liabilities	8,978
Cash flow	
Net cash flows from operating activities*	10,662
Net cash flows before investment activities*	8,147
Net cash used in investing activities	-49,849
Net cash used/received in financing activities	42,545
Net change in cash and cash equivalents	843
Financial ratios and other key figures	
EBITDA margin	54.3%

2020/2021 is the first full financial year for Wind Enterprise P/S, therefore no figures exist for prior years.

Key ratios have been prepared in accordance with CFA Society Denmark's online version of "Recommendations & Ratios".

Statement by the board of directors and executive management

Management statement

The Board of Directors and the Executive Management have today discussed and approved the Annual Report of Wind Enterprise P/S for the financial year 30 November 2020 to 31 December 2021.

The Annual Report has been prepared in accordance with International Financial Reporting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2021 and of the results of the Company's operations and cash flows for the financial year 30 November 2020 to 31 December 2021.

Further, in our opinion the Management review includes a fair review of the development in the operations and financial matters, of the result for the year, and of the financial position, as well as describing the significant risks and uncertainties affecting the Company.

We recommend that the annual report be adopted at the annual general meeting.

Horsens, 15 June 2022

Executive Management

Thorsten Jalk
CEO

Board of Directors

Lars Thorsgaard Jensen
Chairman

Thorsten Jalk

Jacob Bergenholtz

Independent auditor's report

To the Shareholders of Wind Enterprise P/S

Opinion

We have audited the Financial Statements of Wind Enterprise P/S for the financial year 30 November 2020 - 31 December 2021, which comprise income statement, statement of comprehensive income, balance sheet, cash flow statement, statement of changes in equity, notes and a summary of significant accounting policies. The Financial Statements are prepared in accordance with the International Financial Reporting Standards as adopted by the EU and additional requirements in the Danish Financial Statements Act.

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2021, and of the results of the Company operations and cash flows for the financial year 30 November 2020 - 31 December 2021 in accordance with the International Financial Reporting Standards as adopted by the EU and additional requirements in the Danish Financial Statements Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), together with the ethical requirements that are relevant to our audit of the financial statements in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement on Management Review

Management is responsible for Management Review.

Our opinion on the Financial Statements does not cover Management Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read Management Review and, in doing so, consider whether Management Review is materially inconsistent with the Financial Statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that Management Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of Management Review.

Management's Responsibilities for the Financial Statements

Management is responsible for the preparation of Financial Statements that give a true and fair view in accordance with the International Financial Reporting Standards as adopted by the EU and additional requirements in the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the Financial Statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Hobro, 15 June 2022

BDO Statsautoriseret revisionsaktieselskab
CVR no. 20 22 26 70

Claus Muhlig
State Authorised Public Accountant
MNE no. mne12345

Financial statements and financial review

Income statement and statement of comprehensive income

30 November 2020 – 31 December 2021

	Note	2020/21 EUR '000
Revenue	2	14,118
Operating expenses	3	-4,114
Gross profit		10,004
Administrative expenses	3	-563
Staff costs, office staff	3	-1,777
EBITDA		7,664
Depreciation and amortisation	5	-2,057
EBIT		5,607
Financial income	4	10
Financial expenses	4	-2,857
Income before tax		2,759
Tax on profit (loss)		-
Income for the year		2,759

STATEMENT OF COMPREHENSIVE INCOME	2020/21 EUR '000
30 November 2020 - 31 December 2021	
Income for the year	2,759
Items that will subsequently be reclassified to the income statement when specific conditions are met:	
Exchange adjustments of foreign entities, net of tax	-
Total comprehensive income for the year, after tax	2,759

Review of the income statement for 2021

2020/2021 is first financial year of Wind Enterprise P/S, therefore no comparable figures are presented. The income statement for Wind Enterprise P/S shows revenue of EUR 14.1m for 2021. On 1 March 2021, J/U WIND ENTERPRISE entered into the SGRE time charter contract of 3 years and 8 months, thus full year results reflects that the vessel did not generate any revenue during first two months of the year.

Operating expenses amounted to EUR 4.1m for 2021. Wind Enterprise P/S purchased J/U WIND ENTERPRISE from ZITON A/S on 1 March 2021 from when costs were accounted for in Wind Enterprise P/S. In Q2 2021, OPEX was slightly higher due to one-off costs for initiation of the SGRE long-term charter.

SG&A amounted to EUR 2.3m for 2021. Wind Enterprise P/S has no employees, but an operational support agreement with its parent company ZITON A/S for the performance of all services related to sales, technical management, maintenance costs, operations, crewing, administration etc. According to the terms of the operational support agreement, for these services, ZITON A/S charges Wind Enterprise P/S for 40% of SG&A for ZITON Group.

EBITDA amounted to a profit of EUR 7.7m for 2021, reflecting that the vessel did not generate any revenue and operational costs during first two months of the year.

Depreciation charges amounted to EUR 2.1m for 2021. Financials, net was an expense of EUR 2.8m for 2021. Financial costs are constituted by accrued interest on the EUR 35m first lien bond loan since issued date on 17 December 2020. Income before tax amounted to a profit of EUR 2.8m for 2021.

Balance sheet

as of 31 December

	Note	2021 EUR '000
Assets		
Non-current assets		
Vessel	5	47,792
Non-current assets		47,792
Current assets		
Trade and other receivables	6	1,742
Prepayments		24
Cash and cash equivalents		843
Current assets		2,609
Total assets		50,401
Equity and liabilities		
Equity		
Share capital		54
Retained earnings		2,758
Total equity		2,812
Liabilities		
Non-current liabilities		
Subordinated loan	7-8	13,200
Bond loans, first lien	7-8	25,411
Deferred tax liabilities		-
Total non-current liabilities		38,611
Current liabilities		
Bond loan, first lien	7-8	4,213
Trade and other payables	9	4,765
Total current liabilities		8,978
Total liabilities		47,589
Total equity and liabilities		50,401

Review of the balance sheet end of 2021

The total value of the vessel (incl. fixtures & equipment) amounted to EUR 47.8m at the end of 2021. The total value of the vessel includes the purchase price of J/U WIND ENTERPRISE as well as CAPEX completed by the parent company before Wind Enterprise P/S purchased the vessel, as well as regular CAPEX.

Trade and other receivables amounted to EUR 1.8m at the end of Q4 2021. Receivables are solely related to the SGRE long-term charter.

Equity was at EUR 2.8m because of positive income during the year.

The subordinated loan was at EUR 13.2m and is provided by the parent company consisting of the EUR 10.0m shares issued by ZITON A/S and CAPEX completed by the parent company before Wind Enterprise P/S purchased the vessel.

The first lien bond loan amounted to EUR 29.6m at the end of 2021 as amortisation amounted to EUR 4.5m during 2021.

Trade and other payables amounted to EUR 4.8m at the end of 2021, mainly consisting of payables to the parent company ZITON A/S.

Cash flow statement

as of 31 December

	Note	2020/21 EUR '000
Income before tax		2,759
Operating activities		
Adjustments for non-cash items		
Reversal of financial expenses, net		2,848
Depreciation and writedowns for the period	4	2,057
Other adjustments		-1
Working capital adjustments		
Change in receivables		-1,766
Change in trade payables		4,765
Net cash flows from operating activities		10,662
Financial payments		
Financial payments		-2,515
Net cash flows before investing activities		8,147
Investing activities		
Purchase of vessels	4	-49,849
Net cash used in investing activities		-49,849
Financing activities		
Capital increase		54
Bond loan	7-8	33,806
Subordinated loan from parent	7-8	13,200
Repayment of bond loan		-4,515
Net cash used/received in financing activities		42,545
Net change in cash and cash equivalents		843
Cash and cash equivalents at beginning of period		0
Exchange gains/losses on cash and cash equivalents		0
Cash and cash equivalents at end of period	B/S	843

Review of the cash flow statement

Cash flows from operating activities were an inflow of EUR 10.6m for 2021, driven by positive EBITDA, and working capital adjustments as trade receivables from the SGRE long-term charter are more than offset by payables to the parent company according to the operational support agreement between the two companies.

Financial payments, net amounted to a negative 2.5m for 2021.

Investing activities amounted to EUR 49.8m for 2021 mainly used for purchase of J/U WIND ENTERPRISE as well as CAPEX for the vessel.

Financing activities amounted to a cash net-inflow of EUR 42.5m that we were mainly used for financing the purchase of J/U WIND ENTERPRISE.

Statement of changes in equity

EUR '000	Share capital	Retained earnings	Total equity
Capital increase at 30 November 2020	54	-	54
Total comprehensive income for the year, after tax	-	2,758	2,758
Capital increase	-	-	-
Balance at 31 December 2021	54	2,758	2,812

Share capital

The company was established 30 November 2020 with a capital increase of DKK 400k (EUR 54k). There are no share classes.

Notes to the Financial Statements

1 – Basis of reporting

General information

Wind Enterprise P/S is a partner company incorporated in Horsens, Denmark.

Wind Enterprise P/S is controlled by ZITON A/S, which holds 100% of the share capital in Wind Enterprise P/S and 100% of the share capital in the general partner Green Wind Enterprise ApS. The ultimate parent of the Wind Enterprise P/S is Anpartsselskabet af 1. december 2011.

Wind Enterprise P/S is consolidated in the financial statements of ZITON A/S (registered office: Horsens, Denmark), which is the lowest level of consolidated financial statements, and Anpartsselskabet af 1. december 2011 (registered office: Fredensborg, Denmark), which is the highest level of consolidated financial statements.

The financial statements of Wind Enterprise P/S have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and additional Danish disclosure requirements for annual reports for entities in reporting class C.

The financial statements are presented in EUR thousands (EUR '000).

The financial statements have been prepared on the historical cost basis except for the revaluation of certain financial instruments and balances required to be measured at fair value.

Significant accounting policies adopted in the preparation of these financial statements are disclosed in relevant notes. If no relevant note exists, the accounting policies are listed in this note.

Furthermore, significant accounting judgments, estimates and assumptions used in these financial statements are disclosed in relevant notes. If no relevant note exists, the significant accounting judgments, estimates and assumptions are listed in this note.

ACCOUNTING POLICIES

Functional and presentational currency

Items included in the financial statements of the company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). Although the functional currency for Wind Enterprise P/S is DKK, the consolidated financial statements are presented in EUR because the main financing is in EUR.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year-end exchange rates are generally recognised in profit or loss. They are deferred in equity if they are attributable to part of the net investment in a foreign operation. Foreign exchange gains and losses that relate to borrowings are presented in the income statement under financial income/expenses. All other foreign exchange gains and losses are presented in the income statement on a net basis under revenue or other expenses. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

Income statement

Operational and administrative expenses are based on an operational support agreement with ZITON A/S for the performance of all services related to sales, technical management, maintenance costs, operations, crewing, administration etc. The structure was set up to provide new bondholders with strong security as cash flows from the SGRE long-term charter and security in the vessel J/U WIND ENTERPRISE is ringfenced into Wind Enterprise P/S.

Leases

Where contracts are identified as a lease (time charter), revenue recognition is based on a straight-line basis over the term of the lease period.

The amount of revenue stated in the above table for both the current financial year and the comparable financial year include the agreed time charter rates earned during leases. The lease and service components are recognised as revenue under the same pattern of transfer to customers. A separate disclosure of the lease components and the service income components has not been provided as it is impracticable to establish such a disclosure.

Cash flows

The cash flow statement shows the cash flows from operating, investing and financing activities for the year, the year's changes in cash and cash equivalents as well as cash and cash equivalents at the beginning and end of the year. Cash flows from operating activities are calculated according to the indirect method as the income before tax adjusted for non-cash operating items and changes in working capital. Cash flows from investing activities comprise payments in connection with acquisitions and disposals of intangible assets, property, plant and equipment and other non-current assets. Cash flows from financing activities comprise changes in the share capital and related costs as well as the raising of loans, repayment of bank and bond debt, instalments on leases, acquisition and disposal of subordinated debt and payment of dividends to shareholders and changes on the working capital facility.

Note 2 – Revenue

The internal reporting framework used for reporting on revenue and expenses to the Executive Management Team and the Board of Directors has been set up to reflect and report on jack-up vessel. As Wind Enterprise P/S only owns one vessel, there is only one operating segment.

ACCOUNTING POLICIES

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are reduced for estimates for trade allowances, rebates and amounts collected on behalf of third parties.

The company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the company's activities as described below. The company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each engagement.

Note 3 – Operating expenses and SG&A

	2021 EUR '000
Total operating expenses	
Operating expenses	-4,114
Administrative expenses	-563
Staff costs, office staff	-1,777
Total costs	-6,454

Wind Enterprise P/S has no employees.

Wind Enterprise P/S has an operational support agreement with ZITON A/S for the performance of all services related to sales, technical management, maintenance costs, operations, crewing, administration etc. Operating expenses, administrative expenses and staff costs, mainly consist of expenses re invoiced to Wind Enterprise P/S in accordance with the operational service agreement. In addition, Wind Enterprise P/S has less significant administrative expenses.

ACCOUNTING POLICIES

Project-related expenses

Project-related expenses consist of expenses in relation to projects and primarily involve expenses to subcontractors, tugboat, seabed analyses and special equipment used for operations. Like revenue, project-related expenses are recognised upon delivery of the service.

Operating expenses

Operation of vessels comprises expenses other than project-related expenses incurred to generate the revenue for the year. Vessel operating costs are divided into fixed and variable expenses. As vessels are obligated by law to have a minimum crew, staff expenses for employees are considered a fixed expense. Fixed expenses include insurance, maintenance expenses, staff costs, etc. Variable expenses include bunker, lubricants and other expenses to move the vessel. Operating costs are recognised in profit and loss in the period corresponding to revenue.

Administrative expenses

Administrative expenses comprise cost of rent, travel, external expenses and other office expenses, etc. Administrative expenses are also recognised upon delivery of the service.

Note 4 – Net financial expenses

Financial income:	2020/21 EUR '000	
Foreign exchange gains		10
Other		-
Total financial income	I/S	10
Interest expense:	2020/21 EUR '000	
Bond loan, first lien		2,493
Amortisation of loan costs		332
Other interest expense		32
Total financial expenses	I/S	2,857
Net financial expenses		2,847

Note 5 - Vessel

EUR '000		Vessel	Total
Cost at 30 November 2020		-	-
Additions		49,849	49,849
Cost at 31 December		49,849	49,849
Depreciation at 30 November 2020		-	-
Depreciation	I/S	-2,057	-2,057
Depreciation at 31 December		-2,057	-2,057
Impairment losses at 31 December		-	-
Carrying amount at 31 December	B/S	47,792	47,792

Assessment of Impairment of vessel

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. As Wind Enterprise P/S realised a profit for the year and equity is positive at the end of the reporting period, no indicator of impairment has been identified and as a result, Wind Enterprise P/S has not performed an impairment test.

ACCOUNTING POLICIES

The company's accounting policy for vessels and fixtures & equipment is stated at historical costs less depreciation. Historical costs include expenditures directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

The basis of depreciation is allocated on a straight-line basis over the estimated useful lives of the assets as follows:

- Vessels: 25 years
- Installed equipment on vessels: between 3 and 12 years

Docking costs and costs related to the significantly improvements of the vessel are capitalised, decomposed and depreciated over the period until the next docking or over the estimated useful lives of the assets, typically five to ten years.

Gains and losses on disposals are determined by comparing proceeds with carrying amounts. These are included in profit or loss. When revalued assets are sold, it is group policy to transfer any amounts included in other reserves in respect of those assets to retained earnings.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Note 6 – Trade and other receivables

Trade and other receivables	EUR '000
Trade receivables	1,742
Total trade and other receivables	B/S 1,742
Recognised in the balance sheet as follows:	
Non-current	-
Current	1,742
Total	1,742

The carrying amount of receivables is in all material respects equal to the fair value.

No trade receivables were overdue at 31 December 2021.

SIGNIFICANT ESTIMATES AND ASSUMPTIONS - TRADE AND OTHER RECEIVABLES

Provisions for bad debts are determined on the basis of customers' ability to pay, considering historical information about payment patterns, doubtful debts, customer concentration, customer creditworthiness and collateral received as well as prevailing economic conditions. Estimates made are updated if the debtor's ability to pay changes. Management estimated that there was no need for provisions on receivables at 31 December 2021.

ACCOUNTING POLICIES

Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less allowance for expected credit losses. The company applies the simplified approach to measuring expected credit losses which uses lifetime expected credit losses for all trade receivables at each reporting date. An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar credit risk characteristics, i.e. geographical region and customer type. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Trade receivables are written off when there is no reasonable expectation of recovery. Impairment losses on trade receivables are presented as net impairment losses within operating profit before other items. Subsequent recovery of amounts previously written off are credited against the same line item.

Note 7 - Loans

2021	Interests	Current	Non-current	Total
EUR '000	type	debt	debt	
Subordinated loan	B/S Floating rate	-	13,200	13,200
Bond loan, first lien	B/S Floating rate	4,213	25,411	29,624
Total loans		4,213	38,611	42,824

Fair value

The fair value of the EUR 35.0m bond loan issued by Wind Enterprise P/S (hierarchy level 3) is equivalent to the carrying amounts (adjusted for capitalised fees on subordinated loan of EUR 862k).

Financial covenants

BOND: Wind Enterprise P/S EUR 35.0m Senior Secured Callable Bonds 2020/2024 - ISIN NO0010911126

The bond loan agreement includes the following financial covenants:

- An Asset Coverage Ratio of minimum 125 % during 2020 and 2021, 150% during 2022 and 175% thereafter. The Asset Coverage Ratio shall be tested at the end of each quarter March 2021 onwards.
- An Interest Coverage Ratio of minimum 3x during 2021, 4x during 2022 and 5x thereafter, with the first testing date being at the end of March 2022. Interest Coverage Ratio shall be tested on an annual rolling basis the first testing date being at the end of March 2022.

Key terms for bond loan as of 31 December 2021.

	EUR 35m first lien, Wind Enterprise P/S
Listing/ISN	Not listed
Coupon	Fixed rate - 7.0% with semi-annual interest payments on 17 June and 17 December
Security	Security package includes mortgage in J/U WIND ENTERPRISE, assignment of earnings under the SGRE Contract for J/U WIND ENTERPRISE, shares of Green Wind Enterprise ApS, vessel insurance, earnings account, retention account, collection account etc.
Maturity	17 June 2024
Amortisation	Semi-annual amortisation on 17 June and 17 December of amount on retention account. During 2022, monthly transfer for amortisation amounts to EUR 583,333, for 2023 and thereafter the transfer amounts to EUR 666,667
Call structure	104.2%+make whole from 17 December 2020 - 17 June 2022 104.2% from 17 June 2022 - 17 December 2022 103.15% from 17 December 2022 - 17 June 2023 102.10% from 17 June 2023 - 17 December 2023 101.05% from 17 December 2023 - 16 June 2024 100.0% on 17 June 2024
Maintainance covenants	An Asset Coverage Ratio of minimum 125 % during 2020 and 2021, 150% during 2022 and 175% thereafter. An Interest Coverage Ratio of minimum 3x during 2021, 4x during 2022 and 5x thereafter, with the first testing date being at the end of March 2022.

Note 8 – Reconciliation of financing liabilities

EUR '000	30 November 2020	Cash Flow	Non-cash changes			2021
			Other non-cash movements	Non-cash interests	Foreign exchange movements	
Subordinated loan	-	13,200	-	-	-	13,200
Bond loan, first lien	-	29,292	-4,213	332	-	25,411
Bond loan - current liability	-	-	4,213	-	-	4,213
Total financing liabilities	-	42,492	-0	332	-	42,824

Note 9 – Trade and other payables

Trade and other payables	EUR '000
Trade payables	48
Intercompany payables, ZITON A/S	4,421
Other liabilities	296
Total trade and other payables	B/S 4,765

ACCOUNTING POLICIES

Trade payables represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

Intercompany payables to ZITON A/S are payables resulting from the operational support agreement with ZITON A/S for the performance of all services related to sales, technical management, maintenance costs, operations, crewing, administration etc.

Other liabilities represent accruals for VAT and interests.

Trade payables and other payables are presented as current liabilities unless payment is not due within 12 months after the end of the reporting period. They are recognised initially at their fair values and subsequently measured at amortised cost using the effective interest method.

Note 10 – Risk management

Credit risk

Credit risk arises from cash and cash equivalents and trade receivables but is considered to be modest for the Company.

Cash and cash equivalents are only placed with Systemically Important Financial Institutions ("SIFI banks").

The Company has not suffered any losses from any single major debtor since inception of the Company. The Company's customers are primarily wind turbine manufacturers with a strong financial position.

Liquidity risk

Liquidity risk includes the risk of the Company becoming short of liquidity and unable to refinance its maturing credit lines as and when needed. In December 2020, Wind Enterprise P/S issued a bond loan of EUR 35.0m to finance the purchase of J/U WIND ENTERPRISE. The bond loan matures on 17 June 2024 and has semi-annual amortisation.

The terms to maturity of financial assets and liabilities are disclosed by category and class distributed on maturity periods. All interest payments and repayments of financial assets and liabilities are based on contractual agreements.

	Maturities			Total	Book value
	in 2022	Between 2023 to 2024	2025 and onwards		
Loans and receivables					
Cash	843	-	-	843	843
Trade receivables	1,742	-	-	1,742	1,742
Prepayments	24	-	-	24	24
Financial liabilities					
Subordinated loan	-	-	13,200	13,200	13,200
Bond loan, first lein	4,213	25,411	-	29,624	29,624
Trade and other payables	4,765	-	-	4,765	4,765

Response:

The SGRE Contract provides a predictable cash flow as long as the vessel has limited off-hire days. The bond terms of the EUR 35.0m bond loan issued by the Company defines the use cash flow from the SGRE Contract. Amortisation on the bond is set up to coincidence with the ongoing cash flow from the SGRE Contract.

Covenants

The bond loan covenants are described in note 7.

Market risk**Interest rate risk**

The EUR 35.0m bond loan issued by the Company carries a fixed rate of interest of 7.0%. The subordinated loan provided by the parent company does not carry interest. Consequently, an increase in the general level of interest rates, will not influence interest payments.

Response:

Given the modest impact on cash flows, the Company accepts that interest rates will vary.

Foreign exchange risk

The overall objective of foreign exchange risk management is to reduce the short-term negative impact of exchange rate fluctuations on earnings and cash flows, and thereby contribute to the predictability of the financial results.

The majority of the Company's sales are in EUR, and the Company's loans are denominated in EUR. Therefore, the Company does not apply hedging of assets and liabilities in key currencies. As of 31 December 2021, no open hedging positions were in effect and hedging was carried out during the year.

Response:

Given the modest impact on cash flows, the Company accepts that currency rates will vary.

Wind Enterprise P/S does not use financial instruments to reduce the impact of interest rate risk nor foreign exchange risk on financial results.

Note 11 – Collateral, commitments and contingencies

Collateral security for borrowings

During January 2021, the vessel J/U WIND ENTERPRISE was purchased for EUR 42.5m by establishing Wind Enterprise P/S as a wholly-owned subsidiary of ZITON A/S. Wind Enterprise P/S purchased the vessel J/U WIND ENTERPRISE and

is the counterpart to Siemens Gamesa Renewable Energy (“SGRE”) under the time charter contract. The structure involves Wind Enterprise P/S bonds (ISIN NO0010911126), which holds first lien security in cash flows from the SGRE long-term charter incl. Earnings Account, Collection Account and Retention Account, security in the vessel J/U WIND ENTERPRISE as well as entitlements under insurances related to the vessels. The total carrying amount of EUR 47,792k have been pledged for a total amount of EUR 29,624k.

On behalf of the bondholders in EUR 35.0m Wind Enterprise P/S bond, Nordic Trustee has a first priority mortgage in J/U WIND ENTERPRISE of EUR 40,000k. On behalf of creditors in the parent company, Nordic Trustee has a second priority mortgage in J/U WIND ENTERPRISE of EUR 100,000k

Guarantee commitments

Wind Enterprise P/S has issued no guarantees.

Unrecognised contingent liabilities

There are pending disputes with individual customers.

Note 12 – Fees to Auditors

The Group’s fees to auditors appointed at the Annual General Meeting are listed below:

Fees to auditors appointed at the Annual General Meeting	2020/21 EUR '000
BDO Statsautoriseret revisionsaktieselskab	
Statutory audit	10
Assurance engagements	-
Tax advisor	-
Other services	-
Total	10

Note 13 - Related party transactions

The Company’s transactions with related parties consist of intercompany transactions and subordinated loan with the parent company ZITON A/S.

Trading and accounts with related parties	2021 EUR '000
<i>Balance sheet items:</i>	
<i>Intercompany balances</i>	
Intercompany payables and subordinated loan to ZITON A/S	17,621
<i>Profit and loss</i>	
Transactions with ZITON A/S	-6,454

Note 14 - Subsequent events

Other than the developments disclosed in the review, no significant events have occurred between the end of the quarter and publication of this Annual Report which materially affect the results for the period or the financial position.