

Wind Enterprise P/S

Interim report
Q3 2021



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

Highlights of the report

Highlights of Q3 2021

- The Siemens Gamesa Renewable Energy (SGRE) long-term time charter of 3 years and 8 months 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 while ZITON will be responsible for operational uptime of the vessel.
- On 18 December 2020, Wind Enterprises P/S' parent company WIND ENTERPRISE P/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.
- EBITDA amounted to a profit of EUR 2.2m for Q3 2021 and EUR 5.1m for YTD 2021.
- Guidance for 2021 is unchanged with EBITDA expected in the range of EUR 8-10m.

About Wind Enterprise P/S

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

On 18 December 2020, Wind Enterprises 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 long-term").

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 interim 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 NO0010911126)

As required under the Bond Agreement, the financial statements of Wind Enterprise P/S are prepared in accordance with IFRS with Euro as the reporting currency.

This report has been audited by the company's auditors.

Disclaimer

This report may contain certain forward-looking statements relating to the business, financial performance and results of the Company and/or the industry in which it operates. Although the Company believes that these assumptions were reasonable when made, the statements provided in this report are solely opinions and forecasts which are subject to uncertainty, risks, contingencies and other important factors which are difficult or impossible to predict and are beyond the Company's control. A multitude of factors may cause actual results to differ significantly from any anticipated development expressed or implied in this document. No representation is made that any of these forward-looking statements or forecasts will come to pass or that any forecast result will be achieved, and you are cautioned not to place any undue reliance on any forward-looking statement.

Management Review

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 while Wind Enterprise P/S will be responsible for operational uptime of the vessel.

Vessel operation

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 Enterprises 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 Q3 2021 was at 91%, reflecting that SGRE converted mobilisation days to a free monthly charter day, otherwise limited off-hire days was realised.

Outlook for 2021

Guidance for 2021 is unchanged with EBITDA expected in the range of EUR 8-10m.

Risks and uncertainties

Wind Enterprise P/S is exposed to various risks that may be of significance to the company's future operations, results and financial position. For a description of the risks, please refer to the parent company ZITON A/S' Risk Management section on pages 50-53 and note 4.1 "Risk management" on pages 94-97 of the 2020 annual report.

Financial Review

REVIEW OF THE INCOME STATEMENT

<u>EUR '000</u>	<u>Q3 2021</u>	<u>YTD 2021</u>
Revenue	4,211	9,905
OPEX and project-related expenses	-1,143	-3,013
SG&A	-908	-1,748
EBITDA	2,160	5,144
Depreciation	-519	-1,452
EBIT	1,641	3,691
Financials, net	-677	-2,154
Income before tax	964	1,537
Key ratios		
EBITDA margin	51.3%	51.9%

Review of the income statement for Q3 2021

As there were no activity in Wind Enterprise P/S during 2020, there are no comparable figures presented.

The income statement for Wind Enterprise P/S shows revenue of EUR 4.2m for Q3 2021 and EUR 9.9m for YTD 2021, as the vessel was only on charter from 1st March 2021.

Vessel OPEX and project related costs amounted to EUR 1.1m for Q3 2021 and EUR 3.0m for YTD 2021. In Q2 2021, OPEX was slightly higher than anticipated mainly related to one-off costs for initiation of the SGRE long-term charter.

SG&A amounted to EUR 0.9m for Q3 2021 and EUR 1.7m for YTD 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. 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 2.2m for Q1 2021 and EUR 5.1m for YTD 2021.

Depreciation charges amounted to EUR 0.5m for Q3 2021 and EUR 1.4m for YTD 2021.

Financials, net was an expense of EUR 0.7m for Q3 2021 and EUR 2.1m for YTD 2021. Financial costs are constituted by accrued interest on the EUR 35m first lien bond loan since issued date on 17 December 2020.

REVIEW OF THE BALANCE SHEET AT THE END OF Q3 2021

BALANCE SHEET

EUR '000	Q3 2021
Assets	
Vessel, including fixtures & equipment	48,347
Non-current assets	48,347
Trade and other receivables	1,766
Cash and cash equivalents	957
Current assets	2,724
Total assets	51,071
Equity and Liabilities	
Equity	1,590
Subordinated loan	13,200
Bond loans, first lien	30,454
Other liabilities	5,827
Total liabilities	49,481
Total equity and liabilities	51,071

Review of the balance sheet, end of Q3 2021

The total value of the vessel (incl. fixtures & equipment) amounted to EUR 48.3m at the end of Q3 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 Q3 2021. Receivables are solely related to the SGRE long-term charter.

Equity was at EUR 1.6m because of positive income during the year. The subordinated loan 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.

REVIEW OF STATEMENT OF CASH FLOWS FOR Q3 2021

CASH FLOWS		
EUR '000	Q3 2021	YTD 2021
EBITDA	2,160	5,144
Working capital adjustments	1,986	4,059
Other adjustments	-5	-54
Net cash flows from operating activities	4,141	9,149
Financial payments, net	-586	-1,811
Net cash before investing activities	3,554	7,338
Investing activities	-1,094	-49,783
Net cash flows after investing activities	2,460	-42,445
Financing activities	-2,093	43,347
Net cash flows after financing activities	367	903

Review of the cash flow statement

Cash flows from operating activities were an inflow of EUR 4.1m for Q3 2021 and EUR 9.1m for YTD 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 negative EUR 0.6m for Q3 2021 and a negative 1.8m for YTD 2021.

Investing activities amounted to EUR 49.8m for YTD 2021 mainly used for purchased of J/U WIND ENTERPRISE.

Financing activities amounted to a cash outflow of EUR 2.1m in Q3 2021 for payment to the retention account reserved for amortisation on the bond loan. Cash inflow of EUR 43.3m were mainly used to finance the purchase of J/U WIND ENTERPRISE.

Financial statements for Wind Enterprise P/S

INCOME STATEMENT

EUR '000	Note	Q3 2021	YTD 2021
Revenue	1	4,211	9,905
Project-related expenses		14	-0
Operational expenses		-1,157	-3,013
Gross profit		3,067	6,892
Administrative expenses		-167	-409
Staff costs, office staff		-741	-1,339
EBITDA		2,160	5,144
Depreciation & amortisation		-519	-1,452
EBIT		1,641	3,691
Financial income		-	13
Financial expenses		-677	-2,167
Income for the year		964	1,537
<i>Attributable to:</i>			
Owners of ZITON A/S		964	1,537
Income for the year		964	1,537

STATEMENT OF COMPREHENSIVE INCOME

EUR '000	Note	Q3 2021	YTD 2021
Income for the year		964	1,537
<i>Items that will be reclassified subsequently to the income statement when specific conditions are met:</i>			
Exchange adjustments of foreign entities, net of tax		-	-
Total comprehensive income for the year, after tax		964	1,537
<i>Attributable to:</i>			
Owners of ZITON A/S		964	1,537
Total comprehensive income for the year, after tax		964	1,537

BALANCE SHEET**EUR '000****Q3 2021****Assets****Non-current assets**

Vessel, including fixtures & equipment	2	48,347
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Non-current assets		48,347
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Current assets

Trade and other receivables		1,766
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Cash and cash equivalents		957
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Current assets		2,724
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Total assets		51,071
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Equity and Liabilities**Equity**

Share capital		54
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Retained earnings		1,536
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Total equity		1,590
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Liabilities**Non-current liabilities**

Subordinated loan		13,200
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Bond loans, first lien		26,271
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Total non-current liabilities		39,471
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Current liabilities

Bond loans, first lien		4,183
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Trade and other payables		5,827
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Total current liabilities		10,010
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Total liabilities		49,481
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Total equity and liabilities		51,071
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STATEMENT OF CASH FLOWS

<i>EUR '000</i>	Note	Q3 2021	YTD 2021
Income before tax		964	1,537
Operating activities			
<i>Adjustments for non-cash items</i>			
Reversal financial expenses, net		677	2,154
Depreciation and writedowns of the period		519	1,452
Other adjustments		-5	-54
<i>Working capital adjustments</i>			
Change in trade receivables		215	-1,754
Change in trade payables		1,771	5,814
<i>Income tax expense</i>			
Income tax expense		-	-
Net cash flows from operating activities		4,140	9,150
<i>Financial payments</i>			
Financial receipts		-	-
Financial payments		-586	-1,811
Net cash flows before investing activities		3,554	7,338
Investing activities			
Purchase of vessel, fixtures & equipment		-1,094	-49,783
Other cash flows from investing activities		-	-
Net cash used in investing activities		-1,094	-49,783
Financing activities			
Bond loan		-2,093	30,093
Subordinated loan from parent		-	13,200
Capital increase		-	54
Net cash used/received in financing activities		-2,093	43,347
Net (decrease)/increase in cash and cash equivalents		367	903
Cash and cash equivalents at beginning of period		590	54
Exchange gains/losses on cash and cash equivalents		-	-
Net cash and cash equivalents at end of period		957	957

STATEMENT OF CHANGES IN EQUITY

<i>EUR '000</i>	Share capital	Retained earnings	Total equity
Balance at 1 January 2021	54	-2	52
Total comprehensive income, after tax	0	1,538	1,537
Balance at YTD	54	1,536	1,590

Share capital

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

Note 1 – Time charter 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 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.

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.

Note 2 - Vessel

Q3 2021 EUR '000	Vessels	Total
Cost at 1 January 2021	-	-
Exchange rate adjustments	-	-
Additions	49,799	49,799
Disposals	-	-
Cost YTD	49,799	49,799
Depreciation at 1 January 2021	-	-
Exchange rate adjustments	-	-
Depreciation	-1,452	-1,452
Disposals	-	-
Depreciation YTD	-1,452	-1,452
Impairment losses at 1 January 2021	-	-
Impairment losses YTD	-	-
Carrying amount YTD	48,347	48,347

Assessment of Impairment of vessels

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: between 20 and 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.

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 3 - Commitments and contingencies

The vessel has been pledged for of EUR 140.000k to Nordic Trustee on behalf of the bondholders.

Further, the account Cash and cash equivalents consist of the restricted bank accounts; Earnings account, Operating account and Collection account.

Cash from the Time charter agreement are paid into the Earnings account and allocated to either ZITON A/S, the Operating account, the Collection account, or the retention account in accordance with an approved Application of Earnings.

All accounts have been pledged in favour of the Security Agent or the Trustee and blocked except for the Operating account which is not blocked unless there is an outstanding Event of Default.

Note 4 - Related party transactions

No material transactions took place during the quarter with members of the Board of Directors, the Executive Management, major shareholders or other related parties that are not made on market terms.

Note 5 - 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 interim report which materially affect the results for the period or the financial position.

Note 6 – Basis of reporting

General information

The interim report has been prepared in accordance with the international financial reporting standard IAS 34 on interim reports.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Accounting Standards as adopted by the EU ("Adopted IFRSs"),

The financial statements of Wind Enterprise P/S are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from Wind Enterprise P/S, Bygholm Søpark 21E DK-8700 Horsens, Denmark.

The accounting policies adopted in the preparation of the interim report are consistent with those applied in the preparation of the ZITON Group's annual consolidated financial statements for the year ended 31 December 2020, except for the adoption of new standards effective as of 1 January 2021. The ZITON Group nor Wind Enterprise P/S have not applied early adoption of any other standard, interpretation or amendment that has been issued but is not yet effective.

ACCOUNTING POLICIES

Foreign currencies

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.

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.

SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the company's financial reporting requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amounts of assets and liabilities affected in future periods. The consolidated financial statements are a result of processing large numbers of transactions and aggregating those transactions into classes according to their nature or function. The transactions are presented in classes of similar items in the consolidated financial statements. If a line item is not individually material, it is aggregated with other items of a similar nature in the consolidated financial statements or in the notes. Accounting estimates identified are those that have a significant risk of resulting in a material adjustment to the measurement of assets and liabilities in the following reporting period. Management bases its estimates on historical experience and various other assumptions that are held to be reasonable under the circumstances. The estimates and underlying assumptions are reviewed on an ongoing basis. If necessary, changes are recognised in the period in which the estimate is revised. Management considers the key accounting estimates to be reasonable and appropriate based on currently available information. The actual amounts may differ from the amounts estimated as more detailed information becomes available. In addition, management makes judgments and estimates in the process of applying the entity's accounting policies, for example regarding recognition and measurement of deferred income tax assets or the classification of transaction.

Please refer to the specific notes for further information on the key accounting estimates and judgments as well as assumptions applied.

There are substantial disclosure requirements throughout IFRS. Management provides specific disclosures required by IFRS unless the information is not applicable or is considered immaterial to the economic decision-making of the users of these financial statements.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that involve a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are discussed in relevant notes listed below. The accounting estimates and assumptions which management deems to be significant to the preparation of the consolidated financial statements are:

Useful lives of the vessel

For a description of the risks WIND ENTERPRISE P/S is exposed to, please refer to the Risk Management section on pages 50-53 and note 4.1 "Risk management" on pages 94-97 of the 2020 ZITON Group annual report.

Management statement

The Board of Directors and Executive Management have considered and approved the interim report for Wind Enterprise P/S for the third quarter of 2021. This report has been audited by the company's auditors.

The interim report for the third quarter of 2021 has been prepared in accordance with International Financial Reporting Standards and IAS 34 as adopted by the EU.

In our opinion, the interim report gives a true and fair view of the Wind Enterprise P/S' assets, liabilities, and financial position at 30 September 2021, and of the results of the Wind Enterprise P/S' operations and cash flow for the first three quarters of 2021.

We further consider that the Management review gives a true and fair view of the developments in Wind Enterprise P/S' activities and business, the results for the period and of Wind Enterprise P/S' financial position as a whole, and a description of the most significant risks and uncertainties which Wind Enterprise P/S faces.

Horsens, 23 November 2021

Executive Management

Thorsten Jalk
CEO

Board of Directors

Lars Thorsgaard Jensen
Chairman

Thorsten Jalk

Jacob Bergenholtz

Financial calendar 2021

Interim report Q4 2021 – 24 February 2022

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of WIND Enterprise P/S

Opinion

We have audited the Interim Report of WIND Enterprise P/S for the period 1 January – 30 September 2021, which comprise income statement, balance sheet, cash flow statement, statement of changes in equity, notes including a summary of significant accounting policies. The Interim Financial Statements are prepared in accordance with the International Financial Reporting Standard and IAS 34 as adopted by the EU.

In our opinion, the Interim Report give a true and fair view of the financial position of the Company at 30 September 2021, and of the results of the Company operations and cash flows for the period 1 July - 30 September 2021 and 1 January – 30 September 2021 in accordance with the International Financial Reporting Standard and IAS 34 as adopted by the EU.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' 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's Review

Management is responsible for Management's Review.

Our opinion on the Financial Statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon. In connection with our audit of the Interim Report, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the Interim report or our knowledge obtained during the audit, or otherwise appears to be materially misstated. Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financial Statements Act.

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

Management's Responsibilities for the Financial Statements

Management is responsible for the preparation of an Interim Report that give a true and fair view in accordance with the International Financial Reporting Standard and IAS 34 as adopted by the EU, and for such internal control as Management determines is necessary to enable the preparation of an Interim Report that are free from material misstatement, whether due to fraud or error.

In preparing the Interim Report, 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 Interim Report

Our objectives are to obtain reasonable assurance about whether the Interim Report 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 this Interim Report.

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 Interim Report, 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 Interim Report 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 Interim Report 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 Interim Report, including the disclosures, and whether the Interim Report 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, 23 November 2021

BDO Statsautoriseret revisionsaktieselskab
CVR no. 20 22 26 70

Claus Muhlig, MNE no. mne26711
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