



ANNUAL ACCOUNTS 2022

P/F Vindfelagið í Neshaga
Tórshavn • Reg. no. 6387



**Pioneering technologies
secure higher yield
from wind power**

Annual Accounts 2022

P/F Vindfelagið í Neshaga

Tórshavn

Reg. no. 6367

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Management Report

The Board of Directors and Management today have hereby submitted the Annual Report and Accounts of P/F Vindfelagið í Neshaga for fiscal year 1 January – 31 December 2022.

The Annual Report and Accounts is drawn up pursuant to the Faroese Financial Statements Act.

It is our opinion that the accounting methods used are suitable and that the Accounts give a true and fair view of the Company's assets, liabilities, and financial position as at 31 December 2022 and the

result of operations for fiscal year 1 January – 31 December 2022.

It is also our opinion that the Management Review constitutes a true and fair report of the matters included in the Review.

The Annual Report is submitted to the Annual General Meeting with a recommendation for approval.

Tórshavn, 31 March 2023

Management

Hákun Djurhuus
Managing Director, CEO

Board

Kári Johansen
Chairman

Haraldur S. Hammer
Vice Chairman

Niclas Hentze

Oddmar á Lakjuni

Poul Klementsén

Sonni L. Petersen

Sune Jacobsen

The independent auditor's report

TO THE SHAREHOLDERS OF VINDFELAGIÐ Í NESHAGA

OPINION

We have audited the annual accounts of P/F Vindfelagið í Neshaga for the financial year 1 January to 31 December 2022, which comprise accounting policies used, profit and loss account, balance sheet, cash flow statement, and notes. The annual accounts are prepared in accordance with the Faroese Financial Statements Act.

In our opinion, the annual accounts give a true and fair view of the assets, liabilities and financial position for the company at 31 December 2022 and of the results of the company's operations and of the company's cash flows for the financial year 1 January to 31 December 2022 in accordance with the Faroese Financial Statements Act.

BASIS FOR OPINION

We conducted our audit in accordance with international standards on auditing and the additional requirements applicable in the Faroe Islands. Our responsibilities under those standards and requirements are further described in the below section "Auditor's responsibilities for the audit of the annual accounts". We are independent of the company in accordance with international ethics standards for accountants (IESBA's Code of Ethics) and the additional requirements applicable in the Faroe Islands, and we have fulfilled our other ethical responsibilities in accordance with these standards and requirements. We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our opinion.

THE MANAGEMENT'S RESPONSIBILITIES FOR THE ANNUAL ACCOUNTS

The management is responsible for the preparation of annual accounts that give a true and fair view in accordance with the Faroese Financial Statements Act. The management is also responsible for such internal control as the management determines is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, the management is responsible for evaluating the company's ability

to continue as a going concern, and, when relevant, disclosing matters related to going concern and using the going concern basis of accounting when preparing the annual accounts, unless the management either intends to liquidate the company or to cease operations, or if it has no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE ANNUAL ACCOUNTS

Our objectives are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report including an opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with international standards on auditing and the additional requirements applicable in Faroe Islands will always detect a material misstatement when it exists. Misstatements may arise due to fraud or error and may be considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions made by users on the basis of the consolidated annual accounts and the annual accounts.

As part of an audit conducted in accordance with international standards on auditing and the additional requirements applicable in Faroe Islands, we exercise professional evaluations and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the annual accounts, whether due to fraud or error, design and perform audit procedures in response 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 the risk of not detecting a misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the 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 by the management and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's preparation of the annual accounts being based on the going concern principle and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may raise significant doubt about 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 annual accounts 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 annual accounts, including the disclosures in the notes, and whether the annual accounts reflect the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or the business activities within the company to express an opinion on the annual accounts. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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 the internal control that we identify during our audit.

STATEMENT ON THE MANAGEMENT'S REVIEW

The management is responsible for the management's review.

Our opinion on the annual accounts does not cover the management's review, and we do not express any kind of assurance opinion on the management's review.

In connection with our audit of the annual accounts, our responsibility is to read the management's review and in that connection consider whether the management's review is materially inconsistent with the annual accounts or our knowledge obtained during the audit, or whether it otherwise appears to contain material misstatement.

Furthermore, it is our responsibility to consider whether the management's review provides the information required under the Faroese Financial Statements Act.

Based on the work we have performed, we believe that the management's review is in accordance with the annual accounts and that it has been prepared in accordance with the requirements of the Faroese Financial Statement Acts. We did not find any material misstatement in the management's review.

Tórshavn, 31 March 2023

P/F Januar
State Authorised Public Accountants

Hans Laksá
State Authorised Public Accountant

Key Figures

Amounts in 1,000 DKK	2022	2021	2020	2019	2018
Income Statement					
Net sales	14,144	10,212	3,809	5,732	6,770
EBITDA	12,535	8,058	2,163	4,390	5,920
Result before interest	5,504	1,504	-925	1,302	2,770
Interest	-1,775	-1,950	-478	-516	-540
Annual result	3,058	-366	-1,150	645	1,829
Balance sheet					
Total assets	96,593	90,162	96,332	34,423	36,166
Equity	25,141	11,614	9,383	12,681	12,036

Management Review

MAIN ACTIVITIES

The activity of the Company is the production of electricity from wind power.

BUSINESS ACTIVITIES AND FINANCIAL STATUS OF THE COMPANY

Total electricity produced by wind increased by 67% in 2022 compared to 2021. The reason for this increase is the new wind farm of Sp/f Vindrøkt II at Gellingarklettur starting production in July of 2022.

The yield from wind was not satisfactory, however, because some of the wind turbines at the Neshagi and Húshagi farms have suffered from generator failures, and have required repairs.

The 7 wind turbines at Porkeri with a combined output of 6.3 MW started production in February 2021. The first year was used to find a balance in the amount of variable wind power to allow onto the relatively small grid on Suðuroy, where grid stability has been provided by the thermal plant at Vágur until August 2022, when the synchronous generator and battery system started to provide ancillary services. The Porkeri wind farm yielded 12.3 GWh in 2022.

One generator at the Neshaga site has been out of commission for the entire year 2022 due to a faulty generator. The generator unit has been sent for repair, and will be back in production in May 2023. The yield from Neshaga in 2022 of 11.4 GWh was 86% of the average yield for the period 2015-2022.

Income for 2022 was DKK 14.1 million compared to DKK 10.2 million in 2021, of which Porkeri had DKK 9.3 million in income. Electricity produced was 23.7 GWh in 2022 compared to 17.3 GWh the previous year.

The cost for goods and services in 2022 was DKK 1.6 million, compared to DKK 2.1 in 2021. Wages were DKK 5,000, compared to DKK 49,000 in 2021.

Depreciation was DKK 7.0 million in 2022 compared to DKK 6.6 million in 2021.

Interest expense was DKK 1.8 million for 2022, compared to DKK 2.0 million in 2021.

The result after tax for 2022 was DKK 3.1 million, compared to a loss of DKK 0.4 million in 2021.

SPECIAL RISKS

The Company has undertaken initiatives to secure itself against possible risks.

The Company has entered into a pricing agreement that secures a sale of 8.4 GWh per year to its parent company, SEV, for an agreed upon price, which, in 2022, was DKK 0.4574 per kWh produced by the 3 wind turbines at Eystnes. For the 2 turbines at Vørðan, the sales price is DKK 0.40 per kWh.

For the 7 wind turbines at Porkeri, the sales price for actual and potential production was DKK 0.3536 per kWh. Electricity produced was 12.3 GWh, while potential production was 26.2 GWh.

Thus, the Company's income stream is well established and secured.

The Company has a service level agreement with SEV, which takes care of all technical and administrative issues.

The Company is in the process of negotiating the same type of maintenance agreement as P/F Vindfelagið í Húshaga has with Enercon. Such an agreement will ensure that the Company will know its cost for maintenance, spare parts and inspection.

The Company is also negotiating with a vendor about the invoiced cost of maintenance works for an amount of DKK 1.25 million. As the Company disputes the invoiced amount and work carried out, the cost is not expensed in the accounts. The outcome of the negotiations may affect the result for the financial year 2023.

The Company has entered into a long-term loan regarding the Neshagi wind farm from the parent company, SEV, for which, from December 2016 and for the next 10 years, the Company will pay the same fixed interest as SEV itself has secured.

The Company also has financed the construction of the Porkeri wind farm with liquidity provided by the parent company SEV drawn on the inter-company account. In 2023, the Company and SEV will

refinance this liquidity draw as a long-term loan, and the equity of the Company will be increased to reflect the equity financing of the project.

The Company has insured its assets consistent with the insurance strategy of the parent company, SEV.

INVESTMENTS

The Company has made investments during the year of DKK 3.2 million in the wind farm at Neshaga.

CASH FLOW

The Company does not maintain its own liquidity. The Company uses the liquidity of the parent company, SEV, to pay debt as it falls due and thus the Company maintains a current account with the parent company, SEV. The parent company has exceptionally good liquidity and has also secured access to operational financing over the next few years if the need arises.

THE NATURAL ENVIRONMENT

The Company has a high regard for the natural environment and all relevant legislation, directives, rules, and regulations are always followed.

PROFESSIONAL KNOWLEDGE AND HUMAN RESOURCE DEVELOPMENT

Along with the parent company, SEV, the Company is an active developer of knowledge within the field of wind energy production in the Faroe Islands, and strives continually to enhance the quality and the amount of electricity production from wind.

PROSPECTS FOR 2023

The Company expects adverse effects from the faults on turbines at Neshaga in 2020 - 2022 to continue in 2023, so that sales will be less than normal in 2023. The storm on 6 - 7 February 2023 also damaged the equipment at the site, and adverse effects on production will be felt during 2023 as a result of this.

SEV (Grid Division) installed a synchronous compensator and battery system in the sub-station at Heiðunum, and these units are expected to increase the yield from the wind farm at Porkeri.

A final accounting statement will be prepared for the Porkeri project, and the inter-company account balance with the parent company SEV, which stands at DKK 61.2 million, will for the most part be converted to a long-term loan. The Company's share capital will also be increased in order for the Company to maintain a satisfactory equity ratio. The share capital increase is expected to be around DKK 18 million, which corresponds to 25% equity financing of the project. The Company's share capital after the increase will be around DKK 25 million.

The Company expects sales of DKK 10.2 million in 2023.

According to the Company's budget, the result is projected to be DKK -1.4 million in 2023.

EVENTS AFTER THE CLOSING OF THE ACCOUNTS

From the closing date of the financial statements to date, nothing has occurred that would impact the assessment of the annual accounts.

Accounting Principles

GENERAL

The Annual Accounts of P/F Vindfelagið í Neshaga are prepared in accordance with the provisions of the Faroese Financial Statements Act for class B corporations.

The Annual Accounts are presented in Danish kroner (DKK).

Amounts in the Income Statement, Balance Sheet, Notes, etc. are rounded to whole thousands. As each number is rounded individually, rounding differences may occur between the numbers presented and the sum of the underlying numbers.

Where a Table in the financial statement shows numbers in DKK rounded to whole thousand or million, and the Table shows differences between periods, either in DKK or percent, the comparisons are calculated on the basis of the underlying numbers and then rounded off. As a result of this, small differences can occur between the rounded numbers shown in the Table and the calculated comparisons.

BASIS FOR RECOGNITION AND VALUATIONS

In the Income Statement, income is recognised as earned. The same pertains to value adjustments of financial assets and liabilities. Included in the Income Statement are all expenses, including depreciation, amortisation, provisions, and impairment losses derived of changes in the financial estimates of the amounts that otherwise have been recognised in the operational accounts.

Assets are recognised in the Balance Sheet when future economic benefits are likely to flow to the Company and the value of such assets can be measured reliably.

Liabilities are recognised in the Balance Sheet when they are reasonably likely to occur and can be measured reliably.

On recognition and valuation, due regard is given to foreseeable loss and risks arising before the time at which the Annual Report is presented, and relate to circumstances present as at the end of the fiscal year.

TRANSLATION OF FOREIGN CURRENCY

Foreign currency transactions are translated using the rate of exchange applicable as at the date of transaction. Realised and unrealised translation gains and losses are recognised in the Income Statement under financial items.

Receivables, liabilities and other financial booking in foreign currencies that are not translated as at the end of the fiscal year are translated using the exchange rates applicable as at the end of the fiscal year. The difference between the exchange rate as at the end of the fiscal year and the exchange rate current as at the date of the transaction are recognised in the Income Statement under financial items.

INCOME STATEMENT

NET SALES

Net sales are recognised in the Income Statement, provided that delivery has been effected and the risk has passed to the buyer by the end of the fiscal year and income is reliably pending and is expected to be received. Net sales exclude VAT, fees and rebates in connection with sales.

CONSUMPTION OF GOODS AND SERVICES

Consumption of goods and services includes costs for the purchase of raw materials and consumables less rebates and changes in inventory during the year.

OTHER EXTERNAL EXPENSES

This item comprises external costs related to the purchase of oil, supplies and other services, as well as other administrative costs.

EMPLOYEE EXPENSES

Employee expenses encompass wages plus vacation pay and pension benefits including other social benefits. Any compensation received from the government is deducted from employee expenses.

DEPRECIATION AND WRITE-DOWNS

The depreciation and amortisation of intangible and tangible fixed assets are based on an asset's forecasted useful life.

FINANCIALS

Financials include interest receivable and interest payable, realised and unrealised capital gains and losses on financial assets and debt. Financial revenue and expense are booked at value for the relevant accounting year.

Interest expense and other loan costs to finance production of intangible and tangible fixed assets and are related to the production period are not included in the forecasted useful life of the asset.

BALANCE SHEET

TANGIBLE ASSETS

Tangible assets are valued at acquisition cost less accumulated depreciation and write-offs. Land is not depreciated.

The depreciation basis includes the acquisition value less the expected residual value at the end of the asset's prescribed useful life.

Acquisition value includes the purchase price and costs directly accruing from the time of acquisition to the time when the asset is ready for use.

Depreciation is based on an asset's forecasted useful life and the residual value of the asset:

	Useful life	Residual value
Wind turbines (Neshagi)	15 years	0%
Wind turbines (Porkeri)	18 years	0%
Rakstrargøgn	3-5 years	0%

Equipment with an expected useful life under one year is expensed in the year of acquisition.

Regarding own production assets the acquisition value includes the cost of supplies / consumables, parts, suppliers, direct wage expense and indirect production costs.

DEPRECIATION OF FIXED ASSETS

Every year the carrying amount of tangible fixed assets is appraised to obtain an indication of whether they have lost value or have been impaired.

This is done in addition to general depreciation write-downs.

When a loss in value is indicated, impairment tests are carried out on each individual asset and each asset category. Assets with impaired value are written down to the recoverable amount, if this amount is lower than the carrying amount.

The recoverable amount is either the net realisable or sale value or the capital value. Capital value is calculated as the current value of the expected net revenues accruing from using an asset or asset group.

RECEIVABLES

Receivables are valued at amortised acquisition cost, which generally corresponds to nominal value. To guard against possible loss, receivables are written-down to net realised value.

ACCRUALS

Accruals shown as assets include realised costs related to future financial years.

CURRENT AND DEFERRED TAXES

Current tax, payable and receivable, is recognised in the Balance Sheet as the tax computed on the basis of the taxable income for the year, adjusted for tax paid on account the previous year. Current tax payable and receivable tax are recognised based on the set off permitted by law and the booked amounts generally calculated at net or current.

Deferred tax is calculated on the basis of all temporary differences between the carrying amount and the tax base of assets and liabilities. This is recognised in the Balance Sheet based on intended use of the asset or how the debt is intended to be repaid.

Deferred tax assets, including tax deficits carried forward, are recognised at the anticipated realisable value, either by adjusting the tax on future income or by off-setting deferred tax within the same legal tax entity. Possible deferred net receivable tax is recognised at net realised value.

Deferred tax is valued consistent with the tax regulations and tax rates then applicable as at the end of the fiscal year.

Adjustments to deferred tax resulting from changes to tax rate are incorporated into the operational accounts.

CASH FLOW HEDGES

Changes in the fair value of the derivative hedging instrument designated as a cash flow hedge are recognised directly inequity to the extent that the hedge is effective. To the extent that the hedge is ineffective, changes in fair value are recognised in profit or loss.

If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, then hedge accounting is discontinued prospectively. The cumulative gain or loss previously recognised in equity remains there until the forecast transaction occurs. When the hedged item is a non-financial asset, the amount recognised in equity is transferred to the carrying amount of the asset when it is recognised. In other cases the amount recognised in equity is transferred to profit or loss in the same period that the hedged item affects profit or loss.

LIABILITIES

Relative to loan facilities, financial debt is recognised at realised or acquisition value, corresponding to the received amount less transaction fees. Subsequently, financial debt is recognised at the amortised realised value, which corresponds to capitalised value plus effective interest such that the difference between the received amount and the nominal value is recognised in the operational accounts over the period of the loan facility.

Debt to financial institutions is valued at amortised realised value, which corresponds to the residual debt for a cash loan. Regarding the value of bonds, the amortised realised value is calculated as the cash value on the date the bond was issued, adjusted by the booked depreciation during the instalment period of the effective rate of interest at the time of contracting such debt.

Other debt is also measured at the amortised realised value, which usually corresponds to the nominal value.

CASH FLOW STATEMENT

The Cash Flow Statement is prepared using the indirect method and shows cash flows from operations, investing and financing activities, changes in liquidity and cash-on-hand at the beginning and at the end of the year.

Cash flows from operating activities are adjusted for non-cash operating items, changes in working capital and tax paid.

Cash flows from investments comprise the acquisition and disposal of intangible, tangible and financial assets, adjusted for changes in accounts receivable and any liabilities on said items.

Cash flows from financing comprise financing from shareholders, dividends paid to shareholders, the initiation and subsequent repayment of long-term liabilities, in addition to withdrawals from credit facilities.

Cash-on-hand at the beginning and end of the year comprises both cash and bank deposits.

Income Statement 1 January – 31 December

Amounts in 1,000 DKK

Note	2022	2021
1 Net sales	14,144	10,212
2 Other expenditure (goods and services)	-1,604	-2,104
Gross proceeds	12,540	8,108
3 Employee expenses	-5	-49
Depreciation, amortization and impairment of fixed assets	-7,032	-6,554
Result before financials	5,504	1,504
4 Financial expenses	-1,775	-1,950
Result before tax	3,729	-446
5 Tax on annual result	-671	80
Annual result	3,058	-366
Proposed distribution of result		
Result carried forward	3,058	-366
Total distribution	3,058	-366

Balance Sheet 31 December

ASSETS in 1,000 DKK			
Note		31.12.22	31.12.21
Tangible fixed assets			
6	Production facilities	79,768	87,070
6	Work in progress	5,705	2,566
	Tangible fixed assets	85,473	89,637
9	Derivatives	10,918	450
	Financial fixed assets total	10,918	450
	Total fixed assets	96,391	90,086
	Debtors	0	3
	Accruals	201	73
	Current assets total	201	76
	Total assets	96,593	90,162

Balance Sheet 31 December

LIABILITIES in 1,000 DKK			
Note		31.12.22	31.12.21
Equity			
7	Share capital	7,000	7,000
	Hedge reserve	10,918	450
	Result carried forward	7,222	4,164
	Total equity	25,141	11,614
	Provision for deferred tax	1,585	914
	Total provisions	1,585	914
Debt			
8	Long-term debt	9,113	12,019
	Total long-term debt	9,113	12,019
8	Current portion of long-term debt	2,906	2,843
	Creditors	524	16
	Inter-company account	56,494	61,648
	Other liabilities	830	1,108
	Total short-term debt	60,754	65,615
	Total debt	69,867	77,634
	Total liabilities	96,593	90,162
10	Overview of turbine equipment		
11	Mortgages and other obligations		

Cash Flow Statement

Note	Amounts in 1,000 DKK	2022	2021
	Annual result	3,058	-366
12	Adjustments	9,477	8,424
Changes in working capital:			
	Receivables	-193	149
	Creditors	507	16
	Other liabilities	-211	-1,516
	Operating cash flow before financial items	12,639	6,707
	Interest paid and similar expenses	-1,775	-1,950
	Cash flow from operations	10,864	4,757
	Investment in tangible fixed assets	271	-71,373
	Changes to work-in-progress	-3,139	71,289
	Cash flow from investments	-2,868	-84
	Repayments on long-term debt	-2,843	-2,781
	Inter-company account parent company	-5,153	-1,892
	Cash flow from financing	-7,996	-4,673
	Total cash flow during the year	0	0
	Opening cash-on-hand	0	0
	Closing cash-on-hand	0	0

The Company does not have liquidity of its own. The Company has access to and makes use of its parent company's liquidity to pay liabilities as they come due through an inter-company account with its parent company SEV.



Annual Report 2022

Notes



Notes 1–5

1. NET SALES

Amounts in 1,000 DKK	2022	2021
Production of electricity	14,144	10,212
Total	14,144	10,212

2. OTHER EXPENSES (GOODS AND SERVICES)

Amounts in 1,000 DKK	2022	2021
Turbines	1,033	990
Electric and technical	0	1
Buildings and land	132	390
Studies and consultancy	183	112
Other operating expenses	2	31
Other administrative expenses	254	581
Total	1,604	2,104

3. EMPLOYEE EXPENSES

Amounts in 1,000 DKK	2022	2021
Wages	5	49
Total	5	49

Number of employees	0	0
Full-time equivalent	0	0

4. FINANCIAL EXPENSES

Amounts in 1,000 DKK	2022	2021
Interest, loans and bank debt, etc.	1,775	1,950
Total	1,775	1,950

5. TAXES ON ANNUAL RESULT

Amounts in 1,000 DKK	2022	2021
Adjustment of deferred tax	671	-80
Total	671	-80

Notes 6–7

6. TANGIBLE FIXED ASSETS

Amounts in 1,000 DKK	2022	2021
Acquisition value, opening balance	108,979	37,606
Additions during the year	29	71,373
Disposals during the year	-300	0
Acquisition value closing balance	108,708	108,979

Depreciation, amortization and impairment opening balance	-21,909	-15,355
Depreciation, amortization and impairment during the year	-7,032	-6,554
Depreciation, amortization and impairment closing balance	-28,940	-21,909

Book value year-end	79,768	87,070
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Book value year-end 2021	87,070	
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Work-in-progress

Work-in-progress opening balance	2,566	73,856
Investment booked to work-in-progress	3,168	84
Completed work transferred to depreciation	-29	-71,373
Work-in-progress closing balance	5,705	2,566

Work-in-progress closing balance year-end 2021	2,566	
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Fixed assets at year-end	85,473	89,637
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Fixed assets at year-end 2021	89,637	
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7. EQUITY

Amounts in 1,000 DKK	Share capital	Hedge reserve	Result carried over	Total
Equity statement 01.01.21 - 31.12.21				
Opening balance 01.01.21	7,000	-2,147	4,530	9,383
Adjustment to derivatives	0	2,597	0	2,597
Annual result	0	0	-366	-366
Closing balance 31.12.21	7,000	450	4,164	11,614

Equity statement 01.01.22 - 31.12.22				
Opening balance 01.01.22	7,000	450	4,164	11,614
Adjustment to derivatives	0	10,469	0	10,469
Annual result	0	0	3,058	3,058
Closing balance 31.12.22	7,000	10,918	7,222	25,141

Notes 8–11

8. DEBT

Amounts in 1,000 DKK	Repayment next year	Outstanding debt after 5 years	Total debt 31.12.22	Total debt 31.12.21
Debt to parent company	2,906	0	12,019	14,862
Total	2,906	0	12,019	14,862

The outstanding debt after 5 years is calculated as an annuity loan to be paid over 10 years from 2016.

9. DERIVATIVES

Amounts in 1,000 DKK	Assets 31.12.22	Liabilities 31.12.22	Total 31.12.22	31.12.21
Interest rate hedge	10,918	0	10,918	450
Total	10,918	0	10,918	450

Derivatives are used to fix interest rates. The values shown are the differences between market value on the balance sheet date compared to the future value of the instruments.

10. OVERVIEW OF TURBINE EQUIPMENT 2022

Location	Turbine	MW	Type	Supplier	Powered by	Year	Age	Total hours	Hours 2022
Neshagi, Eystnes	V1	0.9	Turbine (pitch reg.)	Enercon	Wind	2012	11	70,044	7,216
Neshagi, Eystnes	V2	0.9	Turbine (pitch reg.)	Enercon	Wind	2012	11	74,517	7,354
Neshagi, Eystnes	V3	0.9	Turbine (pitch reg.)	Enercon	Wind	2012	11	70,704	7,914
Neshagi, Vørðan	V4	0.9	Turbine (pitch reg.)	Enercon	Wind	2012	11	59,486	0
Neshagi, Vørðan	V5	0.9	Turbine (pitch reg.)	Enercon	Wind	2012	11	76,836	7,164
Porkeri	V1	0.9	Turbine (pitch reg.)	Enercon	Wind	2021	2	14,881	7,818
Porkeri	V2	0.9	Turbine (pitch reg.)	Enercon	Wind	2021	2	12,871	7,643
Porkeri	V3	0.9	Turbine (pitch reg.)	Enercon	Wind	2021	2	14,782	7,736
Porkeri	V4	0.9	Turbine (pitch reg.)	Enercon	Wind	2021	2	14,682	7,832
Porkeri	V5	0.9	Turbine (pitch reg.)	Enercon	Wind	2021	2	13,805	7,950
Porkeri	V6	0.9	Turbine (pitch reg.)	Enercon	Wind	2021	2	13,274	7,975
Porkeri	V7	0.9	Turbine (pitch reg.)	Enercon	Wind	2021	2	14,117	7,991

11. MORTGAGES AND OTHER LIABILITIES AS OF 31.12.22

The Company holds no mortgages nor is it subject to any court case. The Company is bound by rental, operating and maintenance, and administration agreements in 2023 totalling DKK 569,000. The Company has a disagreement with a vendor concerning an invoice for DKK 1,250 thousand, which has not been expensed. This amount can affect the result for 2023, depending on how the matter is settled with the vendor.

Note 12

12. ADJUSTMENTS

Amounts in 1,000 DKK	2022	2021
Depreciation	7,032	6,554
Interest expense and similar expenses	1,775	1,950
Taxes	671	-80
Total	9,477	8,424



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Financial calendar: 01.01-31.12
Business Tax Registration No.: 622656
Business Registration No.: 6387