

Company registration No. 09341564 (England and Wales)

Baltic Sea Offshore Investment Limited
Private Limited Company

Financial statements for the period ended December 31, 2015

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Baltic Sea Offshore Investment Limited

Company information

Baltic Sea Offshore Investment Limited

Directors	M J Dooley M Altenhoff L Horstick D van Alphen C van Heijningen
Company number	09341564
Registered office	18 St Swithin's Lane London, EC4N 8AD United Kingdom
Independent Auditor	BDO LLP 55 Baker Street London, W1U 7EU United Kingdom

Baltic Sea Offshore Investment Limited

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Baltic Sea Offshore Investment Limited

Strategic report for the period ended 31 December 2015

The Directors present their strategic report for the period from 4 December 2014 (date of incorporation) to 31 December 2015.

Principal activities, business review and future developments

The Company started its activities on 4 December 2014 and its principal activity involves holding shares in Baltic Sea Offshore Holdco Limited (the "Subsidiary"), a wholly owned subsidiary of the Company.

The Subsidiary acquired a 49.89% interest in EnBW Baltic 2 S.C.S, a Luxembourg Partnership ("Projectco"). The principle business of Projectco is the development and operation of the offshore wind farm project EnBW Baltic 2, in the Baltic Sea.

Review of the business

The Company incurred administrative expenses for a total amount of EUR 25k. These expenses are composed of administration and audit expenses.

The aggregate loss of the Company for the period amounts to EUR 25k.

Key performance indicators

The Directors are of the opinion that the following Key Performance Indicators are relevant for an understanding of the development, performance or position of the Company's business:

- A net production result of the underlying Project in line or above the Master Business Plan agreed between all parties involved in the financing of Projectco
- A reliable liquidity forecast which shows that the project and company can prudently be considered as a going concern
- A Debt Service Coverage Ratio above the target hurdle which has been agreed with the Senior Lenders financing a portion of the company's investment in the Projectco

In the financial year the company has met the key performance indicators described above.

Principal risk and uncertainty

The key risks facing the Company are credit and liquidity risks. Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument. Liquidity risk is the risk that the company will not be able to meet its obligations. The Company is exposed to credit and liquidity risk due to its investment in Baltic Sea Offshore Holdco Limited. There

Baltic Sea Offshore Investment Limited

is a risk that Baltic Sea Offshore Holdco Limited stops making distributions to the Company and consequently the Company will not be able to meet its debts as they fall due.

We do not envisage any significant future developments of the business.

On behalf of the board



.....
DOOLEY

Director

Date: 2.9.16



.....
Horstick

Director

Date: 2.9.2016

Baltic Sea Offshore Investment Limited

Directors' Report for the period ended 31 December 2015

The Directors of Baltic Sea Offshore Investment Limited (the "Company") present their annual report and the audited financial statements of the Company for the period from 4 December 2014 (date of incorporation) to 31 December 2015.

Strategic report

A review of the business for the period ended 31 December 2015, including an analysis of key financial, other performance indicators and future developments, is included in the Strategic Report on page 1.

Results and dividends

The Company's loss for the period of EUR 25k as detailed on page 8, was transferred to reserves. No dividends were paid from reserves during the period.

Financial risk management

The Company has limited cash balances with no significant exposure to currency risk. Details in relation to credit and liquidity risk is described in the "Principal risk and uncertainty" section below.

Post balance sheet events

There are no significant post balance sheet events.

Directors

The membership of the board for the period is set out below.

M J Dooley – appointed on 4 Dec 2014

M Altenhoff – appointed on 3 Nov 2015

L Horstick – appointed on 3 Nov 2015

D van Alphen – appointed on 2 Nov 2015

C van Heijningen – appointed on 15 April 2016

E van De Brake – appointed on 2 Nov 2015 and resigned on 15 April 2016

M D Bradshaw – appointed on 4 Dec 2014 and resigned on 3 Nov 2015

F H X Devos – appointed on 4 Dec 2014 and resigned on 3 Nov 2015

Baltic Sea Offshore Investment Limited

Directors Report (cont'd)

Directors and Officers liability insurance and indemnity agreements

The Company purchased insurance to cover Directors' and Officers' liability as permitted by applicable Law. There are no indemnity agreements for any Director.

Going concern

The Company's ultimate parents have confirmed that they will continue to provide financial support to the Company for the foreseeable future. The Directors believe that it is therefore appropriate to prepare the financial statements on a going concern basis.

Disclosure of information to auditors

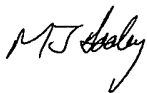
So far as each Director is aware, there is no relevant audit information of which the Company's independent auditors are unaware.

Each Director has taken all necessary steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Independent auditor

The Auditors, BDO LLP, have indicated their willingness to continue in office. The Directors shall propose a resolution to reappoint them subsequent to the year end.

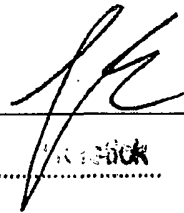
On behalf of the board



DOOLAN

Director

Date: 2.9.16



Director

Date: 2.9.2016

Statement of Directors' responsibilities

The Directors are responsible for preparing the Strategic Report, Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable International Financial Reporting Standards (IFRSs) as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent Auditor's Report to the Members of Baltic Sea Offshore Investment Limited

We have audited the financial statements of Baltic Sea Offshore Investment Limited for the period from 4 December 2014 to 31 December 2015 which comprise the statement of comprehensive income, the statement of financial position, the statement of cash flows, the statement of changes in equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law International Financial Reporting Standards (IFRSs) as adopted by the European Union.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and auditors

As explained more fully in the statement of Directors' responsibilities, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31st December 2015 and of its loss for the period ended 31st December 2015;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Independent Auditor's Report to the Members of Baltic Sea Offshore Investment Limited (continued)

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the strategic report and Directors' report for the financial year for the period ended 31st December 2015 for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Marc Reinecke (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
55 Baker Street, London W1U 7EU
Date 02 September 2016

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Baltic Sea Offshore Investment Limited

Statement of Comprehensive Income for the period ended 31 December 2015

	Notes	04-Dec-14 To 31-Dec-15 EUR 000's
Expenses		
Administrative expenses	8	(25)
Loss from operations		<u>25</u>
Loss before tax		<u>(25)</u>
Income tax expense	9	-
Loss for the period		<u>(25)</u>
Other comprehensive income		-
Total comprehensive expense and total comprehensive income attributable to the owners of the business		<u>(25)</u>

The notes on pages 12 to 20 are an integral part of these financial statements.

Baltic Sea Offshore Investment Limited

Statement of Financial Position as at 31 December 2015
Company No: 09341564

	Notes	31-Dec 2015 EUR 000's
ASSETS		
Non-current assets		
Investment in Subsidiary	5	23,893
Total non-current assets		23,893
Total assets		23,893
EQUITY AND LIABILITIES		
Equity		
Share capital	6	23,893
Accumulated losses		(25)
Total equity		23,868
Current liabilities		
Trade and other payables	7	25
Total current liabilities		25
Total liabilities		25
Total equity and liabilities		23,893

The financial statements were approved and authorised for issue by the Board of Directors on August 2016

Signed on behalf of the Board of Directors

Director

M J Dooley
DOOLEY
2.9.16

[Signature]
Director
Florstick
2.9.2016

The notes on pages 12 to 20 are an integral part of these financial statements.

Baltic Sea Offshore Investment Limited

Statement of changes in equity for the period ended 31 December 2015

	Issued share capital EUR 000's	Accumulated losses EUR 000's	Total equity EUR 000's
Balance as 4 Dec 2015	-	-	-
Loss for the period	-	(25)	(25)
Total comprehensive Expense	-	(25)	(25)
Issue of share capital	23,893	-	23,893
Balance as at 31 December 2015	23,893	(25)	23,868

Reserve	Description and purpose
Share premium	Amount subscribed for share capital in excess of nominal value.
Accumulated losses	All other net gains and losses and transactions with owners (e.g. dividends) not recognised elsewhere.

The notes on pages 12 to 20 are an integral part of these financial statements.

Baltic Sea Offshore Investment Limited

Statement of Cash Flows for the period ended 31 December 2015

	Notes	2015 EUR 000's
Cash Flow from operating activities		
Loss		(25)
Increase in trade payables		25
Cash and cash equivalent at 31 December 2015		-

The notes on pages 12 to 20 are an integral part of these financial statements.

Baltic Sea Offshore Investment Limited

Notes to the financial statements for the period ended 31 December 2015

Note 1 – Background Information

Baltic Sea Offshore Investment Limited (hereinafter – the Company) was incorporated on 4 December 2014 in the United Kingdom.

The Company's initial shareholder was Macquarie Corporate Holdings Pty Limited (UK Branch) ("Macquarie") having its registered office at Ropemaker Place, 28 Ropemaker Street, London, EC2Y 9HD.

On 26 October 2015, subject to the terms of a sale and purchase agreement, Macquarie transferred 34.99% of its shareholding in the Company to Ostwind Sarl.

On 26 October 2015, subject to the terms of a sale and purchase agreement, Macquarie also transferred 55% of its shareholding in the Company to Stitching Depository PGGM Infrastructure Funds (acting in its capacity as title holder of the PGGM Infrastructure Fund 2014).

The Company owns a 100% shareholding in Baltic Sea Offshore Holdco Limited, a company incorporated in the United Kingdom (the "Subsidiary").

The Subsidiary in turn owns a 49.89% interest in EnBW Baltic 2 S.C.S, a Luxembourg Partnership ("Projectco"). The principle business of Projectco is the development and operation of the offshore wind farm project EnBW Baltic 2, in the Baltic Sea.

Note 2 – Basis for preparation of financial statements

2.1 Statement of compliance

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and the Company Act 2006 applicable to company reporting under IFRS.

The preparation of financial statements in compliance with adopted IFRS requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the company's accounting policies. The areas where significant judgments and estimates have been made in preparing the financial statements and their effect are disclosed in note 2

Baltic Sea Offshore Investment Limited

Notes to the financial statements for the period ended 31 December 2015

New standards, interpretations and amendments effective from 1 January 2015

None of the amendments to Standards that are effective from that date had a significant effect on the Group's financial statements.

New standards, interpretations and amendments not yet effective

The following new standards, interpretations and amendments, which are not yet effective and have not been adopted early in these financial statements. We do not believe they will have a significant impact on the Financial Statements in the future periods.

New Standards	IASB mandatory effective date (EU mandatory effective date)
IFRS 15 Revenue from Contracts with Customers	01-Jan-18
IFRS 9 Financial Instruments	01-Jan-18
IFRS 16 Leases	01-Jan-19
Amendments to Existing Standards	
Accounting for Acquisitions of Interest in Joint Operations: Amendments to IFRS 11	01-Jan-16
Classification of Acceptable Methods of Depreciation and Amortisation: Amendments to IAS 16 and IAS 38	01-Jan-16
Agriculture: Bearer Plants: Amendments to IAS 16 and IAS 41	01-Jan-16
Equity Method in Separate Financial Statements (Amendments to IAS 27)	01-Jan-16
Annual Improvements to IFRSs (2012-2014 Cycle)	01-Jan-16
Disclosure Initiative: Amendments to IAS 1	01-Jan-16
Investment Entities: Applying the Consolidation Exception (Amendments to IFRS10, IFRS 12 and IAS 28)	01-Jan-16
Recognition of deferred tax assets for unrealised losses (Amendments to IAS 12)	01-Jan-17
Disclosure Initiative: Amendments to IAS 7	01-Jan-17
Clarifications to IFRS 15 revenue from Contracts with Customers	01-Jan-18

Baltic Sea Offshore Investment Limited

Notes to the financial statements for the period ended 31 December 2015

2.2 Basis of measurement

The financial statements have been prepared on a historical cost basis.

2.3 Basis of consolidation

The company has taken the exemption under the Companies Act 2006 not to prepare consolidated financial statements as the group is small.

2.4 Going concern

The Company's ultimate parents have confirmed that they will continue to provide financial support to the Company for the foreseeable future. The Directors believe that it is therefore appropriate to prepare the financial statements on a going concern basis.

Note 3 – Functional and presentation currency

The financial statements have been presented in Euros ("EUR"), which is the Company's functional currency.

3.1 Foreign currency transactions

Transactions in foreign currencies are translated into EUR at the foreign currency exchange rate ruling at the date of the transaction; year end GBP/EUR rate: 1.3586; average 2015 GBP/EUR rate: 1.2666. Monetary assets and liabilities denominated in foreign currencies at the statement of financial position date are translated into EUR at the exchange rate ruling at that date.

Foreign currency exchange differences arising on translation are recognised in the Income statement. Non-monetary assets and liabilities that are measured in terms of historical cost or fair value in a foreign currency are translated using the exchange rate at the date of the transaction or date fair value was determined.

Note 4 – Summary of significant accounting policies

4.1 Share capital and other equity equivalents

Ordinary shares are classified as equity.

Financial liabilities

The Company's financial liabilities consist of financial liabilities at amortised cost which are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method.

Baltic Sea Offshore Investment Limited

Notes to the financial statements for the period ended 31 December 2015

4.2 Investment in subsidiaries

Subsidiaries are entities controlled by the Company. The Company controls an entity when it is exposed to or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The Subsidiary is stated at historic cost, less any provision for impairment.

4.3 Cash and cash equivalents

Cash includes cash on hand and cash with banks. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash with original maturities of three months or less and that are subject to an insignificant risk of change in value.

4.4 Income taxes

Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the income statement. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Currently the Company is in a loss making position and it is uncertain as to when the Company will become profitable, therefore the deferred tax asset is not recognised during the period.

4.5 Administration and other general expenses

Administration and other general expenses comprise recurrent running expenses of the Company.

These expenses are recognised based on accrual principle.

Baltic Sea Offshore Investment Limited

Notes to the financial statements for the period ended 31 December 2015

4.6 Director's and employee's remuneration

The Director's do not receive any remuneration for their services to the Company.

The Company has no employees.

4.7 Principle estimates and judgements

The Director's view the key estimates and judgements to be in consideration with the fair value of the investment in subsidiary.

The Directors do not believe that there is any requirement to impair the asset given the performance of the subsidiary and the short period since acquisition.

Note 5 – Investment in subsidiaries

Investment in subsidiary can be detailed as follows:

Name of the Company	Country of incorporation	Percentage of ownership	Closing date of last financial period	Shareholders equity (EUR 000)
Baltic Sea Offshore Holdco Limited	United Kingdom	100%	31.12.2015	38,144

On 5 December 2014, the Company subscribed to the incorporation of Baltic Sea Offshore Holdco Limited with a share capital of 100 shares of EUR 1 each.

On 30 October 2015, the Company subscribed for 23,892,657 additional shares of EUR 1 each.

EUR 000's

Balance as 5 Dec 2014	-
Issue of share capital	23,893
Disposals	-
Balance as at 31 December 2015	23,893

Note 6 – Equity

The Company's share capital is EUR 23,892,757 comprised of 23,892,756 A shares and 1 B share.

Baltic Sea Offshore Investment Limited

Notes to the financial statements for the period ended 31 December 2015

6.1 Share capital and share premium

	2015 Shares	2015 EUR 000's
Ordinary shares		
Fully paid	23,893	23,893
Unpaid	-	-
Total share capital	23,893	23,893

i) Movement in ordinary shares

Details	Number of shares	Par value EUR	Total EUR 000's
At 4 December 2014 (incorporation)	100	1	-
Issue of Shares	23,892,657	1	23,893
At 31 December 2015	23,892,757	1	23,893

ii) Ordinary shares

The ordinary shares have a par value of EUR 1.00. They entitle the holder to participate in dividends, and to share in the proceeds of winding up the Company in proportion to the number of and amounts paid on the shares held.

As at 31 December 2015, the share capital, amounting to EUR 23,892,757, is represented by 23,892,757 ordinary shares with a nominal value of EUR 1.

Note 7 – Trade and other payables

Trade and other payables are composed of the following:

	2015 EUR 000's
Trade payables	9
Accruals	16
Total	25

Baltic Sea Offshore Investment Limited

Notes to the financial statements for the period ended 31 December 2015

Note 8 – Administration Expenses

	5-Dec-14 to 31-Dec-15 EUR 000's
Auditors remuneration for the audit of these financial statements	16
Other expenses	9
Total	25

Note 9 – Income Tax

There is no current or deferred tax charge in the year.

The tax assessed for the period ended 31 December 2015 is as follows:

	2015 EUR
Loss for the year before taxation	(25)
Corporation tax benefit at 20.25%	5
Carried forward losses	(5)
Total current tax charge	-

Changes to future tax rate

The main rate of UK corporation tax has decreased from 21% to 20% from 1 April 2015, resulting in an effective corporation tax rate of 20.25% for this accounting period. This will further reduce to 19% from 1 April 2017 and 18% from 1 April 2020. No deferred tax has been recognised on the losses for the year due to the uncertainty of profitability.

Note 10 Financial risk management objectives and policies

The Company's objective in managing risk is the creation and protection of shareholder value. Risk is inherent in the Company's activities, but it is managed through a process of ongoing identification, measurement and monitoring, subject to risks limits and other controls. The process of risk management is critical to the Company's continuing profitability. The Company is exposed to market risk (which includes interest rate risk and price risk), credit risk and liquidity risk arising from the financial instruments it holds.

The Company's senior management oversees the management of these risks. The Management reviews and agrees policies for managing each of these risks, which are summarised below.

Baltic Sea Offshore Investment Limited

Notes to the financial statements for the period ended 31 December 2015

10.1 Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk due to its investment in Baltic Sea Offshore Holdco Limited.

Credit risk is actively managed by monitoring the Subsidiary's performance and ensuring that any cash due from the Subsidiary is paid in a timely manner.

Cash and cash equivalents are invested in major banks. Management believed that the financial institutions that hold the Company's investments are financially sound and accordingly, minimal credit risk exists with respect to these investments.

10.2 Liquidity risk

Liquidity risk is defined as the risk the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Exposure to liquidity risk arises because of the possibility that the Company could be required to pay its liabilities earlier than expected.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

	Less than 1 year EUR 000's	Between 1 and 5 years EUR 000's	Total EUR 000's
Trade and other payables	25	-	-
Total at 31 Dec-15	25	-	-

Note 11 – Capital Management

When managing its capital, the Company intends to safeguard its ability to continue as a going concern in order to provide return to shareholders and benefits to other stakeholders, in addition to keeping an optimal capital structure to reduce this cost.

In order to maintain or adjust its capital structure, the Company may revise the policy for payment of dividend, return capital to shareholders, issue new shares, or sell assets to reduce its indebtedness, for example.

Baltic Sea Offshore Investment Limited

Notes to the financial statements for the period ended 31 December 2015

Note 12 – Related party transactions

Parties are deemed related when one has an ability to control the other or make significant influence while making financial and operational decisions.

As of 31 December 2015, the Directors had not received any form of remuneration for their services to the Company.

Further information on related parties is included in Note 1.