

Intertec Wind A/S
Fiskergade 66
8000 Aarhus C
Central Business Registration No
27506739

Annual report 2016

The Annual General Meeting adopted the annual report on 19.06.2017

Chairman of the General Meeting

Name: Henrik Steen Jensen

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Entity details

Entity

Intertec Wind A/S
Fiskergade 66
8000 Aarhus C

Central Business Registration No: 27506739

Registered in: Aarhus

Financial year: 01.01.2016 - 31.12.2016

Board of Directors

Henrik Steen Jensen, chairman
Erik Martinussen
Peter Nielsen

Executive Board

Erik Martinussen

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
City Tower, Værkmestergade 2
8000 Aarhus C

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of Intertec Wind A/S for the financial year 01.01.2016 - 31.12.2016.

The annual report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2016 and of the results of its operations for the financial year 01.01.2016 - 31.12.2016.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend to the Annual General Meeting that the financial statements for the next financial year not be audited.

We recommend the annual report for adoption at the Annual General Meeting.

Aarhus, 19.06.2017

Executive Board

Erik Martinussen

Board of Directors

Henrik Steen Jensen
chairman

Erik Martinussen

Peter Nielsen

Independent auditor's report

To the shareholders of Intertec Wind A/S

Opinion

We have audited the financial statements of Intertec Wind A/S for the financial year 01.01.2016 - 31.12.2016, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2016 and of the results of its operations for the financial year 01.01.2016 - 31.12.2016 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board of Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter regarding circumstances in the financial statements

We refer to note 1 to the financial statements stating that recognition and measurement of the Company's assets held for sale as well as other receivables relating to the Company's investment in development projects within wind energy are subject to uncertainty. Our opinion has not been modified with respect to this matter.

Management's responsibilities for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Independent auditor's report

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

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

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

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Independent auditor's report

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

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

Aarhus, 19.06.2017

Deloitte

Statsautoriseret Revisionspartnerselskab
Central Business Registration No: 33963556

Michael Bach
State Authorised Public Accountant

Søren Lassen
State Authorised Public Accountant

Management commentary

Primary activities

The Company's objective is to be engaged in the development and supply of wind farm projects and related activities.

Development in activities and finances

Profit for the year amounted to DKK 526k after which equity is negative by DKK 1,205k.

Uncertainty relating to recognition and measurement

Recognition and measurement of the Company's assets held for sale as well as other receivables relating to the Company's investment in development projects within wind energy are subject to uncertainty.

The repayment depends on one or more of the underlying wind projects being realised at a profit, which Management considers realistic based on the agreements concluded, authority approvals and permissions obtained as well as the general progress of the projects.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

Income statement for 2016

	<u>Notes</u>	<u>2016 DKK</u>	<u>2015 DKK</u>
Gross profit	2	376,153	414,040
Administrative costs		(185,000)	(205,000)
Operating profit/loss		191,153	209,040
Income from investments in group enterprises		(5,999)	1,046
Income from investments in associates		(133,208)	(142,278)
Other financial income	3	2,060,169	1,973,007
Other financial expenses	4	(2,571,571)	(2,407,225)
Profit/loss before tax		(459,456)	(366,410)
Tax on profit/loss for the year	5	985,213	949,697
Profit/loss for the year		525,757	583,287
Proposed distribution of profit/loss			
Transferred to reserve for net revaluation according to the equity method		0	(141,232)
Retained earnings		525,757	724,519
		525,757	583,287

Balance sheet at 31.12.2016

	<u>Notes</u>	<u>2016 DKK</u>	<u>2015 DKK</u>
Other fixtures and fittings, tools and equipment		0	0
Property, plant and equipment	6	0	0
Investments in group enterprises		0	62,828
Investments in associates		0	12,574,482
Fixed asset investments	7	0	12,637,310
Fixed assets		0	12,637,310
Assets held for sale		13,809,000	13,418,000
Inventories		13,809,000	13,418,000
Trade receivables		4,679	4,697
Receivables from group enterprises		0	26,320,203
Receivables from associates		0	7,959,748
Other receivables	8	51,233,380	1,381,621
Joint taxation contribution receivable		1,050,423	734,371
Prepayments		0	8,319
Receivables		52,288,482	36,408,959
Cash		1,977	969
Current assets		66,099,459	49,827,928
Assets		66,099,459	62,465,238

Balance sheet at 31.12.2016

	<u>Notes</u>	<u>2016 DKK</u>	<u>2015 DKK</u>
Contributed capital		500,000	500,000
Reserve for net revaluation according to the equity method		0	5,289,628
Retained earnings		<u>(1,704,804)</u>	<u>(7,520,189)</u>
Equity		<u>(1,204,804)</u>	<u>(1,730,561)</u>
Trade payables		399,726	613,832
Payables to group enterprises		62,624,617	59,110,469
Other payables	9	<u>4,279,920</u>	<u>4,471,498</u>
Current liabilities other than provisions		<u>67,304,263</u>	<u>64,195,799</u>
Liabilities other than provisions		<u>67,304,263</u>	<u>64,195,799</u>
Equity and liabilities		<u>66,099,459</u>	<u>62,465,238</u>
Uncertainty relating to recognition and measurement	1		
Contingent liabilities	10		
Group relations	11		

Statement of changes in equity for 2016

	Contributed capital DKK	Reserve for net revaluation according to the equity method DKK	Retained earnings DKK	Total DKK
	<u>DKK</u>	<u>DKK</u>	<u>DKK</u>	<u>DKK</u>
Equity beginning of year	500,000	5,289,628	(7,520,189)	(1,730,561)
Transfer to reserves	0	(5,289,628)	5,289,628	0
Profit/loss for the year	0	0	525,757	525,757
Equity end of year	500,000	0	(1,704,804)	(1,204,804)

Notes

1. Uncertainty relating to recognition and measurement

Recognition and measurement of the Company's assets held for sale as well as other receivables relating to the Company's investment in development projects within wind energy are subject to uncertainty.

The repayment depends on one or more of the underlying wind projects being realised at a profit, which Management considers realistic based on the agreements concluded, authority approvals and permissions obtained as well as the general progress of the projects.

	2016	2015
	DKK	DKK
2. Staff costs		
Wages and salaries	61,353	424,376
Other social security costs	1,781	9,656
	63,134	434,032
	2016	2015
	DKK	DKK
3. Other financial income		
Financial income arising from group enterprises	1,756,531	1,506,320
Financial income from associates	143,125	241,312
Interest income	97,246	81,764
Exchange rate adjustments	63,267	143,611
	2,060,169	1,973,007
	2016	2015
	DKK	DKK
4. Other financial expenses		
Financial expenses from group enterprises	2,553,959	2,387,485
Interest expenses	17,612	19,740
	2,571,571	2,407,225
	2016	2015
	DKK	DKK
5. Tax on profit/loss for the year		
Adjustment concerning previous years	65,210	(215,326)
Refund in joint taxation arrangement	(1,050,423)	(734,371)
	(985,213)	(949,697)

Notes

	Other fixtures and fittings, tools and equipment DKK	
	<u>DKK</u>	
6. Property, plant and equipment		
Cost beginning of year		86,725
Cost end of year		<u>86,725</u>
Depreciation and impairment losses beginning of the year		(86,725)
Depreciation and impairment losses end of the year		<u>(86,725)</u>
Carrying amount end of year		<u>0</u>
	Investments in group enterprises DKK	Investments in associates DKK
	<u>DKK</u>	<u>DKK</u>
7. Fixed asset investments		
Cost beginning of year	162,500	7,427,932
Disposals	(162,500)	(7,427,932)
Cost end of year	<u>0</u>	<u>0</u>
Revaluations beginning of year	0	5,146,550
Share of profit/loss for the year	0	(40,179)
Reversal regarding disposals	0	(5,106,371)
Revaluations end of year	<u>0</u>	<u>0</u>
Impairment losses beginning of year	(99,672)	0
Share of profit/loss for the year	(5,999)	0
Reversal regarding disposals	105,671	0
Impairment losses end of year	<u>0</u>	<u>0</u>
Carrying amount end of year	<u>0</u>	<u>0</u>

8. Other receivables

Other receivables consist of receivables from previous group enterprises and associates.

Notes

9. Other payables

The Company has received venture capital to co-finance specific wind farm projects in subsidiaries. The loan shall only be repaid if the wind farm projects in subsidiaries are realised at a profit.

10. Contingent liabilities

The Entity participates in a Danish joint taxation arrangement in which Wind Holding II ApS serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable from the financial year 2013 for income taxes etc for the jointly taxed entities, and from 1 July 2012 for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed entities. The total known net liability of the jointly taxed entities under the joint taxation arrangement is evident from the administration company's financial statements.

11. Group relations

Name and registered office of the Parent preparing consolidated financial statements for the smallest group: Majus ApS, Aarhus.

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of certain provisions for reporting class C.

The accounting policies applied to these financial statements are consistent with those applied last year. However, a few financial statement items have been reclassified.

- Debt which is not related to staff and public authorities is presented under Trade payables as the amount was previously recognised under Other payables. The comparative figures have been restated accordingly.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date are recognised in the income statement as financial income or financial expenses.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue and production costs.

Revenue

Revenue from the sale of services is recognised in the income statement when delivery is made to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Accounting policies

Production costs

Production costs comprise expenses incurred to earn revenue for the financial year. Production costs comprise direct and indirect costs for raw materials and consumables, wages and salaries included in the production process.

Administrative costs

Administrative costs comprise expenses incurred for the Entity's administrative functions, including wages and salaries for administrative staff and Management, stationery and office supplies.

Income from investments in group enterprises

Income from investments in group enterprises comprises the pro rata share of the individual enterprises' profit/loss after full elimination of intra-group profits or losses.

Income from investments in associates

Income from investments in associates comprises the pro rata share of the individual associates' profit/loss after elimination of intra-group profits or losses.

Other financial income

Other financial income comprises interest income, including interest income on receivables from group enterprises, net capital gains on securities, payables and transactions in foreign currencies etc.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital losses on securities, payables and transactions in foreign currencies as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

The Entity is jointly taxed with Majus ApS and all its other Danish subsidiaries. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

Balance sheet

Property, plant and equipment

Other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

Accounting policies

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Other fixtures and fittings, tools and equipment	3-5 years
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Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Investments in group enterprises

Investments in group enterprises are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity value.

Group enterprises with negative equity value are measured at DKK 0. Any receivables from these enterprises are written down to net realisable value based on a specific assessment. If the Parent has a legal or constructive obligation to cover the liabilities of the relevant enterprise, and it is probable that such obligation is imminent, a provision is recognised that is measured at present value of the costs deemed necessary to incur to settle the obligation.

Upon distribution of profit or loss, net revaluation of investments in group enterprises is transferred to Reserve for net revaluation according to the equity method under equity.

Investments in group enterprises are written down to the lower of recoverable amount and carrying amount.

Investments in associates

Investments in associates are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the associates' equity value.

Associates with negative equity value are measured at DKK 0. Any receivables from these enterprises are written down to net realisable value based on a specific assessment. If the Parent has a legal or constructive obligation to cover the liabilities of the relevant associate, and it is probable that such obligation is imminent, a provision is recognised that is measured at present value of the costs deemed necessary to incur to settle the obligation.

Upon distribution of profit or loss, net revaluation of investments in associates is transferred to Reserve for net revaluation according to the equity method under equity.

Investments in associates are written down to the lower of recoverable amount and carrying amount.

Inventories

Inventories are measured at the lower of cost of the work performed at the balance sheet date and net realisable value.

Accounting policies

Assets held for sale

Assets held for sale comprise project costs incurred in connection with the development of wind farm projects.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

Income tax payable or receivable

Current tax payable or receivable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash

Cash comprises cash in hand and bank deposits.

Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.