

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

Annual report 2015

The Annual General Meeting adopted the annual report on 20.06.2016

Chairman of the General Meeting

Name: Erik Martinussen

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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: 01.01.2015 - 31.12.2015

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 01.01.2015 - 31.12.2015.

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 31.12.2015 and of the results of its operations for the financial year 01.01.2015 - 31.12.2015.

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

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

Aarhus, 20.06.2016

Executive Board

Erik Martinussen

Board of Directors

Henrik Steen Jensen
Chairman

Erik Martinussen

Peter Nielsen

Independent auditor's reports

To the owners of Intertec Wind A/S

Report on the financial statements

We have audited the financial statements of Intertec Wind A/S for the financial year 01.01.2015 - 31.12.2015, which comprise the accounting policies, income statement, balance sheet, statement of changes in equity and notes. The financial statements are prepared in accordance with the Danish Financial Statements Act.

Management's responsibility 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.

Auditor's responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Entity's preparation of financial statements that give a true and fair view 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Our audit has not resulted in any qualification.

Opinion

In our opinion, the financial statements give a true and fair view of the Company's financial position at 31.12.2015 and of the results of its operations for the financial year 01.01.2015 - 31.12.2015 in accordance with the Danish Financial Statements Act.

Independent auditor's reports

Statement on the management commentary

Pursuant to the Danish Financial Statements Act, we have read the management commentary. We have not performed any further procedures in addition to the audit of the financial statements.

On this basis, it is our opinion that the information provided in the management commentary is consistent with the financial statements.

Aarhus, 20.06.2016

Deloitte

Statsautoriseret Revisionspartnerselskab

Michael Bach

State Authorised Public Accountant

Søren Lassen

State Authorised Public Accountant

CVR-nr. 33963556

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 583k after which equity is negative by DKK 1,731k.

The development in the Company's wind farm projects in Southern Italy and in Thailand proceeds as planned.

The Company still expects to participate in the annual auction for purchase of electricity production from wind farm projects in Italy in 2016.

The Company's continuation as a going concern is based on the condition that the intercompany financing can be maintained, which Management – based on a signed memorandum of understanding – considers realistic.

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.

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 for these financial statements are consistent with those applied last year, however, a few items have been changed by reclassification.

Consolidated financial statements

Referring to section 110 of the Danish Financial Statements Act, no consolidated financial statements have been prepared.

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 one 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, production costs and other operating income.

Accounting policies

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.

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 expenses

Administrative expenses comprise expenses incurred for the Entity's administrative functions, including wages and salaries for administrative staff and Management, stationary 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 internal 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 internal 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.

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.

Income taxes

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 the ultimate parent, Majus ApS, Aarhus, which serves as the administration company for the joint taxation. 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).

Accounting policies

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.

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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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.

Group enterprises with negative equity are measured at DKK 0, and any receivables from these enterprises are written down by the Parent's share of such negative equity value if it is deemed irrecoverable. If the negative equity value exceeds the amount receivable, the remaining amount is recognised under provisions if the Parent has a legal or constructive obligation to cover the liabilities of the relevant enterprise.

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 are measured at DKK 0, and any receivables from these associates are written down by the share of such negative equity if it is deemed irrecoverable. If the negative equity value exceeds the amount receivable, the remaining amount is recognised under provisions if there is a legal or constructive obligation to cover the liabilities of the relevant associate.

Accounting policies

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 that comprise project costs are measured at the lower of cost of the work performed at the balance sheet date and net realisable value.

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 write-downs for bad and doubtful debts.

Income tax payable or receivable

Current tax payable or receivable is recognised in the balance sheet, stated as tax calculated 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 bank deposits.

Other financial liabilities

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

Income statement for 2015

	<u>Notes</u>	<u>2015 DKK</u>	<u>2014 DKK</u>
Gross profit	2	414,040	331,575
Administrative costs	2	-205,000	-318,000
Operating profit/loss		209,040	13,575
Income from investments in group enterprises		1,046	61,782
Income from investments in associates		-142,278	-282,373
Other financial income	3	1,973,007	2,922,501
Other financial expenses	4	-2,407,225	-2,231,103
Profit/loss from ordinary activities before tax		-366,410	484,382
Tax on profit/loss from ordinary activities	5	949,697	378,718
Profit/loss for the year		583,287	863,100
Proposed distribution of profit/loss			
Reserve for net revaluation according to the equity method		-141,232	-220,591
Retained earnings		724,519	1,083,691
		583,287	863,100

Balance sheet at 31.12.2015

	<u>Notes</u>	<u>2015 DKK</u>	<u>2014 DKK</u>
Other fixtures and fittings, tools and equipment		0	0
Property, plant and equipment	6	<u>0</u>	<u>0</u>
Investments in group enterprises		62,828	61,782
Investments in associates		12,574,482	12,636,162
Fixed asset investments	7	<u>12,637,310</u>	<u>12,697,944</u>
Fixed assets		<u>12,637,310</u>	<u>12,697,944</u>
Assets held for sale		13,418,000	13,216,050
Inventories		<u>13,418,000</u>	<u>13,216,050</u>
Trade receivables		4,697	19,981
Receivables from group enterprises		26,320,203	24,785,064
Receivables from associates		7,959,748	6,816,204
Other short-term receivables		1,381,621	1,286,478
Income tax receivable		734,371	0
Prepayments		8,319	7,443
Receivables		<u>36,408,959</u>	<u>32,915,170</u>
Cash		<u>969</u>	<u>1,313</u>
Current assets		<u>49,827,928</u>	<u>46,132,533</u>
Assets		<u>62,465,238</u>	<u>58,830,477</u>

Balance sheet at 31.12.2015

	<u>Notes</u>	<u>2015 DKK</u>	<u>2014 DKK</u>
Contributed capital		500,000	500,000
Reserve for net revaluation according to the equity method		5,289,628	5,289,628
Retained earnings		-7,520,189	-8,102,676
Equity		-1,730,561	-2,313,048
Trade payables		288,940	236,680
Debt to group enterprises		59,110,469	55,244,478
Other payables	8	4,796,390	5,662,367
Current liabilities other than provisions		64,195,799	61,143,525
Liabilities other than provisions		64,195,799	61,143,525
Equity and liabilities		62,465,238	58,830,477
Uncertainty relating to recognition and measurement	1		
Contingent liabilities	9		
Consolidation	10		

Statement of changes in equity for 2015

	Contributed capital DKK	Reserve for net revalua- tion accor- ding to the equity me- thod DKK	Retained earnings DKK	Total DKK
Equity beginning of year	500,000	5,289,628	-8,102,676	-2,313,048
Exchange rate adjustments	0	-800	0	-800
Other adjustments	0	142,032	-142,032	0
Profit/loss for the year	0	-141,232	724,519	583,287
Equity end of year	500,000	5,289,628	-7,520,189	-1,730,561

Notes

1. Uncertainty relating to recognition and measurement

The Company is developing wind farm projects directly and through subsidiaries and associates. The recognition and measurement of these investments incl. related receivables are uncertain since repayment is dependent on one or more of the underlying wind farm projects being realised at a profit, which management – based on a signed memorandum of understanding – considers realistic.

The Company has received venture capital to 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.

	2015	2014
	DKK	DKK
2. Staff costs		
Wages and salaries	424,376	722,221
Other social security costs	9,656	17,919
	434,032	740,140
	2015	2014
	DKK	DKK
3. Other financial income		
Financial income arising from group enterprises	1,506,320	1,424,806
Interest income	81,764	32,103
Financial income from associates	241,312	1,037,857
Exchange rate adjustments	143,611	427,735
	1,973,007	2,922,501
	2015	2014
	DKK	DKK
4. Other financial expenses		
Financial expenses from group enterprises	2,387,485	2,173,161
Interest expenses	19,740	57,942
	2,407,225	2,231,103
	2015	2014
	DKK	DKK
5. Tax on ordinary profit/loss for the year		
Current tax	-734,371	0
Adjustment relating to previous years	-215,326	-378,718
	-949,697	-378,718

Notes

	Other fixtures and fittings, tools and equipment DKK
6. Property, plant and equipment	
Cost beginning of year	86,725
Cost end of year	86,725
Depreciation and impairment losses beginning of the year	-86,725
Depreciation and impairment losses end of the year	-86,725
Carrying amount end of year	0

	Investments in group enterprises DKK	Investments in associates DKK
7. Fixed asset investments		
Cost beginning of year	162,500	7,346,534
Additions	0	81,398
Cost end of year	162,500	7,427,932
Revaluations beginning of year	0	5,289,628
Exchange rate adjustments	0	-800
Share of profit/loss after tax	0	-142,278
Revaluations end of year	0	5,146,550
Impairment losses beginning of year	-100,718	0
Share of profit/loss after tax	1,046	0
Impairment losses end of year	-99,672	0
Carrying amount end of year	62,828	12,574,482

	Registered in	Corporate form	Equity interest %
Subsidiaries:			
Forest Intertec A/S	Aarhus	A/S	50.00
DK-Thai ApS	Aarhus	ApS	80.00

Notes

	<u>Registered in</u>	<u>Corpo- rate form</u>	<u>Equity interest %</u>	<u>Equity DKK</u>	<u>Profit/loss DKK</u>
Associates:					
Hydroser S.r.l.	Italy	S.r.l.	25.00	N/A	N/A
Thai Windpower Co. Ltd.	Bangkok	Ltd.	20.00	N/A	N/A
Asiawind Limited	Bangkok	Ltd.	15.14	N/A	N/A
Puffin ApS	Aarhus	ApS	50.00	N/A	N/A
Ventoitalia ApS	Roskilde	ApS	20.00	N/A	N/A

8. Other short-term 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.

9. Contingent liabilities

The Company participates in a Danish joint taxation arrangement in which Majus ApS, Aarhus serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Company is therefore liable from the financial year 2013 for income taxes etc for the jointly taxed companies and from 1 July 2012 also for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed companies.

10. Consolidation

Name and registered office of the Parent preparing consolidated financial statements for the largest group:

Majus ApS, Aarhus