


VEI 1 A/S

**c/o Greentech Energy Systems A/S
Frederiksborggade 15, 3.
DK-1360 Copenhagen**

CVR no. 29 80 94 37

Annual Report 2015



Chairman Peter Drachmann

**Approved at the Company's Annual General Meeting on
27 May 2016.**

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MANAGEMENT'S REPORT

The Board of Directors and Management have today discussed and approved the Annual Report of VEI 1 A/S for the financial year 1 January 2015 - 31 December 2015.

The Annual Report has been prepared in accordance with the Danish Financial Statements Act.

It is our opinion that the financial statements give a true and fair view of the Company's financial position at 31 December 2015 and of the results of the Company's operations for the financial year 1 January 2015 - 31 December 2015.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.


We recommend that the Annual Report be approved at the Annual General Meeting.

Copenhagen, 27 May 2016

Management


Alessandro Reitelli

Board of Directors


Francesco Vittoni


Alessandro Reitelli


Peter Høstgaard-Jensen

INDEPENDENT AUDITORS' REPORT

To the shareholders of VEI 1 A/S.

Independent auditors' report on the financial statements

We have audited the financial statements of VEI 1 A/S for the financial year 1 January 2015 – 31 December 2015, which comprise a summary of accounting policies, income statement, balance sheet 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. Management is also responsible for such internal control that Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' 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 as to 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the 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 Company'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 evaluating 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 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 December 2015 and of the results of its operations for the financial year 1 January 2015 – 31 December 2015 in accordance with the Danish Financial Statements Act.

INDEPENDENT AUDITORS' REPORT


Statement on the Management's Review

Pursuant to the Danish Financial Statements Act, we have read the Management's review. We have not performed any other procedures in addition to the audit of the financial statements. On this basis, it is our opinion that the information provided in the Management's review is consistent with the financial statements.

Copenhagen, 27 May 2016

Ernst & Young
Godkendt Revisionspartnerselskab
CVR 30 70 02 28


Jan C. Olsen
State Authorised Public Accountant


Peter Andersen
State Authorised Public Accountant

COMPANY INFORMATION

Company name	VEI 1 A/S
CVR no.	29 80 94 37
Address	c/o Greentech Energy Systems A/S Frederiksborggade 15, 3. DK-1360 Copenhagen
Management	Alessandro Reitelli
Board of Directors	Francesco Vittori Alessandro Reitelli Peter Høstgaard-Jensen
Auditors	ERNST & YOUNG Godkendt Revisionspartnerselskab c/o Postboks 250 Osvold Helmuths Vej 4 DK-2000 Frederiksberg C

MANAGEMENT'S REVIEW

Principal activities of the Company

The principal activity is to invest in and finance wind energy projects.

Development in activities and financial matters

The Company's financial position and the result of the year will be shown in the following income statement of the financial year 1 January 2015 - 31 December 2015 and the balance sheet as per 31 December 2015.

The result for the year shows a profit of DKK 39,696,364. The result is affected by profit from sale of associates and reversal of impairment on subsidiaries from prior years. The Management considers the result to be satisfactory.

Subsequent events

No significant events have occurred after the balance sheet date, which could have influence on the evaluation of the Annual Report.

ACCOUNTING POLICIES

The Annual Report of the Company has been prepared in accordance with the provisions of the Danish Financial Statements Act for Class B companies.

The Annual Report is prepared in DKK.

The most significant elements of the accounting principles applied are described below. The accounting principles were applied consistently with the principles of prior year's financial reporting.

Consolidated financial statements

Referring to the Danish Financial Statements Act section 112, the Company has chosen not to prepare consolidated financial statements. The consolidated financial statements can be obtained from the parent company at greentech.dk.

Foreign currency translation

Transactions denominated in foreign currencies are translated at the exchange rates at the date of the transaction.

Receivables, liabilities and other items in foreign currencies which have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date.

Realised and unrealised exchange rate adjustments are included in the income statement as financial income/expenses.

Income statement

Other operating income

Other operating income includes income of a secondary nature relative to the company's main business, including rental income from temporary renting of production facilities.

Other external expenses

Other external expenses comprise expenses for distribution, sale, marketing, administration, premises, bad debts, etc.

Financial items

Financial income and expense and similar items are recognised in the income statement with the amounts relating to the reporting period. Net financials include interest income and expense and realised and unrealised exchange rate gains and losses on foreign currency transactions.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and deferred tax for the year. The tax relating to the profit for the year is recognised in the income statement, whereas the tax related to equity transactions is recognised directly in equity.

Any changes in deferred tax due to changes to tax rates are recognised in the income statement.

ACCOUNTING POLICIES

The Company is part of the joint-taxation with the Danish Group companies. The total Danish tax of the Danish companies taxable income is accrued and paid by the administration entity. The tax effect of the joint taxation within the Danish Group companies is divided on profit as well as on deficit between the Group companies according to the taxable income. The joint taxed companies are using the tax-on-account regime.

Balance sheet

Investments in subsidiaries

Investments in subsidiaries and associates are measured at cost. If the cost exceeds the recoverable amount, write-down is provided to the lower value and is recognised in the income statement under financial items. The investment is reduced with declared dividend that exceeds retained earnings during the period of ownership.

The carrying amount of investments in subsidiaries is subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation or amortisation.

Impairment tests are conducted of individual assets or groups of assets when there is an indication that they may be impaired. Write-down is made to the recoverable amount if this is lower than the carrying amount.

The recoverable amount is the higher of an asset's net selling price and its value in use. The value in use is determined as the present value of the anticipated net cash flows from the use of the asset or group of assets.

Receivables

Receivables are measured at amortised cost. Write-downs for bad debt are based on individual assessment of receivables.

Cash and cash equivalents

Cash and cash equivalents comprise "Cash at bank and in hand" and "Current asset investments". "Current asset investments" consist of short-term securities with an insignificant risk of price exposure that can easily be converted into cash.

Tax assets, receivables and liabilities

Current tax liabilities and outstanding current tax are recognised in the balance sheet as computed tax on the taxable income for the year adjusted for tax on previous years' taxable income as well as for tax paid on account.

Deferred tax is measured according to the liability method in respect of temporary differences between accounting and tax values of assets and liabilities. In cases, e.g. regarding shares where computation of the tax value can be made according to alternative tax rules, deferred tax is measured either on basis of the planned use of the asset or on settlement of the liability.

ACCOUNTING POLICIES

Deferred tax assets, including the tax value of tax loss carry forwards, are measured at expected realisable value, either by payment of tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity. Deferred net tax assets, if any, are measured at net realisable value.

Deferred tax is measured on basis of the tax rules and tax rates ruling at balance sheet date, when the deferred tax is expected to become current tax. Changes in deferred tax because of changes in tax rates are recognised in the income statement. On the basis of the assessment made by the management in regards to realisation of the Company's assets a tax rate of 22% has been applied when calculating deferred tax. When calculating tax on a net profit for the year the current tax rate of 23.5 % has been applied.

Dividend

The proposed dividend for the financial year is recognised as a special item under equity.

Liabilities

Liabilities are measured at amortised cost equal to nominal value.

INCOME STATEMENT FOR THE PERIOD 1 JANUARY - 31 DECEMBER

	<u>Note</u>	<u>2015</u>	<u>2014</u>
		DKK	DKK
Other operating income		45,206	416
Other external costs		<u>(254,066)</u>	<u>(182,315)</u>
Profit/(loss) before financial items		(208,860)	(181,899)
Write down of investments in subsidiaries incl. reversal		27,586,742	(45,098,843)
Profit on investments		13,293,675	0
Financial expenses from group companies		(1,372,063)	(1,676,082)
Financial income from group companies		49,448	94,116
Financial expenses		<u>(17,822)</u>	<u>(808)</u>
Profit/(loss) before tax		39,331,120	(46,863,516)
Tax on net profit/(loss) for the year		<u>365,244</u>	<u>395,806</u>
Net profit/(loss) for the year		<u>39,696,364</u>	<u>(46,467,710)</u>

PROPOSED DISTRIBUTION OF PROFIT/LOSS

	<u>Note</u>	<u>2015</u>	<u>2014</u>
		DKK	DKK
Proposed distribution of profit/loss			
Declared dividend		31,300,000	0
Retained earnings		<u>8,396,364</u>	<u>(46,467,710)</u>
Total Distribution		<u>39,696,364</u>	<u>(46,467,710)</u>

BALANCE 31 DECEMBER

	<u>Note</u>	<u>2015</u> DKK	<u>2014</u> DKK
ASSETS			
Investments in subsidiaries	1	315,000,000	287,413,258
Receivables from subsidiaries		1,664,497	1,615,049
Investments in associates	2	<u>0</u>	<u>17,439,420</u>
Total financial fixed assets		<u>316,664,497</u>	<u>306,467,727</u>
Corporate tax	3	<u>759,891</u>	<u>395,806</u>
Total receivables		<u>759,891</u>	<u>395,806</u>
Cash and cash equivalents		<u>21,469,894</u>	<u>983,882</u>
Total cash and cash equivalents		<u>21,469,894</u>	<u>983,882</u>
Total current assets		<u>22,229,785</u>	<u>1,379,688</u>
Total assets		<u>338,894,282</u>	<u>307,847,415</u>

BALANCE 31 DECEMBER

	<u>Note</u>	<u>2015</u> DKK	<u>2014</u> DKK
EQUITY AND LIABILITIES			
Share capital		505,000	505,000
Share premium account		0	244,995,000
Proposed dividend		31,300,000	0
Retained earnings/(losses)		<u>267,473,380</u>	<u>14,082,016</u>
Total shareholders' equity	4	<u>299,278,380</u>	<u>259,582,016</u>
Payables to affiliates	5	<u>39,547,678</u>	<u>48,235,399</u>
Total long-term liabilities		<u>39,547,678</u>	<u>48,235,399</u>
Trade payables		<u>68,224</u>	<u>30,000</u>
Total short-term liabilities		<u>68,224</u>	<u>30,000</u>
Total liabilities		<u>39,615,902</u>	<u>48,265,399</u>
Total liabilities and shareholders' equity		<u>338,894,282</u>	<u>307,847,415</u>
Related parties	6		
Contractual obligations and contingencies, etc.	7		

NOTES TO THE FINANCIAL STATEMENTS

1	Investments in subsidiaries	2015 DKK	2014 DKK
	Cost beginning of the year	453,536,895	453,536,895
	Cost end of the year	453,536,895	453,536,895
	Write down beginning of the year	(166,123,637)	(121,024,794)
	Write down, adjustment	27,586,742	(45,098,843)
	Adjustment end of the year	(138,536,895)	(166,123,637)
	Investments in subsidiaries total	315,000,000	287,413,258

Name	Place of registered office	Curr.	Share capital Local Currency	Votes and ownership	Equity at 31 December 2015	Net profit/loss for the year
VE 5 ApS	Copenhagen, Denmark	DKK	80,000	100 %	1,816,434	69,980
VE 7 ApS	Copenhagen, Denmark	DKK	140,000	100 %	275,619,148	77,186,819
Gehlenberg ApS	Copenhagen, Denmark	DKK	125,000	100 %	222,259	7,121
Windpark Gehlenberg ApS (Dänisches Recht) & Co. KG	Zossen OT Kallinchen, Germany	EUR	10,000	100 %	(4,325,808)	741,502

2	Investments in associates	2015 DKK	2014 DKK
	Cost beginning of the year	17,439,420	17,439,420
	Disposal	(17,439,420)	0
	Cost end of the year	0	17,439,420
	Investments in associates total	0	17,439,420

NOTES TO THE FINANCIAL STATEMENTS

3	Corporate tax	2015 DKK	2014 DKK
	Corporate tax	759,891	395,806
	Other receivables total	759,891	395,806

4	Shareholders' equity	Share capital DKK	Share premium account DKK	Retained earnings DKK	Proposed dividend DKK	Total DKK
	Balance 1 January 2015	505,000	244,995,000	14,082,016	0	259,582,016
	Transferred to/from reserves	0	(244,995,000)	244,995,000	0	0
	Result of the year	0	0	39,696,364	0	39,696,364
	Dividend current year	0	0	(31,300,000)	31,300,000	0
	Shareholders' equity total	505,000	0	267,473,380	31,300,000	299,278,380

The capital comprises 505 shares of DKK 1,000 each.

- 5 Payables to affiliates**
The Company's parent company Greentech Energy Systems A/S has provided a credit line of 175 million DKK. The loan will be repaid in line with the company's ability to pay.
- 6 Related parties**
The Company is owned 100 % by Greentech Energy Systems A/S, Copenhagen. VEI 1 A/S and its subsidiaries are included in the consolidated financial statements for Greentech Energy Systems A/S, CVR-no. 36 69 69 15.
- 7 Contractual obligations and contingencies, etc.**
The Company is jointly taxed with other Danish companies in the Group. As a group company, the Company has joint and several unlimited liability for Danish corporation taxes and withholding taxes on dividends, interest and royalties in the joint taxation unit.