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Kaiserwetter Solar Invest ApS

Kronprinsensgade 1, 3. sal
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1114 København K
Central Business Registration
No 29936595

Annual report 2016

The Annual General Meeting adopted the annual report on 16.06.2017

Chairman of the General Meeting

Name: Hanno Emmanuel Schoklitsch

Contents

Entity details

Entity
Kaiserwetter Solar Invest ApS
Kronprinsensgade 1, 3. sal baghuset tv
1114 København K

Central Business Registration No: 29936595
Registered in: Copenhagen
Financial year: 01.01.2016 - 31.12.2016

Executive Board
Hanno Emmanuel Schoklitsch

Auditors
Deloitte Statsautoriseret Revisionspartnerselskab
Egtved Allé 4
6000 Kolding

Statement by Management on the annual report

The Executive Board has today considered and approved the annual report of Kaiserwetter Solar Invest ApS for the financial year 01.01.2016 - 31.12.2016.

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

In my opinion, the consolidated financial statements and parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2016 and of the results of their operations as well as the consolidated cash flows for the financial year 01.01.2016 - 31.12.2016.

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

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

Copenhagen, 16.06.2017

Executive Board

Hanno Emmanuel Schoklitsch

Independent auditor's report

To the shareholders of Kaiserwetter Solar Invest ApS

Opinion

We have audited the consolidated financial statements and the parent financial statements of Kaiserwetter Solar Invest ApS 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, for the Group as well as the Parent, and the consolidated cash flow statement. The consolidated financial statements and the parent financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2016, and of the results of their operations and the consolidated cash flows 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 the 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 consolidated financial statements and the parent financial statements section of this auditor's report. We are independent of the Group 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.

Management's responsibilities for the consolidated financial statements and the parent financial statements

Management is responsible for the preparation of consolidated financial statements and parent 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 consolidated financial statements and parent financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements and the parent financial statements, Management is responsible for assessing the Group's and 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 consolidated financial statements and the parent financial statements unless Management either intends to liquidate the Group or the Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements and the parent financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the parent 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

Independent auditor's report

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 consolidated financial statements and parent financial statements.

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 consolidated financial statements and the parent 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 Group’s and 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 consolidated financial statements and the parent 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 Group's and 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 consolidated financial statements and the parent 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 Group and the Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements and the parent financial statements, including the disclosures in the notes, and whether the consolidated financial statements and the parent financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group 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 internal control that we identify during our audit.

Independent auditor's report

Statement on the management commentary
Management is responsible for the management commentary.

Our opinion on the consolidated financial statements and the parent 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 consolidated financial statements and the parent financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the consolidated financial statements and the parent financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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 consolidated financial statements and the parent 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.

Kolding, 16.06.2017

Deloitte
Statsautoriseret Revisionspartnerselskab
Central Business Registration No: 33963556

Leo Gilling
State Authorised Public Accountant

Lars Ørum Nielsen
State Authorised Public Accountant

Management commentary

	2016 EUR'000	2015 EUR'000	2014 EUR'000	2013 EUR'000	2012 EUR'000
Financial highlights					
Key figures					
Gross profit	14.959	17.783	19.487	23.542	91.804
Operating profit/loss	10.022	7.703	(6.717)	6.221	83.367
Net financials	(7.746)	(2.536)	(10.653)	(9.509)	(16.654)
Profit/loss for the year	1.832	7.783	(19.352)	(6.138)	69.452
Total assets	152.609	157.440	167.936	197.361	221.362
Investments in property, plant and equipment	2.754	1.662	281	0	1.787
Equity incl minority interests	5.265	2.712	(6.254)	6.212	6.387
Ratios					
Equity ratio (%)	3,5	1,7	(3,7)	3,1	2,9

Financial highlights are defined and calculated in accordance with "Recommendations & Ratios 2015" issued by the Danish Society of Financial Analysts.

Ratios	Calculation formula	Ratios
Equity ratio (%)	$\frac{\text{Equity incl minority interests x 100}}{\text{Total assets}}$	The financial strength of the entity.

Management commentary

Primary activities
The Group's primary activities is to develop, sell and own solar parks. In 2016, the activity, however, only included the operation of the company-owned solar parks.

Development in activities and finances
In 2016 Kaiserwetter Solar Invest ApS has realized a profit of EUR 1.832.288 for the Group and a profit of EUR 476.801 for the Parent. As at 31.12.2016 the equity amounts to EUR 5.265.361 for the Group and EUR 13.027.415 for the Parent. The result for the year meets the expectations of Management considering the following extraordinary impacts:

- The amended business forecast lead to an increased value in use of a few solar plants in Spain. In some projects the value in use rose above the carrying amount, being still lower than the initial acquisition costs. Depreciation of these assets has been reversed in the accounting period.
- The company agreed successfully with its lender the future loan terms for the Spanish solar park "Andujar". The negotiations of the refinancing of the other solar plants in Spain resulted in an alternative restructuring concept. The main principle of the concept is to sell the shares in the Spanish solar projects under consideration to a third party.

Uncertainty relating to recognition and measurement
The value of receivables from associated companies and third parties is subject to uncertainty because the liquidity of many of these companies is tight. Management has assessed each receivable specifically, but points out that the assessments are subject to uncertainty.

Outlook
After substantial uncertainty in the past, the Spanish feed-in tariff system introduced in 2014 remains unchanged, so Management expects predictable and stable results from the Spanish solar assets that have been successfully financially restructured. The performance of the German solar plants remains positive.
The company started the sales process for most of the Spanish solar plants based on the alternative restructuring concept. Management expects to close the process in 2017.

Particular risks
Regulatory risk
There is the general risk that the Spanish government will decide on further regulatory measures. Under the new feed-in tariff system introduced in 2014 the tariffs have been dramatically cut, but forecast savings are potentially not sufficient to compensate for the Spanish government deficit. Accordingly, the Spanish government may intend to change the regime again with a negative impact on the profitability of the Spanish solar plants.

Events after the balance sheet date
In May 2017, the Company has signed a sales and purchase agreement to sell its shares in most of the Spanish solar parks. The closing of the transaction is dependent on the completion of certain conditions in the agreement, which Management is confident to satisfy. Otherwise, no events have occurred to this date, which would influence the evaluation of this annual report.

Consolidated income statement for 2016

	Notes	2016 EUR	2015 EUR
Gross profit		**14.958.568**	**17.782.639**
Depreciation, amortisation and impairment losses	2	(4.936.129)	(10.079.983)
Operating profit/loss		**10.022.439**	**7.702.656**
Income from investments in associates		(9.138)	(19.717)
Other financial income	3	287.455	6.255.571
Impairment of financial assets		0	428.914
Other financial expenses	4	(8.024.678)	(9.200.939)
Profit/loss before tax		**2.276.078**	**5.166.485**
Tax on profit/loss for the year	5	(443.790)	2.616.015
Profit/loss for the year	6	**1.832.288**	**7.782.500**

Consolidated balance sheet at 31.12.2016

	Notes	2016 EUR	2015 EUR
Acquired licences		130.655	137.296
Goodwill		390.011	407.952
Intangible assets	7	**520.666**	**545.248**
Land and buildings		1.595.708	1.595.708
Plant and machinery		137.026.133	139.183.789
Property, plant and equipment	8	**138.621.841**	**140.779.497**
Receivables from group enterprises		321.337	321.529
Investments in associates		74.693	214.133
Fixed asset investments	9	**396.030**	**535.662**
Fixed assets		**139.538.537**	**141.860.407**
Trade receivables		5.608.129	4.921.077
Receivables from group enterprises		75.470	111.780
Receivables from associates		359.816	653.967
Other receivables		376.648	209.861
Prepayments	11	158.291	129.156
Receivables		**6.578.354**	**6.025.841**
Cash		**6.492.030**	**9.553.401**
Current assets		**13.070.384**	**15.579.242**
Assets		**152.608.921**	**157.439.649**

Consolidated balance sheet at 31.12.2016

	Notes	2016 EUR	2015 EUR
Contributed capital		78.700	78.700
Retained earnings		3.296.990	864.483
Equity attributable to the Parent's owners		**3.375.690**	**943.183**
Share of equity attributable to minority interests		**1.889.671**	**1.769.009**
Equity		**5.265.361**	**2.712.192**
Deferred tax	12	546.837	494.480
Other provisions	13	1.225.975	972.884
Provisions		**1.772.812**	**1.467.364**
Bank loans		10.765.085	10.552.677
Non-current liabilities other than provisions	14	**10.765.085**	**10.552.677**
Current portion of long-term liabilities other than provisions	14	121.897.198	128.514.704
Bank loans		312.500	0
Trade payables		1.565.029	527.632
Payables to group enterprises		730.855	643.316
Payables to associates		1.073.364	937.044
Income tax payable		379.220	111.833
Other payables	15	8.847.497	11.972.887
Current liabilities other than provisions		**134.805.663**	**142.707.416**
Liabilities other than provisions		**145.570.748**	**153.260.093**
Equity and liabilities		**152.608.921**	**157.439.649**
Events after the balance sheet date	1		
Associates	10		
Unrecognised rental and lease commitments	17		
Mortgages and securities	18		
Subsidiaries	19		

Consolidated statement of changes in equity for 2016

	Contributed capital EUR	Retained earnings EUR	Share of equity attributable to minority interests EUR	Total EUR
Equity beginning of year	78.700	864.483	1.769.009	2.712.192
Effect of mergers and business combinations	0	0	218.088	218.088
Fair value adjustments of hedging instruments	0	762.793	0	762.793
Dividends from group enterprises	0	0	(260.000)	(260.000)
Profit/loss for the year	0	1.669.714	162.574	1.832.288
Equity end of year	**78.700**	**3.296.990**	**1.889.671**	**5.265.361**

Consolidated cash flow statement for 2016

	Notes	2016 EUR	2015 EUR
Operating profit/loss		10.022.439	7.702.656
Amortisation, depreciation and impairment losses		4.936.129	10.079.983
Writedown of current		0	428.914
Other provisions		234.291	(219.240)
Working capital changes	16	(1.782.520)	1.334.777
Cash flow from ordinary operating activities		**13.410.339**	**19.327.090**
Financial income received		9.222	33.651
Financial income paid		(8.024.678)	(9.200.939)
Income taxes refunded/(paid)		(126.420)	(1.166.259)
Cash flows from operating activities		**5.268.463**	**8.993.543**
Acquisition etc of property, plant and equipment		(50.188)	(1.522.477)
Sale of property, plant and equipment		0	107.545
Acquisition of enterprises		(177.000)	(250.479)
Dividends received		16.150	20.000
Cash flows from investing activities		**(211.038)**	**(1.645.411)**
Loans raised		0	937.500
Instalments on loans etc		(9.049.571)	(6.324.451)
Dividend paid		(260.000)	(112.500)
Cash acquired in business combinations		878.275	0
Cash flows from financing activities		**(8.431.296)**	**(5.499.451)**
Increase/decrease in cash and cash equivalents		**(3.373.871)**	**1.848.681**
Cash and cash equivalents beginning of year		9.553.401	7.704.720
Cash and cash equivalents end of year		**6.179.530**	**9.553.401**
Cash and cash equivalents at year-end are composed of:			
Cash		6.492.030	9.553.401
Short-term debt to banks		(312.500)	0
Cash and cash equivalents end of year		**6.179.530**	**9.553.401**

Notes to consolidated financial statements

1. Events after the balance sheet date

In May 2017, the Group has signed a sales and purchase agreement to sell its shares in most of the Spanish solar parks. The closing of the transaction is dependent on the completion of certain conditions in the agreement, which Management is confident to satisfy.

	2016 EUR	2015 EUR
2. Depreciation, amortisation and impairment losses		
Amortisation of intangible assets	24.582	23.977
Depreciation of property, plant and equipment	7.452.399	8.017.490
Impairment losses on property, plant and equipment	(2.540.852)	2.038.516
	4.936.129	**10.079.983**

	2016 EUR	2015 EUR
3. Other financial income		
Financial income arising from group enterprises	6.822	6.304
Other financial income	280.633	6.249.267
	287.455	**6.255.571**

	2016 EUR	2015 EUR
4. Other financial expenses		
Financial expenses from group enterprises	22.077	22.198
Other financial expenses	8.002.601	9.178.741
	8.024.678	**9.200.939**

	2016 EUR	2015 EUR
5. Tax on profit/loss for the year		
Tax on current year taxable income	406.216	(445.600)
Change in deferred tax for the year	52.357	(1.480.464)
Adjustment concerning previous years	1.538	(689.951)
Refund in joint taxation arrangement	(16.321)	0
	443.790	**(2.616.015)**

	2016 EUR	2015 EUR
6. Proposed distribution of profit/loss		
Retained earnings	1.669.714	7.978.878
Minority interests' share of profit/loss	162.574	(196.378)
	1.832.288	**7.782.500**

Notes to consolidated financial statements

	Acquired licences EUR	Goodwill EUR
7. Intangible assets		
Cost beginning of year	188.495	603.924
Cost end of year	**188.495**	**603.924**
Amortisation and impairment losses beginning of year	(51.199)	(195.972)
Amortisation for the year	(6.641)	(17.941)
Amortisation and impairment losses end of year	**(57.840)**	**(213.913)**
Carrying amount end of year	**130.655**	**390.011**

	Land and buildings EUR	Plant and machinery EUR
8. Property, plant and equipment		
Cost beginning of year	1.626.486	237.722.564
Addition through business combinations etc	0	2.686.703
Transfers	0	(54)
Additions	0	67.188
Cost end of year	**1.626.486**	**240.476.401**
Depreciation and impairment losses beginning of the year	(30.778)	(98.538.775)
Transfers	0	54
Impairment losses for the year	0	(17.000)
Reversal of impairment losses	0	2.557.852
Depreciation for the year	0	(7.452.399)
Depreciation and impairment losses end of the year	**(30.778)**	**(103.450.268)**
Carrying amount end of year	**1.595.708**	**137.026.133**

Notes to consolidated financial statements

	Receivables from group enterprises EUR	Investments in associates EUR
9. Fixed asset investments		
Cost beginning of year	321.529	6.507.221
Addition through business combinations etc	0	(902.746)
Additions	6.337	0
Disposals	(6.529)	0
Cost end of year	**321.337**	**5.604.475**
Impairment losses beginning of year	0	(6.293.088)
Addition through business combinations etc	0	767.183
Share of profit/loss for the year	0	(9.138)
Dividend	0	(16.150)
Investments with negative equity depreciated over receivables	0	21.411
Impairment losses end of year	**0**	**(5.529.782)**
Carrying amount end of year	**321.337**	**74.693**

	Registered in	Equity inte-rest %
10. Associates		
SCE Solar Don Benito ApS	Århus	46,0
K/S SCE Solar Kappel-Grafenhausen 2007	Viby	5,0
SCE Solar Kappel-Grafenhausen Komplementaranpartsselskab	Viby	5,0
SCE Solar El Redondo 2008 Nr. 15 ApS	Copenhagen	33,3

11. Prepayments

	2016 EUR	2015 EUR
Prepaid land lease	150.625	116.964
Other prepaid expenses	7.666	12.192
	158.291	**129.156**

Notes to consolidated financial statements

	2016 EUR	2015 EUR
12. Deferred tax		
Property, plant and equipment	808.183	710.365
Receivables	264.538	290.618
Provisions	9.699	16.861
Tax losses carried forward	(535.583)	(523.364)
	546.837	**494.480**

Changes during the year		
Beginning of year	494.480	
Recognised in the income statement	52.357	
End of year	**546.837**	

13. Other provisions

	2016 EUR	2015 EUR
Provision, relating to the restructuring process	90.008	92.956
Provision, relating to dismantling costs for solar parks	1.135.967	879.928
	1.225.975	**972.884**

	Instalments within 12 months 2016 EUR	Instalments within 12 months 2015 EUR	Instalments beyond 12 months 2016 EUR	Outstanding after 5 years EUR
14. Liabilities other than provisions				
Bank loans	121.897.198	128.514.704	10.765.085	4.084.694
	121.897.198	**128.514.704**	**10.765.085**	**4.084.694**

15. Other short-term payables

Under other short-term payables negative fair value of interest rate swaps is recognized with a total of EUR 5.742k. The nominal value of the swaps amounts to EUR 24.961k, The swaps are due between 2017 and 2028. The interest rate swaps share due dates and nominal values with bank loans in several of the Spanish Solar projects and the loans and interest swaps have been agreed with the same bank. The interest rate swaps therefore fulfill the conditions for treatment as fair value hedging, and annual fair value regulations are recognized directly on the equity.

Notes to consolidated financial statements

	2016 EUR	2015 EUR
16. Change in working capital		
Increase/decrease in receivables	(131.492)	3.752.639
Increase/decrease in trade payables etc	(1.651.028)	(2.419.344)
Other changes	0	1.482
	(1.782.520)	**1.334.777**

	2016 EUR	2015 EUR
17. Unrecognised rental and lease commitments		
Hereof liabilities under rental or lease agreements until maturity in total	**11.282.353**	**11.585.127**

18. Mortgages and securities

Plant, property and equipment has been pledged to secure bank debt. Book value of assets pledged amounts EUR 138.622k (2015: EUR 142.259k).

As a limited partner, the Group is liable for the Group’s share of non-paid capital in limited partnerships. Non-paid equity in non-consolidated limited partnerships amounts to EUR 11k (2015: EUR 1.919k).

A part of the cash deposits in subsidiaries is pledged to secure bank debt. The value of cash amounts pledged is EUR 5.043k (2015: EUR 8.993k).

Notes to consolidated financial statements

	Registered in	Corporate form	Equity interest %
19. Subsidiaries			
ETC Sol ApS	Copenhagen	ApS	100,0
K/S SCE Solar Borna 2007	Copenhagen	K/S	75,0
SCE Solar Borna 2007 Komplementaranpartsselskab	Copenhagen	ApS	75,0
K/S SCE Solar Hegnenbach	Copenhagen	K/S	60,0
SCE Solar Hegnenbach Komplementaranpartsselskab	Copenhagen	ApS	60,0
SCE Solar Andujar 01 ApS	Copenhagen	ApS	100,0
SCE Solar Andujar 02 ApS	Copenhagen	ApS	100,0
SCE First Spanish Solar Nr. 01 ApS	Copenhagen	ApS	100,0
SCE Solar Ventanas 2007 Nr. 01 ApS	Copenhagen	ApS	100,0
SCE Solar Ventanas 2007 Nr. 09 ApS	Copenhagen	ApS	100,0
SCE Solar Ventanas 2007 Nr. 10 ApS	Copenhagen	ApS	100,0
SCE Solar El Redondo 2008 Nr. 1, 2, 3, 5, 6, 13, 14, 16, 18, 19 ApS (10 companies)	Copenhagen	ApS	100,0
SCE Solar Alhonoz 2008 Nr. 1, 3, 4, 7, 9, 11, 12, 13, 14, 15, 17, 18 ApS (12 companies)	Copenhagen	ApS	100,0
SCE Solar Ventanas 2007 Nr. 13 ApS	Copenhagen	ApS	100,0
SCE Solar Ventanas 2007 Nr. 15 ApS	Copenhagen	ApS	100,0
SCE Solar Marzagan Nr. 1 ApS	Copenhagen	ApS	100,0
SCE Solar Lobon 2008 ApS	Copenhagen	ApS	100,0
K/S SCE Solar Hettenkofen	Copenhagen	K/S	76,4
SCE Solar Hettenkofen Komplementaranpartsselskab	Copenhagen	ApS	76,4
SCE Solar Hegnenbach GmbH & Co. KG	Hamburg	KG	60,0
SCE Solar Hegnenbach Management GmbH	Hamburg	GmbH	60,0
SCE Solar Borna GmbH & Co. KG	Hamburg	KG	75,0
SCE Solar Borna Management GmbH	Hamburg	GmbH	75,0
SCE Solar Andujar 01 GmbH & Co. KG	Hamburg	KG	100,0
SCE Solar Andujar 01 Management GmbH	Hamburg	GmbH	100,0
SCE Solar Andujar 02 GmbH & Co. KG	Hamburg	KG	100,0
SCE Solar Andujar 02 Management GmbH	Hamburg	GmbH	100,0
SCE Solar Ventanas GmbH	Hamburg	GmbH	100,0
SCE Solar Alhonoz Erste GmbH	Hamburg	GmbH	100,0

Notes to consolidated financial statements

	Registered in	Corpo-rate form	Equity inte-rest %
19. Subsidiaries (continued)			
SCE Solar Alhonoz Zweite GmbH	Hamburg	GmbH	100,0
SCE Solar Marzagan GmbH	Hamburg	GmbH	100,0
SCE Solar Lobon GmbH	Hamburg	GmbH	100,0
SCE Solar El Redondo 2 GmbH	Hamburg	GmbH	90,0
SCE Solar Gil de Olid 2 GmbH	Hamburg	GmbH	90,0
SCE Solar Purias GmbH	Hamburg	GmbH	100,0
SCE Solar El Redondo 3 GmbH	Hamburg	GmbH	75,0
Kaiserwetter Minos Invest GmbH	Hamburg	GmbH	100,0
SCE Solar Don Benito Management GmbH	Hamburg	GmbH	100,0
Almeria Solarpark GmbH	Hamburg	GmbH	100,0
SCE Solar Hettenkofen Management GmbH	Hamburg	GmbH	76,4
SCE Solar Hettenkofen GmbH & Co. KG	Hamburg	KG	76,4
Arrebato Solar S.L.	Madrid	S.L.	100,0
Latitud Solar S.L.	Madrid	S.L.	100,0
Econeria del Sureste S.L.	Madrid	S.L.	100,0
Central Eléctrica Solar Ibersol S.L. XLVI	Madrid	S.L.	100,0
Geosol Ibérica Terrenos Solares II S.L.	Madrid	S.L.	100,0
Central Eléctrica Solar Benamaurel S.L. I-X (10 companies)	Madrid	S.L.	100,0
Central Eléctrica Solar Ibersol S.L. I-VI (6 companies)	Madrid	S.L.	100,0
Geosol Ibérica Terrenos Solares I S.L.	Madrid	S.L.	100,0
Central Eléctrica Solar Altiplano S.L. I-XXXII (32 companies)	Madrid	S.L.	100,0
Solnaya Alfa S.L.	Madrid	S.L.	90,0
Central Eléctrica Solar Geoibérica S.L. I-XXIII (23 companies)	Madrid	S.L.	90,0
Prader Energias Renovables S.L.	Madrid	N/A	90,0
Geosol Ibérica Terrenos Solares III S.L.	Madrid	S.L.	90,0
Geosol Ibérica Terrenos Solares IV S.L.	Madrid	S.L.	90,0
Central Eléctrica Solar Ibersol S.L. XIII-XXIII (10 Companies)	Madrid	S.L.	90,0
Central Eléctrica Solar Ibersol S.L. XXVI-XXXIX (14 Companies)	Madrid	S.L.	90,0

Notes to consolidated financial statements

	Registered in	Corpo-rate form	Equity inte-rest %
19. Subsidiaries (continued)			
Central Eléctrica Solar Ibersol S.L. XL-XLIII (4 Companies)	Madrid	S.L.	90,0
Rosarillosol S.L.	Madrid	S.L.	100,0
Azusolar S.L.	Madrid	S.L.	100,0
Trujisol S.L.	Madrid	S.L.	100,0
Valle Verde y Sol S.L.	Madrid	S.L.	100,0
Solarsalt S.L.	Madrid	S.L.	100,0
Cantana Solar S.L.	Madrid	S.L.	100,0
Suncabez S.L.	Madrid	S.L.	100,0
Sol Angelical S.L.	Madrid	S.L.	100,0
Albinalasun S.L.	Madrid	S.L.	100,0
Destello Solar S.L.	Madrid	S.L.	100,0
Marquesina S.L.	Madrid	S.L.	100,0
Royosonne S.L.	Madrid	S.L.	100,0
Weissehaus Sun S.L.	Madrid	S.L.	100,0
Sol de Carmona S.L.	Madrid	S.L.	100,0
Solemonte Spanien S.L.	Madrid	S.L.	100,0
Solnaya Bravo S.L.	Madrid	S.L.	90,0
Solnaya Charlie S.L.	Madrid	S.L.	90,0
Solnaya Delta S.L.	Madrid	S.L.	90,0
Solnaya Eco S.L.	Madrid	S.L.	90,0
Solnaya Foxtrot S.L.	Madrid	S.L.	90,0
Solnaya Golf S.L.	Madrid	S.L.	90,0
Solnaya Hispania S.L	Madrid	S.L.	90,0
Solnaya India S.L.	Madrid	S.L.	90,0
Solnaya Julia S.L.	Madrid	S.L.	90,0
Solnaya Kilo S.L.	Madrid	S.L.	90,0
Solnaya Lima S.L.	Madrid	S.L.	90,0
Solnaya Micro S.L.	Madrid	S.L.	90,0
Solnaya Noviembre S.L.	Madrid	S.L.	90,0
Solnaya Oscar S.L.	Madrid	S.L.	90,0
Solnaya Papa S.L.	Madrid	S.L.	90,0
Solnaya Quebec S.L.	Madrid	S.L.	90,0
Solnaya Romeo S.L.	Madrid	S.L.	90,0
Solnaya Sierra S.L.	Madrid	S.L.	90,0
Solnaya Tango S.L.	Madrid	S.L.	90,0

Notes to consolidated financial statements

	Registered in	Corpo-rate form	Equity inte-rest %
19. Subsidiaries (continued)			
Vereda Tropical S.L.	Madrid	S.L.	100,0
Crocesol S.L.	Madrid	S.L.	100,0
Solotero S.L.	Madrid	S.L.	100,0
Maragasol S.L.	Madrid	S.L.	100,0
Meadowsun S.L.	Madrid	S.L.	100,0
Camerasun S.L.	Madrid	S.L.	100,0
Asomate al Sol S.L.	Madrid	S.L.	100,0
Nillomolisol S.L.	Madrid	S.L.	100,0
Blacksmithsun S.L.	Madrid	S.L.	100,0

Parent income statement for 2016

	Notes	2016 EUR	2015 EUR
Gross loss		**(243.967)**	**376.771**
Income from investments in group enterprises		(266.486)	(2.943.997)
Income from investments in associates		(21.411)	(33.009)
Other financial income	2	1.496.213	1.371.420
Other financial expenses	3	(7.589)	(7.629)
Profit/loss before tax		**956.760**	**(1.236.444)**
Tax on profit/loss for the year	4	(479.959)	167.856
Profit/loss for the year	5	**476.801**	**(1.068.588)**

Parent balance sheet at 31.12.2016

	Notes	2016 EUR	2015 EUR
Investments in group enterprises		8.523.108	6.930.269
Receivables from group enterprises		321.337	321.529
Investments in associates		0	0
Fixed asset investments	6	**8.844.445**	**7.251.798**
Fixed assets		**8.844.445**	**7.251.798**
Receivables from group enterprises		5.702.098	6.106.467
Receivables from associates		0	122.447
Other receivables		61.001	16.440
Receivables		**5.763.099**	**6.245.354**
Cash		**338.397**	**181.029**
Current assets		**6.101.496**	**6.426.383**
Assets		**14.945.941**	**13.678.181**

Parent balance sheet at 31.12.2016

	Notes	2016 EUR	2015 EUR
Contributed capital	7	78.700	78.700
Retained earnings		12.948.715	11.730.957
Equity		**13.027.415**	**11.809.657**
Other provisions	8	90.008	92.956
Provisions		**90.008**	**92.956**
Trade payables		123.037	382.366
Payables to group enterprises		238.839	172.180
Income tax payable		266.642	21.022
Other payables		1.200.000	1.200.000
Current liabilities other than provisions		**1.828.518**	**1.775.568**
Liabilities other than provisions		**1.828.518**	**1.775.568**
Equity and liabilities		**14.945.941**	**13.678.181**
Events after the balance sheet date	1		
Contingent liabilities	9		
Transactions with related parties	10		

Parent statement of changes in equity for 2016

	Contributed capital EUR	Retained earnings EUR	Total EUR
Equity beginning of year	78.700	11.730.957	11.809.657
Fair value adjustments of hedging instruments	0	740.957	740.957
Profit/loss for the year	0	476.801	476.801
Equity end of year	**78.700**	**12.948.715**	**13.027.415**

Notes to parent financial statements

1. Events after the balance sheet date

In May 2017, the company has signed a sales and purchase agreement to sell its shares in most of the Spanish solar parks. The closing of the transaction is dependent on the completion of certain conditions in the agreement, which Management is confident to satisfy.

	2016 EUR	2015 EUR
2. Other financial income		
Financial income arising from group enterprises	1.495.728	1.369.423
Other financial income	485	1.997
	1.496.213	**1.371.420**

	2016 EUR	2015 EUR
3. Other financial expenses		
Financial expenses from group enterprises	6.659	6.403
Other financial expenses	930	1.226
	7.589	**7.629**

	2016 EUR	2015 EUR
4. Tax on profit/loss for the year		
Tax on current year taxable income	266.642	22.004
Adjustment concerning previous years	209.916	(189.860)
Refund in joint taxation arrangement	3.401	0
	479.959	**(167.856)**

	2016 EUR	2015 EUR
5. Proposed distribution of profit/loss		
Retained earnings	476.801	(1.068.588)
	476.801	**(1.068.588)**

Notes to parent financial statements

	Investments in group enterprises EUR	Receivables from group enterprises EUR	Investments in associates EUR
6. Fixed asset investments			
Cost beginning of year	42.047.538	321.529	5.524.055
Additions	17.000	6.337	0
Disposals	(715.000)	(6.529)	0
Cost end of year	**41.349.538**	**321.337**	**5.524.055**
Impairment losses beginning of year	(35.117.269)	0	(5.524.055)
Share of profit/loss for the year	(499.534)	0	(21.411)
Impairment losses for the year	(45.185)	0	0
Investments with negative equity depreciated over receivables	1.379.601	0	21.411
Fair value adjustments	740.957	0	0
Reversal regarding disposals	715.000	0	0
Impairment losses end of year	**(32.826.430)**	**0**	**(5.524.055)**
Carrying amount end of year	**8.523.108**	**321.337**	**0**

	Registered in	Corpo-rate form	Equity inte-rest %
Investments in associates comprise:			
SCE Solar Don Benito ApS	Aarhus	ApS	46,0
SCE Solar El Redondo 2008 Nr. 15 ApS	Copenhagen	ApS	33,3

	Number	Par value EUR	Nominal value EUR
7. Contributed capital			
Ordinary shares	78.700	1	78.700
	78.700		**78.700**

8. Other provisions

	2016 EUR	2015 EUR
Provision, relating to the restructuring process	90.008	92.956
	90.008	**92.956**

Notes to parent financial statements

9. Contingent liabilities

The Entity serves as an administration company in a Danish joint taxation arrangement. 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 also for obligations, if any, relating to the withholding of tax on interest, royalties and dividends for these entities.

The company has guaranteed that the financing of the Danish subsidiaries will be maintained at least untill 31.12.2017.

10. Transactions with related parties

All transactions with related parties have been made on market terms.

Accounting policies

Reporting class
This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (medium).

The annual report is presented in EUR.

The accounting policies applied to these consolidated financial statements and parent financial statements are consistent with those applied last year.

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.

Consolidated financial statements
The consolidated financial statements comprise the Parent and the group enterprises (subsidiaries) that are controlled by the Parent. Control is achieved by the Parent, either directly or indirectly, holding more than 50% of the voting rights or in any other way possibly or actually exercising controlling influence. Enterprises in which the Group, directly or indirectly, holds between 20% and 50% of the voting rights and exercises significant, but not controlling influence are regarded as associates.

Basis of consolidation
The consolidated financial statements are prepared on the basis of the financial statements of the Parent and its subsidiaries. The consolidated financial statements are prepared by combining uniform items. On consolidation, intra-group income and expenses, intra-group accounts and dividends as well as profits and losses on transactions between the consolidated enterprises are eliminated. The financial statements used for consolidation have been prepared applying the Group's accounting policies.

Subsidiaries' financial statement items are recognised in full in the consolidated financial statements. Minority interests' proportionate share of profit or loss is presented as a separate item in Management's proposal for

Accounting policies

distribution of profit or loss, and their share of subsidiaries' net assets is presented as a separate item in group equity.

Investments in subsidiaries are offset at the pro rata share of such subsidiaries' net assets at the acquisition date, with net assets having been calculated at fair value.

Business combinations
Newly acquired or newly established enterprises are recognised in the consolidated financial statements from the time of acquiring or establishing such enterprises. Divested or wound-up enterprises are recognised in the consolidated income statement up to the time of their divestment or winding-up.

The purchase method is applied at the acquisition of new enterprises, under which identifiable assets and liabilities of these enterprises are measured at fair value at the acquisition date. Provisions for costs of restructuring of the enterprise acquired are only made in so far as such restructuring was decided by the enterprise acquired prior to acquisition. Allowance is made for the tax effect of restatements.

Positive differences in amount (goodwill) between cost of the acquired share and fair value of the assets and liabilities taken over are recognised under intangible assets, and they are amortised systematically over the income statement based on an individual assessment of their useful life. If the useful life cannot be estimated reliably, it is fixed at 10 years. Useful life is reassessed annually. Negative balances (negative goodwill) are recognised as income in the income statement.

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. Property, plant and equipment, intangible assets, inventories and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

Derivative financial instruments
On initial recognition in the balance sheet, derivative financial instruments are measured at cost and subsequently at fair value. Derivative financial instruments are recognised under other receivables or other payables.

Changes in the fair value of derivative financial instruments classified as and complying with the requirements for hedging future transactions are recognised directly in equity. When the hedged transactions are realised, the accumulated changes are recognised as part of cost of the relevant financial statement items.

For derivative financial instruments that do not comply with the requirements for being treated as hedging instruments, changes in fair value are recognised currently in the income statement as financial income or financial expenses.

Accounting policies

Changes in the fair value of derivative financial instruments applied for hedging net investments in independent foreign subsidiaries or associates are classified directly as equity.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, other operating income and external expenses.

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.

Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc.

Depreciation, amortisation and impairment losses

Amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment comprise amortisation, depreciation and impairment losses for the financial year, calculated on the basis of the residual values and useful lives of the individual assets and impairment testing as well as gains and losses from the sale of intangible assets as well as property, plant and equipment.

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 from group enterprises

Other financial income from group enterprises comprises interest income etc on receivables from group enterprises.

Other financial income

Other financial income comprises interest income, including interest income on receivables from group enterprises, net capital gains on payables and transactions in foreign currencies, amortisation of financial assets as well as tax relief under the Danish Tax Prepayment Scheme etc.

Accounting policies

Impairment of financial assets
Impairment of financial assets comprises impairment of financial assets which are not measured at fair value on a current basis.

Financial expenses from group enterprises
Financial expenses from group enterprises comprise interest expenses etc from payables to group enterprises.

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, amortisation of financial liabilities 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.

Balance sheet
Goodwill
Goodwill is the positive difference between cost and value in use of assets and liabilities taken over as part of the acquisition. Goodwill is amortised straight-line over its estimated useful life which is fixed based on the experience gained by Management for each business area. If it is not possible to estimate the useful life reliably, it is set at 5 years. Useful lives are reassessed on an annual basis.

Goodwill is written down to the lower of recoverable amount and carrying amount.

Intellectual property rights etc
Intellectual property rights etc comprise acquired intellectual property rights.

Intellectual property rights acquired are measured at cost less accumulated amortisation. Patents are amortised over their remaining duration, and licences are amortised over the term of the agreement, but over no more than 20 years.

Intellectual property rights etc are written down to the lower of recoverable amount and carrying amount.

Property, plant and equipment
Land and buildings, plant and machinery as well as other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

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:

Plant and machinery (Solar assets)	20-30 years
Other fixtures and fittings, tools and equipment	5 years

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 plus or minus unamortised goodwill and plus or minus unrealised intra-group profits or losses.

Group enterprises with negative equity are measured at EUR 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 vover 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 methond under equity.

Goodwill is calculated as the difference between cost of the investments and fair value of the pro rata share of assets and liabilities acquired. Goodwill is amortised straigth-line over its estimated useful life, which is normally 5 years.

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 plus unamortised goodwill and plus or minus unrealised pro rata intra-group profits and losses.

Associates with negative equity value are measured at EUR 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 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.

Accounting policies

Goodwill is calculated as the difference between cost of the investments and fair value of the pro rata share of assets and liabilities acquired. Goodwill is amortised straight-line over its estimated useful life, which is normally 5 years.

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

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

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

Cash
Cash comprises cash in hand and bank deposits.

Deferred tax
Deferred tax is recognised on all temporary differences between the carrying amount and tax-based value of assets and liabilities, for which the tax-based value of assets is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Other provisions
Other provisions comprise anticipated costs for the dismantling of solar parks, and estimated costs for other expected losses.

Other provisions are recognised and measured as the best estimate of the expenses required to settle the liabilities at the balance sheet date. Provisions that are estimated to mature more than one year after the balance sheet date are measured at their discounted value.

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

Income tax receivable or payable
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.

Cash flow statement
The cash flow statement shows cash flows from operating, investing and financing activities as well as cash and cash equivalents at the beginning and the end of the financial year.

Accounting policies

Cash flows from operating activities are presented using the indirect method and calculated as the operating profit/loss adjusted for non-cash operating items, working capital changes and income taxes paid.

Cash flows from investing activities comprise payments in connection with acquisition and divestment of enterprises, activities and fixed asset investments as well as purchase, development, improvement and sale, etc of intangible assets and property, plant and equipment, including acquisition of assets held under finance leases.

Cash flows from financing activities comprise changes in the size or composition of the contributed capital and related costs as well as the raising of loans, inception of finance leases, instalments on interest-bearing debt, purchase of treasury shares and payment of dividend.

Cash and cash equivalents comprise cash and short-term securities with an insignificant price risk less short-term bank loans.