

**Kaiserwetter Energy Asset Management
ApS
Central Business Registration No
30356136
Kronprinsensgade 1, baghuset, 3. sal
1114 København K**

Annual report 2015

The Annual General Meeting adopted the annual report on 07.06.2016

Chairman of the General Meeting

Name: Hanno Schoklitsch

Contents

	<u>Page</u>
Entity details	1
Statement by Management on the annual report	2
Independent auditor's reports	3
Management commentary	5
Accounting policies	6
Income statement for 2015	10
Balance sheet at 31.12.2015	11
Statement of changes in equity for 2015	13
Notes	14

Entity details

Entity

Kaiserwetter Energy Asset Management ApS
Kronprinsensgade 1, baghuset, 3. sal
1114 København K

Central Business Registration No: 30356136

Registered in: Copenhagen

Financial year: 01.01.2015 - 31.12.2015

Executive Board

Hanno Schoklitsch

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Egtved Allé 4
6000 Kolding

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of Kaiserwetter Energy Asset Management ApS 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.

Copenhagen, 07.06.2016

Executive Board

Hanno Schoklitsch

Independent auditor's reports

To the owners of Kaiserwetter Energy Asset Management ApS

Report on the financial statements

We have audited the financial statements of Kaiserwetter Energy Asset Management ApS 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 qualified opinion.

Qualification

Basis for qualified opinion

As stated in note 7 in the annual report the value of receivables of EUR 538k is encumbered with significant uncertainty. At the time of the presentation of the annual report, negotiations are conducted with lenders etc which may have an essential influence on the debtor companies' ability to repay the debts to Kaiserwetter Energy Asset Management ApS. As the mentioned negotiations have not been finalised yet, we are on the present basis not able to evaluate whether the value in the annual report of these receivables is true and fair. Therefore, we qualify for the valuation of the receivable recognised in the balance sheet at 31.12.2015 at a recognised value of EUR 538k.

Qualified opinion

In our opinion, the financial statements, except for the possible effect of the matter described in basis for qualified opinion, 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 in accordance with the Danish Financial Statements Act.

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.

Independent auditor's reports

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

Kolding, 07.06.2016

Deloitte

Statsautoriseret Revisionspartnerselskab

Leo Gilling

State Authorised Public Accountant

Lars Ørum Nielsen

State Authorised Public Accountant

CVR-nr. 33963556

Management commentary

Primary activities

The Companies Primary activities is to manage wind turbine and solar energy projects.

Development in activities and finances

Win for the year is EUR 2k, and the equity is EUR 2.756k at 31. December 2015.

Uncertainty relating to recognition and measurement

The value of receivables from managed companies is subject to uncertainty because the liquidity of many of the companies is tight, but the management has assessed each receivable specifically and points out that the assessments is done by recognizing the financial restructuring of the underlying asset, which should lead to a strong economic future setup.

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 annual report is presented in EUR.

The accounting policies applied for these financial statements are consistent with those applied last year.

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.

Accounting policies

Income statement

Gross profit or loss

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

Revenue

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

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including distribution, sale, marketing, administration, premises, bad debts, etc.

Staff costs

Staff costs comprise salaries and wages as well as social security contributions, pension contributions, etc for entity staff.

Amortisation, depreciation 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.

Other financial income

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

Accounting policies

Balance sheet

Intellectual property rights etc

Intellectual property rights is management contracts.

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

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	5 years
IT equipment and accounting system	5-10 years

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

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.

Accounting policies

Goodwill is calculated as the difference between cost of the investments and fair value of the assets and liabilities acquired. Goodwill is amortised 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.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value less write-downs 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.

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 EUR</u>	<u>2014 EUR</u>
Gross loss		(137.850)	16.783
Staff costs	1	(21.541)	(267.217)
Depreciation, amortisation and impairment losses		<u>(77.543)</u>	<u>(77.543)</u>
Operating profit/loss		(236.934)	(327.977)
Income from investments in group enterprises		200.216	(665)
Other financial income	2	41.216	57.302
Other financial expenses	3	<u>(5.677)</u>	<u>(13.094)</u>
Profit/loss for the year		<u>(1.179)</u>	<u>(284.434)</u>
Proposed distribution of profit/loss			
Reserve for net revaluation according to the equity method		200.216	(665)
Retained earnings		<u>(201.395)</u>	<u>(283.769)</u>
		<u>(1.179)</u>	<u>(284.434)</u>

Balance sheet at 31.12.2015

	<u>Notes</u>	<u>2015 EUR</u>	<u>2014 EUR</u>
Acquired licences		0	0
Intangible assets	4	<u>0</u>	<u>0</u>
Other fixtures and fittings, tools and equipment		241.269	318.814
Property, plant and equipment	5	<u>241.269</u>	<u>318.814</u>
Investments in group enterprises		1.545.877	1.345.661
Receivables from group enterprises		102.073	100.071
Fixed asset investments	6	<u>1.647.950</u>	<u>1.445.732</u>
Fixed assets		<u>1.889.219</u>	<u>1.764.546</u>
Trade receivables		13.086	186.383
Receivables from group enterprises	7	862.698	1.169.852
Other short-term receivables		7.922	9.625
Prepayments		0	3.958
Receivables		<u>883.706</u>	<u>1.369.818</u>
Cash		<u>284.130</u>	<u>101.210</u>
Current assets		<u>1.167.836</u>	<u>1.471.028</u>
Assets		<u>3.057.055</u>	<u>3.235.574</u>

Balance sheet at 31.12.2015

	<u>Notes</u>	<u>2015 EUR</u>	<u>2014 EUR</u>
Contributed capital		68.000	68.000
Reserve for net revaluation according to the equity method		1.517.116	1.316.900
Retained earnings		<u>1.170.637</u>	<u>1.372.032</u>
Equity		<u>2.755.753</u>	<u>2.756.932</u>
Trade payables		18.932	72.797
Debt to group enterprises		196.561	233.594
Other payables		<u>85.809</u>	<u>172.251</u>
Current liabilities other than provisions		<u>301.302</u>	<u>478.642</u>
Liabilities other than provisions		<u>301.302</u>	<u>478.642</u>
Equity and liabilities		<u><u>3.057.055</u></u>	<u><u>3.235.574</u></u>
Unrecognised rental and lease commitments	8		
Contingent liabilities	9		

Statement of changes in equity for 2015

	Contributed capital EUR	Reserve for net revalua- tion accor- ding to the equity me- thod EUR	Retained earnings EUR	Total EUR
Equity beginning of year	68.000	1.316.900	1.372.032	2.756.932
Profit/loss for the year	0	200.216	(201.395)	(1.179)
Equity end of year	68.000	1.517.116	1.170.637	2.755.753

Notes

	2015	2014
	EUR	EUR
1. Staff costs		
Wages and salaries	20.703	246.673
Pension costs	802	19.333
Other social security costs	36	779
Other staff costs	0	432
	21.541	267.217
	2015	2014
	EUR	EUR
2. Other financial income		
Financial income arising from group enterprises	41.216	50.685
Interest income	0	6.617
	41.216	57.302
	2015	2014
	EUR	EUR
3. Other financial expenses		
Financial expenses from group enterprises	1.914	1.884
Interest expenses	0	7
Exchange rate adjustments	2.084	4.091
Other financial expenses	1.679	7.112
	5.677	13.094
		Acquired
		licences
		EUR
4. Intangible assets		
Cost beginning of year		575.000
Cost end of year		575.000
Amortisation and impairment losses beginning of year		(575.000)
Amortisation and impairment losses end of year		(575.000)
Carrying amount end of year		0

Notes

	Other fixtures and fittings, tools and equipment EUR
5. Property, plant and equipment	
Cost beginning of year	1.245.658
Cost end of year	1.245.658
Depreciation and impairment losses beginning of the year	(926.844)
Depreciation for the year	(77.545)
Depreciation and impairment losses end of the year	(1.004.389)
Carrying amount end of year	241.269

	Investments in group enterprises EUR	Receivables from group enterprises EUR
6. Fixed asset investments		
Cost beginning of year	28.761	100.071
Additions	0	2.002
Cost end of year	28.761	102.073
Revaluations beginning of year	1.316.900	0
Share of profit/loss after tax	200.216	0
Revaluations end of year	1.517.116	0
Carrying amount end of year	1.545.877	102.073

	Registered in	Corporate form	Equity interest %
Subsidiaries:			
Kaiserwetter Energy Asset Management GmbH	Hamburg	GmbH	100,00
Kaiserwetter Energy Asset Management S.L.U	Madrid	S.L.U	100,00

Notes

7. Short-term receivables from group enterprises

The value of the receivables is subject to uncertainty as several of these enterprises have tight liquidity. Reference is made to the comments in the management commentary concerning uncertainty relating to the valuation. The book value of unsecured receivables amounts to 537.558 EUR.

	<u>2015</u> <u>EUR</u>	<u>2014</u> <u>EUR</u>
8. Unrecognised rental and lease commitments		
Commitments under rental agreements or leases until expiry	<u>6.151</u>	<u>6.151</u>

9. Contingent liabilities

The Company participates in a Danish joint taxation arrangement in which Kaiserwetter Solar Invest ApS 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.