

Kaiserwetter Energy Asset Management ApS

Kronprinsensgade 1, 3. bhtv.
1114 København K
Business Registration No
30356136

Annual report 2017

The Annual General Meeting adopted the annual report on 14.06.2018

Chairman of the General Meeting

Name: Hanno Emmanuel Schoklitsch

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Entity details

Entity

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

Central Business Registration No (CVR): 30356136
Registered in: København
Financial year: 01.01.2017 - 31.12.2017

Executive Board

Hanno Emmanuel Schoklitsch

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Egtved Allé 4
6000 Kolding

Statement by Management on the annual report

The Executive Board have today considered and approved the annual report of Kaiserwetter Energy Asset Management ApS for the financial year 01.01.2017 - 31.12.2017.

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

In my opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2017 and of the results of its operations for the financial year 01.01.2017 - 31.12.2017.

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, 14.06.2018

Executive Board

Hanno Emmanuel
Schoklitsch

Independent auditor's report

To the shareholders of Kaiserwetter Energy Asset Management ApS

Qualified opinion

We have audited the financial statements of Kaiserwetter Energy Asset Management ApS for the financial year 01.01.2017 - 31.12.2017, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, except for the effect of the matter described in the Basis for qualified opinion section, the financial statements give a true and fair view of the Entity's financial position at 31.12.2017 and of the results of its operations for the financial year 01.01.2017 - 31.12.2017 in accordance with the Danish Financial Statements Act.

Basis for qualified opinion

Investments in group enterprises is in our opinion overstated by an amount of EUR 331k. In one of the company's subsidiaries software development costs have been capitalized. In our opinion the software development costs does not meet the criteria for capitalization, and should have been expensed instead. The profit and equity is similarly overstated by EUR 331k, and the error does not have any tax effects in the parent company.

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

Management's responsibilities for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will

Independent auditor's report

always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

Statement on the management commentary

Management is responsible for the management commentary.

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

Independent auditor's report

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

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

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

Kolding, 14.06.2018

Deloitte

Statsautoriseret Revisionspartnerselskab
Central Business Registration No (CVR) 33963556

Lars Ørum Nielsen
State Authorised Public Accountant
Identification No (MNE) mne26771

Management commentary

Primary activities

The company's primary activities is to manage solar energy projects.

Development in activities and finances

Profit for the year is EUR 3.194k, and the equity is EUR 6.448k at 31. December 2017.

Events after the balance sheet date

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

Income statement for 2017

	<u>Notes</u>	<u>2017 EUR</u>	<u>2016 EUR</u>
Gross loss		(57.310)	(106.459)
Depreciation, amortisation and impairment losses		(81.240)	(81.240)
Operating profit/loss		(138.550)	(187.699)
Income from investments in group enterprises		3.234.268	543.519
Other financial income	2	15.278	36.964
Impairment losses on financial assets		10.092	94.457
Other financial expenses	3	(3.164)	(2.274)
Profit/loss before tax		3.117.924	484.967
Tax on profit/loss for the year	4	75.931	13.021
Profit/loss for the year		3.193.855	497.988
Proposed distribution of profit/loss			
Transferred to reserve for net revaluation according to the equity method		3.234.268	543.519
Retained earnings		(40.413)	(45.531)
		3.193.855	497.988

Balance sheet at 31.12.2017

	<u>Notes</u>	<u>2017 EUR</u>	<u>2016 EUR</u>
Other fixtures and fittings, tools and equipment		102.202	183.442
Property, plant and equipment	5	102.202	183.442
Investments in group enterprises		6.423.664	2.089.396
Receivables from group enterprises		0	102.079
Fixed asset investments	6	6.423.664	2.191.475
Fixed assets		6.525.866	2.374.917
Receivables from group enterprises		244.934	984.565
Other receivables		6.735	6.523
Receivables		251.669	991.088
Cash		655.622	124.469
Current assets		907.291	1.115.557
Assets		7.433.157	3.490.474

Balance sheet at 31.12.2017

	<u>Notes</u>	<u>2017 EUR</u>	<u>2016 EUR</u>
Contributed capital		68.000	68.000
Reserve for net revaluation according to the equity method		5.294.903	2.060.635
Retained earnings		<u>1.084.693</u>	<u>1.125.106</u>
Equity		<u>6.447.596</u>	<u>3.253.741</u>
Trade payables		27.423	12.861
Payables to group enterprises		883.422	78.637
Income tax payable		0	66.298
Other payables		<u>74.716</u>	<u>78.937</u>
Current liabilities other than provisions		<u>985.561</u>	<u>236.733</u>
Liabilities other than provisions		<u>985.561</u>	<u>236.733</u>
Equity and liabilities		<u>7.433.157</u>	<u>3.490.474</u>
Staff costs	1		
Unrecognised rental and lease commitments	7		
Contingent liabilities	8		

Statement of changes in equity for 2017

	Contributed capital EUR	Reserve for net revaluation according to the equity method EUR	Retained earnings EUR	Total EUR
Equity beginning of year	68.000	2.060.635	1.125.106	3.253.741
Profit/loss for the year	0	3.234.268	(40.413)	3.193.855
Equity end of year	68.000	5.294.903	1.084.693	6.447.596

Notes

	<u>2017</u>	<u>2016</u>
1. Staff costs		
Average number of employees	<u>0</u>	<u>0</u>
	<u>2017</u>	<u>2016</u>
	<u>EUR</u>	<u>EUR</u>
2. Other financial income		
Financial income arising from group enterprises	<u>15.278</u>	<u>36.964</u>
	<u>15.278</u>	<u>36.964</u>
	<u>2017</u>	<u>2016</u>
	<u>EUR</u>	<u>EUR</u>
3. Other financial expenses		
Financial expenses from group enterprises	777	1.350
Other interest expenses	1.319	413
Exchange rate adjustments	<u>1.068</u>	<u>511</u>
	<u>3.164</u>	<u>2.274</u>
	<u>2017</u>	<u>2016</u>
	<u>EUR</u>	<u>EUR</u>
4. Tax on profit/loss for the year		
Adjustment concerning previous years	(66.298)	0
Refund in joint taxation arrangement	<u>(9.633)</u>	<u>(13.021)</u>
	<u>(75.931)</u>	<u>(13.021)</u>

Notes

	Other fixtures and fittings, tools and equipment EUR	
	<u>EUR</u>	
5. Property, plant and equipment		
Cost beginning of year		1.269.071
Cost end of year		1.269.071
Depreciation and impairment losses beginning of year		(1.085.629)
Depreciation for the year		(81.240)
Depreciation and impairment losses end of year		(1.166.869)
Carrying amount end of year		102.202
Recognised assets not owned by entity		102.202
	Invest- ments in group enterprises EUR	Receivables from group enterprises EUR
	<u>EUR</u>	<u>EUR</u>
6. Fixed asset investments		
Cost beginning of year	28.761	102.079
Additions	1.100.000	2.027
Disposals	0	(104.106)
Cost end of year	1.128.761	0
Revaluations beginning of year	2.060.635	0
Share of profit/loss for the year	3.234.268	0
Revaluations end of year	5.294.903	0
Carrying amount end of year	6.423.664	0
	2017 EUR	2016 EUR
	<u>EUR</u>	<u>EUR</u>
7. Unrecognised rental and lease commitments		
Liabilities under rental or lease agreements until maturity in total	13.090	13.000

Notes

8. Contingent liabilities

The Entity participates in a Danish joint taxation arrangement where Kaiserwetter Solar Invest ApS serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc for the jointly taxed entities, and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed entities.

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 to 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 rate in effect at the payment date, or the rate at the balance sheet date, are recognised in the income statement as financial income or financial expenses.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue and external expenses.

Accounting policies

Revenue

Revenue from the sale of administrative 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 external expenses

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

Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses relating to property, plant and equipment and intangible assets comprise depreciation, amortisation 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 intra-group profits or losses.

Other financial income

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

Impairment of financial assets

Impairment losses on financial assets comprise impairment losses and reversal of impairment losses on financial assets which are not measured at fair value on a current basis.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital or exchange losses on payables and transactions in foreign currencies 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

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. For assets held under finance leases, cost is the lower of the asset's fair value and present value of future lease payments.

Accounting policies

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

Other fixtures and fittings, tools and equipment	5 years
IT equipment and accounting system	10 years

For leasehold improvements and assets subject to finance leases, the depreciation period cannot exceed the contract period.

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

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

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

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

Receivables

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

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 tax receivable or payable

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