

Forest Intertec ApS

Fiskergade 66

8000 Aarhus C

Central Business Registration No

30807170

Annual report 2017

The Annual General Meeting adopted the annual report on 30.05.2018

Chairman of the General Meeting



Name: Erik Martinussen

Contents

	<u>Page</u>
Entity details	1
Statement by Management on the annual report	2
The independent auditor's compilation report	3
Management commentary	4
Income statement for 2017	5
Balance sheet at 31.12.2017	6
Statement of changes in equity for 2017	8
Notes	9
Accounting policies	12

Entity details

Entity

Forest Intertec ApS
Fiskergade 66
8000 Aarhus C

Central Business Registration No: 30807170
Registered in: Aarhus
Financial year: 01.01.2017 - 31.12.2017

Board of Directors

Erik Martinussen
Ranieri Fontana

Executive Board

Erik Martinussen
Ranieri Fontana

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
City Tower, Værkmestergade 2
8000 Aarhus C

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of Forest Intertec 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 our 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.

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

We consider the preconditions for not auditing the financial statements for the financial year 01.01.2017 - 31.12.2017 as complied with.

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

Aarhus, 30.05.2018

Executive Board



Erik Martinussen

Ranieri Fontana

Board of Directors



Erik Martinussen

Ranieri Fontana

The independent auditor's compilation report

To Management of Forest Intertec ApS

We have compiled the financial statements of Forest Intertec ApS for the financial year 01.01.2017 - 31.12.2017 based on the Entity's bookkeeping records and other information Management has provided.

These financial statements comprise the income statement, balance sheet, statement of changes in equity, notes and accounting policies.

We performed this compilation engagement in accordance with ISRS 4410, Compilation Engagements.

We have applied our expertise in accounting and financial reporting to assist Management in the preparation and presentation of these financial statements in accordance with the Danish Financial Statements Act. We have complied with relevant provisions of the Danish Public Accountants Act and FSR – Danish Auditors' Code of Conduct for professional accountants, including principles of integrity, objectivity, professional competence and due care.

These financial statements and the accuracy and completeness of the information used to compile the financial statements are Management's responsibility.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the disclosures Management provided to us to compile these financial statements. Accordingly, we do not express an audit opinion or a review conclusion about whether the financial statements have been prepared in accordance with the Danish Financial Statements Act.

Aarhus, 30.05.2018

Deloitte

Statsautoriseret Revisionspartnerselskab
Central Business Registration No: 33963556



Michael Bach

State Authorised Public Accountant

Identification number (MNE) mne19691



Søren Lassen

State Authorised Public Accountant

Identification number (MNE) mne18520

Management commentary

Primary activities

The Company's primary activity consists of conducting business within development of and supplies to wind turbine projects. The activity is primarily conducted through group enterprises.

Development in activities and finances

The financial statements showed a loss of DKK 534k after which equity at 31 December 2017 is negative by DKK 12,651k, and the Company has thus lost the entire contributed capital. The performance of this year is as expected.

Over the year, the wind turbine project in the municipality of Genzano in the region of Basilicata has seen a positive development, and the project is expected to be ready for sale during 2018.

In Management's opinion, the Company's equity will be re-established in connection with the sale of the above project.

The Company's continuation as a going concern is based on the condition that the intercompany financing can be maintained and extended as the need for financing arises, which Management considers realistic.

The Company's investments in group enterprises (SPCs) established for development and sale of wind turbine projects are recognised in the annual report without value, see note 6.

Recognition and measurement of the Company's investment in development projects within wind energy, the related receivables from group enterprises, which are recognised at DKK 16,172k, are subject to uncertainty.

The repayment of the Company's investments in the SPCs is dependent on one or more of the underlying wind projects being realised at a profit, which Management considers realistic based on the environmental approval and the general progress of the project.

The value of the Company's receivables from these companies is subject to uncertainty as the overall value is based on the assumption that one or more wind turbine projects are realised at a profit, which Management – based on signed Memorandum of Understanding – considers realistic.

Events after the balance sheet date

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

Income statement for 2017

	<u>Notes</u>	<u>2017 DKK</u>	<u>2016 DKK</u>
Gross loss		(334)	(842)
Administrative costs		(146.566)	(139.365)
Operating profit/loss		(146.900)	(140.207)
Income from investments in group enterprises		(380.014)	(249.567)
Other financial income	2	0	315.173
Other financial expenses	3	(17.802)	(1.679.316)
Profit/loss before tax		(544.716)	(1.753.917)
Tax on profit/loss for the year	4	10.877	432.252
Profit/loss for the year		(533.839)	(1.321.665)
Proposed distribution of profit/loss			
Transferred to reserve for net revaluation according to the equity method		(380.014)	(249.567)
Retained earnings		(153.825)	(1.072.098)
		(533.839)	(1.321.665)

Balance sheet at 31.12.2017

	Notes	2017 DKK	2016 DKK
Other fixtures and fittings, tools and equipment		0	0
Property, plant and equipment	5	0	0
Investments in group enterprises		0	0
Fixed asset investments	6	0	0
Fixed assets		0	0
Receivables from group enterprises		16.172.015	15.600.358
Other receivables		56.016	61.995
Joint taxation contribution receivable		0	439.905
Receivables		16.228.031	16.102.258
Cash		24.602	440
Current assets		16.252.633	16.102.698
Assets		16.252.633	16.102.698

Balance sheet at 31.12.2017

	<u>Notes</u>	<u>2017 DKK</u>	<u>2016 DKK</u>
Contributed capital	7	125.000	125.000
Retained earnings		<u>(12.776.343)</u>	<u>(12.242.504)</u>
Equity		<u>(12.651.343)</u>	<u>(12.117.504)</u>
Other payables	8	<u>2.236.710</u>	<u>2.236.710</u>
Non-current liabilities other than provisions		<u>2.236.710</u>	<u>2.236.710</u>
Trade payables		70.101	55.073
Other payables		<u>26.597.165</u>	<u>25.928.419</u>
Current liabilities other than provisions		<u>26.667.266</u>	<u>25.983.492</u>
Liabilities other than provisions		<u>28.903.976</u>	<u>28.220.202</u>
Equity and liabilities		<u>16.252.633</u>	<u>16.102.698</u>
Uncertainty relating to recognition and measurement	1	-	-
Contingent liabilities	9	-	-
Group relations	10	-	-

Statement of changes in equity for 2017

	Contributed capital DKK	Reserve for net revaluation according to the equity method DKK	Retained earnings DKK	Total DKK
Equity beginning of year	125.000	0	(12.242.504)	(12.117.504)
Transfer to reserves	0	380.014	(380.014)	0
Profit/loss for the year	0	(380.014)	(153.825)	(533.839)
Equity end of year	125.000	0	(12.776.343)	(12.651.343)

Notes

1. Uncertainty relating to recognition and measurement

Recognition and measurement of the Company's investment in development projects within wind energy, the related receivables from group enterprises, which are recognised at DKK 16,172k, are subject to uncertainty.

The repayment of the Company's investments in the SPCs is dependent on one or more of the underlying wind projects being realised at a profit, which Management considers realistic based on the environmental approval and the general progress of the project.

2. Other financial income

Financial income arising from group enterprises
Exchange rate adjustments
Other financial income

2017	2016
DKK	DKK
0	279.479
0	35.525
0	169
0	315.173

3. Other financial expenses

Financial expenses from group enterprises
Exchange rate adjustments
Other financial expenses

2017	2016
DKK	DKK
0	1.678.410
16.763	0
1.039	906
17.802	1.679.316

4. Tax on profit/loss for the year

Adjustment concerning previous years
Refund in joint taxation arrangement

2017	2016
DKK	DKK
0	7.653
(10.877)	(439.905)
(10.877)	(432.252)

Notes

	Other fixtures and fittings, tools and equipment DKK
5. Property, plant and equipment	
Cost beginning of year	27.000
Cost end of year	27.000
Depreciation and impairment losses beginning of the year	(27.000)
Depreciation and impairment losses end of the year	(27.000)
Carrying amount end of year	0
	Investment s in group enterprises DKK
6. Fixed asset investments	
Cost beginning of year	5.677.792
Additions	349.921
Cost end of year	6.027.713
Impairment losses beginning of year	(5.677.792)
Share of profit/loss for the year	(349.921)
Impairment losses end of year	(6.027.713)
Carrying amount end of year	0

Notes

	Registered in	Equity inte- rest %
Investments in group enterprises comprise:		
Olpetà S.r.l.	Italy	100,0
Flagus S.r.l.	Italy	100,0
Picea S.r.l.	Italy	100,0
Frasca S.r.l.	Italy	100,0
Eramené S.r.l.	Italy	90,0
Larus S.r.l.	Italy	100,0
Solen S.r.l.	Italy	100,0
Alvania S.r.l.	Italy	100,0
Pica S.r.l.	Italy	50,0

	Number	Par value DKK	Nominal value DKK
7. Contributed capital			
Shares	125	100	125.000
	125		125.000

8. Other long-term payables

The Company has received venture capital to co-finance specific wind turbine projects in the subsidiaries (SPCs). The Capital shall only be repaid if the wind turbine projects in the subsidiaries are realised at a profit.

9. Contingent liabilities

The Entity participates in a Danish joint taxation arrangement in which Wind Holding I ApS serves as the administration company. 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 for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed entities. The total known net liability of the jointly taxed entities under the joint taxation arrangement is evident from the administration company's financial statements.

10. Group relations

Name and registered office of the Parent preparing consolidated financial statements for the smallest group: Majus ApS, Aarhus

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of certain provisions for reporting class C.

The accounting policies applied to these 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.

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

Income statement

Gross profit or loss

Gross profit or loss comprises revenue and production costs.

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.

Accounting policies

Production costs

Production costs comprise cost of sales for the financial year, including ordinary write-down of inventories and other costs incurred to earn revenue for the financial year, including wages and salaries as well as amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment.

Administrative costs

Administrative costs comprise expenses incurred for the Entity's administrative functions.

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 gains on securities, payables and transactions in foreign currencies.

Other financial expenses

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

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.

The Entity is jointly taxed with the ultimate parent company Wind Holding I ApS and all its Danish subsidiaries. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

Balance sheet

Property, plant and equipment

Other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

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

Other fixtures and fittings, tools and equipment	3-5 years
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Estimated useful lives and residual values are reassessed annually.

Accounting policies

Equipment is 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.

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.

Income tax payable or receivable

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

Cash

Cash comprises bank deposits.

Other financial liabilities

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