

**Forest Intertec ApS
Central Business Registration No
30807170
Fiskergade 66
8000 Aarhus C

Annual report 2015**

The Annual General Meeting adopted the annual report on 20.06.2016

Chairman of the General Meeting

Name: Erik Martinussen

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Entity details

Entity

Forest Intertec ApS
Fiskergade 66
8000 Aarhus C

Central Business Registration No: 30807170

Registered in: Aarhus

Financial year: 01.01.2015 - 31.12.2015

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 01.01.2015 - 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.

Aarhus, 20.06.2016

Executive Board

Erik Martinussen

Ranieri Fontana

Board of Directors

Erik Martinussen

Ranieri Fontana

Independent auditor's reports

To the owners of Forest Intertec ApS

Report on the financial statements

We have audited the financial statements of Forest Intertec 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 audit opinion.

Our audit has not resulted in any qualification.

Opinion

In our opinion, the financial statements give a true and fair view of the Company's financial position at 31.12.2015 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.

Independent auditor's reports

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.

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

Aarhus, 20.06.2016

Deloitte

Statsautoriseret Revisionspartnerselskab

Michael Bach

State Authorised Public Accountant

Søren Lassen

State Authorised Public Accountant

CVR-nr. 33963556

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 3,391 after which equity at 31 December 2015 is negative by DKK 10,796, 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 2016.

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 – based on a signed memorandum of understanding – 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.

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 a 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.

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

Accounting policies

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.

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 expenses

Administrative expenses 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 internal 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.

Income taxes

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 Majus 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).

Accounting policies

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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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.

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.

Accounting policies

Income tax payable or receivable

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

Cash comprises 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 DKK</u>	<u>2014 DKK</u>
Gross loss		(603)	(282)
Administrative costs		<u>(139.557)</u>	<u>(140.036)</u>
Operating profit/loss		(140.160)	(140.318)
Income from investments in group enterprises		(850.726)	(1.241.074)
Other financial income	2	305.022	531.922
Other financial expenses	3	<u>(3.320.343)</u>	<u>(1.329.886)</u>
Profit/loss from ordinary activities before tax		(4.006.207)	(2.179.356)
Tax on profit/loss from ordinary activities	4	<u>614.919</u>	<u>32.011</u>
Profit/loss for the year		<u>(3.391.288)</u>	<u>(2.147.345)</u>
Proposed distribution of profit/loss			
Reserve for net revaluation according to the equity method		(850.725)	(1.241.074)
Retained earnings		<u>(2.540.563)</u>	<u>(906.271)</u>
		<u>(3.391.288)</u>	<u>(2.147.345)</u>

Balance sheet at 31.12.2015

	<u>Notes</u>	<u>2015 DKK</u>	<u>2014 DKK</u>
Other fixtures and fittings, tools and equipment		0	0
Property, plant and equipment	5	<u>0</u>	<u>0</u>
Investments in group enterprises		0	0
Fixed asset investments	6	<u>0</u>	<u>0</u>
Fixed assets		<u>0</u>	<u>0</u>
Receivables from group enterprises		14.650.155	15.999.766
Other short-term receivables		50.363	87.510
Income tax receivable		385.040	0
Receivables		<u>15.085.558</u>	<u>16.087.276</u>
Cash		<u>758</u>	<u>0</u>
Current assets		<u>15.086.316</u>	<u>16.087.276</u>
Assets		<u>15.086.316</u>	<u>16.087.276</u>

Balance sheet at 31.12.2015

	<u>Notes</u>	<u>2015 DKK</u>	<u>2014 DKK</u>
Contributed capital	7	125.000	125.000
Retained earnings		<u>(10.920.839)</u>	<u>(7.529.551)</u>
Equity		<u>(10.795.839)</u>	<u>(7.404.551)</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		101.508	38.707
Debt to group enterprises		23.462.784	21.041.358
Other payables		<u>81.153</u>	<u>175.052</u>
Current liabilities other than provisions		<u>23.645.445</u>	<u>21.255.117</u>
Liabilities other than provisions		<u>25.882.155</u>	<u>23.491.827</u>
Equity and liabilities		<u>15.086.316</u>	<u>16.087.276</u>
Uncertainty relating to recognition and measurement	1		
Contingent liabilities	9		
Consolidation	10		

Statement of changes in equity for 2015

	Contributed capital DKK	Reserve for net revalua- tion accor- ding to the equity me- thod DKK	Retained earnings DKK	Total DKK
Equity beginning of year	125.000	0	(7.529.551)	(7.404.551)
Transfer to reserves	0	850.725	(850.725)	0
Profit/loss for the year	0	(850.725)	(2.540.563)	(3.391.288)
Equity end of year	125.000	0	(10.920.839)	(10.795.839)

Notes

1. Uncertainty relating to recognition and measurement

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.

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 a signed memorandum of understanding – considers realistic

2. Other financial income

Financial income arising from group enterprises

Exchange rate adjustments

Other financial income

	2015 DKK	2014 DKK
Financial income arising from group enterprises	305.022	520.302
Exchange rate adjustments	0	9.764
Other financial income	0	1.856
	305.022	531.922

3. Other financial expenses

Financial expenses from group enterprises

Exchange rate adjustments

Remission of debt etc

Other financial expenses

	2015 DKK	2014 DKK
Financial expenses from group enterprises	1.506.320	1.328.821
Exchange rate adjustments	15.057	0
Remission of debt etc	1.797.865	0
Other financial expenses	1.101	1.065
	3.320.343	1.329.886

4. Tax on ordinary profit/loss for the year

Current tax

Adjustment relating to previous years

	2015 DKK	2014 DKK
Current tax	(385.040)	0
Adjustment relating to previous years	(229.879)	(32.011)
	(614.919)	(32.011)

Notes

	Other fix- tures 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	
	Investments in group en- terprises DKK	
6. Fixed asset investments		
Cost beginning of year	4.284.355	
Additions	850.725	
Cost end of year	5.135.080	
Impairment losses beginning of year	(4.284.355)	
Share of profit/loss after tax	(850.725)	
Impairment losses end of year	(5.135.080)	
Carrying amount end of year	0	
	Registered in	Equity interest %
Subsidiaries:		
Olpetà S.r.l.	Italy	100,00
Flagus S.r.l.	Italy	100,00
Picea S.r.l.	Italy	100,00
Frasca S.r.l.	Italy	100,00
Eramené S.r.l.	Italy	90,00
Larus S.r.l.	Italy	100,00
Solen S.r.l.	Italy	100,00
Alvania S.r.l.	Italy	90,00
Pica S.r.l.	Italy	50,00

Notes

	Number	Par value DKK	Nominal value DKK
7. Contributed capital			
Shares	125	100,00	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 provided the wind turbine projects in the subsidiaries are realised at a profit.

9. Contingent liabilities

The Company participates in a Danish joint taxation arrangement in which Majus 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.

10. Consolidation

Name and registered office of the Parent preparing consolidated financial statements for the largest group:

Majus ApS, Aarhus