

K/S SCE Solar Borna 2007
Kronprinsensgade 1, baghuset,
3. sal
1114 Copenhagen K
Central Business Registration No
31050170

Annual report 2016

The Annual General Meeting adopted the annual report on 22.05.2017

Chairman of the General Meeting

Name: Jan Andresen

Contents

| | <u>Page</u> |
|--|--------------------|
| Entity details | 1 |
| Statement by Management on the annual report | 2 |
| Independent auditor's report | 3 |
| Management commentary | 6 |
| Income statement for 2016 | 7 |
| Balance sheet at 31.12.2016 | 8 |
| Statement of changes in equity for 2016 | 10 |
| Notes | 11 |
| Accounting policies | 13 |

Entity details

Entity

K/S SCE Solar Borna 2007
Kronprinsensgade 1, baghuset, 3. sal
1114 Copenhagen K

Central Business Registration No: 31050170
Registered in: Copenhagen
Financial year: 01.01.2016 - 31.12.2016

Board of Directors

Ruth Foged Bodilsen
Henning Vestergaard Bodilsen
Peter Tvinnemose Nielsen

Executive Board

Hanno Emmanuel 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 K/S SCE Solar Borna 2007 for the financial year 01.01.2016 - 31.12.2016.

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 31.12.2016 and of the results of its operations for the financial year 01.01.2016 - 31.12.2016.

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, 17.05.2017

Executive Board

Hanno Emmanuel Schoklitsch

Board of Directors

Ruth Foged Bodilsen

Henning Vestergaard Bodilsen

Peter Tvinnemose Nielsen

Independent auditor's report

To the shareholders of K/S SCE Solar Borna 2007

Opinion

We have audited the financial statements of K/S SCE Solar Borna 2007 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. The financial statements are prepared 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 31.12.2016 and of the results of its operations 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 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 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 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:

Independent auditor's report

- 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.

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.

Independent auditor's report

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, 17.05.2017

Deloitte

Statsautoriseret Revisionspartnerselskab

Central Business Registration No: 33963556

Leo Gilling
State Authorised Public Accountant

Lars Ørum Nielsen
State Authorised Public Accountant

Management commentary

Primary activities

The primary activity of the Company and the Group is, directly or indirectly, to own erect and operate solar plants in Germany and related activities.

Development in activities and finances

The profit for the year amounted to EUR 356k. At 31.12.2016 the equity amounts to EUR 5.020k.

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 2016

| | <u>Notes</u> | <u>2016 EUR</u> | <u>2015 EUR</u> |
|---|--------------|-----------------------|-----------------------|
| Gross profit | | 31.587 | 29.464 |
| Income from investments in group enterprises | | 352.451 | 336.679 |
| Other financial expenses | 1 | <u>(28.032)</u> | <u>(31.754)</u> |
| Profit/loss before tax | | 356.006 | 334.389 |
| Tax on profit/loss for the year | 2 | <u>(69)</u> | <u>(58)</u> |
| Profit/loss for the year | | <u>355.937</u> | <u>334.331</u> |
| Proposed distribution of profit/loss | | | |
| Transferred to reserve for net revaluation according to the equity method | | 352.451 | 336.679 |
| Retained earnings | | <u>3.486</u> | <u>(2.348)</u> |
| | | <u>355.937</u> | <u>334.331</u> |

Balance sheet at 31.12.2016

| | <u>Notes</u> | <u>2016 EUR</u> | <u>2015 EUR</u> |
|----------------------------------|--------------|---------------------|---------------------|
| Investments in group enterprises | | 6.464.608 | 6.112.157 |
| Fixed asset investments | 3 | 6.464.608 | 6.112.157 |
| Fixed assets | | 6.464.608 | 6.112.157 |
| Other receivables | | 2.921 | 567 |
| Receivables | | 2.921 | 567 |
| Cash | | 13.646 | 46.753 |
| Current assets | | 16.567 | 47.320 |
| Assets | | 6.481.175 | 6.159.477 |

Balance sheet at 31.12.2016

| | <u>Notes</u> | <u>2016 EUR</u> | <u>2015 EUR</u> |
|--|--------------|-------------------------|-------------------------|
| Contributed capital | 4 | 5.589.805 | 5.589.805 |
| Reserve for net revaluation according to the equity method | | 960.082 | 607.631 |
| Reserve for non-paid contributed capital | | (930.000) | (450.000) |
| Retained earnings | | <u>(599.774)</u> | <u>(603.260)</u> |
| Equity | | <u>5.020.113</u> | <u>5.144.176</u> |
| Payables to group enterprises | | <u>504.044</u> | <u>0</u> |
| Non-current liabilities other than provisions | | <u>504.044</u> | <u>0</u> |
| Payables to group enterprises | | 953.946 | 1.012.801 |
| Other payables | | <u>3.072</u> | <u>2.500</u> |
| Current liabilities other than provisions | | <u>957.018</u> | <u>1.015.301</u> |
| Liabilities other than provisions | | <u>1.461.062</u> | <u>1.015.301</u> |
| Equity and liabilities | | <u>6.481.175</u> | <u>6.159.477</u> |
| Group relations | 5 | | |

Statement of changes in equity for 2016

| | Contributed capital EUR | Reserve for net revaluation according to the equity method EUR | Reserve for non-paid contributed capital EUR | Retained earnings EUR |
|---------------------------|--|---|---|--------------------------------------|
| Equity beginning of year | 5.589.805 | 607.631 | (450.000) | (603.260) |
| Transfer to reserves | 0 | 0 | (480.000) | 0 |
| Profit/loss for the year | 0 | 352.451 | 0 | 3.486 |
| Equity end of year | 5.589.805 | 960.082 | (930.000) | (599.774) |
| | | | | Total EUR |
| Equity beginning of year | | | | 5.144.176 |
| Transfer to reserves | | | | (480.000) |
| Profit/loss for the year | | | | 355.937 |
| Equity end of year | | | | 5.020.113 |

Notes

| | 2016 | 2015 |
|---|---------------|---------------|
| | EUR | EUR |
| 1. Other financial expenses | | |
| Financial expenses from group enterprises | 27.175 | 28.830 |
| Financial expenses from associates | 98 | 1.650 |
| Interest expenses | 759 | 1.274 |
| | 28.032 | 31.754 |

| | 2016 | 2015 |
|---|-------------|-------------|
| | EUR | EUR |
| 2. Tax on profit/loss for the year | | |
| Tax on current year taxable income | 69 | 58 |
| | 69 | 58 |

| | Investments in group enterprises EUR |
|------------------------------------|---|
| 3. Fixed asset investments | |
| Cost beginning of year | 5.504.526 |
| Cost end of year | 5.504.526 |
| Revaluations beginning of year | 607.631 |
| Share of profit/loss for the year | 352.451 |
| Revaluations end of year | 960.082 |
| Carrying amount end of year | 6.464.608 |

| | Registered in | Corpo- rate form | Equity inte- rest % |
|--|----------------------|---------------------------------|--|
| Investments in group enterprises comprise: | | | |
| SCE Solar Borna GmbH & Co. KG | Germany | KG | 100,0 |

Notes

| | <u>Number</u> | <u>Nominal value EUR</u> |
|-------------------------------|-------------------------|----------------------------------|
| 4. Contributed capital | | |
| Ordinære anpartar | <u>5.589.805</u> | <u>5.589.805</u> |
| | <u>5.589.805</u> | <u>5.589.805</u> |

The General partner of the company is SCE Solar Borna 2007 Komplementaranpartsselskab.

5. Group relations

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

Kaiserwetter Solar Invest ApS, Kronprinsensgade 1, baghuset, 3. sal, 1114 Copenhagen K.

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.

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.

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 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. This item also includes writedowns of receivables recognised in current assets.

Accounting policies

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 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

The K/S is not a tax subject, as taxation is applied directly on the investors. There are no danish actual or deferred taxes in the annual report. The companys payment of any foreign taxes on behalf of the investors is expensed as tax on profit/loss from ordinary activities.

Balance sheet

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 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.