

# Envision Energy (Denmark) ApS

Torvet 11, DK-8600 Silkeborg

CVR no. 31 49 25 21



## Annual report

for the year 1 January - 31 December 2016

Approved at the annual general meeting of shareholders on 29 May 2017

Chairman

Anders Rebsdorf



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### Statement by the Executive Board

Today, the Executive Board has discussed and approved the annual report of Envision Energy (Denmark) ApS for the financial year 1 January - 31 December 2016.

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

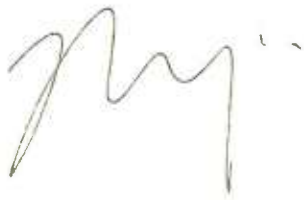
In my opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2016 and of the results of the Company's operations and cash flows for the financial year 1 January - 31 December 2016.

Further, in my opinion, the Management's review gives a fair review of the development in the Company's operations and financial matters and the results of the Company's operations and financial position.

I recommend that the annual report be approved at the annual general meeting.

Silkeborg, 29 May 2017  
Executive Board:

Lei Zhang  
CEO



## Independent auditor's report

To the shareholders of Envision Energy (Denmark) ApS

### Opinion

We have audited the financial statements of Envision Energy (Denmark) ApS for the financial year 1 January - 31 December 2016, which comprise an income statement, balance sheet, statement of changes in equity, cash flow statement and notes, including 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 financial position of the Company at 31 December 2016 and of the results of the Company's operations as well as the cash flows for the financial year 1 January - 31 December 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 the 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 our report. We are independent of the Company in accordance with the International Ethics Standards Board for 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 rules and 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 Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company 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 the 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 skepticism 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 Company's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

### Independent auditor's report

- 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 Company'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 conclusion is based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, 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 Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, 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's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

Based on our procedures, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of the Management's review.

Aarhus, 29 May 2017

ERNST & YOUNG

Godkendt Revisionspartnerselskab

CVR no. 30 70 02 28

  
Jens Weiersøe Jakobsen  
State Authorised Public Accountant

  
Kim R. Mortensen  
State Authorised Public Accountant



## Management's review

### Company details

Name	Envision Energy (Denmark) ApS
Address, Postal code, City	Torvet 11, DK-8600 Silkeborg
CVR no.	31 49 25 21
Established	17 June 2008
Registered office	Silkeborg
Financial year	1 January - 31 December
Website	<a href="http://www.envisioncn.com">www.envisioncn.com</a>
E-mail	<a href="mailto:GIC@envision.com">GIC@envision.com</a>
Telephone	+45 72 44 44 39
Telefax	+45 86 85 99 42
Executive Board	Lei Zhang, CEO
Auditors	Ernst & Young Godkendt Revisionspartnerselskab Værkmestergade 25, P.O. Box 330, 8100 Aarhus C, Denmark



## Management's review

### Financial highlights

DKKt	2016	2015	2014	2013	2012
<b>Key figures</b>					
Revenue	155,115	100,442	82,765	82,110	63,372
Gross margin	77,787	65,410	62,064	58,441	38,965
Earnings before Interest, Taxes, Depreciation and Amortisation (EBITDA)	39,934	31,715	29,281	31,175	14,253
Operating profit/loss	7,758	4,645	5,589	7,855	7,763
Net financials	-652	1,986	2,516	83	-1,987
<b>Profit/loss for the year</b>	<b>5,642</b>	<b>4,948</b>	<b>6,073</b>	<b>6,465</b>	<b>4,329</b>
Fixed assets	46,362	76,579	82,663	79,359	100,765
Non-fixed assets	61,944	53,712	65,308	61,486	57,077
<b>Total assets</b>	<b>108,306</b>	<b>130,291</b>	<b>147,971</b>	<b>140,845</b>	<b>157,842</b>
Investment in property, plant and equipment	-649	-21,215	0	-1,119	-50,784
Share capital	125	125	125	125	125
<b>Equity</b>	<b>31,272</b>	<b>25,630</b>	<b>20,681</b>	<b>14,609</b>	<b>8,143</b>
Current liabilities other than provisions	74,492	100,213	123,662	123,302	147,061
<b>Financial ratios</b>					
Operating margin	5.0%	4.6%	6.8%	9.6%	12.2%
Gross margin	50.1%	65.1%	75.0%	71.2%	61.5%
EBITDA-margin	25.7%	31.6%	35.4%	38.0%	22.5%
Solvency ratio	28.9%	19.7%	14.0%	10.4%	5.2%
<b>Average number of employees</b>	<b>35</b>	<b>30</b>	<b>31</b>	<b>29</b>	<b>30</b>

Financial ratios are calculated in accordance with the Danish Finance Society's recommendations on the calculation of financial ratios "Recommendations and Financial Ratios 2015".

The financial ratios stated in the survey of financial highlights have been calculated as follows:

Operating margin	$\frac{\text{Operating profit} \times 100}{\text{Revenue}}$
Gross margin ratio	$\frac{\text{Gross margin} \times 100}{\text{Revenue}}$
EBITDA-margin	$\frac{\text{EBITDA}}{\text{Revenue} \times 100}$
Solvency ratio	$\frac{\text{Equity at year end} \times 100}{\text{Total equity and liabilities at year end}}$

## Management's review

### Management commentary

#### Business review

The 3 MW platform obtained its DNV-GL type certificate and is now ready for sales in China and the international market. As a part of the certification the assembly factory in Grenå was certified according to ISO 9000.

Furthermore, the Global Innovation Centre (GIC) planned and executed the final assembly of the nacelles for the Green project. In addition, the GIC, as a valued partner to the Chinese affiliate, contributed to upgrades of the 4 MW platform, definition of test stands in China, as well as being in the forefront of driving cost-down activities.

GIC supports the growing internationalization activities within Envision, and consequently cooperates with sales, EPC and O&M functions within Envision.

GIC has also continued to focus on analysing and testing of innovative technologies, whereof some of these has been filed as patent applications on behalf of the affiliated company in China.

The GIC is still acting as the coordinator in the Horizon 2020 funded project "Ecoswing", which aims at demonstrating the world's first superconductive future, low cost and light-weight wind turbine drive-train demonstrated on a large-scale wind turbine.

The GIC is as well supporting the Chinese affiliate during VIP visits from local Chinese governmental officials and companies within the renewal sector. Furthermore, the GIC hosted a visit from the Danish Foreign Minister.

In 2016, the GIC signed a lease agreement for a new office facility in "Erhvervspark Silkeborg", which is currently under construction in Silkeborg, Denmark. The facility is expected to be completed January 2018. The GIC will be subletting parts of the building to 3rd parties.

GIC is responsible for the operation and maintenance of the EN-128/3.6 Technology Demonstrator in Thyborøn, Denmark and the EN-120/3.0 Prototype, in the National Test Centre, Østerild, Denmark. The turbines are recognized in the balance sheet under property, plant and equipment as wind turbines for testing purposes.

#### Financial review

The profit for the year DKK 5,642 thousand (2015: DKK 4,948 thousand) is in line with forecasts. The equity at 31 December 2016 totals DKK 31,272 thousand (2015: DKK 25,630 thousand).

Management considers the Company's financial performance in the year satisfactory.

#### Knowledge resources

Envision Energy is aiming to stay in a leading position in the renewable energy's sector, and as such the management is constantly looking to recruit key players from the wind industry. The GIC is also a part of this corporate strategic effort and has supported more of the global centres of excellence.

Overall the employees of the GIC are all highly skilled development engineers with years of experience within the wind turbine industry. The average turbine-related business experience exceeds 15 years for the company's employees.

#### Events after the balance sheet date

No significant events have occurred subsequent to the financial year.





## Management's review

### Management commentary

#### Outlook

The total investment in Envision Energy (Denmark) ApS is expected to represent DKK 125 million in 2017, which is an increase from 2016. The management expect a lower revenue in 2017 as no production in Denmark is forecasted for 2017. In addition to this the revenue recognised from deferred income will also decrease. The result for 2017 is expected to be in line with 2016.

Management does not foresee a significant change in the number of employees in 2017.

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## Financial statements for the period 1 January - 31 December

### Income statement

Note	DKK	2016	2015
	Revenue	155,115,097	100,442,074
	Cost of sales	-25,563,962	0
3	Other operating income	12,053,311	8,662,784
	Other external expenses	-63,817,683	-43,694,361
	<b>Gross margin</b>	<b>77,786,763</b>	<b>65,410,497</b>
4	Staff costs	-37,849,647	-33,679,771
	Amortisation/depreciation and impairment of intangible assets and property, plant and equipment	-32,175,871	-27,069,821
	Other operating expenses	-3,158	-15,678
	<b>Profit before net financials</b>	<b>7,758,087</b>	<b>4,645,227</b>
5	Financial income	34,900	2,622,895
6	Financial expenses	-686,865	-637,255
	<b>Profit before tax</b>	<b>7,106,122</b>	<b>6,630,867</b>
7	Tax for the year	-1,464,182	-1,682,414
	<b>Profit for the year</b>	<b>5,641,940</b>	<b>4,948,453</b>

## Financial statements for the period 1 January - 31 December

### Balance sheet

Note	DKK	2016	2015
	<b>ASSETS</b>		
	<b>Fixed assets</b>		
8	<b>Intangible assets</b>		
	Acquired intangible assets	1,213,855	567,981
		<u>1,213,855</u>	<u>567,981</u>
9	<b>Property, plant and equipment</b>		
	Wind turbine for testing purposes	40,197,373	70,860,733
	Other fixtures and fittings, tools and equipment	1,048,598	1,250,065
	Leasehold improvements	205,326	190,853
		<u>41,451,297</u>	<u>72,301,651</u>
	<b>Investments</b>		
	Other receivables	3,696,436	3,708,936
		<u>3,696,436</u>	<u>3,708,936</u>
	<b>Total fixed assets</b>	<u>46,361,588</u>	<u>76,578,568</u>
	<b>Non-fixed assets</b>		
	<b>Receivables</b>		
	Receivables from group entities	50,861,298	44,982,010
	Other receivables	2,882,990	2,506,790
10	Prepayments	856,447	1,249,723
		<u>54,600,735</u>	<u>48,738,523</u>
	<b>Cash</b>	<u>7,343,514</u>	<u>4,973,061</u>
	<b>Total non-fixed assets</b>	<u>61,944,249</u>	<u>53,711,584</u>
	<b>TOTAL ASSETS</b>	<u><u>108,305,837</u></u>	<u><u>130,290,152</u></u>



## Financial statements for the period 1 January - 31 December

### Balance sheet

Note	DKK	<u>2016</u>	<u>2015</u>
	<b>EQUITY AND LIABILITIES</b>		
	<b>Equity</b>		
11	Share capital	125,000	125,000
	Retained earnings	31,146,692	25,504,752
	<b>Total equity</b>	<u>31,271,692</u>	<u>25,629,752</u>
	<b>Provisions</b>		
12	Deferred tax	2,137,500	4,447,000
13	Other provisions	405,000	0
	<b>Total provisions</b>	<u>2,542,500</u>	<u>4,447,000</u>
	<b>Liabilities</b>		
	<b>Current liabilities</b>		
	Trade payables	6,944,802	3,290,284
	Payables to group entities	16,699,870	15,770,560
	Income taxes payable	3,353,682	664,271
	Other payables	6,445,918	6,266,709
14	Deferred income	41,047,373	74,221,576
		<u>74,491,645</u>	<u>100,213,400</u>
	<b>Total liabilities other than provisions</b>	<u>74,491,645</u>	<u>100,213,400</u>
	<b>TOTAL EQUITY AND LIABILITIES</b>	<u><u>108,305,837</u></u>	<u><u>130,290,152</u></u>

- 1 Accounting policies
- 2 Special items
- 15 Contractual obligations and contingencies, etc.
- 16 Related parties



## Financial statements for the period 1 January - 31 December

### Statement of changes in equity

DKK	Share capital	Retained earnings	Total
Equity at 1 January 2015	125,000	20,556,299	20,681,299
17 Transfer, see "Appropriation of profit"	0	4,948,453	4,948,453
<b>Equity at 1 January 2016</b>	<b>125,000</b>	<b>25,504,752</b>	<b>25,629,752</b>
17 Transfer, see "Appropriation of profit"	0	5,641,940	5,641,940
<b>Equity at 31 December 2016</b>	<b>125,000</b>	<b>31,146,692</b>	<b>31,271,692</b>

## Financial statements for the period 1 January - 31 December

### Cash flow statement

Note	DKK	2016	2015
	Profit for the year	5,641,940	4,948,453
18	Adjustments	34,700,176	26,782,273
	Cash generated from operations (operating activities)	40,342,116	31,730,726
19	Changes in working capital	-34,273,377	-12,532,349
	Cash generated from operations (operating activities)	6,068,739	19,198,377
	Interest received, etc.	34,900	2,622,895
	Interest paid, etc.	-686,865	-637,255
	Income taxes paid	-1,084,271	-1,530,143
	<b>Cash flows from operating activities</b>	<b>4,332,503</b>	<b>19,653,874</b>
	Additions of intangible assets	-1,325,268	-71,135
	Additions of property, plant and equipment	-649,282	-21,215,372
	Disposals of financial assets	12,500	285,426
	<b>Cash flows to investing activities</b>	<b>-1,962,050</b>	<b>-21,001,081</b>
	<b>Net cash flow</b>	<b>2,370,453</b>	<b>-1,347,207</b>
	Cash and cash equivalents at 1 January	4,973,061	6,320,268
20	<b>Cash and cash equivalents at 31 December</b>	<b>7,343,514</b>	<b>4,973,061</b>





## Financial statements for the period 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies

The annual report of Envision Energy (Denmark) ApS for 2016 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to medium-sized reporting class C entities.

Effective 1 January 2016, the Company has adopted act. no. 738 of 1. July 2015. This implies changes in the recognition and measurement in the following areas:

##### 1. Yearly reassessment of plant and equipment

Re. 1:

In future, plant and equipment will be subject to annual reassessment. The Company has no significant residual values relating to plant and equipment. Consequently, the change is made with future effect only as a change in accounting estimates with no impact on equity, income statement, balance sheet for 2016 or the comparative figures.

Apart from the above changes in accounting policy and new and changed presentation and disclosure requirements, which follow from act. no. 738 of 1 June 2015, the accounting policies are consistent with those of last year.

#### Reporting currency

The financial statements are presented in Danish kroner (DKK).

#### Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rate at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the most recent financial statements is recognised in the income statement as financial income or financial expenses.

#### Income statement

##### Revenue

Income from sale comprises invoicing of development costs and delivery of windturbines to group companies and is recognised in the income statement provided that the time of delivery and transfer of risk have taken place before year end, and that the income can be reliably measured and is expected to be received.

Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts and rebates granted are recognised in revenue.

##### Other operating income and operating expenses

Other operating income comprises items of a secondary nature relative to the entity's core activities, including gains or losses on the sale of non-current assets, income from the sale of electricity from wind turbines for test purposes, public grants for the development of technology, etc.

##### Cost of sales

Cost of sales includes the cost of goods used in generating the year's revenue.

## Financial statements for the period 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Other external expenses

Other external expenses include the year's expenses relating to the entity's core activities, including expenses relating to advertising, administration, premises, operating leases, IT costs, etc.

##### Staff costs

Staff costs include wages and salaries, including compensated absence and pension to the Company's employees, as well as other social security contributions, etc. The item is net of refunds from public authorities.

##### Amortisation/depreciation

The item comprises amortisation/depreciation of intangible assets and property, plant and equipment.

##### Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts that concern the financial year. Net financials include interest income and expenses as well as allowances and surcharges under the advance-payment-of-tax scheme, etc.

##### Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

##### Balance sheet

##### Intangible assets

Acquired intangible assets mainly comprise of software which is measured at cost less accumulated amortisation and impairment losses. Software is amortised on a straight-line basis over the expected useful lives, corresponding to three years.

Development costs and internally developed rights are recognised in the income statement as cost in the year of acquisition.

Gains or losses on the sale of intangible assets are recognised in the income statement under 'Other operating income' or 'Other operating expenses', respectively. Gains and losses are calculated by reference to the difference between the selling price less selling expenses and the carrying amount at the time of sale.

## Financial statements for the period 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Property, plant and equipment

Property, plant and equipment in the course of construction and prepayments are measured at cost. Assets are depreciated at the date of use.

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

Cost comprises the purchase price and any cost directly attributable to the acquisition until the date when the asset is available for use. The cost of own-produced assets comprises direct cost of material, components and subsuppliers

The residual value is determined at the time of acquisition and are reassessed every year. Where the residual value exceeds the carrying amount of the asset, no further depreciation charges are recognised. In case of changes in the residual value, the effect on the depreciation charges is recognised prospectively as a change in accounting estimates.

The basis of depreciation, which is calculated at cost less any residual value, is depreciated on a straight-line basis over the expected useful life. The expected useful lives are as follows:

Fixtures and fittings, tools and equipment: 3-5 years  
Wind turbine for testing purposes is depreciated up to and including 2020.

Gains or losses are calculated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses from the disposal of property, plant and equipment are recognised in the income statement as other operating income or other operating expenses.

##### Impairment of non-current assets

Every year, intangible assets and property, plant and equipment are reviewed for impairment. Where there is indication of impairment, an impairment test is made for each individual asset or group of assets, respectively, generating independent cash flows. The assets are written down to the higher of the value in use and the net selling price of the asset or group of assets (recoverable amount) if it is lower than the carrying amount. Where an impairment loss is recognised on a group of assets, the loss is allocated to the non-current assets on a pro rata basis.

##### Receivables

Receivables are measured at amortised cost. Provisions are made for bad debts on the basis of objective evidence that a receivable or a group of receivables are impaired. Provisions are made to the lower of the net realisable value and the carrying amount.

##### Prepayments

Prepayments recognised under "Assets" comprise prepaid expenses regarding subsequent financial reporting years.

##### Cash

Cash comprises cash balances and bank balances.

## Financial statements for the period 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Corporation tax

Current tax payables and receivables are recognised in the balance sheet as the estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax assets are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

##### Liabilities

Financial liabilities are measured at amortised cost.

##### Deferred income

Deferred income recognised as a liability comprises payments received concerning income in subsequent financial reporting years.

##### Cash flow statement

The cash flow statement shows the Company's net cash flows broken down according to operating, investing and financing activities, the year's changes in cash and cash equivalents as well as the cash and cash equivalents at the beginning and the end of the year.

Cash flows from operating activities are calculated as the profit/loss for the year adjusted for non cash operating items, changes in working capital and paid corporate income tax.

Cash flows from investing activities comprise payments in connection with acquisitions and disposals of intangible assets, property, plant and equipment and investments.

Cash flows from financing activities comprise changes in the size or composition of the Company's share capital and related expenses as well as raising of loans, repayment of interest bearing debt and payment of dividends to shareholders.

Cash comprise cash in hand and bank deposits.



## Financial statements for the period 1 January - 31 December

### Notes to the financial statements

#### 2 Special items

Special items for the year are specified below just as are the items under which they are recognised in the income statement.

DKK	2016	2015
<b>Income</b>		
Sales of windturbines	27,072,228	0
	<u>27,072,228</u>	<u>0</u>
<b>Expenses</b>		
Cost of sales regarding windturbines	-25,563,962	0
	<u>-25,563,962</u>	<u>0</u>
<b>Special items are recognised in the below items of the financial statements</b>		
Revenue	27,072,228	0
Cost of sales	-25,563,962	0
<b>Net profit on special items</b>	<u>1,508,266</u>	<u>0</u>

#### 3 Other operating income

Other operating income includes income from sales of electricity and other income not related to the primary income.

DKK	2016	2015
<b>4 Staff costs</b>		
Wages/salaries	35,384,619	31,727,672
Pensions	1,995,199	1,793,802
Other social security costs	469,829	158,297
	<u>37,849,647</u>	<u>33,679,771</u>
 Average number of full-time employees	 <u>35</u>	 <u>30</u>

The Company did not pay any remuneration to Management during the financial year.

#### 5 Financial income

Other interest income	7,549	19,170
Exchange adjustments	27,351	2,603,725
	<u>34,900</u>	<u>2,622,895</u>

#### 6 Financial expenses

Interest expenses, group entities	35,406	491,779
Other interest expenses	651,459	145,476
	<u>686,865</u>	<u>637,255</u>



## Financial statements for the period 1 January - 31 December

### Notes to the financial statements

#### 7 Tax for the year

Estimated tax charge for the year	3,773,682	863,414
Deferred tax adjustments in the year	-2,309,500	819,000
	<u>1,464,182</u>	<u>1,682,414</u>

On account tax payments totalled DKK 420.000 for 2016 and payment of DKK 664.271 for 2015.

#### 8 Intangible assets

DKK	Acquired intangible assets
Cost at 1 January 2016	2,802,792
Additions in the year	1,325,268
Cost at 31 December 2016	<u>4,128,060</u>
Impairment losses and amortisation at 1 January 2016	2,234,811
Amortisation in the year	679,394
Impairment losses and amortisation at 31 December 2016	<u>2,914,205</u>
Carrying amount at 31 December 2016	<u>1,213,855</u>



## Financial statements for the period 1 January - 31 December

### Notes to the financial statements

#### 9 Property, plant and equipment

DKK	Wind turbine for testing purposes	Other fixtures and fittings, tools and equipment	Leasehold improvements	Total
Cost at 1 January 2016	146,368,623	4,245,666	461,552	151,075,841
Additions in the year	0	479,544	169,738	649,282
Disposals in the year	0	-108,790	0	-108,790
Cost at 31 December 2016	146,368,623	4,616,420	631,290	151,616,333
Impairment losses and depreciation at 1 January 2016	75,507,890	2,995,601	270,699	78,774,190
Depreciation in the year	30,663,360	677,853	155,265	31,496,478
Reversal of depreciation of disposals	0	-105,632	0	-105,632
Impairment losses and depreciation at 31 December 2016	106,171,250	3,567,822	425,964	110,165,036
Carrying amount at 31 December 2016	40,197,373	1,048,598	205,326	41,451,297

#### 10 Prepayments

Prepayments under assets mainly comprise accrual of expenses relating to subsequent financial years, including insurance policies, DKK 32 thousand, software licenses, DKK 502 thousand, prepaid rent for premises, DKK 75 thousand and other prepaid expenses, DKK 247 thousand.

#### 11 Share capital

The Company's share capital comprises 1,250 shares of DKK 100 each.

The Company's share capital has remained DKK 125,000 over the past 5 years.

## Financial statements for the period 1 January - 31 December

### Notes to the financial statements

DKK	2016	2015
<b>12 Deferred tax</b>		
Deferred tax at 1 January	4,447,000	3,628,000
Deferred tax adjustments in the year	-2,309,500	819,000
<b>Deferred tax at 31 December</b>	<u>2,137,500</u>	<u>4,447,000</u>
Deferred tax relates to:		
Intangible assets	266,967	124,873
Property, plant and equipment	1,959,633	5,480,349
Provisions	-89,100	0
Tax loss	0	-1,158,222
	<u>2,137,500</u>	<u>4,447,000</u>
Analyses of the deferred tax		
Deferred tax liabilities	<u>2,137,500</u>	<u>4,447,000</u>
	<u>2,137,500</u>	<u>4,447,000</u>

### 13 Other provisions

Provisions include costs for rented premises and these are expected to fall due within 1-5 years.

### 14 Deferred income

Deferred income comprises payments relating to development costs for wind turbines for testing purposes, which will not be recognised as income until in the subsequent financial year once the recognition criteria are satisfied.

### 15 Contractual obligations and contingencies, etc.

#### Other contingent liabilities

Other contingent liabilities include the Company's obligation to pay DKK 80 thousand for the dismantlement of leasehold improvements, when the lease expires or is terminated.

#### Other financial obligations

Rent and lease liabilities (operating leases) total DKK 39,502 thousand (2015: 20,742 thousand) of which DKK 5,837 thousand (2015: 5,523 thousand) falls due within a year.

## Financial statements for the period 1 January - 31 December

### Notes to the financial statements

#### 16 Related parties

Envision Energy (Denmark) ApS' related parties comprise the following:

##### Parties exercising control

Related party	Domicile	Basis for control
Envision Energy International Limited	Hong Kong	Owner

##### Related party transactions

In 2016, Envision Energy (Denmark) ApS had the following related party transactions:

- ▶ Revenue, 155,115 thousand
- ▶ Cost of sales, 25,564 thousand
- ▶ Financial expenses, 35,406 thousand

DKK	2016	2015
<b>17 Appropriation of profit/loss</b>		
Recommended appropriation of profit		
Retained earnings	5,641,940	4,948,453
	<u>5,641,940</u>	<u>4,948,453</u>
<b>18 Adjustments</b>		
Intangible - Amortisation/depreciation and impairment losses	679,394	601,644
Amortisation/depreciation and impairment losses	31,496,477	26,468,177
Gain/loss on the sale of non-current assets	3,158	15,678
Financial income	-34,900	-2,622,895
Financial expenses	686,865	637,255
Tax for the year	1,464,182	1,682,414
Change in provisions	405,000	0
	<u>34,700,176</u>	<u>26,782,273</u>
<b>19 Changes in working capital</b>		
Change in receivables	-5,862,212	10,249,581
Change in trade and other payables	-28,411,165	-22,781,930
	<u>-34,273,377</u>	<u>-12,532,349</u>
<b>20 Cash and cash equivalents at year-end</b>		
Cash according to the balance sheet	7,343,514	4,973,061
	<u>7,343,514</u>	<u>4,973,061</u>