



Tel.: +45 89 30 78 00
aarhus@bdo.dk
www.bdo.dk

BDO Statsautoriseret revisionsaktieselskab
Kystvejen 29
DK-8000 Aarhus C
CVR no. 20 22 26 70

OBTON A/S
SILKEBORGVEJ 2, 8000 AARHUS C
ANNUAL REPORT
1 JANUARY - 31 DECEMBER 2016

**The Annual Report has been presented and
adopted at the Company's Annual General
Meeting on 12 June 2017**

Anders Marcus

The English part of this document is an unofficial translation of the original Danish text, and in case of any discrepancy between the Danish text and the English translation, the Danish text shall prevail.

CVR NO. 31 59 61 06

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COMPANY DETAILS

Company	Obton A/S Silkeborgvej 2 8000 Aarhus C
	Website: www.obton.com E-mail: obton@obton.com
	CVR no.: 31 59 61 06 Established: 25 June 2008 Registered Office: Aarhus Financial Year: 1 January - 31 December
Board of Directors	Peter Krogsgaard Jørgensen, Chairman Anders Marcus Lars Bentsen
Board of Executives	Anders Marcus Oliver Dahl Peters
Auditor	BDO Statsautoriseret revisionsaktieselskab Kystvejen 29 8000 Aarhus C
Bank	Nordea Bank Danmark A/S Skt. Clemens Torv 2-6 8000 Aarhus C
Law Firm	Innova Advokatfirma Mindet 2 8000 Aarhus C

STATEMENT BY BOARD OF DIRECTORS AND BOARD OF EXECUTIVES

Today the Board of Directors and Board of Executives have discussed and approved the Annual Report of Obton A/S for the year 1 January - 31 December 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 the Company's financial position at 31 December 2016 and of the results of the the Company's operations for the financial year 1 January - 31 December 2016.

The Management's Review includes in our opinion a fair presentation of the matters dealt with in the review.

We recommend the Annual Report be approved at the Annual General Meeting.

Aarhus, 9 June 2017

Board of Executives

Anders Marcus

Oliver Dahl Peters

Board of Directors

Peter Krogsgaard Jørgensen
Chairman

Anders Marcus

Lars Bentsen

INDEPENDENT AUDITOR'S REPORT

To the Shareholder of Obton A/S

Opinion

We have audited the Financial Statements of Obton A/S for the financial year 1 January - 31 December 2016, which comprise income statement, balance sheet, statement of changes in equity, notes and 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 assets, liabilities and financial position of the Company at 31 December 2016 and of the results of the Company operations 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 requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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.

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 Responsibility for 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 judgment 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 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the Financial Statements, including the 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 Management's Review.

Our opinion on the Financial Statements does not cover 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 Management's Review and, in doing so, consider whether 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 Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that Management's Review 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 Management's Review.

Aarhus, 9 June 2017

BDO Statsautoriseret revisionsaktieselskab
CVR-nr. 20 22 26 70

Jesper L. Christensen
State Authorised Public Accountant

Arne B. Jepsen
State Authorised Public Accountant

FINANCIAL HIGHLIGHTS

	2016	2015	2014	2013	2012
	DKK '000	DKK '000	DKK '000	DKK '000	DKK '000
Income statement					
Gross profit/loss.....	79.209	78.752	64.628	42.796	24.621
Operating profit/loss.....	48.280	52.282	24.080	25.101	14.985
Financial income and expenses, net.....	-3.792	-5.640	-3.937	-3.351	-524
Profit/loss for the year before tax.....	39.346	41.553	19.517	20.222	14.910
Profit/loss for the year.....	30.268	31.675	14.029	14.274	11.067
Balance sheet					
Balance sheet total.....	236.717	234.641	201.408	139.864	103.264
Equity.....	111.629	93.362	61.686	53.617	42.065
Invested capital.....	42.441	24.453	33.733	31.798	31.760
Investments in tangible fixed assets.....	3.025	204	336	999	145
Ratios					
Rate of return.....	144,3	179,7	24,1	25,1	15,0
Solvency ratio.....	47,2	39,8	30,6	38,3	40,7
Return on equity.....	29,5	40,9	24,3	29,8	27,8

The comparative figures are not adjusted with respect to the change of accounting policies for the years 2011 to 2013 concerning recognition of revenue. Similarly, the key figures that are affected hereby are not adjusted. The change of the recognition criteria does not affect the results, but is solely of significance for the presentation where revenue was earlier presented as a gross amount and now are presented as a net amount.

FINANCIAL HIGHLIGHTS

The ratios stated in the list of key figures and ratios have been calculated as follows:

Rate of return:	$\frac{\text{Profit/loss on ordinary activities} \times 100}{\text{Average invested capital}}$
Invested capital:	Intangible fixed assets (ex goodwill) + tangible assets + inventories + receivables + other working current assets - trade payables - other provisions - other long and short term working liabilities
Solvency ratio:	$\frac{\text{Equity ex. minorities, at year end} \times 100}{\text{Total equity and liabilities, at year end}}$
Return on equity:	$\frac{\text{Profit/loss after tax} \times 100}{\text{Average equity}}$

The ratios follow in all material respects the recommendations of the Danish Finance Society.

MANAGEMENT'S REVIEW

Principal activities

The company's principal activities comprise sale of consultancy services in connection with development, construction, financing, and sale of wind power and solar cell systems.

Development in activities and financial position

The results are considered satisfactory.

Profit/loss for the year compared to future expectations

The company had a satisfactory year with increasing revenue throughout the year. The company increased again in 2016 its number of employees and it invested considerable resources in preparing the organisation for the handling of purchases/administration/financing/sale of increasingly larger solar cell systems in 2016. Moreover, the activities were expanded to comprise wind energy in Germany.

The primary focus remaining on solar energy, 2016 resulted in higher revenue, both in aggregate and measured by employee. At the same time, considerable resources were invested in making the organisation able to handle an increasing revenue in 2017. New wind and solar cell systems have been realised of more than DKK 1.8 bn in 2016, concentrated on Germany, France and the Benelux countries. In aggregate, the Group now invests in wind and solar cell systems for more than DKK 4.5 bn across six countries.

Significant events after the end of the financial year

No events have occurred after the end of the financial year of material importance for the company's financial position.

Special risks

The Group's most significant operating risk is attached to the ability to be strongly positioned in the markets where the products are sold and to ensure that production prices are always competitive.

Price risks:

The company is not subject to any special price risks.

Foreign exchange risks:

The company's operating activities include transactions in EUR and the results, cash flows and equity are therefore affected by the exchange rate and interest development of EUR.

The foreign exchange risk is considered minimal in view of the foreign exchange cooperation.

Knowledge resources

It is essential to the company's continued growth to attract and retain competent staff.

In order to secure high and competitive services and quality, the company invests currently resources in improving the qualifications of the company's staff.

Future expectations

A major pipeline of projects was established in 2016 in both the existing markets in Germany, the Netherlands, and France, and in new countries that are expected to be realised in 2017. It is therefore expected that both revenue and earnings will grow in 2017, based on the existing markets and establishment in 1 to 2 new countries.

INCOME STATEMENT 1 JANUARY - 31 DECEMBER

	Note	2016 DKK	2015 DKK
GROSS PROFIT		79.209.074	78.752.286
Staff costs.....	1	-30.032.657	-25.775.697
Depreciation, amortisation and impairment.....		-896.149	-694.277
OPERATING PROFIT		48.280.268	52.282.312
Result of equity investments in group and associates.....	2	5.215.826	-438.852
Income from other equity investments and securities.....		2.013.268	-2.221.293
Other financial income.....	3	351.835	1.219.084
Impairment of asset investments.....		-10.358.291	-4.650.000
Other financial expenses.....	4	-6.156.639	-4.638.042
PROFIT BEFORE TAX		39.346.267	41.553.209
Tax on profit/loss for the year.....	5	-9.078.412	-9.877.790
PROFIT FOR THE YEAR	6	30.267.855	31.675.419

BALANCE SHEET AT 31 DECEMBER

ASSETS	Note	2016 DKK	2015 DKK
Intangible fixed assets acquired.....		406.954	568.208
Intangible fixed assets	7	406.954	568.208
Other plant, machinery, tools and equipment.....		3.157.906	909.173
Leasehold improvements.....		70.969	3.314
Tangible fixed assets	8	3.228.875	912.487
Equity investments in group enterprises.....		50.538.343	58.598.633
Equity investments in associated enterprises.....		0	1.925.750
Other securities.....		0	5.162.281
Rent deposit and other receivables.....		918.309	1.373.840
Fixed asset investments	9	51.456.652	67.060.504
FIXED ASSETS		55.092.481	68.541.199
Trade receivables.....		14.000	0
Contract work in progress.....	10	15.709.260	0
Receivables from group enterprises.....		17.253.066	1.025.784
Receivables from associated enterprises.....		1.060.836	0
Other receivables.....		92.138.193	47.695.265
Receivables, investor deposits.....		40.377.877	53.078.200
Prepayments and accrued income.....	11	4.362.918	1.859.936
Receivables		170.916.150	103.659.185
Equity investments, group enterprises.....		0	5.070.087
Equity investments in associated enterprises.....		0	4.561.780
Other securities and equity investments.....		10.636.396	21.384.314
Current investments		10.636.396	31.016.181
Cash and cash equivalents		72.067	31.424.430
CURRENT ASSETS		181.624.613	166.099.796
ASSETS		236.717.094	234.640.995

BALANCE SHEET AT 31 DECEMBER

EQUITY AND LIABILITIES	Note	2016 DKK	2015 DKK
Share capital.....	12	12.777.778	12.777.778
Reserve for net revaluation according to equity value method..		7.133.835	3.497.740
Retained profit.....		91.717.782	77.086.022
EQUITY.....		111.629.395	93.361.540
Provision for deferred tax.....	13	3.029.200	551.800
PROVISION FOR LIABILITIES.....		3.029.200	551.800
Other liabilities.....		1.189.705	2.439.705
Subordinate loan capital.....		6.099.000	8.696.075
Long-term liabilities.....	14	7.288.705	11.135.780
Short-term portion of long-term liabilities.....	14	3.750.000	3.125.000
Bank debt.....		41.206.759	22.824.497
Trade payables.....		15.148.659	46.422.541
Payables to group enterprises.....		10.518.115	3.537.092
Corporation tax.....		6.601.012	9.554.675
Other liabilities.....		37.541.677	44.128.070
Accruals and deferred income.....		3.572	0
Current liabilities.....		114.769.794	129.591.875
LIABILITIES.....		122.058.499	140.727.655
EQUITY AND LIABILITIES.....		236.717.094	234.640.995
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EQUITY

	Share capital	Reserve for net revaluation according to equity va	Retained profit	Total
Equity at 1 January 2016.....	12.777.778	3.497.740	77.086.022	93.361.540
Proposed distribution of profit.....		3.636.095	14.631.760	18.267.855
Equity at 31 December 2016.....	12.777.778	7.133.835	91.717.782	111.629.395

An extraordinary dividend of DKK 12,000,000 was paid to Obton A/S' parent company, Obton Holding, in the 2016 financial year. The amount is deducted from Obton A/S free reserves. It is stated directly in the note "Proposed distribution of profit" that an extraordinary dividend of DKK 12,000,000 has been paid.

NOTES

	2016 DKK	2015 DKK	Note
Staff costs			1
Average number of employees 50 (2015: 38)			
Wages and salaries.....	22.340.393	21.587.952	
Pensions.....	4.592.934	2.207.103	
Social security costs.....	160.965	130.392	
Other staff costs.....	2.938.365	1.850.250	
	30.032.657	25.775.697	
Remuneration of management.....	2.733.353	2.611.662	
Remuneration of board of directors.....	0	0	
	2.733.353	2.611.662	
Result of equity investments in group and associates			2
Result of equity investments in group enterprises.....	5.215.826	-423.944	
Result of equity investments in associated enterprises.....	0	-14.908	
	5.215.826	-438.852	
Other financial income			3
Group enterprises.....	51.547	646.024	
Other interest income.....	300.288	573.060	
	351.835	1.219.084	
Other financial expenses			4
Group enterprises.....	184.850	1.758.411	
Other interest expenses.....	5.971.789	2.879.631	
	6.156.639	4.638.042	
Tax on profit/loss for the year			5
Calculated tax on taxable income of the year.....	6.601.012	9.554.675	
Adjustment of deferred tax.....	2.477.400	323.115	
	9.078.412	9.877.790	
Proposed distribution of profit			6
Extraordinary dividend.....	12.000.000	0	
Allocation to reserve for net revaluation according to equity value methods.....	3.636.095	591.180	
Retained profit.....	14.631.760	31.084.239	
	30.267.855	31.675.419	

NOTES

			Note
Intangible fixed assets			7
		Intangible fixed assets acquired	
Cost at 1 January 2016.....		806.269	
Cost at 31 December 2016.....		806.269	
Amortisation at 1 January 2016.....		238.061	
Amortisation.....		161.254	
Amortisation at 31 December 2016.....		399.315	
Carrying amount at 31 December 2016.....		406.954	
Tangible fixed assets			8
	Other plant, machinery, tools and equipment	Leasehold improvements	
Cost at 1 January 2016.....	2.576.250	19.505	
Additions.....	2.952.503	72.471	
Disposals.....	-245.224	0	
Cost at 31 December 2016.....	5.283.529	91.976	
Depreciation and impairment losses at 1 January 2016.....	1.667.077	16.191	
Reversal of depreciation of assets disposed of.....	-245.224	0	
Depreciation for the year.....	703.770	4.816	
Depreciation and impairment losses at 31 December 2016....	2.125.623	21.007	
Carrying amount at 31 December 2016.....	3.157.906	70.969	
Fixed asset investments			9
	Equity investments in group enterprises	Equity investments in associated enterprises	
Cost at 1 January 2016.....	54.797.162	1.800.000	
Disposals.....	-11.788.672	-1.800.000	
Cost at 31 December 2016.....	43.008.490	0	
Revaluation and impairment losses at 1 January 2016.....	5.474.781	125.750	
Transferred.....	0	-125.750	
Dividend.....	-2.056.580	0	
Revaluation and impairment losses for the year.....	4.111.652	0	
Revaluation at 31 December 2016.....	7.529.853	0	
Carrying amount at 31 December 2016.....	50.538.343	0	

NOTES

Note

	Other securities	Rent deposit and other receivables
Cost at 1 January 2016.....	7.002.608	1.371.456
Additions.....	0	4.658
Disposals.....	-7.002.608	-457.805
Cost at 31 December 2016.....	0	918.309
Revaluation at 1 January 2016.....	-1.840.327	
Transferred.....	1.840.327	
Revaluation at 31 December 2016.....	0	
Carrying amount at 31 December 2016.....	0	918.309

Investments in subsidiaries (DKK)

Name and registered office	Equity	Profit/loss for the year	Voting and ownership share
Obton Finans A/S, Aarhus.....	40.196.625	435.619	100 %
Obton Administration A/S, Aarhus.....	5.443.856	1.208.979	100 %
Obton Fondsmæglerselskab A/S, Aarhus.....	4.427.840	2.075.080	100 %
Obton Nuova Italia S.R.L., Italy.....	74.436	-3.964	100 %

	2016 DKK	2015 DKK
Contract work in progress		
Sales value of completed production.....	15.709.260	0
Contract work in progress, net.....	15.709.260	0
Recognised as follows:		
Contract work in progress (asset).....	15.709.260	0
	15.709.260	0

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NOTES

	2016 DKK	2015 DKK	Note
Prepayments and accrued income			11
Costs.....	4.362.918	1.859.936	
	4.362.918	1.859.936	
Prepayments and accrued income consists of the following:			
Prepaid costs, relating to insurances, subscriptions, interest, etc. In addition, the termination items include the start-up costs incurred in connection with the purchase of new projects. Some projects extend over several years and Obton A/S may therefore have incurred costs that have not been completed and invoiced. Therefore, it is estimated that there will be additional start-up costs in subsequent financial years. Start-up costs are only incurred for projects where billable fees are invoiced. If the project is not sold in the relevant financial year, the costs associated with the project in question will be capitalised. Of the above balance, there are timing differences in the primary start-up costs.			
Share capital			12
Specification of share capital:			
Shares, 12.777.778 in the denomination of 1 DKK.....	12.777.778	12.777.778	
	12.777.778	12.777.778	
Provision for deferred tax			13
Provision for deferred tax comprises deferred tax on contract work in progress, inventory and intangible and tangible fixed assets.			
Deferred tax concerns:			
Intangible fixed assets acquired.....	89.500	125.000	
Other plant, machinery, tools and equipment.....	78.300	27.700	
Leasehold improvements.....	2.800	800	
Contract work in progress.....	1.935.500	0	
Prepayments and accrued income.....	959.800	409.100	
Borrowing costs.....	-36.700	-10.800	
	3.029.200	551.800	
Deferred tax, 1 January 2016.....	551.800	228.685	
Provision of the year.....	2.477.400	323.115	
Provision for deferred tax at 31 December 2016.....	3.029.200	551.800	

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Note

Long-term liabilities

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	1/1 2016 total liabilities	31/12 2016 total liabilities	Repayment next year	Debt outstanding after 5 years
Other liabilities.....	3.689.705	2.439.705	1.250.000	0
Subordinate loan capital.....	10.571.075	8.599.000	2.500.000	764.600
	14.260.780	11.038.705	3.750.000	764.600

Contingencies etc.

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The company has tenancy commitments with an annual rent of DKK ('000) 2,338. The tenancy agreement is non-terminable until 31 March 2020 and results in a total liability of DKK ('000) 9,352.

Obton A/S is involved in a pending case with the French tax authorities. The company's management has calculated a preliminary claim from the French tax authorities. The requirement, however, is still uncertain of size and outcome. It is not known when the case ends.

Joint liabilities

The company is jointly and severally liable together with the parent company and the other Group companies in the joint taxable Group for tax on the Group's jointly taxed income and for certain possible withholding taxes such as dividend tax and royalty tax, and for the joint registration of VAT.

Tax payable on the Group's joint taxable income is stated in the annual report of Obton Holding A/S, which serves as management company for the joint taxation.

Charges and securities

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The company has provided security in the form of a business charge of a nominal amount of DKK 10,000,000 for account with bank. The business charge includes ordinary debt, inventories, fixtures, equipment, receivables and goodwill etc.

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Note

Charges and securities

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	Carrying amount of assets	Nominal value of mortgage or outstanding debt
	DKK	DKK
The following assets are set as security for debt		
Other plant, machinery, tools and equipment.....	3.157.906	0
Leasehold improvements.....	70.969	0
Trade receivables.....	14.000	0
Receivables, investor deposits.....	40.377.877	0

The carrying amount of charged assets is shown entirely in accordance with the allocation used in the financial statements.

Related parties

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Controlling interest

Obton Holding II A/S, Obton Holding A/S, Anders Marcus and Peter Krogsgaard Jørgensen.

Other related parties having performed transactions with the company

The company's related parties having a significant influence comprise subsidiaries and associates as well as the companies' Board of Directors, Board of Executives and executive officers and their relatives. Related parties include also companies in which the above mentioned group of persons has material interests.

Transactions with related parties

Obton A/S did not carry out any substantial transactions that were not concluded on market conditions. According to section 98c, subsection 7 of the Danish Financial Statements Act information is given only on transactions that were not performed on common market conditions.

Consolidated financial statements

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The Company is included in the consolidated financial statements of the parent company Obton Holding II A/S, Silkeborgvej 2, CVR no. 38 25 11 98 and in the consolidated financial statements of the ultimate parent, Obton Holding A/S, address, CVR no. 30 23 75 44.

ACCOUNTING POLICIES

The annual report of Obton A/S for 2016 has been presented in accordance with the provisions of the Danish Financial Statements Act for enterprises in reporting class C, medium enterprise.

With effect from 1 January 2016, the Company has implemented Law No. 738 of June 1, 2015. This entails the following changes for recognition and measurement for:

1. Annual reassessment of residual values on tangible assets

The annual report is prepared consistently with the accounting principles used last year.

Consolidated financial statements

Consolidated financial statements are not prepared because the group fulfils the exemption provisions of section 112 of the Danish Financial Statements Act on sub-groups. The Company is included in the consolidated financial statements of the parent company Obton Holding II A/S, Silkeborgvej 2, CVR no. 38 25 11 98 and in the consolidated financial statements of the ultimate parent, Obton Holding A/S, address, CVR no. 30 23 75 44.

INCOME STATEMENT

Net revenue

Net revenue from sale of administration and consultancy services and vendor fee is recognised in the income statement if delivery and transfer of risk have taken place before the end of the year. The project sum for sale of A/S, K/S and P/S projects is not recognised as revenue because Obton A/S is just considered to be vendor. Own projects, where Obton A/S has entered into a final binding agreement with purchaser and equity investments, are not transferred at the balance sheet date. Obton A/S is considered to bear the risk and is therefore exceptionally recognised as revenue and cost of sales, respectively. Net revenue is recognised exclusive of VAT, duties and with deduction of any discounts.

Where products with a high degree of individual adjustments are delivered, recognition in net revenue is made as and when the production progresses, the net revenue being equal to the sales value of the work performed for the year (the production method). This method is applied when the total costs and expenses regarding the contract and the degree of completion at the balance sheet date can be reliably assessed, and it is likely that the financial benefits will flow to the company.

When the result of contract work cannot be assessed reliably, revenue is only recognised corresponding to related costs to the extent that it is likely that they will be recovered.

Cost of sales

Cost of sales include the cost of acquisition of the A/S and P/S projects sold in the financial year which are recognised as revenue.

Other external expenses

Other external expenses include cost of sales, advertising, administration, buildings, bad debts, operating lease expenses, etc.

Payments relating to operating lease agreements and other rental agreements are recognised in the income statement over the term of the contract. The company's total liability for operating lease and rental agreements is disclosed under contingencies.

Staff costs

Staff costs comprise wages and salaries, including holiday pay and pensions and other costs for social security etc. for the company's employees. Repayments from public authorities are deducted from staff costs.

ACCOUNTING POLICIES

Investments in subsidiaries and associates

The proportional share of the results of each subsidiary and associated enterprise after full elimination of intercompany profits/losses and deduction of amortisation of goodwill is recognised in the income statement of the parent company.

The proportional share of the results of each associate after proportional elimination of intercompany profits/losses and deduction of amortisation of goodwill is recognised in the income statement of the owner company.

Revenue from other securities

Revenue from other securities includes interest income, and realised and unrealised gains and losses.

Financial income and expenses

Financial income and expenses include interest income and expenses, realised and unrealised gains and losses arising from investments in financial assets, debt and transactions in foreign currencies, amortisation of financial assets and liabilities as well as charges and allowances under the tax-on-account scheme etc. Financial income and expenses are recognised in the income statement by the amounts that relate to the financial year.

Tax

The tax for the year, which consists of the current tax for the year and changes in deferred tax, is recognised in the income statement by the portion that may be attributed to the profit for the year, and is recognised directly in the equity by the portion that may be attributed to entries directly to the equity.

BALANCE SHEET

Intangible fixed assets

Software is measured at the lower of cost with deduction of accumulated amortisation and recoverable value. Software is amortised over 5 years.

Tangible fixed assets

Leasehold improvements and other plant, fixtures and equipment are measured at cost less accumulated depreciation and impairment losses.

The depreciation base is cost less estimated residual value after end of useful life.

The cost includes the acquisition price and costs incurred directly in connection with the acquisition until the time when the asset is ready to be used. As regards self-manufactured assets, the cost price includes cost of materials, components, subcontractors, direct payroll and indirect production costs.

Straight-line depreciation is provided on the basis of an assessment of the expected useful lives of the assets and their residual value:

	Useful life	Residual value
Other plant, fixtures and equipment.....	3-5 years	0 %
Leasehold improvements.....	5 years	0 %

Profit or loss on disposal of tangible fixed assets is stated at the difference between the sales price less selling costs and the carrying amount at the time of sale. Profit or loss is recognised in the income statement as other operating income or other operating expenses.

ACCOUNTING POLICIES

Fixed asset investments

Investments in subsidiaries and associates are measured in the parent company's balance sheet under the equity method.

Investments in subsidiaries and associates are measured in the balance sheet at the proportional share of the enterprises' carrying equity value, calculated in accordance with the parent company's accounting policies with deduction or addition of unrealised intercompany profits or losses and with addition or deduction of the residual value of positive or negative goodwill calculated in accordance with the acquisition method.

In connection with purchase of companies the purchase method is applied. Added values in the form of consolidated goodwill are amortised over the estimated financial useful life, which is determined based on management's experience within the individual lines of business. Consolidated goodwill is amortised on a straight-line basis over the amortisation period, which is 5 years.

Consolidated goodwill is amortised over the expected useful life determined on the basis of management's experience within the individual lines of business. Consolidated goodwill is amortised on a straight-line basis over the period of amortisation which is estimated to 5 years. The period of amortisation is determined based on an assessment of the acquired company's position in the market and earnings profile, and the industry-specific condition.

Net revaluation of investments in subsidiaries and associates is transferred under the equity to reserve for net revaluation according to the equity value method to the extent that the carrying amount exceeds the acquisition value.

Subsidiaries and associates with a negative carrying equity value are measured to DKK 0 and any amounts due from these enterprises are written down by the parent company's share of the negative equity to the extent that it is deemed to be irrecoverable. If the carrying negative equity value exceeds receivables, the residual amount is recognised under provision for liabilities to the extent that the parent company has a legal or actual liability to cover the negative balance.

Impairment of fixed assets

The carrying amount of intangible and tangible fixed assets together with investments, which are not measured at fair value, are valued on an annual basis for indications of impairment other than that reflected by amortisation and depreciation.

In the event of impairment indications, an impairment test is made for each asset or group of assets, respectively. If the net realisable value is lower than the carrying amount, the assets are written down to the lower value.

The recoverable amount is calculated at the higher of net selling price and capital value. The capital value is determined as the fair value of the expected net cash flows from the use of the asset or group of assets and the expected net cash flows from sale of the asset or group of assets after the end of its useful life.

Receivables

Receivables are measured at amortised cost which usually corresponds to nominal value. The value is reduced by impairment to meet expected losses.

ACCOUNTING POLICIES

Contract work in progress

Work in progress on contract is measured at the sales value of the work performed. The sales value is measured on the basis of the degree of completion on the balance sheet date and the total anticipated revenue related to the specific piece of work in progress.

The specific piece of work in progress is recognised in the balance sheet as receivables or payables, depending on the net value of the selling price less progress invoicing and progress payments.

Costs relating to sales work and obtaining of contracts are recognised in the income statement as and when they are incurred.

Accruals, assets

Accruals recognised as assets include costs incurred relating to the subsequent financial year.

Securities and investments

Securities and investments, recognised as current assets, comprise A/S, K/S and P/S projects which were started before the balance sheet date but which are not yet fully subscribed/completed.

As regards projects for which the investors have subscribed more than 50% of the capital, a proportional share of the expected profit is recognised.

As regards projects for which the investors have not subscribed more than 50% of the capital, equity investments for resale are measured at the lower of costs incurred and the net realisable value.

Costs related to sales work and winning of contracts are recognised in the income statement as and when they are incurred.

Cash and cash equivalents

Cash equivalents comprise cash at bank deposits.

Tax payable and deferred tax

Current tax liabilities and receivable current tax are recognised in the balance sheet as the calculated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and taxes paid on account.

The company is subject to joint taxation with Danish group companies. The current corporation tax is distributed among the joint taxable companies in proportion to their taxable income and with full allocation and refund related to tax losses. The joint taxable companies are included in the tax on account scheme. Joint taxation contributions receivable and payable are recognised in the balance sheet under current assets and liabilities, respectively.

Deferred tax is measured on the temporary differences between the carrying amount and the tax value of assets and liabilities.

Deferred tax assets, including the tax value of tax loss carry-forwards, are measured at the expected realisable value of the asset, either by set-off against tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that under the legislation in force on the balance sheet date will be applicable when the deferred tax is expected to crystallise as current tax. Any changes in the deferred tax resulting from changes in tax rates, are recognised in the income statement, except from items recognised directly in equity.

ACCOUNTING POLICIES

Liabilities

Financial liabilities are recognised at the time of borrowing by the amount of proceeds received less borrowing costs. In subsequent periods, the financial liabilities are measured at amortised cost equal to the capitalised value when using the effective interest, the difference between the proceeds and the nominal value being recognised in the income statement over the term of loan.

Other liabilities are measured at amortised cost equal to nominal value.

Accruals, liabilities

Accruals recognised as liabilities include payments received regarding income in subsequent years.

Foreign currency translation

Transactions in foreign currencies are translated at the rate of exchange on the transaction date. Exchange differences arising between the rate on the transaction date and the rate on the payment date are recognised in the income statement as a financial income or expense.

If the foreign exchange position is considered to hedge future cash flows, the unrealised exchange adjustments are recognised directly in the equity.

Receivables, payables and other monetary items in foreign currencies that are not settled on the balance sheet date are translated at the exchange rate on the balance sheet date. The difference between the exchange rate on the balance sheet date and the exchange rate at the time of occurrence of the receivables or payables is recognised in the income statement as financial income or expenses.

Fixed assets acquired in foreign currencies are translated at the rate of exchange on the transaction date.

On recognition of foreign subsidiaries that are not independent entities, but integrated entities, monetary items are translated at the exchange rate on the balance sheet date. Non-monetary items are translated at the rate at the time of acquisition or at the time of subsequent revaluation or writedown of the asset. The items of the income statement are translated at the rate on the transaction date, items derived from non-monetary items being translated at the historic rates of the non-monetary item.

The income statements of foreign subsidiaries and associates fulfilling the criteria for being independent entities are translated at an average exchange rate for the month and balance sheet items are translated at the rate of exchange on the balance sheet date. Exchange differences arising from translation of the equity of foreign subsidiaries at the beginning of the year to the rates of the balance sheet date and from translation of income statements from average rate to the rates of the balance sheet date are recognised directly in the equity.

Exchange adjustment of intercompany accounts with foreign subsidiaries that are deemed to be an addition to or deduction from the equity of independent subsidiaries are recognised directly in the equity.

CASH FLOW STATEMENT

With reference to section 86 of the Danish Financial Statements Act, a cash flow statement is not prepared.