

HP Capital A/S
Fredskovvej 5
7330 Brande
CVR No. 33071523

ANNUAL REPORT

2016/17

The Annual Report was presented and
adopted at the Annual General Meeting of
the Company

Brande, on 27 November 2017



Søren From
Chairman

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Management's Statement

The board of directors and the executive board have today presented the annual report of HP Capital A/S for the financial year 1 August 2016 - 31 July 2017.

The Annual Report has been presented in accordance with the Danish Financial Statements Act.

We consider the accounting policies used appropriate, and in our opinion, the annual accounts provide a true and fair view of the company's assets and liabilities and its financial position as on 31 July 2017 as well as of the company's results of its activities in the period from 1 August 2016 - 31 July 2017.

We are of the opinion, that the management review includes a fair description of the issues dealt with.

The annual report is recommended for the approval by the general assembly.

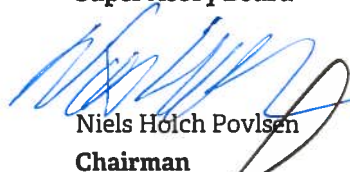
Brande, 27 November 2017

Executive Board



Merete Bech Povlsen

Supervisory Board



Niels Holch Povlsen
Chairman



Troels Holch Povlsen



Merete Bech Povlsen



Roderick P. Kennedy



Jessica Rendbæk Holch Povlsen

Independent Auditor's Report

To the shareholders of HP Capital A/S

Opinion

We have audited the financial statements of HP Capital A/S for the financial year 1 August 2016 - 31 July 2017, which comprise an income statement, balance sheet and notes. 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 Company's financial position at 31 July 2017 and of the results of its operations for the financial year 1 August 2016 - 31 July 2017 in accordance with the Danish Financial Statements Act.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibility under those standards and requirements are further described in our auditors' report under "Auditors' responsibility for the audit of the financial statements". As required by the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and additional requirements applicable in Denmark, we are independent of the Company, 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.

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 opinion providing assurance regarding the Management's review.

Our responsibility in connection with our audit of the financial statements 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 with the knowledge we have gained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review meets the disclosure requirements in the Danish Financial Statements Act.

Based on our procedures, we are of the opinion that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements in the Danish Financial Statements Act. In our opinion, the Management's review is not materially misstated.

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 considers 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 either liquidate the Company or suspend operations, or has no realistic alternative but to do so.

The auditor's responsibility for the audit of the financial statements

Our responsibility is to obtain reasonable assurance as to whether the financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Independent Auditor's Report

Reasonable assurance is a high level of assurance, but is no guarantee that an audit conducted in accordance with ISAs and additional requirements applicable in Denmark will always detect material misstatements. Misstatements can arise from fraud or error and can be considered material if it would be reasonable to expect that these - either individually or collectively - could influence the economic decisions taken by the users of financial statements on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and additional requirements applicable in Denmark, we exercise professional judgement and maintain an attitude of professional skepticism throughout the audit. We also:

- * Identify and assess the risk of material misstatements in 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 a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or 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 whether the accounting policies used are appropriate and whether the accounting estimates and the related disclosures made by Management are reasonable.
- * Conclude on whether Management's use of the going concern basis of accounting in preparing the financial statements is appropriate and, based on the audit evidence obtained, conclude on whether a material uncertainty exists relating to events or conditions, which could 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 auditors' 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 auditors' report. However, future events or conditions may imply that the Company can no longer remain a going concern.
- * Evaluate the overall presentation, structure and contents of the financial statements, including note disclosures, and whether the financial statements reflect 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 which we identify during our audit.

Brande, 27 November 2017

Partner Revision

Statsautoriseret Revisionsaktieselskab

CVR-no. 15807776

Claus Lykke Jensen

State Authorised Public Accountant

Company details

Company	HP Capital A/S Fredskovvej 5 7330 Brande
Telephone	99423200
CVR No.	33071523
Registered office	Ikast-Brande
Financial year	1 August 2016 - 31 July 2017
Supervisory Board	Niels Holch Povlsen , Chairman Merete Bech Povlsen Jessica Rendbæk Holch Povlsen Troels Holch Povlsen Roderick P. Kennedy
Executive Board	Merete Bech Povlsen
Auditors	Partner Revision Statsautoriseret Revisionsaktieselskab Torvegade 22 7330 Brande CVR-no.: 15807776

Management's Review

The Company's principal activities

The Company's principal activities consist in investments and related business.

Development in activities and financial affairs

The result and the financial development of the company is considered as satisfactory. The management expects a satisfactory result in 2017/2018.

Post financial year events

After the end of the financial year, no events have occurred which may change the financial position of the entity substantially.

Accounting Policies

Reporting Class

The Annual Report of HP Capital A/S for 2016/17 has been presented in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B.

With effect from 1 August 2016, the Company has implemented Act no. 738 of 1 June 2015. This has not resulted in changes to recognition and measurement.

Except for new and amended presentation and disclosure requirements pursuant to Act No. 738 of 1 June 2015, the financial statements have been prepared in accordance with the same accounting policies as last year.

Translation of foreign currency

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials.

Debtors, creditors, and other monetary items in foreign currency, which are not settled at the date of the balance sheet, are translated by using the closing rate. The difference between the closing rate and the rate at the time of establishment of the receivable or the payable is recognised in the profit and loss account under financial income and financial costs.

In relation to foreign group enterprises and associates that qualify as separate entities, the income statements are translated using average exchange rates for the period, and the balance sheet items are translated using the closing rate. Foreign exchange differences arising on the translation of foreign group enterprises' opening equity at the exchange rates at the balance sheet date are recognised directly in equity. This also applies to foreign exchange differences arising on the translation of income statements from average exchange rates to exchange rates at the balance sheet date.

Derived financial instruments

At the first recognition, derived financial instruments are recognised at cost in the balance sheet. Afterwards they are measured at fair value. Positive and negative fair values of derived financial instruments are recognised under other debtors and other creditors respectively.

As regards any derived financial instruments which do not meet the criteria for being treated as hedging instruments, changes are recognised currently in the fair value in the profit and loss account.

Basis of recognition and measurement

Income is recognised in the profit and loss account concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs, these including depreciation, amortisation, writedown, provisions, and reversals which are due to changes in estimated amounts previously recognised in the profit and loss account are recognised in the profit and loss account.

Assets are recognised in the balance sheet when the company is liable to achieve future, financial benefits and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the company is liable to lose future, financial benefits and the value of the liability can be measured reliably.

At the first recognition, assets and liabilities are measured at cost. Later, assets and liabilities are measured as described below for each individual accounting item.

At recognition and measurement, such predictable losses and risks are taken into consideration, which may

Accounting Policies

appear before the annual report is presented, and which concerns matters existing on the balance sheet date.

The profit and loss account

Gross profit/loss

The Company has decided to aggregate certain items of the Income Statement in accordance with the provisions of Section 32 of the Danish Financial Statements Act.

Other external costs

Other external costs include costs for administration of the company.

Income from equity investments in group enterprises

Income from equity investments comprises the proportionate share of profit/loss after tax and any adjustment of internal profit/loss and less amortisation of consolidated goodwill.

Financial items

Financial income and costs comprise interest income and interest costs, realised and unrealised capital profits and losses concerning securities, liabilities and transactions in foreign currency, amortising of financial assets and liabilities, and additions and reimbursements of interest concerning tax payment. Net financials are recognised with the amounts concerning the financial year.

Tax on net profit/loss for the year

The tax of the year comprises the current tax of the year and the changes in deferred tax, and it is recognised in the profit and loss account with the share referring to the results for the year and directly in the equity with the share referring to entries directly on the equity.

Balance Sheet

Equity investments in group enterprises

Equity investments in group enterprises are measured by the equity method at the proportionately owned share of the equity of the enterprises plus any consolidated goodwill, less intercompany profit and negative goodwill. Enterprises with negative equity are measured at 0 as the negative value corresponding to the proportionate share is offset against receivables, if any. Amounts beyond this are recognised in the provisions item, if there is a legal or actual obligation to cover the negative balance.

An impairment test of consolidated goodwill is performed in the event of indications of a decrease in value. The impairment test is performed for the activity or the business area to which the goodwill relates. Goodwill is written down to the higher of the value in use and the net selling price for the activity or business area to which the goodwill relates (recoverable amount) in the event that this one is lower than the carrying amount.

Receivables

Receivables are measured at amortised cost which usually corresponds to the nominal value. The value is reduced by write-downs for expected bad debts.

Debtors

Debtors are measured at amortised cost, which in all essentials corresponds to the nominal receivable value. In order to meet expected losses, writedown takes place at the net realisable value.

Accrued income and deferred expenses

Accrued income and deferred expenses recognised under assets comprise accrued interest concerning bonds.

Accounting Policies

Securities and equity investments

Securities and equity investments recognised as current assets are measured at fair value (market price) on the balance sheet date.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand as well as short-term securities with a term of less than three months which can be converted directly into cash at bank and in hand and involve only an insignificant risk of value changes.

Provisions

Deferred tax

Deferred tax is measured on the basis of all temporary differences between accounting and tax values of assets and liabilities based on the planned use of the asset or settlement of the obligation.

Deferred tax assets, including the tax value of tax losses eligible for carry-over, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by setoff in deferred tax liabilities within the same legal tax unit.

An adjustment of deferred tax takes place in relation to eliminations of unrealised intercompany profits and losses.

Deferred tax is measured on the basis of the tax rules and tax rates which with the legislation of the balance sheet date will be prevailing when the deferred is expected to be released as current tax.

Liabilities

Other liabilities concerning other debts are measured at amortised cost which usually corresponds to the nominal value.

Corporate tax and deferred tax

Current tax liabilities and current tax receivables are recognised in the Balance Sheet as calculated tax on the expected taxable income for the year, adjusted for tax on taxable income for previous years as well as for tax prepaid.

Income Statement

	Note	2016/17 kr.	2015/16 kr.
Gross profit		-111.732	-94.646
Income from investments in group enterprises	1	-496.297	4.702.463
Finance income		8.718.022	5.755.477
Finance expences		-3.340.140	-13.288.853
Profit from ordinary activities before tax		4.769.853	-2.925.559
Tax expense on ordinary results	2	-1.153.290	1.670.844
Profit		3.616.563	-1.254.715
Proposed distribution of results			
Reserve for net revaluation according to equity method		-496.297	4.702.463
Retained earnings		4.112.860	-5.957.178
Distribution of profit		3.616.563	-1.254.715

Balance Sheet as of 31 July

	Note	2017 kr.	2016 kr.
Assets			
Long-term investments in group enterprises	3, 4	354.775.089	378.514.787
Investments		354.775.089	378.514.787
Fixed assets		354.775.089	378.514.787
Short-term receivables from group enterprises		42.071.430	0
Current deferred tax		510.806	1.670.844
Short-term tax receivables		828.021	0
Other short-term receivables		809.100	1.705.817
Receivables		44.219.357	3.376.661
Other short-term investments		41.307.103	66.252.943
Short-term investments		41.307.103	66.252.943
Cash and cash equivalents		7.835.722	19.689.712
Current assets		93.362.182	89.319.316
Assets		448.137.271	467.834.103

Balance Sheet as of 31 July

	Note	2017 kr.	2016 kr.
Liabilities and equity			
Contributed capital		10.000.000	10.000.000
Reserve for net revaluation according to equity method		0	20.901.415
Retained earnings		438.126.270	436.851.692
Equity		448.126.270	467.753.107
Tax payables		0	61.246
Other payables		11.001	19.750
Short-term liabilities other than provisions		11.001	80.996
Liabilities other than provisions within the business		11.001	80.996
Liabilities and equity		448.137.271	467.834.103
Contingent liabilities	5		
Collaterals and assets pledges as security	6		

Statement of changes in Equity

	Contributed capital	Reserve for net reval- uation ac- cording to equity method	Retained earnings	Total
Equity 1 August 2016	10.000.000	20.901.415	436.851.692	467.753.107
Profit (loss)		-496.297	4.112.860	3.616.563
Change due to foreign currency adjustment		-23.243.400		-23.243.400
Transfer to retained earnings		2.838.282	-2.838.282	0
Equity 31 July 2017	10.000.000	0	438.126.270	448.126.270

The share capital has remained unchanged for the last 5 years.

Notes

	2016/17	2015/16
1. Income from equity investments in group enterprises		
Results subsidiary enterprises	-496.297	4.702.463
	-496.297	4.702.463
Income from equity investments in group enterprises	-496.297	4.702.463

2. Tax on profit for the year

Tax of taxable income	0	-1.670.844
Tax previous year	-6.748	0
Deferred tax	1.160.038	0
	1.153.290	-1.670.844

3. Long-term investments in group enterprises

	2017	2016
Cost at the beginning of the year	357.613.372	343.277.432
Addition during the year	0	14.335.940
Cost at the end of the year	357.613.372	357.613.372
Revaluations at the beginning of the year	20.901.415	90.950.941
Change due to a foreign currency translation adjustment	-23.243.401	-74.751.989
Result of the year	-496.297	4.702.463
Revaluations at the end of the year	-2.838.283	20.901.415
Carrying amount at the end of the year	354.775.089	378.514.787

Goodwill is amortized over 10 years as the investment is a long-term strategic investment.

4. Disclosure in long-term investments in group enterprises

Group enterprises

Name	Registered office	Share held in %
Cokenach Limited	Cambridge, UK	100
Cokenach Property Ltd	Cambridge, UK	100
HP Solar Limited	Cambridge, UK	100

5. Contingent liabilities

No contingent liabilities exist at the balance sheet date.

6. Collaterals and securities

The company has made a letter of intent to Nordea Bank.