

STEEPER HOLDING ApS

CVR-NR. 33 38 37 03

ANNUAL REPORT

1 JANUARY – 31 DECEMBER 2016

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

/ 2017

Chairman

| Contents | <u>Page</u> |
|--|--------------------|
| Management's Statement and Auditor's Report | |
| Management's Statement | 2 |
| Independent Auditor's Report on the Financial Statements | 3 |
| Management's Review | |
| Company Information | 6 |
| Review | 7 |
| Financial Statements | |
| Accounting Policies | 8 |
| Income Statement 1 January – 31 December | 11 |
| Balance Sheet 31 December | 12 |
| Equity | 14 |
| Notes to the Annual Report | 15 |

Management's Statement

The Executive Board has today considered and adopted the Annual Report of Steeper Holding ApS for the financial year 1 January – 31 December 2016.

The Annual Report is 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 at 31 December 2016 of the Company and of the results of the Company operations for 2016.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

We recommend that the Annual Report be adopted at the Annual General Meeting

Rudersdal, 16 March 2017

Executive Board

Steen Brummerstedt Iversen
Chief Technology Officer

Perry Edwards Toms
Chief Executive Officer

Independent Auditor's Report on the Financial Statements

To the capital owners of Steeper Holding ApS

Opinion

We have audited the financial statements of Steeper Holding ApS for the financial year 1 January 2016 to 31 December 2016, which comprise income statement, balance sheet, statement of changes in equity and notes, including summary of significant accounting policies. The financial statements are prepared under 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 operations for the financial year 1 January 2016 to 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 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.

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 Statement Acts. We did not identify any material misstatement of management's review.

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 and 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 International Standards on Auditing 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 International Standards on Auditing 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.
- 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.

Aalborg, 16 March 2017

Beierholm

Statsautoriseret Revisionspartnerselskab
CVR no. 32 89 54 68

Peter Thor Kellmer

State Authorised Public Accountant

Company Information

The Company

Steeper Holding ApS
Gøngehusvej 117
2950 Vedbæk

CVR No: 33 38 37 03

Financial period: 1 January – 31 December

Municipality of reg. office: Rudersdal

Executive Board

Steen Brummerstedt Iversen
Perry Edwards Toms

Auditors

Beierholm
Statsautoriseret Revisionspartnerselskab

Review

Main activity

The main activity of the Company is to own and distribute shares in investments.

Development in the year

The income statement of the Company for 2016 shows a loss of DKK 11.697, and at 31 December 2016 the balance sheet of the Company shows equity of DKK 330.280.

Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

Accounting Policies

Basis of Preparation

The Annual Report of Steeper Holding ApS for 2016 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B.

The accounting policies applied remain unchanged from last year.

The Annual Report for 2016 is presented in DKK.

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Recognition and measurement

The Financial Statements have been prepared under the historical cost method.

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised costs are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortization, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Income Statement

Gross profit

With reference to section 32 of the Danish Financial Statements Act, revenue has not been disclosed in the Annual Report.

Other external expenses

Other external expenses comprise fees, etc.

Accounting Policies

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

The Company is jointly taxed with wholly owned Danish subsidiaries. The tax of the joint taxation is allocated to Danish enterprises in proportion to their taxable incomes.

Balance Sheet

Investments in subsidiaries and associates

Investments in subsidiaries and associates are measured at cost. Where cost exceeds the recoverable amount, write-down is made to this lower value.

Receivables

Receivables are recognised in the balance sheet at amortised cost, which substantially corresponds to nominal value. Provisions for estimated bad debts are made.

Equity

Dividend

Dividend distribution proposed by Management for the year is disclosed as a separate equity item.

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carry-forwards, are measured at the value at which the asset is expected to be realized, either by elimination in 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 tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement.

Accounting Policies

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on account taxation scheme are recognised in the income statement in financial income and expense.

Financial debts

Fixed-interest loans are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost; the difference between the proceeds and the nominal value is recognised as an interest expense in the income statement over the loan period.

Other debts are measured at amortised cost, substantially corresponding to nominal value.

Income Statement 1 January - 31 December

| | Note | <u>2016</u> | <u>2015</u> |
|---|------|----------------|----------------|
| | | DKK | DKK |
| Gross profit/loss | | -16.000 | -20.516 |
| Profit/loss before financial income and expenses | | -16.000 | -20.516 |
| Other financial income | | 1.003 | 69 |
| Profit/loss before tax | | -14.997 | -20.447 |
| Tax on profit/loss for the year | | 3.300 | 13.332 |
| Net profit/loss for the year | | -11.697 | -7.115 |

Distribution of profit**Proposed distribution of profit**

| | | | |
|-------------------|--|----------------|---------------|
| Retained earnings | | -11.697 | -7.115 |
| | | -11.697 | -7.115 |

Balance Sheet 31 December**Assets**

| | Note | 2016 | 2015 |
|---------------------------------|-------------|------------------|------------------|
| | | DKK | DKK |
| Investments in subsidiaries | | 298.191 | 298.191 |
| Fixed asset investments | 1 | 298.191 | 298.191 |
| Fixed assets | | 298.191 | 298.191 |
| | | | |
| Cash at bank and in hand | | 1.221.498 | 1.028.389 |
| | | | |
| Current assets | | 1.221.498 | 1.028.389 |
| | | | |
| Assets | | 1.519.689 | 1.326.580 |

Balance Sheet 31 December

Liabilities and equity

| | Note | <u>2016</u> | <u>2015</u> |
|--|------|-------------------------|-------------------------|
| | | DKK | DKK |
| Share capital | 2 | 160.000 | 160.000 |
| Retained earnings | | 170.280 | 181.977 |
| Equity | | <u>330.280</u> | <u>341.977</u> |
| Provisions for deferred tax | | 1.178.003 | 979.603 |
| Provisions | | <u>1.178.003</u> | <u>979.603</u> |
| Trade payables | | 5.000 | 5.000 |
| Payables to group enterprises | | 6.406 | 0 |
| Short-term debt | | <u>11.406</u> | <u>5.000</u> |
| Debt | | <u>11.406</u> | <u>5.000</u> |
| Liabilities and equity | | <u>1.519.689</u> | <u>1.326.580</u> |
| Contingent assets, liabilities and other financial obligations | 3 | | |

Equity

| | Share capital | Retained earnings | Equity |
|------------------------------|--------------------------|------------------------------|----------------|
| | DKK | DKK | DKK |
| Equity at 1 January | 160.000 | 181.977 | 341.977 |
| Net profit/loss for the year | 0 | -11.697 | -11.697 |
| Equity at 31 December | 160.000 | 170.280 | 330.280 |

Notes to the Annual Report

| Note | Investments in subsidiaries |
|---------------------------------------|--|
| | DKK |
| 1 Fixed asset investments | |
| Cost at 1 January | 298.191 |
| Additions for the year | 0 |
| Disposals for the year | 0 |
| Carrying amount at 31 December | <u>298.191</u> |

Investments in subsidiaries are specified as follow:

| <u>Name</u> | <u>Place of regi- stered office</u> | <u>Share capital</u> | <u>Ownership</u> |
|--------------------|---|--------------------------|------------------|
| Steeper Energy ApS | Rudersdal | 159.450 | 50,2% |

| | 2016 | 2015 |
|---|-----------------------|-----------------------|
| | DKK | DKK |
| 2 Share capital | | |
| The share capital consists of: | | |
| Shares of a nominal value of DKK 1,000. | <u>160.000</u> | <u>160.000</u> |
| | <u>160.000</u> | <u>160.000</u> |
| Share capital at 1 January 2012 | 80.000 | 80.000 |
| Capital increase 2012 | <u>80.000</u> | <u>80.000</u> |
| | <u>160.000</u> | <u>160.000</u> |

3 Contingent assets, liabilities and other financial obligations

None.