

**Nordic Power Partners P/S**

**Gyngemose Parkvej 50,10  
2860 Søborg**

**CVR no. 34 73 87 34  
Annual report for 2015**

Adopted at the annual general meeting on 11 March 2016

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Jens-Peter Zink  
Chairman

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**Statement by management on the annual report**

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of Nordic Power Partners P/S for the financial year 1 January - 31 December 2015.

The annual report has been 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 December 2015 and of the results of its operations for the financial year 1 January - 31 December 2015.

In our opinion, management's review includes a fair review of the matters dealt with in the management's review.

We recommend the adoption of the annual report at the annual general meeting.

Søborg, 11 March 2016

**Executive Board**

Jens-Peter Zink

**Board of Directors**

Knud Erik Andersen  
Chairman

Jens-Peter Zink

Morten Christiansen

## **Independent auditor's report**

*To the Shareholders of Nordic Power Partners P/S*

### **Report on the financial statements**

We have audited the financial statements of Nordic Power Partners P/S for the financial year 1 January - 31 December 2015, which comprise summary of significant accounting policies, income statement, balance sheet and notes. The financial statements are prepared in accordance with the Danish Financial Statements Act.

### **Management's responsibility for the financial statements**

The management is responsible for the preparation of the financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control as the management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's responsibility**

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish Audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

The audit has not resulted in any qualification.

### **Opinion**

In our opinion, the financial statement give a true and fair view of the company's financial position at 31 December 2015 and of the results of the company's operations for the financial year 1 January - 31 December 2015 in accordance with the Danish Financial Statements Act.

**Independent auditor's report**  
**Statement on management's review**

In accordance with the Danish Financial Statements Act, we have read the Management's review. We have not performed any further procedures in addition to the audit of the financial statements. On this basis, it is our opinion that the information provided in the Management's review is consistent with the financial statements.

Copenhagen, 11 March 2016

KPMG  
Statsautoriseret Revisionspartnerselskab  
CVR-no. 25 57 81 98

Martin Eiler  
State Authorised Public Accountant

**Company details**

**The Company**

Nordic Power Partners P/S  
Gyngemose Parkvej 50,10  
2860 Søborg

CVR no.: 34 73 87 34  
Financial year: 1 January - 31 December  
Incorporated: 19. November 2012  
Domicile: Gladsaxe

**Board of Directors**

Knud Erik Andersen, Chairman  
Jens-Peter Zink,  
Morten Christiansen

**Executive Board**

Jens-Peter Zink

**Auditors**

KPMG  
Statsautoriseret Revisionspartnerselskab  
Dampfærgevej 28  
2100 Copenhagen

**General meeting**

The annual general meeting is held  
at the Company's address on 11 March 2016.

## **Management's review**

### **Business activities**

The Company's objective is to develop, construct and finance solar and wind energy plants in OECD's DAC countries in order to sell the completed plants in full or in part after their commissioning.

The Company develops projects from green field, independently as well as in cooperation with local partners. Furthermore, if the Company finds it commercially attractive, it may also join projects at a later stage of development.

As soon as it is deemed highly probable that the project will be realisable, an SPV will be established under which the project is realised

### **Financial review**

The results of operations for 2015 are in accordance with expectations.

Nordic Power Partners P/S reached several important milestones in 2015;

In October, NPP signed a PPA regarding a 82 MW wind farm in Jordan, Al Rajef, and in November NPP started construction of the first private PPA-based solar PV farm on the Maldives, MWSC. Further NPP added several further projects to the pipeline, meaning that NPP is now active in four countries.

For 2016 the company expects a better result than in 2015. This is largely due to the start of operation of the MWSC project on the Maldives as well as a potential sale of one or several assets during the course of the year. Further, NPP expects to reach building permit stage on at least one project.

### **Post balance sheet events**

No events have occurred after the balance sheet date which could significantly affect the company's financial position.

## **Accounting policies**

The annual report of Nordic Power Partners P/S for 2015 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected provisions as applying to reporting class C.

The accounting policies applied are consistent with those applied last year.

### **Other external expenses**

Other external expenses include expenses related to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

### **Staff costs**

Staff costs comprise wages and salaries, including holiday allowance, pension and other social security costs, etc., to the Company's employees, excluding reimbursements from public authorities.

### **Financial income and expenses**

Financial income and expenses include interest income and expense, gains and losses on receivables, payables and transactions denominated in foreign currencies.

### **Tax on profit/loss for the year**

The Company is not an independent taxable entity and therefore no provisions are made for tax on profit/loss for the year and current and deferred tax liabilities are not recognised.



## **Accounting policies**

### **Balance sheet**

#### **Development projects**

Development projects comprises projects in progress within the development and construction of renewable energy facilities. Projects can be divided into the following categories

- Projects under development
- Projects under construction
- Completed projects for resale

Completed projects are transferred to property, plant and equipment when the system is transferred to commercial operation.

Development projects are measured at the lower of cost and the net realisable value

#### ***Projects under development***

Projects under development include projects where construction has not yet been initiated.

Cost includes direct and indirect charges incurred for the development of projects, including interest in the project period.

#### ***Projects under construction***

Projects under construction include projects where construction has been initiated, but not completed.

Cost includes costs incurred in the development phase (projects under development) and costs in relation to the construction phase, which primarily include direct and indirect costs for subcontractors, project management and financing as well as interest during the construction period.

**Accounting policies*****Completed projects for resale***

Completed projects for resale include projects where construction is completed, but where the sales process has not been completed.

Cost includes costs incurred in the development phase (projects under development) and costs in relation to the construction phase, which primarily include direct and indirect costs for subcontractors, project management and financing as well as interest in the period up to the completion of the construction project.

If the expected sales price for the project less the sales costs (net realisable value) is deemed to be lower than the carrying amount, write-down is made to this lower value.

**Tangible assets**

Items of Tangible assets are measured at cost less accumulated depreciation and impairment losses.

The depreciable amount is cost less the expected residual value at the end of the useful life. Land is not depreciated.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use. The cost of self-constructed assets comprises direct and indirect costs of materials, components, sub-suppliers and wages.

Interest expenses on loans obtained specifically for the purpose of financing the manufacture of property, plant and equipment are included in cost over the manufacturing period. All indirect, attributable borrowing costs are recognised in the income statement.

Where individual parts of an item of property, plant and equipment have different useful lives, the cost is divided into separate parts, which are depreciated separately.

Depreciation is provided on a straight-line basis over the expected useful life of the asset based on the following expected useful lives:

	Useful life	Residual value
	3 years	0 %

Assets costing less than EUR 1,720 are expensed in the year of acquisition.

Gains or losses are recognised in the income statement as other operating income or other operating expenses, respectively.

**Accounting policies****Investments in subsidiaries and associates***Fair value*

The items “Investments in subsidiaries” and “Investments in associates” in the balance sheet include the proportionate ownership share of the net asset value of the enterprises calculated on the basis of the fair values of identifiable net assets at the time of acquisition with deduction or addition of unrealised intercompany profits or losses and with addition of any remaining value of positive differences (goodwill) and deduction of any remaining value of negative differences (negative goodwill).

**Receivables**

Receivables are measured at amortised cost.

Write-down is made for bad debt losses where there is an objective indication that a receivable or a portfolio of receivables has been impaired. If there is an objective indication that an individual receivable has been impaired, write-down is made on an individual basis.

**Equity***Dividend*

Proposed dividends are recognised as a liability at the date when they are adopted at the annual general meeting (declaration date). The expected dividend payment for the year is disclosed as a separate item under equity.

**Liabilities**

Other liabilities are measured at net realisable value.

**Foreign currency translation**

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

**Accounting policies**

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rates 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 latest financial statements is recognised in the income statement as financial income or financial expenses.

Non-monetary items are translated at the exchange rates at the date of acquisition or the date of subsequent revaluations of the asset. Income statement items are translated at the exchange rates at the transaction date, whereas items derived from non-monetary items are translated at historical exchange rates for the non-monetary item.

**Income statement 1 January - 31 December**

	<u>Note</u>	<u>2015</u> EUR	<u>2014</u> EUR
Other external expenses		-30.664	-32.694
<b>Gross profit</b>		<b>-30.664</b>	<b>-32.694</b>
Staff costs	1	-66.217	-63.105
<b>Earnings before interest, tax, depreciation and amortisation</b>		<b>-96.881</b>	<b>-95.799</b>
Depreciation, amortisation and impairment of intangible and tangible assets	2	-791	0
<b>Profit/loss before financial income and expenses</b>		<b>-97.672</b>	<b>-95.799</b>
Income from investments in subsidiaries		-16.464	0
Income from investments in associates		-9.693	0
Financial income	3	3.400	47
Financial expenses	4	-2.032	-667
<b>Net profit/loss for the year</b>		<b><u>-122.461</u></b>	<b><u>-96.419</u></b>
<b>Proposed distribution of profit</b>			
Retained earnings		-122.461	-96.419
		<b><u>-122.461</u></b>	<b><u>-96.419</u></b>

**Balance sheet at 31 December**

	<u>Note</u>	<u>2015</u> EUR	<u>2014</u> EUR
<b>Assets</b>			
Development projects in progress		205.368	169.779
<b>Intangible assets</b>	5	<b>205.368</b>	<b>169.779</b>
Other fixtures and fittings, tools and equipment		3.789	0
<b>Tangible assets</b>	6	<b>3.789</b>	<b>0</b>
Investments in subsidiaries	7	0	594
Investments in associates	8	0	0
Receivables from subsidiaries	9	496.242	0
Receivables from associates	9	231.441	0
<b>Fixed asset investments</b>		<b>727.683</b>	<b>594</b>
<b>Fixed assets total</b>		<b>936.840</b>	<b>170.373</b>
Trade receivables		9.627	0
Other receivables		3.848	1.510
Prepayments		1.415	2.563
<b>Receivables</b>		<b>14.890</b>	<b>4.073</b>
<b>Cash at bank and in hand</b>		<b>354.700</b>	<b>587.595</b>
<b>Current assets total</b>		<b>369.590</b>	<b>591.668</b>
<b>Assets total</b>		<b>1.306.430</b>	<b>762.041</b>

**Balance sheet at 31 December**

	<u>Note</u>	<u>2015</u> EUR	<u>2014</u> EUR
<b>Liabilities and equity</b>			
Share capital		1.458.292	788.311
Share premium account		149.794	0
Retained earnings		<u>-366.492</u>	<u>-94.238</u>
<b>Equity total</b>	10	<b><u>1.241.594</u></b>	<b><u>694.073</u></b>
Trade payables		17.419	16.388
Other payables		<u>47.417</u>	<u>51.580</u>
<b>Short-term debt</b>		<b><u>64.836</u></b>	<b><u>67.968</u></b>
<b>Debt total</b>		<b><u>64.836</u></b>	<b><u>67.968</u></b>
<b>Liabilities and equity total</b>		<b><u>1.306.430</u></b>	<b><u>762.041</u></b>
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## Notes to the annual report

	2015	2014
	EUR	EUR
<b>1 Staff costs</b>		
Wages and salaries	160.440	160.862
Pensions	5.408	3.219
Other social security costs	1.919	1.090
Other staff costs	8.207	7.681
	<b>175.974</b>	<b>172.852</b>
Transfer to production wages	-109.757	-109.747
	<b>66.217</b>	<b>63.105</b>
Average number of employees	2	2
<b>2 Depreciation, amortisation and impairment of intangible and tangible assets</b>		
Depreciation tangible assets	791	0
	<b>791</b>	<b>0</b>
which breaks down as follows:		
Minor acquisitions	791	0
	<b>791</b>	<b>0</b>
<b>3 Financial income</b>		
Interest received from subsidiaries	3.384	27
Other financial income	16	20
	<b>3.400</b>	<b>47</b>
<b>4 Financial expenses</b>		
Financial expenses, group entities	221	410
Other financial costs	14	76
Exchange adjustments costs	1.797	181
	<b>2.032</b>	<b>667</b>



## Notes to the annual report

### 5 Intangible assets

	Development projects in progress
Cost at 1 January 2015	170.373
Additions for the year	34.995
Cost at 31 December 2015	205.368
Impairment losses and amortisation at 1 January 2015	0
Impairment losses and amortisation at 31 December 2015	0
<b>Carrying amount at 31 December 2015</b>	<b>205.368</b>

### 6 Tangible assets

	Other fixtures and fittings, tools and equipment
Cost at 1 January 2015	0
Additions for the year	4.580
Cost at 31 December 2015	4.580
Revaluations at 1 January 2015	0
Revaluations at 31 December 2015	0
Impairment losses and depreciation at 1 January 2015	0
Depreciation for the year	791
Impairment losses and depreciation at 31 December 2015	791
<b>Carrying amount at 31 December 2015</b>	<b>3.789</b>

## Notes to the annual report

	2015	2014
	EUR	EUR
<b>7 Investments in subsidiaries</b>		
Cost at 1 January 2015	594	0
Additions for the year	0	594
Cost at 31 December 2015	594	594
Revaluations at 1 January 2015	0	0
Net profit/loss for the year	-16.464	0
Equity investments with negative net asset value adjusted against receivables	15.870	0
Revaluations at 31 December 2015	-594	0
<b>Carrying amount at 31 December 2015</b>	<b>0</b>	<b>594</b>

Investments in subsidiaries are specified as follows:

Name	Registered office	Votes and ownership	Equity	Profit/loss for the year
NPP Maldives Private Limited	2nd floor M. Lux Lodge, Orchid Magu, Male, Maldives	99%	-16.030	-5.164

## Notes to the annual report

	2015	2014
	EUR	EUR
<b>8 Investments in associates</b>		
Cost at 1 January 2015	0	0
Cost at 31 December 2015	0	0
Revaluations at 1 January 2015	0	0
Net profit/loss for the year	-9.693	0
Equity investments with negative net asset value amortised over receivables	9.693	0
Revaluations at 31 December 2015	0	0
<b>Carrying amount at 31 December 2015</b>	<b>0</b>	<b>0</b>

Investments in associates are specified as follows:

Name	Registered office	Votes and ownership	Equity	Profit/loss for the year
Energy 3 d.o.o. Mostar	Husnije Repca bb, 88 104 Mostar, Bosnia and Herzegoviona	50%	-267.039	-19.386

## 9 Fixed asset investments

	Receivables from subsidiaries	Receivables from associates
Cost at 1 January 2015	0	0
Additions for the year	512.112	241.134
Cost at 31 December 2015	512.112	241.134
Revaluations at 1 January 2015	0	0
Revaluations at 31 December 2015	0	0
Negative investments at 1 January 2015	0	0
Negative investments for the year	15.870	9.693
Negative investments at 31 December 2015	15.870	9.693
<b>Carrying amount at 31 December 2015</b>	<b>496.242</b>	<b>231.441</b>

## Notes to the annual report

### 10 Equity

	Selskabs- kapital	Share premium account	Retained earnings	Total
Equity at 1 January 2015	788.311	149.794	-244.031	694.074
Cash capital increase	669.981	0	0	669.981
Net profit/loss for the year	0	0	-122.461	-122.461
<b>Equity at 31 December 2015</b>	<b>1.458.292</b>	<b>149.794</b>	<b>-366.492</b>	<b>1.241.594</b>

The changes in the share capital for the past five years can be specified as follows::

Contributed upon formation at 19 November 2012	67.027
Capital increase at 10 October 2013	67.993
Capital increase at 28 July 2014	653.294
Capital increase at 29 September 2015	669.981
<b>Share capital at 31 December 2015</b>	<b>1.458.292</b>

The capital increase in 2015 involved no costs.

### 11 Collateral and security

The Company has not provided any collateral or entered into any agreements on the provision of security in general.

### 12 Related parties and ownership

The following companies hold more than 5% of the shares in the Company:

European Energy A/S, Gyngemose Parkvej 50, DK-2860 Søborg

Danish Climate Investment Fund I K/S (DCIF), Fredericiagade 27, DK-1310 Copenhagen K.

The Company forms part of the consolidated financial statements of European Energy A/S and European Energy Holding ApS, Gyngemose Parkvej 50, DK-2860 Søborg.