

Nordic Power Partners P/S

**Gyngemose Parkvej 50,10
2860 Søborg**

CVR no 34 73 87 34

Annual report for 2016

Adopted at the annual general
meeting on 22 March 2017



Chairman

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Statement by Management on the annual report

The Executive and Supervisory Boards have today discussed and approved the annual report of Nordic Power Partners P/S for the financial year 1 January - 31 December 2016.

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 2016 and of the results of the Company's operations for the financial year 1 January - 31 December 2016.

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, 22 March 2017

Executive Board



Jens-Peter Zink

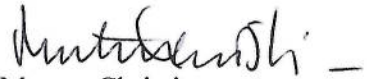
Board of Directors



Knud Erik Andersen



Jens-Peter Zink



Morten Christiansen

Independent auditor's report

To the shareholders of Nordic Power Partners P/S

Opinion

We have audited the financial statements of Nordic Power Partners P/S for the financial year 1 January - 31 December 2016, which comprise an income statement, balance sheet, statement of changes in equity and notes, including a 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 Company's financial position at 31 December 2016 and of the results of the Company's 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 Responsibilities for the financial Statements

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

In preparing the Financial Statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the Financial Statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Independent auditor's report

Auditor's Responsibilities for the Audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of 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.
- 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.

Independent auditor's report

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 Statement Act. We did not identify any material misstatement of Management's Review.

København Ø, 22 March 2017

KPMG
Statsautoriseret Revisionspartnerselskab
CVR-nr. 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
	Reporting period: 1 January - 31 December
	Incorporated: 19. November 2012
	Domicile: Gladsaxe
Board of Directors	Knud Erik Andersen, Chairman, Chairman Jens-Peter Zink Morten Christiansen
Executive Board	Jens-Peter Zink
Auditors	KPMG Statsautoriseret Revisionspartnerselskab Dampfærgevej 28 2100 København Ø

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 with a view to selling 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 2016 are in accordance with expectations.

In 2016 Nordic Power Partners reached several important milestones; In January NPP put into operation the first PV installation on the Maldives based on a private, commercial PPA. The 380 KWp project is on the roof of Male Water and Sewage Company's Hulhumale water bottling plant and is working in hybrid with the existing Diesel Generators of MWSC. NPP has been working on the Maldives since 2013, primarily pursuing opportunities to supply power to the non-grid connected islands of the Maldives.

In June Nordic Power Partners sold off a 20 % stake in an 82 MW wind project in Jordan, Al Rajef. NPP stepped into the project in 2013 and co-developed the project with the original developer, mainly contributing with knowhow, both from the technical and the procedural side as well as regarding preparing the project for the future financing process. In October 2015 the project successfully signed a PPA with the Jordanian national utility, Nepco. During the financing process, the owners of "Al Rajef" had the opportunity to sell off the project to a 3rd party investor. The two first payment tranches have been paid out, one last payment tranche will depend on reaching a future milestone.

Significant events occurring after end of reporting period

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

Accounting policies

The annual report of Nordic Power Partners P/S for 2016 has been prepared in accordance with the provisions of the Danish Financial Statements Act concerning reporting class B entities as well as selected provisions as applying to reporting class C.

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

Pursuant to sections §110 subsection 1, of the Danish Financial Statements Act, the company has not prepared consolidated financial statements.

Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including amortisation, depreciation and impairment losses, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the company's 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 from the company's and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. On subsequent recognition, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost using the effective interest method. Amortised cost is calculated as the historic cost less any instalments and plus/less the accumulated amortisation of the difference between the cost and the nominal amount.

On recognition and measurement, allowance is made for predictable losses and risks which occur before the annual report are presented and which confirm or invalidate matters existing at the balance sheet date.

Income statement

Gross profit

In pursuance of section 32 of the Danish Financial Statements Act, the company does not disclose its revenue.

Gross profit reflects an aggregation of revenue, changes in inventories of finished goods and work in progress and other operating income less raw materials and consumables and other external expenses.

Accounting policies

Staff costs

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

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise the year's amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

Financial income and expenses

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

Profit/loss from investments in subsidiaries and associates

Results

The proportionate share of the results after tax of the individual subsidiaries is recognised in the income statement of the company after full elimination of intra-group profits/losses.

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 recognized

Balance sheet

Work in progress

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

Accounting policies

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 construction has been initiated, but not completed.

Cost includes cost 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.

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 incurred in the development phase (projects under development) and cost in relation to the construction phase, which primarily include direct and indirect cost 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 cost (net realisable value) is deemed to be lower than the carrying amount, write-down is made to this lower value.

Tangible asstes

Items of Tangible asstes 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.

Accounting policies

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

Other fixtures and fittings, tools and equipment 3 years

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

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).

Impairment of fixed assets

The carrying amount of property, plant and equipment and investments in subsidiaries and associates is reviewed for impairment, other than what is reflected through normal depreciation, on an annual basis.

Accounting policies

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 indications that an individual receivable has been impaired, write-down is made on an individual basis.

Prepayments

Prepayments comprise costs incurred concerning subsequent financial years.

Cash and cash equivalents

Cash and cash equivalents comprise cash and short-term securities whose remaining life is less than three months and which are readily convertible into cash and which are subject only to insignificant risks of changes in value.

Equity

Dividend

Proposed dividends are recognized 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.

Accounting policies

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 recognized in the income statement as financial income or financial expenses.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange 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 recognized in the latest financial statements is recognized 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 at 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>2016</u> EUR	<u>2015</u> EUR
Gross profit		1.894.837	-30.664
Staff costs	1	<u>-121.954</u>	<u>-66.217</u>
Ordinary operating result		1.772.883	-96.881
Depreciation, tangible assets	2	<u>-1.708</u>	<u>-791</u>
Profit/loss before financial income and expenses		1.771.175	-97.672
Income from investments in subsidiaries	3	49.513	-5.112
Income from investments in associates	4	-14.483	-9.693
Financial income	5	47.402	3.400
Financial expenses	6	<u>-2.822</u>	<u>-2.032</u>
Net profit/loss for the year		<u>1.850.785</u>	<u>-111.109</u>
Proposed distribution of profit			
Dividend for the year (on account)		1.300.000	0
Reserve for net revaluation under the equity method		33.432	0
Retained earnings		<u>517.353</u>	<u>-111.109</u>
		<u>1.850.785</u>	<u>-111.109</u>

Balance sheet 31 December

	<u>Note</u>	<u>2016</u> EUR	<u>2015</u> EUR
Assets			
Other fixtures and fittings, tools and equipment	7	3.925	3.789
Tangible assets		<u>3.925</u>	<u>3.789</u>
Investments in subsidiaries	8	218.281	0
Investments in associates	9	0	0
Receivables from subsidiaries	10	544.333	496.242
Receivables from associates	10	280.123	231.441
Investments		<u>1.042.737</u>	<u>727.683</u>
Fixed assets total		<u>1.046.662</u>	<u>731.472</u>
Work in progress		427.495	205.368
Stocks		<u>427.495</u>	<u>205.368</u>
Trade receivables		367.560	9.627
Other receivables		651	3.848
Prepayments		8.635	1.415
Receivables		<u>376.846</u>	<u>14.890</u>
Cash at bank and in hand		<u>1.503.250</u>	<u>354.700</u>
Currents assets total		<u>2.307.591</u>	<u>574.958</u>
Assets total		<u>3.354.253</u>	<u>1.306.430</u>

Balance sheet 31 December

	<u>Note</u>	<u>2016</u> EUR	<u>2015</u> EUR
Liabilities and equity			
Share capital		1.458.292	1.458.292
Share premium account		149.794	149.794
Reserve for net revaluation under the equity method		33.432	0
Retained earnings		150.863	-355.140
Equity	11	<u>1.792.381</u>	<u>1.241.594</u>
Trade payables		25.607	17.419
Payables to shareholders		1.289.453	8.125
Other payables		246.812	39.292
Current liabilities other than provisions		<u>1.561.872</u>	<u>64.836</u>
Total liabilities other than provisions		<u>1.561.872</u>	<u>64.836</u>
Liabilities and equity total		<u>3.354.253</u>	<u>1.306.430</u>
Charges and securities	12		

Equity

	Share capital	Share- premium account	Reserve for net revalua- tion under the equity method	Retained earnings	Dividend for the year	Total
Equity at 1 January 2016	1.458.292	149.794	0	-366.490	0	1.241.596
Extraordinary dividend paid during the finance year	0	0	0	0	-1.300.000	-1.300.000
Net profit/loss for the year	0	0	33.432	517.353	1.300.000	1.850.785
Equity at 31 December 2016	1.458.292	149.794	33.432	150.863	0	1.792.381

Notes to the annual report

	<u>2016</u>	<u>2015</u>
	EUR	EUR
1 Staff costs		
Wages and salaries	296.665	160.440
Pensions	6.638	5.408
Other social security costs	2.861	1.919
Other staff costs	15.206	8.207
	<u>321.370</u>	<u>175.974</u>
Transfer to development projects	-199.416	-109.757
	<u>121.954</u>	<u>66.217</u>
Average number of employees	<u>3</u>	<u>2</u>
2 Depreciation, tangible assets		
Depreciation tangible assets	1.708	791
	<u>1.708</u>	<u>791</u>
which breaks down as follows:		
Minor acquisitions	1.708	791
	<u>1.708</u>	<u>791</u>
3 Income from investments in subsidiaries		
Share of profits in subsidiaries	49.513	-5.112
	<u>49.513</u>	<u>-5.112</u>

Notes to the annual report

	<u>2016</u>	<u>2015</u>
	EUR	EUR
4 Income from investments in associates		
Share of losses of associates	-14.483	-9.693
	<u>-14.483</u>	<u>-9.693</u>
	<u>2016</u>	<u>2015</u>
	EUR	EUR
5 Financial income		
Interest received from subsidiaries	45.256	3.384
Other financial income	14	16
Exchange gains	2.132	0
	<u>47.402</u>	<u>3.400</u>
	<u>2016</u>	<u>2015</u>
	EUR	EUR
6 Financial expenses		
Financial expenses, group entities	244	221
Other financial costs	2.497	14
Exchange adjustments costs	81	1.797
	<u>2.822</u>	<u>2.032</u>

Notes to the annual report

7 Tangible assets

	Other fixtures and fittings, tools and equipment
Cost at 1 January 2016	4.580
Additions for the year	1.844
Cost at 31 December 2016	<u>6.424</u>
Impairment losses and depreciation at 1 January 2016	791
Depreciation for the year	1.708
Impairment losses and depreciation at 31 December 2016	<u>2.499</u>
Carrying amount at 31 December 2016	<u>3.925</u>

Notes to the annual report

	2016	2015
	EUR	EUR
8 Investments in subsidiaries		
Cost at 1 January 2016	594	0
Additions for the year	184.255	594
Cost at 31 December 2016	184.849	594
Revaluations at 1 January 2016	-594	0
Exchange adjustment	383	-11.352
Net profit/loss for the year	-49.513	-5.112
Equity investments with negative net asset value adjusted against receivables	-15.870	15.870
Revaluations at 31 December 2016	33.432	-594
Carrying amount at 31 December 2016	218.281	0

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Votes and ownership	Equity	Net profit/loss for the year
NPP Maldives Private Limited	Male, Maldives	99%	36.522	52.101
Coremas I Geração de Energia SPE LTDA	Sao Paulo, Brazil	70%	87.740	0
Coremas II Geração de Energia SPE LTDA	Sao Paulo, Brazil	70%	87.029	-690
Coremas III Geração de Energia SPE LTDA	Sao Paulo, Brazil	70%	85.407	-2.263

Notes to the annual report

	2016	2015
	EUR	EUR
9 Investments in associates		
Cost at 1 January 2016	0	0
Cost at 31 December 2016	0	0
Revaluations at 1 January 2016	-9.693	0
Net profit/loss for the year	-14.483	-9.693
Equity investments with negative net asset value amortised over receivables	24.176	9.693
Revaluations at 31 December 2016	0	0
Carrying amount at 31 December 2016	0	0

Investments in associates are specified as follows:

Name	Place of registered office	Votes and ownership	Equity	Net profit/loss for the year
Energy 3 d.o.o. Mostar	Mostar, Bosnia and Herzegovina	50%	-48.075	-28.967

Notes to the annual report

10 Fixed asset investments

	Receivables from subsidiaries	Receivables from associates
Cost at 1 January 2016	512.101	241.134
Additions for the year	32.232	63.165
Cost at 31 December 2016	544.333	304.299
Negative investments at 1 January 2016	15.870	9.693
Negative investments for the year	-15.870	14.483
Negative investments at 31 December 2016	0	24.176
Carrying amount at 31 December 2016	544.333	280.123

11 Equity

The share capital has developed as follows:

	2016 EUR	2015 EUR	2014 EUR	2013 EUR	2012 EUR
Share capital at 1 January 2016	1.458.292	788.311	135.017	67.024	0
Additions for the year	0	669.981	653.294	67.993	67.024
Share capital	1.458.292	1.458.292	788.311	135.017	67.024

12 Charges and securities

The Company has no obligations in respect of mortgages or collaterals