

## **Nordic Sustainable Finance A/S**

Axeltorv 2 F  
1609 Copenhagen V  
Business Registration No  
35828354

## **Annual report 2018**

The Annual General Meeting adopted the annual report on 31.05.2019

### **Chairman of the General Meeting**

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Name: Rasmus Lildholdt Kjær

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## Entity details

### Entity

Nordic Sustainable Finance A/S

Axeltorv 2 F

1609 Copenhagen V

Central Business Registration No (CVR): 35828354

Registered in: Copenhagen

Financial year: 01.01.2018 - 31.12.2018

### Board of Directors

Mark Augustenborg Ødum, chairman

Rasmus Lildholdt Kjær

Volinka Droumeva Augustenborg

### Executive Board

Rasmus Lildholdt Kjær, CEO

### Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Egtved Allé 4

6000 Kolding

## Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of Nordic Sustainable Finance A/S for the financial year 01.01.2018 - 31.12.2018.

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 Entity's financial position at 31.12.2018 and of the results of its operations for the financial year 01.01.2018 - 31.12.2018.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Copenhagen, 27.05.2019

### Executive Board

Rasmus Lildholdt Kjær  
CEO

### Board of Directors

Mark Augustenborg Ødum  
  
chairman

Rasmus Lildholdt Kjær

Volinka Droumeva  
Augustenborg

# Independent auditor's report

## To the shareholders of Nordic Sustainable Finance A/S

### Opinion

We have audited the financial statements of Nordic Sustainable Finance A/S for the financial year 01.01.2018 - 31.12.2018, which comprise the income statement, balance sheet, statement of changes in equity and notes, including 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 Entity's financial position at 31.12.2018 and of the results of its operations for the financial year 01.01.2018 - 31.12.2018 in accordance with the Danish Financial Statements Act.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board of 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 Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity 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 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 judgement and maintain professional scepticism throughout the audit. We also:

## Independent auditor's report

- 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 Entity'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 Entity'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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, 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 the management commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, 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 the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

## Independent auditor's report

Based on the work we have performed, we conclude that the management commentary 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 the management commentary.

Kolding, 27.05.2019

### **Deloitte**

Statsautoriseret Revisionspartnerselskab

Central Business Registration No (CVR) 33963556

Lars Ørum Nielsen

State Authorised Public Accountant

Identification No (MNE) mne26771

## Management commentary

### Primary activities

The company's purpose is to promote the global development of sustainability both directly and indirectly and through other companies, associations and / or persons. The company performs its activities taking into account the safeguarding of one or more of the UN's Sustainable Development Goals. Finally, it is the purpose of the company to carry out any such activity which, in the opinion of the Board of Directors, is suitable for promoting the aforementioned purposes.

### Development in activities and finances

The income statement of the company for 2018 shows a profit of DKK 194k and at 31 December 2018 the balance sheet of the Company shows equity of DKK 13.414k.

### Events after the balance sheet date

The contributed capital has been increased to DKK 7.500k in May 2019. The cash paid in amounts to DKK 5.125k.

No events, except from the above mentioned, have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.



## Income statement for 2018

	<u>Notes</u>	<u>2018 DKK</u>	<u>2017 DKK</u>
<b>Gross loss</b>		<b>(17.849)</b>	<b>(28.073)</b>
Income from investments in group enterprises		(117.973)	0
Other financial income	2	383.006	1.382.622
Other financial expenses	3	<u>(37.090)</u>	<u>(438.344)</u>
<b>Profit/loss before tax</b>		<b>210.094</b>	<b>916.205</b>
Tax on profit/loss for the year	4	<u>(16.586)</u>	<u>(203.096)</u>
<b>Profit/loss for the year</b>		<b><u>193.508</u></b>	<b><u>713.109</u></b>
<b>Proposed distribution of profit/loss</b>			
Retained earnings		<u>193.508</u>	<u>713.109</u>
		<b><u>193.508</u></b>	<b><u>713.109</u></b>

## Balance sheet at 31.12.2018

	<u>Notes</u>	<u>2018 DKK</u>	<u>2017 DKK</u>
Investments in group enterprises		15.101.436	0
Other receivables		<u>4.161.276</u>	<u>6.254.831</u>
<b>Fixed asset investments</b>	5	<u><b>19.262.712</b></u>	<u><b>6.254.831</b></u>
<b>Fixed assets</b>		<u><b>19.262.712</b></u>	<u><b>6.254.831</b></u>
Other receivables		<u>968.166</u>	<u>54.315</u>
<b>Receivables</b>		<u><b>968.166</b></u>	<u><b>54.315</b></u>
<b>Cash</b>		<u><b>131.122</b></u>	<u><b>135.004</b></u>
<b>Current assets</b>		<u><b>1.099.288</b></u>	<u><b>189.319</b></u>
<b>Assets</b>		<u><b>20.362.000</b></u>	<u><b>6.444.150</b></u>

## Balance sheet at 31.12.2018

	<u>Notes</u>	<u>2018 DKK</u>	<u>2017 DKK</u>
Contributed capital		5.000.000	500.000
Retained earnings		<u>8.413.638</u>	<u>4.720.130</u>
<b>Equity</b>		<b><u>13.413.638</u></b>	<b><u>5.220.130</u></b>
Deferred tax		<u>21.561</u>	<u>0</u>
<b>Provisions</b>		<b><u>21.561</u></b>	<b><u>0</u></b>
Trade payables		6.027.989	11.500
Payables to shareholders and management		898.812	864.334
Income tax payable		0	70.934
Other payables		<u>0</u>	<u>277.252</u>
<b>Current liabilities other than provisions</b>		<b><u>6.926.801</u></b>	<b><u>1.224.020</u></b>
<b>Liabilities other than provisions</b>		<b><u>6.926.801</u></b>	<b><u>1.224.020</u></b>
<b>Equity and liabilities</b>		<b><u>20.362.000</u></b>	<b><u>6.444.150</u></b>
Staff costs	1		
Contingent liabilities	6		
Assets charged and collateral	7		

## Statement of changes in equity for 2018

	<b>Contributed capital DKK</b>	<b>Retained earnings DKK</b>	<b>Total DKK</b>
Equity beginning of year	500.000	4.720.130	5.220.130
Increase of capital	4.500.000	3.500.000	8.000.000
Profit/loss for the year	0	193.508	193.508
<b>Equity end of year</b>	<b>5.000.000</b>	<b>8.413.638</b>	<b>13.413.638</b>

## Notes

	<u>2018</u>	<u>2017</u>
<b>1. Staff costs</b>		
Average number of employees	<u>0</u>	<u>0</u>
	<u>2018</u>	<u>2017</u>
	<u>DKK</u>	<u>DKK</u>
<b>2. Other financial income</b>		
Other interest income	383.006	901.774
Other financial income	<u>0</u>	<u>480.848</u>
	<u><b>383.006</b></u>	<u><b>1.382.622</b></u>
	<u>2018</u>	<u>2017</u>
	<u>DKK</u>	<u>DKK</u>
<b>3. Other financial expenses</b>		
Financial expenses from group enterprises	0	180.623
Other interest expenses	37.090	40.477
Exchange rate adjustments	<u>0</u>	<u>217.244</u>
	<u><b>37.090</b></u>	<u><b>438.344</b></u>
	<u>2018</u>	<u>2017</u>
	<u>DKK</u>	<u>DKK</u>
<b>4. Tax on profit/loss for the year</b>		
Current tax	0	203.096
Change in deferred tax	21.561	0
Adjustment concerning previous years	<u>(4.975)</u>	<u>0</u>
	<u><b>16.586</b></u>	<u><b>203.096</b></u>

## Notes

	<b>Invest- ments in group enterprises DKK</b>	<b>Other receivables DKK</b>
<b>5. Fixed asset investments</b>		
Cost beginning of year	0	6.596.744
Additions	15.219.409	0
Disposals	0	(2.435.468)
<b>Cost end of year</b>	<b><u>15.219.409</u></b>	<b><u>4.161.276</u></b>
Amortisation of goodwill	51.381	0
Share of profit/loss for the year	(169.354)	0
<b>Revaluations end of year</b>	<b><u>(117.973)</u></b>	<b><u>0</u></b>
Impairment losses beginning of year	0	(341.913)
Reversal regarding disposals	0	341.913
<b>Impairment losses end of year</b>	<b><u>0</u></b>	<b><u>0</u></b>
<b>Carrying amount end of year</b>	<b><u>15.101.436</u></b>	<b><u>4.161.276</u></b>

	<b>Registered in</b>	<b>Corpo- rate form</b>	<b>Equity inte- rest %</b>
Investments in group enterprises comprise:			
P&B Solpark Danmark 8 K/S	Copenhagen	K/S	82,0
P&B Solpark Danmark 9 K/S	Copenhagen	K/S	51,0
P&B Solpark Danmark 11 K/S	Copenhagen	K/S	51,0
Better Energy Cofoco Solpark ApS	Copenhagen	ApS	51,0

## 6. Contingent liabilities

The Entity serves as the administration company in a Danish joint taxation arrangement. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc for the jointly taxed entities, and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for these entities.

## Notes

### **7. Assets charged and collateral**

The company's investments in group enterprises have been provided as security for the loans in the group enterprises.

## Accounting policies

### Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of certain provisions for reporting class C.

The accounting policies applied to these financial statements are consistent with those applied last year.

### Consolidated financial statements

Referring to section 110 of the Danish Financial Statements Act, no consolidated financial statements have been prepared.

### Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

### Business combinations

Newly acquired or newly established enterprises are recognised in the financial statements from the time of acquiring or establishing such enterprises. Divested or wound-up enterprises are recognised in the income statement up to the time of their divestment or winding-up.

The purchase method is applied at the acquisition of new enterprises, under which identifiable assets and liabilities of these enterprises are measured at fair value at the acquisition date. Provisions for costs of restructuring of the enterprise acquired are only made in so far as such restructuring was decided by the enterprise acquired prior to acquisition. Allowance is made for the tax effect of restatements.

Positive differences in amount (goodwill) between cost of the acquired share and fair value of the assets and liabilities taken over are recognised under intangible assets, and they are amortised systematically over the income statement based on an individual assessment of their useful life. If the useful life cannot be estimated reliably, it is fixed at 10 years. Useful life is reassessed annually. Negative balances (negative goodwill) are recognised as income in the income statement.



## Accounting policies

### Income statement

#### Gross profit or loss

Gross profit or loss comprises revenue, other operating income, cost of consumables and external expenses.

#### Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

#### Income from investments in group enterprises

Income from investments in group enterprises comprises the pro rata share of the individual enterprises' profit/loss after full elimination of intra-group profits or losses.

#### Other financial income

Other financial income comprises interest income, including interest income on receivables from group enterprises, net capital or exchange gains on securities, payables and transactions in foreign currencies, amortisation of financial assets as well as tax relief under the Danish Tax Prepayment Scheme etc.

#### Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital or exchange losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

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

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

The Entity is jointly taxed with all Danish subsidiaries. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

### Balance sheet

#### Investments in group enterprises

Investments in group enterprises are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity value plus unamortised goodwill. Refer to the above section on business combinations for more details about the accounting policies used on acquisitions of investments in group enterprises.

Group enterprises with negative equity value are measured at DKK 0. Any receivables from these enterprises are written down to net realisable value based on a specific assessment. If the Parent has a legal or constructive obligation to cover the liabilities of the relevant enterprise, and it is probable that such obligation is

## Accounting policies

imminent, a provision is recognised that is measured at present value of the costs deemed necessary to incur to settle the obligation.

Upon distribution of profit or loss, net revaluation of investments in group enterprises is transferred to Reserve for net revaluation according to the equity method under equity.

Investments in group enterprises are written down to the lower of recoverable amount and carrying amount.

### Receivables

Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

### Cash

Cash comprises cash in hand and bank deposits.

### Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset or the planned settlement of each liability.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

### Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

### Income tax receivable or payable

Current tax receivable or payable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.