

Nordic Sustainable Finance A/S

Axeltorv 2 F
1609 København V
Business Registration No
35828354

Annual report 2017

The Annual General Meeting adopted the annual report on 25.05.2018

Chairman of the General Meeting

Name: Rasmus Lildholdt Kjær

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Entity details

Entity

Nordic Sustainable Finance A/S

Axeltorv 2 F

1609 København V

Central Business Registration No (CVR): 35828354

Registered in: København

Financial year: 01.01.2017 - 31.12.2017

Board of Directors

Mark Augustenborg Ødum, chairmann

Volinka Droumeva Augustenborg

Rasmus Lildholdt Kjær

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 01.01.2017 - 31.12.2017.

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 31.12.2017 and of the results of its operations for the financial year 01.01.2017 - 31.12.2017.

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, 25.05.2018

Executive Board

Rasmus Lildholdt Kjær
CEO

Board of Directors

Mark Augustenborg Ødum

chairmann

Volinka Droumeva
Augustenborg

Rasmus Lildholdt Kjær

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 01.01.2017 - 31.12.2017, 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 31.12.2017 and of the results of its operations for the financial year 01.01.2017 - 31.12.2017 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, 25.05.2018

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 primary activity is to directly or indirectly provide financing to investment within renewable energy and associated activities.

Development in activities and finances

The income statement of the company for 2017 shows a profit of DKK 713.109 and at 31 December 2017 the balance sheet of the Company shows equity of DKK 5.220.130.

Events after the balance sheet date

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

Income statement for 2017

	<u>Notes</u>	<u>2017 DKK</u>	<u>2016 DKK</u>
Gross loss		(28.073)	(94.618)
Other financial income	2	1.382.622	870.737
Other financial expenses	3	<u>(438.344)</u>	<u>(168.886)</u>
Profit/loss before tax		916.205	607.233
Tax on profit/loss for the year	4	<u>(203.096)</u>	<u>(138.133)</u>
Profit/loss for the year		<u>713.109</u>	<u>469.100</u>
Proposed distribution of profit/loss			
Retained earnings		<u>713.109</u>	<u>469.100</u>
		<u>713.109</u>	<u>469.100</u>

Balance sheet at 31.12.2017

	<u>Notes</u>	<u>2017 DKK</u>	<u>2016 DKK</u>
Other receivables		6.254.831	13.884.734
Fixed asset investments	5	6.254.831	13.884.734
Fixed assets		6.254.831	13.884.734
Other receivables		54.315	21.719
Contributed capital in arrears		0	6.000.000
Receivables		54.315	6.021.719
Cash		135.004	39.593
Current assets		189.319	6.061.312
Assets		6.444.150	19.946.046

Balance sheet at 31.12.2017

	<u>Notes</u>	<u>2017 DKK</u>	<u>2016 DKK</u>
Contributed capital		500.000	5.000.000
Reserve for non-paid contributed capital		0	6.000.000
Retained earnings		4.720.130	(2.261.979)
Equity		5.220.130	8.738.021
Trade payables		11.500	11.700
Payables to group enterprises		0	11.058.192
Payables to shareholders and management		864.334	0
Income tax payable		70.934	138.133
Other payables		277.252	0
Current liabilities other than provisions		1.224.020	11.208.025
Liabilities other than provisions		1.224.020	11.208.025
Equity and liabilities		6.444.150	19.946.046
Staff costs	1		
Contingent liabilities	6		

Statement of changes in equity for 2017

	Contributed capital DKK	Reserve for non-paid contributed capital DKK	Retained earnings DKK	Total DKK
Equity beginning of year	5.000.000	6.000.000	(2.261.979)	8.738.021
Decrease of capital	(4.500.000)	0	(500.000)	(5.000.000)
Group contributions etc	0	0	769.000	769.000
Transfer to reserves	0	(6.000.000)	6.000.000	0
Profit/loss for the year	0	0	713.109	713.109
Equity end of year	500.000	0	4.720.130	5.220.130

Notes

	<u>2017</u>	<u>2016</u>
1. Staff costs		
Average number of employees	<u>0</u>	<u>0</u>
	<u>2017</u> <u>DKK</u>	<u>2016</u> <u>DKK</u>
2. Other financial income		
Other interest income	901.774	317.446
Other financial income	<u>480.848</u>	<u>553.291</u>
	<u>1.382.622</u>	<u>870.737</u>
	<u>2017</u> <u>DKK</u>	<u>2016</u> <u>DKK</u>
3. Other financial expenses		
Financial expenses from group enterprises	180.623	43.894
Other interest expenses	40.477	0
Exchange rate adjustments	<u>217.244</u>	<u>124.992</u>
	<u>438.344</u>	<u>168.886</u>
	<u>2017</u> <u>DKK</u>	<u>2016</u> <u>DKK</u>
4. Tax on profit/loss for the year		
Current tax	<u>203.096</u>	<u>138.133</u>
	<u>203.096</u>	<u>138.133</u>

Notes

	Other receivables DKK
5. Fixed asset investments	
Cost beginning of year	14.009.726
Additions	10.039.730
Disposals	<u>(17.452.712)</u>
Cost end of year	<u>6.596.744</u>
Impairment losses beginning of year	(124.992)
Exchange rate adjustments	<u>(216.921)</u>
Impairment losses end of year	<u>(341.913)</u>
Carrying amount end of year	<u>6.254.831</u>

6. Contingent liabilities

The Entity participates in a Danish joint taxation arrangement where Better Energy World serves as the administration company until 31.05.2017. 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 the jointly taxed entities. The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial statements.

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.

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.

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.

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.

Accounting policies

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.

Balance sheet

Receivables

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

Contributed capital in arrears consists

Contributed capital in arrears consists of capital subscribed, but not paid up, which is recognised as a separate amount receivable in assets and a separate reserve in equity (gross method). The amount receivable is measured at amortised cost.

Cash

Cash comprises cash in hand and bank deposits.

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.