



Tel.: +45 96 23 54 00
hjoerring@bdo.dk
www.bdo.dk

BDO Statsautoriseret revisionsaktieselskab
Nørrebro 15
DK-9800 Hjørring
CVR no. 20 22 26 70

DANISH CLEANTECH GROUP AFRICA APS

HJULMAGERVEJ 55, 9000 AALBORG

ANNUAL REPORT

1 JANUARY - 31 DECEMBER 2016

**The Annual Report has been presented and
adopted at the Company's Annual General
Meeting on 18 May 2017**

Svante Bundgaard

CVR NO. 36 04 46 59

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COMPANY DETAILS

Company	Danish Cleantech Group Africa ApS c/o Aalborg CSP A/S, Hjulmagervej 55 9000 Aalborg
	CVR no.: 36 04 46 59
	Established: 11 July 2014
	Registered Office: Aalborg
	Financial Year: 1 January - 31 December
Board of Directors	Svante Bundgaard, Chairman Eg Andersen Jens Søndergaard Wøide Carsten Tilm
Board of Executives	Jens Søndergaard Wøide
Auditor	BDO Statsautoriseret revisionsaktieselskab Nørrebro 15 9800 Hjørring
Bank	Nordea Algade 41-51 9100 Aalborg

STATEMENT BY BOARD OF DIRECTORS AND BOARD OF EXECUTIVES

Today the Board of Directors and Board of Executives have discussed and approved the Annual Report of Danish Cleantech Group Africa ApS for the year 1 January - 31 December 2016.

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

The Management's Review includes in our opinion a fair presentation of the matters dealt with in the review.

We recommend the Annual Report be approved at the Annual General Meeting.

Aalborg, 18 May 2017

Board of Executives

Jens Søndergaard Wøide

Board of Directors

Svante Bundgaard
Chairman

Eg Andersen

Jens Søndergaard Wøide

Carsten Tilm

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Danish Cleantech Group Africa ApS

Opinion

We have audited the Financial Statements of Danish Cleantech Group Africa ApS for the financial year 1 January - 31 December 2016, which comprise income statement, balance sheet, notes and 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 assets, liabilities and financial position of the Company at 31 December 2016 and of the results of the Company 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 Responsibility 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.

Auditor's Responsibility for 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.

INDEPENDENT AUDITOR'S REPORT

- 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.

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

Hjørring, 18 May 2017

BDO Statsautoriseret revisionsaktieselskab
CVR-nr. 20 22 26 70

Ole Ejning
State Authorised Public Accountant

MANAGEMENT'S REVIEW

Principal activities

Danish Cleantech Group help East African manufacturing companies reduce the cost of energy by developing, financing and installing projects consisting of power producing solar panels, energy efficient lighting and pre-insulated pipes.

The partner companies are locally and internationally engaged in preparing supply chains and financing for the execution of larger projects in 2017.

Development in activities and financial position

2015 resulted in the successful implementation of projects for three market leading companies within FMCG, which gave a strong opening in the market space.

The activities in 2016 were, as a result, focused on leveraging on the 2015 references to upscale and mature projects in the existing pipeline, while opening new project opportunities.

The result of the refocus has been a pipeline consisting of larger projects across the solution portfolio, granting economies of scale and thus improving feasibility for the end-users and increasing forecasted earnings for the company.

While minor orders have been landed and successfully implemented for companies within new industrial segments in 2016, the development cycle for the larger projects is longer and more resource intensive.

The management considers 2016 an investment year, posing the company for growth in 2017.

INCOME STATEMENT 1 JANUARY - 31 DECEMBER

	Note	2016 DKK	2015 DKK '000
GROSS PROFIT.....		390.018	683
Staff costs.....	1	-388.744	-676
OPERATING PROFIT.....		1.274	7
Other financial income.....		33	-1
Other financial expenses.....		-1.307	-5
PROFIT BEFORE TAX.....		0	1
Tax on profit/loss for the year.....	2	0	-2
PROFIT FOR THE YEAR.....		0	-1
PROPOSED DISTRIBUTION OF PROFIT			
Accumulated profit.....		0	-1
TOTAL.....		0	-1

BALANCE SHEET AT 31 DECEMBER

ASSETS	Note	2016 DKK	2015 DKK '000
Trade receivables.....		90.996	0
Receivables from group enterprises.....		12.195	0
Other receivables.....		0	6
Prepayments and accrued income.....		43.091	28
Receivables.....		146.282	34
Cash and cash equivalents.....		241	187
CURRENT ASSETS.....		146.523	221
ASSETS.....		146.523	221
EQUITY AND LIABILITIES			
Share capital.....		100.000	100
Retained profit.....		-1.001	-1
EQUITY.....	3	98.999	99
Trade payables.....		12.261	0
Payables to group enterprises.....		0	117
Corporation tax.....		0	2
Other liabilities.....		35.263	3
Current liabilities.....		47.524	122
LIABILITIES.....		47.524	122
EQUITY AND LIABILITIES.....		146.523	221
Contingencies etc.	4		
Charges and securities	5		

NOTES

	2016 DKK	2015 DKK '000	Note
Staff costs			1
Average number of employees 2 (2015: 4)			
Wages and salaries.....	388.744	676	
	388.744	676	
Tax on profit/loss for the year			2
Calculated tax on taxable income of the year.....	0	2	
	0	2	
Equity			3
	Share capital	Retained profit	Total
Equity at 1 January 2016.....	100.000	-1.001	98.999
Equity at 31 December 2016.....	100.000	-1.001	98.999
Contingencies etc.			4
Joint liabilities:			
The company is jointly and severally liable together with the parent company and the other group companies for tax on the group's jointly taxed income and for certain possible withholding taxes such as dividend tax and royalty tax.			
Tax payable of the group's jointly taxed income is stated in the annual report of BKH Holding I ApS, which serves as management company for the joint taxation.			
Charges and securities			5
None.			

ACCOUNTING POLICIES

The annual report of Danish Cleantech Group Africa ApS for 2016 has been presented in accordance with the provisions of the Danish Financial Statements Act for enterprises in reporting class B.

The Annual Report is prepared consistently with the accounting principles used last year.

The annual report for last year covered the period from 11. July 2014 - 31. December 2015.

INCOME STATEMENT

Net revenue

Net revenue from sale of merchandise and finished goods is recognised in the Income Statement if supply and risk transfer to purchaser has taken place before the end of the year and if the income can be measured reliably and is expected to be received. Net revenue is recognised exclusive of VAT, duties and less discounts related to the sale.

Other external expenses

Other external expenses include cost of sales, advertising, administration, buildings, bad debts, operational lease expenses, etc.

Staff costs

Staff costs comprise wages and salaries, including holiday pay and pensions and other costs for social security etc. for the company's employees. Repayments from public authorities are deducted from staff costs.

Financial income and expenses in general

Financial income and expenses include interest income and expenses, financial expenses of finance leases, realised and unrealised gains and losses arising from investments in financial assets, debt and transactions in foreign currencies, amortisation of financial assets and liabilities as well as charges and allowances under the tax-on-account scheme etc. Financial income and expenses are recognised in the income statement by the amounts that relate to the financial year.

Tax on profit for the year

The tax for the year, which consists of the current tax for the year and changes in deferred tax, is recognised in the income statement by the portion that may be attributed to the profit for the year, and is recognised directly in the equity by the portion that may be attributed to entries directly to the equity.

BALANCE SHEET

Receivables

Receivables are measured at amortised cost which usually corresponds to nominal value. The value is reduced by write-down to meet expected losses.

Accruals, assets

Accruals recognised as assets include costs incurred relating to the subsequent financial year.

ACCOUNTING POLICIES

Tax payable and deferred tax

Current tax liabilities and receivable current tax are recognised in the balance sheet as the calculated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and taxes paid on account.

Deferred tax is measured on the temporary differences between the carrying amount and the tax value of assets and liabilities.

Deferred tax assets, including the tax value of tax loss carry-forwards, are measured at the expected realisable value of the asset, either by set-off against 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 and tax rates that under the legislation in force on the balance sheet date would be applicable when the deferred tax is expected to crystallise as current tax. Any changes in the deferred tax resulting from changes in tax rates, are recognised in the income statement, except from items recognised directly in equity.

Liabilities

Other liabilities are measured at amortised cost equal to nominal value.

Foreign currency translation

Transactions in foreign currencies are translated at the rate of exchange on the transaction date. Exchange differences arising between the rate on the transaction date and the rate on the payment date are recognised in the income statement as a financial income or expense.

If the foreign exchange position is considered to hedge future cash flows, the unrealised exchange adjustments are recognised directly in the equity.

Receivables, payables and other monetary items in foreign currencies that are not settled on the balance sheet date are translated at the exchange rate on the balance sheet date. The difference between the exchange rate on the balance sheet date and the exchange rate at the time of occurrence of the receivables or payables is recognised in the income statement as financial income or expenses.

Fixed assets acquired in foreign currencies are translated at the rate of exchange on the transaction date.