

Recharge ApS

Vedbæk Strandvej 328
2950 Vedbæk

CVR no. 36 40 69 33

Annual report for 2017/18

(5th Financial year)

Adopted at the annual general meeting
on 1 October 2018

Scott Campbell Macaw
chairman

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Statement by management on the annual report

The executive board has today discussed and approved the annual report of Recharge ApS for the financial year 1 April 2017 - 31 March 2018.

The annual report is prepared in accordance with the Danish Financial Statements Act.

In my opinion, the financial statements give a true and fair view of the company's financial position at 31 March 2018 and of the results of the company's operations for the financial year 1 April 2017 - 31 March 2018.

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

Management recommends that the annual report should be approved by the company in general meeting.

Vedbæk, 25 September 2018

Executive board

Scott Campbell Macaw

Independent auditor's report

To the shareholder of Recharge ApS

Opinion

We have audited the financial statements of Recharge ApS for the financial year 1 April 2017 - 31 March 2018, which comprise a summary of significant accounting policies, income statement, balance sheet and notes. 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 March 2018 and of the results of the company's operations for the financial year 1 April 2017 - 31 March 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 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 the 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 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:

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 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.

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.

Independent auditor's report

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.

Hellerup, 25 September 2018

CVR no. 33 25 68 76



Søren Jonassen
Statsautoriseret revisor
MNE no. mne18488

Company details

The company

Recharge ApS
Vedbæk Strandvej 328
2950 Vedbæk

CVR no.: 36 40 69 33

Reporting period: 1 April 2017 - 31 March 2018

Incorporated: 18. October 2014

Domicile: Rudersdal

Executive board

Scott Campbell Macaw

Auditors

Crowe
Statsautoriseret Revisionsinteressentskab v.m.b.a.
Rygårds Allé 104
2900 Hellerup

Management's review

Business activities

The Company's principal activity is to carry on and conduct business as an investment company in accordance with the Capital Gains Tax Act § 19.

Business review

The company's income statement for the year ended 31 March shows a loss of DKK 1.241.560, and the balance sheet at 31 March 2018 shows equity of DKK 15.922.778.

Due to changes in the company's investment profile, the financial statements are now presented in DKK.

The equity balance as of 1. April 2017 has been rate converted from CHF to DKK using the quoted exchange rate from the Danish National Bank on this date. The accumulated exchange rate correction has been reduced in Retained earnings.

The capital reduction of DKK 40 mio. as agreed in the financial statement last year, has been executed as displayed in the equity note, along with the purchase of treasury shares of DKK 11,5 mio. agreed on the extraordinary general meeting during the year.

The company's activities for the year related only to its investments into Portuguese hybrid renewable project on the island of Graciosa, Azores. The project encountered difficulties in Q4 2017 when Younicos AG failed to deliver the energy management system (EMS) – an essential component for the project to operate. A new EMS provider was sourced and this led to a number of changes in the hybrid power plant which in turn led to a significant cost overrun. Recharge committed to support the project as part of Graciosa Project Finance ApS extending its funding package. In order to fulfil its commitments and generate liquidity to support the project Recharge sold assets.

The company completed a share buy back in September 2017 which reduced the nominal equity to DKK 500,000. The book equity at 31 March 2018 is shown as DKK 15,922,778 which the management considers sufficient for the company to run its business.

Younicos AG have raised claims against the company through litigation in Portugal where they argue that Recharge terminated a Graciosa Lda shareholders' agreement in 2017 without just cause. The management took independent legal advice before acting in relation to the aforementioned shareholders agreement and does not believe that there is a legitimate basis for a complaint relating to the termination. Based on management's assessment and independent advice given, no accrual has been taken for the case, however it should be noted that there may be additional legal fees in the future defending the matter and there is of course always a risk when in litigation.

Following an allocation of substantial resources, Recharge is confident that the Graciosa project is on the right track for successful commissioning and entering into commercial operations.

Management's review

Significant events occurring after end of reporting period

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

Accounting policies

The annual report of Recharge ApS for 2017/18 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B.

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

The annual report for 2017/18 is presented in DKK, which is a change from previous years, where it has been presented in CHF. The effect of the exchange rate has been adjusted directly at the equity.

The Company operates as an investment company in accordance with the Capital Gains Tax Act § 19.

The investment company is tax transparent. Therefore no income tax has been expensed. Net income is included at the shareholders accounts according to tax laws rules. There are no deferred tax in the balance sheet as deferred tax on the difference between accounting and tax values on the balance sheet date lies with the individual shareholders.

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 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 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 is 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/loss reflects an aggregation of revenue less other external expenses.

Accounting policies

Financial income and expenses

Net financials comprise interest, realised and unrealised capital gains and losses concerning financial assets and liabilities, amortisation of financial assets and liabilities, additions and reimbursements under the Danish tax prepayment scheme, etc. Financial income and expenses are recognised in the profit and loss account with the amounts that concern the financial year.

Balance sheet

Other securities and investments, fixed assets

Other unlisted securities are measured at cost. Write-down takes place to the recoverable amount, if this value is lower than the book value.

Receivables

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable is impaired, an impairment loss for that individual asset is recognised.

Securities and investments

Securities and investments, which consist of listed shares and bonds, are measured at fair value at the balance sheet date. Non-listed securities are measured at fair value on the basis of the estimated value in use.

Liabilities

Liabilities, which include trade payables, payables to group entities and other payables, are measured at amortised cost, which is usually equivalent to nominal 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. If foreign currency transactions are considered cash flow hedges, the value adjustments are taken directly to equity.

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.

Income statement
1 April 2017 - 31 March 2018

	<u>Note</u>	<u>2017/18</u> DKK	<u>2016/17</u> TDKK
Gross profit		-750.615	-3.147
Financial income	1	4.287.671	5.632
Financial costs		<u>-4.778.616</u>	<u>-26.485</u>
Profit/loss for the year		<u><u>-1.241.560</u></u>	<u><u>-24.000</u></u>
 Recommended appropriation of profit/loss			
Retained earnings		<u>-1.241.560</u>	<u>-24.000</u>
		<u><u>-1.241.560</u></u>	<u><u>-24.000</u></u>

Balance sheet at 31 March 2018

	<u>Note</u>	<u>2017/18</u> DKK	<u>2016/17</u> TDKK
Assets			
Other fixed asset investments		<u>342.593</u>	<u>343</u>
Fixed asset investments		<u>342.593</u>	<u>343</u>
Total non-current assets		<u>342.593</u>	<u>343</u>
Other receivables		<u>44.970</u>	<u>103.261</u>
Receivables		<u>44.970</u>	<u>103.261</u>
Current asset investments		<u>20.734.007</u>	<u>15.947</u>
Securities		<u>20.734.007</u>	<u>15.947</u>
Cash at bank and in hand		<u>193.726</u>	<u>6.833</u>
Total current assets		<u>20.972.703</u>	<u>126.041</u>
Total assets		<u><u>21.315.296</u></u>	<u><u>126.384</u></u>

Balance sheet at 31 March 2018

	<u>Note</u>	<u>2017/18</u> DKK	<u>2016/17</u> TDKK
Equity and liabilities			
Share capital		500.000	40.500
Retained earnings		<u>15.422.778</u>	<u>79.125</u>
Equity	2	<u>15.922.778</u>	<u>119.625</u>
Other credit institutions		6.729	0
Payables to subsidiaries		769.419	0
Other payables		<u>4.616.370</u>	<u>6.759</u>
Total current liabilities		<u>5.392.518</u>	<u>6.759</u>
Total liabilities		<u>5.392.518</u>	<u>6.759</u>
Total equity and liabilities		<u>21.315.296</u>	<u>126.384</u>
Treasury shares	3		

Notes

	<u>2017/18</u> DKK	<u>2016/17</u> TDKK
1 Financial income		
Interest received from subsidiaries	254.756	0
Other financial income	<u>4.032.915</u>	<u>5.632</u>
	<u>4.287.671</u>	<u>5.632</u>

2 Equity

	<u>Share capital</u>	<u>Retained earnings</u>	<u>Proposed dividend for the year</u>	<u>Total</u>
Equity at 1 April 2017	40.500.000	79.124.570	0	119.624.570
Exchange adjustments	0	859.410	0	859.410
Cash capital reduction	-40.000.000	9.292.508	0	-30.707.492
Dividend on cash capital reduction	0	0	30.707.492	30.707.492
Dividend paid on cash capital reduction	0	0	-30.707.492	-30.707.492
Purchase of treasury shares	0	-72.612.150	0	-72.612.150
Net profit/loss for the year	0	-1.241.560	0	-1.241.560
Equity at 31 March 2018	<u>500.000</u>	<u>15.422.778</u>	<u>0</u>	<u>15.922.778</u>

3 Treasury shares

The Company has purchased 25,555,556 own shares for a total amount of CHF 11,500,000. The shares has been canceled in connection with the approved capital reduction from DKK 40,500,000 to DKK 500,000.