Vandel Sol ApS

Koldinghus Alle 1
Bregentved
4690 Haslev

CVR no. 37 36 36 50

Annual report for 2016/17

Adopted at the annual general
meeting on 30 April 2018

Anders Dolmer
chairman

Contents

	Page
Statements	
Statement by management on the annual report	1
Independent auditor's report	2
Management´s review	
Company details	5
Management's review	6
Financial statements	
Accounting policies	7
Income statement 1 July 2016 - 31 December 2017	11
Balance sheet 31 December	12
Statement of changes in equity	14
Notes to the annual report	15

Statement by management on the annual report

The executive board has today discussed and approved the annual report of Vandel Sol ApS for the financial year 1 July 2016 - 31 December 2017.

The annual report is 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 2017 and of the results of the company's operations for the financial year 1 July 2016 - 31 December 2017.

In our 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 at the annual general meeting.

Haslev, 6 April 2018

Executive board

Jochem van Rijn　　　　Anders Dolmer

Independent auditor's report

To the shareholder of Vandel Sol ApS

Opinion

We have audited the financial statements of Vandel Sol ApS for the financial year 1 July 2016 - 31 December 2017, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity 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 December 2017 and of the results of the company's operations for the financial year 1 July 2016 - 31 December 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 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 Statements Act. We did not identify any material misstatement of management's review.

København Ø, 6 April 2018

KPMG
Statsautoriseret Revisionspartnerselskab
CVR no. 25 57 81 98

Martin Eiler
State authorized public accountant
MNE no. mne32271

Company details

The company	Vandel Sol ApS Koldinghus Alle 1 Bregentved 4690 Haslev	
	CVR no.:	37 36 36 50
	Reporting period: Incorporated:	1 July 2016 - 31 December 2017 12. January 2016
Executive board	Jochem van Rijn Anders Dolmer	
Auditors	KPMG Statsautoriseret Revisionspartnerselskab Dampfærgevej 28 2100 København Ø	

Management's review

Business activities

The company has during the fiscal year changed its activity to producing solar energy, while previously the company has developed and constructed the site of the solar plants.

Business review

The Company's income statement for the year ended 31 December shows a profit of DKK 2.186.937, and the balance sheet at 31 December 2017 shows equity of DKK 251.889.

Accounting policies

The annual report of Vandel Sol ApS for 2016/17 has been prepared in accordance with the provisions of the Danish Financial Statements Act concerning reporting class B entities with addition from higher accounting class.

The annual report for 2016/17 is presented in DKK. The income statement comprises 18 months due to change of accounting period.

The accounting policy is unchanged compared to last year, however new polices have been added given the development in 2016/17

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

Revenue

Income from the sale of electricity is recognised in the income statement, provided that the transfer of risk, usually on delivery to the buyer, has taken place and that the income can be measured reliably and is expected to be received.

Accounting policies

Costs related to sale of electricity

Expenses for operation and maintenance, insurance, landlease, electricity costs etc. used in generating the year's revenue.

Other external expenses

Other external expenses include expenses related to distribution, bank fees, administration cost, audit, etc.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year. Net financials include interest income and expenses, financial expenses relating to finance leases, realised and unrealised capital/exchange gains and losses on securities and foreign currency transactions, amortisation of mortgage loans and surcharges and allowances under the advance-payment-of-tax scheme, etc.

Tax

On payment of joint taxation contributions, the current Danish income tax is allocated between the jointly taxed entities in proportion to their taxable income. Entities with tax losses receive joint taxation contributions from entities that have been able to use tax losses to reduce their own taxable profits.

Tax for the year, which comprises the current tax charge for the year and changes in the deferred tax charge, including changes arising from changes in tax rates, is recognised in the income statement as regards the portion that relates to entries directly in equity.

Balance sheet

Tangible assets

The plant is 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. The costs for the assets includes expected costs to dismantling and disposal of the assets and restoring when the costs hereto are included as a liability.

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.

Accounting policies

Straight-line depreciation is provided on the basis of the estimated useful life of the solar plant of 25 years.

Impairment of fixed assets

The carrying amount of intangible assets, property, plant and equipment is reviewed for impairment, other than what is reflected through normal amortisation and depreciation, on an annual basis.

Receivables

Receivables are measured at amortised cost.

Income tax and deferred tax

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

Deferred tax is measured according to the liability method in respect of temporary differences between the carrying amount of assets and liabilities and their tax base, calculated on the basis of the planned use of the asset and settlement of the liability, respectively.

Liabilities

Financial liabilities are recognised on the raising of the loan at the proceeds received net of transaction costs incurred. On subsequent recognition, the financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest method. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan.

Financial liabilities also include the capitalised residual finance lease commitment.

Other liabilities, which include trade receivables, 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.

Accounting policies

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.

Derivative financial instruments

On initial recognition in the balance sheet, derivative financial instruments are measured at cost and subsequently at fair value. Positive and negative fair values of derivative financial instruments are included in other receivables or other payables, respectively.

Fair value adjustments of derivative financial instruments designated as and qualifying for hedging of future cash flows are recognised in other receivables or other payables and in equity. If the future transaction results in recognition of assets or liabilities, amounts previously recognised in equity are transferred to the cost of the asset or liability, respectively. If the future transaction results in income or expenses, amounts previously recognised in equity are transferred to the income statement in the period in which the hedged item affects the income statement.

Income statement 1 July 2016 - 31 December 2017

	Note	1/7-2016 - 31/12-2017 DKK	12/1-2016 - 30/6-2016 DKK
Revenue		**19.742.369**	**0**
Cost related to sale of electricity		-2.089.870	0
Other external expenses		-673.834	-7.200
Gross profit		**16.978.665**	**-7.200**
Depreciation		-8.038.080	0
Result before financial income and expenses		**8.940.585**	**-7.200**
Financial income		6	0
Financial costs	2	-5.665.645	0
Result before tax		**3.274.946**	**-7.200**
Tax on result for the year		-1.088.009	1.584
Net profit/loss for the year		**2.186.937**	**-5.616**
Retained earnings		2.186.937	-5.616
		2.186.937	**-5.616**

Balance sheet 31 December

	Note	31/12-2017 DKK	30/6-2016 DKK
Assets			
Development projects in progress		0	101.585
Intangible assets		**0**	**101.585**
Solarplant		192.913.920	0
Tangible assets	3	**192.913.920**	**0**
Fixed assets total		**192.913.920**	**101.585**
Trade receivables		221.970	0
Other receivables		775.742	4.146
Deferred tax asset		659.877	1.584
Prepayments		262.187	0
Receivables		**1.919.776**	**5.730**
Cash at bank and in hand		**11.799.150**	**50.000**
Current assets total		**13.718.926**	**55.730**
Assets total		**206.632.846**	**157.315**

Balance sheet 31 December

	Note	31/12-2017	30/6-2016
		DKK	DKK
Liabilities and equity			
Share capital		50.000	50.000
Retained earnings		201.889	-5.616
Equity	4	**251.889**	**44.384**
Other provisions		952.000	0
Provisions total		**952.000**	**0**
Subordinate loan capital		42.265.010	0
Mortgage loans		149.567.913	0
Long-term debt	5	**191.832.923**	**0**
Mortgage loans	5	12.144.305	0
Trade payables		439.009	0
Joint taxation contributions payable		902.720	0
Other payables		110.000	112.931
Short-term debt		**13.596.034**	**112.931**
Debt total		**205.428.957**	**112.931**
Liabilities and equity total		**206.632.846**	**157.315**
Contingent assets, liabilities and other financial obligations	6		
Charges and securities	7		
Related parties and ownership	8		

Egenkapitalopgørelse

	Share capital	Retained earnings	Total
Equity at 1 July 2016	50.000	1.005.834	1.055.834
Fair value adjustment of hedging instruments	0	-2.990.882	-2.990.882
Net profit/loss for the year	0	2.186.937	2.186.937
Equity at 31 December 2017	**50.000**	**201.889**	**251.889**

Noter til årsrapporten

		1/7-2016 - 31/12-2017	12/1-2016 - 30/6-2016
		DKK	DKK
1	**Staff costs**		
		0	**0**
	Average number of employees	2	0

		1/7-2016 - 31/12-2017	12/1-2016 - 30/6-2016
		DKK	DKK
2	**Financial costs**		
	Financial expenses, group entities	1.663.183	0
	Other financial costs	3.305.689	0
	Exchange loss	696.773	0
		5.665.645	**0**

Noter til årsrapporten

3 Tangible assets

	Solarplant
Cost at 1 July 2016	0
Additions for the year	200.850.415
Transfers for the year	101.585
Cost at 31 December 2017	200.952.000
Impairment losses and depreciation at 1 July 2016	0
Depreciation for the year	8.038.080
Impairment losses and depreciation at 31 December 2017	8.038.080
Carrying amount at 31 December 2017	**192.913.920**
Interest expenses recognised as part of cost of assets	1.586.798

4 Equity

The share capital consists of 50.000 shares of a nominal value of DKK 1. No shares carry any special rights.
There have been no changes in the share capital since the company's beginning.

5 Long term debt

	31/12-2017 DKK	30/6-2016 DKK
Subordinate loan capital		
After 5 years	42.265.010	0
Between 1 and 5 years	0	0
Non-current portion	42.265.010	0
Within 1 year	0	0
	42.265.010	**0**

Noter til årsrapporten

5 Long term debt (continued)

	31/12-2017	30/6-2016
	DKK	DKK
Mortgage loans		
After 5 years	88.006.388	0
Between 1 and 5 years	61.561.525	0
Non-current portion	149.567.913	0
Within 1 year	12.144.305	0
	161.712.218	**0**

6 Contingent assets, liabilities and other financial obligations

The company is joined taxtation with the moder company Capviva Vandel Holding aps. The companies under this joint taxation are jointly and severally liable for tax on the total income subject to joint taxation.

The company is obligated to pay rent to the land owner for at least 30 years. Rent is variable dependent on revenue, estimated to 7 DKK million in the remaining period with about DKK 200-400 per year. Additionally the company has a 20 year Commercial and technical asset management agreement which is estimated to DKK 5 million in the remaining period with about DKK 250 thousand per year.

7 Charges and securities

As security for mortgage debt totalling DKK 161.712 thousand, the Company has granted charges totalling DKK 170.860 thousand on solarplants carried at DKK 192.914 thousand at 31 December 2017.

8 Related parties and ownership

According to the Company's register of shareholders, the following shareholders hold a minimum of 5% of the voting rights or a minimum of 5% of the share capital:

Capviva Solarpark Vandel Holding ApS
Solarpark Vandel ApS is part of the consolidated financial statements of Capviva Renewables Investment Holding S.a.r.l., which is the smallest group in which the Company is included as a subsidiary.The consolidated financial statements of Capviva Renewables Investment Holding S.a.r.l. can be obtained by contacting the Company.