

# **Capviva Solarpark Vandel Holding ApS**

**Gyngemose Parkvej 50  
2860 Søborg**

**CVR no 37 56 96 07**

**Annual report for 2017  
(2nd Financial year)**

Adopted at the annual general  
meeting on 12 April 2018

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Anne Wichmann  
Chairman

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## **Statement by Management on the annual report**

The Executive Board has today discussed and approved the annual report of Capviva Solarpark Vandel Holding ApS for the financial year.

The annual report has been 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 the Company's operations for the financial year.

In our opinion, Management's review includes a fair review of the matters dealt with in the Management's review

We recommend the adoption of the annual report at the annual general meeting.

Søborg, 6 April 2018

### **Executive Board**

Jochem Van Rijn

Knud Erik Andersen

## **Independent auditor's report**

### ***To the shareholders of Capviva Solarpark Vandel Holding ApS***

#### **Opinion**

We have audited the financial statements of Capviva Solarpark Vandel Holding ApS for the financial year 1 January - 31 December 2017, which comprise an income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. 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 January - 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 Statement Act. We did not identify any material misstatement of Management's Review.

Copenhagen, 6 April 2018

KPMG  
Statsautoriseret Revisionspartnerselskab  
CVR-nr. 25 57 81 98

Martin Eiler  
State authorized public accountant  
mne32271

## Company details

### The Company

Capviva Solarpark Vandel Holding ApS  
Gyngemose Parkvej 50  
2860 Søborg

CVR no.: 37 56 96 07  
Reporting period: 1 January - 31 December  
Domicile: Gladsaxe

### Executive Board

Jochem Van Rijn  
Knud Erik Andersen

### Auditors

KPMG  
Statsautoriseret Revisionspartnerselskab  
Dampfærgevej 28  
2100 Copenhagen

## **Management's review**

### **Business activities**

The purpose of the company is to act as holding company in possession of ownership interests for companies with power producing solarplants. The company's solarplants are owned and operated in Solarpark Vandel ApS og Vandel Sol ApS.

### **Business review**

The Company's income statement for 2017 shows a profit of DKK 2.177, and the balance sheet at 31 December 2017 shows equity of DKK 1.543.

In March 2017 the company bought a new company Vandel Sol Aps with a power producing solarplant.



## **Accounting policies**

The annual report of Capviva Solarpark Vandel Holding ApS for 2017 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B.

The annual report for 2017 is presented in TDKK

Pursuant to sections §110 subsection 1, of the Danish Financial Statements Act, the company has not prepared consolidated financial statements.

### **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's 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's 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 are presented and which confirm or invalidate matters existing at the balance sheet date.

### **Income statement**

#### **Other external expenses**

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

## **Accounting policies**

### **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.

### **Profit/loss from investments in subsidiaries**

The proportionate share of the results after tax of the individual subsidiaries is recognised in the income statement of the company after full elimination of intra-group profits/losses and amortization of goodwill.

### **Tax**

The company is subject to the Danish rules on compulsory joint taxation of the Group's Danish subsidiaries. Subsidiaries participate in the joint taxation arrangement from the time when they are included in the consolidated financial statements and until the time when they withdraw from the consolidation.

The company acts as management company for all jointly taxed entities and, in its capacity as such, pays all income taxes to the Danish tax authorities.

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.

## **Accounting policies**

### **Balance sheet**

#### **Intangible assets**

##### ***Goodwill***

Any excess of the cost over the fair value of the identifiable assets and liabilities acquired (goodwill), including restructuring provisions, is recognised as intangible assets and amortised on a systematic basis in the income statement based on an individual assessment of the useful life of the asset. Goodwill arising on acquisition can be restated until the end of the year after the acquisition.

Goodwill is amortised over the expected economic life of the asset, measured by reference to management's experience in the individual business segments. Goodwill is amortised on a straight-line basis over the amortisation period, which is 25 years. The amortisation period is based on the assessment that the entities in question are strategically acquired entities with a strong market positions and a long-term earnings profile.

#### **Investments in subsidiaries**

Investments in subsidiaries are measured at the proportionate share of the net asset value of the entities, calculated on the basis of the group's accounting policies, less or plus unrealised intra-group gains or losses and plus or less any remaining value of positive or negative goodwill made up according to the purchase method.

Investments in subsidiaries with a negative net asset value are measured at DKK 0, and the carrying amount of any receivables from these entities is reduced to the extent that they are considered irrecoverable. If the parent company has a legal or constructive obligation to cover a deficit that exceeds the receivable, the balance is recognised under provisions.

Net revaluations of investments in subsidiaries and associates are taken to the net revaluation reserve according to the equity method to the extent that the carrying amount exceeds the cost. Dividends from subsidiaries which are expected to be declared before the annual report of Capviva Solarpark Vandel Holding ApS is adopted are not taken to the net revaluation reserve.

#### **Receivables**

Receivables are measured at amortised cost.

## **Accounting policies**

### **Equity**

#### **Net revaluation reserve according to the equity method**

Net revaluation reserve according to the equity method comprises net revaluation of equity investments in subsidiaries in proportion to cost.

Dividends that expected to be received before the balance sheet date are not tied to the reserve.

Reserves may be eliminated in connection with loss, realisation of equity investments or changes in accounting estimates.

Reserves cannot be recognised at a negative amount.

#### **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.

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.

Foreign exchange adjustments of balances with unrelated foreign subsidiaries which are considered part of the investment in the subsidiary are taken directly to equity. Correspondingly, foreign exchange gains and losses on loans and derivative financial instruments hedging separate foreign subsidiaries are taken directly to equity.

### **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 recognised together with the secured loan

Changes in the fair value of derivative financial instruments designated as or qualifying for recognition as a hedge of future transactions are recognised together with the secured loan and in equity until the realisation of the hedged transactions. If the future transaction results in the recognition of assets or liabilities, amounts that were previously recognised in equity are transferred to the cost of the assets or liabilities. If the future transaction results in income or costs, amounts that were previously recognised in equity are transferred to the income statement for the period when the hedged item affects the income statement.

Changes in the fair value of derivative financial instruments used for hedging of net investments in subsidiaries are recognised directly in equity

**Income statement 1 January - 31 December**

	<u>Note</u>	<u>2017</u> TDKK	<u>2016</u> TDKK
Other external expenses		-95	-35
<b>Gross profit</b>		<b>-95</b>	<b>-35</b>
Income from investments in subsidiaries		11.140	12.877
Financial income		537	0
Financial costs	2	-9.479	-5.349
<b>Profit/loss before tax</b>		<b>2.103</b>	<b>7.493</b>
Tax		74	1.184
<b>Net profit/loss for the year</b>		<b><u>2.177</u></b>	<b><u>8.677</u></b>
 <b>Proposed distribution of profit</b>			
Reserve for net revaluation under the equity method		<u>2.177</u>	<u>8.677</u>
		<b><u>2.177</u></b>	<b><u>8.677</u></b>

**Balance sheet 31 December**

	<u>Note</u>	<u>2017</u> TDKK	<u>2016</u> TDKK
<b>Assets</b>			
Investments in subsidiaries	3	<u>209.108</u>	<u>152.128</u>
<b>Fixed asset investments</b>		<b><u>209.108</u></b>	<b><u>152.128</u></b>
<b>Fixed assets total</b>		<b><u>209.108</u></b>	<b><u>152.128</u></b>
Other receivables		25	50
Deferred tax asset		849	1.184
Joint taxation contributions receivable		<u>409</u>	<u>0</u>
<b>Receivables</b>		<b><u>1.283</u></b>	<b><u>1.234</u></b>
<b>Cash at bank and in hand</b>		<b><u>1</u></b>	<b><u>0</u></b>
<b>Currents assets total</b>		<b><u>1.284</u></b>	<b><u>1.234</u></b>
<b>Assets total</b>		<b><u><u>210.392</u></u></b>	<b><u><u>153.362</u></u></b>

**Balance sheet 31 December**

	<u>Note</u>	<u>2017</u> TDKK	<u>2016</u> TDKK
<b>Liabilities and equity</b>			
Share capital		50	50
Reserve for net revaluation under the equity method		<u>1.493</u>	<u>1.933</u>
<b>Equity</b>		<b><u>1.543</u></b>	<b><u>1.983</u></b>
Subordinate loan capital from shareholder		<u>201.798</u>	<u>144.022</u>
<b>Long-term debt</b>	4	<b><u>201.798</u></b>	<b><u>144.022</u></b>
Short-term part of lon-term debt	4	5.084	0
Trade payables		17	29
Other payables		<u>1.950</u>	<u>7.328</u>
<b>Short-term debt</b>		<b><u>7.051</u></b>	<b><u>7.357</u></b>
<b>Debt total</b>		<b><u>208.849</u></b>	<b><u>151.379</u></b>
<b>Liabilities and equity total</b>		<b><u><u>210.392</u></u></b>	<b><u><u>153.362</u></u></b>
Related parties and ownership	5		



## Equity

	<u>Share capital</u>	<u>Reserve for net revalua- tion under the equity method</u>	<u>Total</u>
Equity at 1 January 2017	50	1.933	1.983
Fair value adjustment of hedging instruments	0	-2.617	-2.617
Net profit/loss for the year	0	2.177	2.177
<b>Equity at 31 December 2017</b>	<b><u>50</u></b>	<b><u>1.493</u></b>	<b><u>1.543</u></b>

## Notes to the annual report

	<u>2017</u> TDKK	<u>2016</u> TDKK
<b>1 Staff costs</b>	<b>0</b>	<b>0</b>
Average number of employees	<u>2</u>	<u>0</u>
<b>2 Financial costs</b>	<u>2017</u> TDKK	<u>2016</u> TDKK
Financial expenses, group entities	9.468	5.349
Exchange adjustments costs	<u>11</u>	<u>0</u>
	<b><u>9.479</u></b>	<b><u>5.349</u></b>
<b>3 Investments in subsidiaries</b>		
Cost at 1 January 2017	145.995	0
Additions for the year	<u>48.457</u>	<u>145.995</u>
Cost at 31 December 2017	<u>194.452</u>	<u>145.995</u>
Revaluations at 1 January 2017	6.133	0
Net profit/loss for the year	18.864	17.619
Fair value adjustment of hedging instruments for the year	-2.617	-6.744
Amortisation of goodwill	<u>-7.724</u>	<u>-4.742</u>
Revaluations at 31 December 2017	<u>14.656</u>	<u>6.133</u>
<b>Carrying amount at 31 December 2017</b>	<b><u>209.108</u></b>	<b><u>152.128</u></b>
Remaining positive difference included in the above carrying amount at 31 December 2017	<u>192.799</u>	
(Goodwill)		

## Notes to the annual report

### 4 Long term debt

	Debt at 1 January 2017	Debt at 31 December 2017	Payment within 1 year	Debt after 5 years
Subordinate loan capital from shareholder	144.022	201.798	5.084	0
	<b>144.022</b>	<b>201.798</b>	<b>5.084</b>	<b>0</b>

The Shareholder loan towards Capviva Renewables Investments Holding s.a.r.l have a interest rate og 5% and on the Maturity Date (31 December 2040), the principal amount of the loan and all accrued interest shall be paid back in full to the Lender.

### 5 Related parties and ownership

#### 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 Renewables Investment Holding S.a.r.l.

Capviva Solarpark Vandel Holding 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.