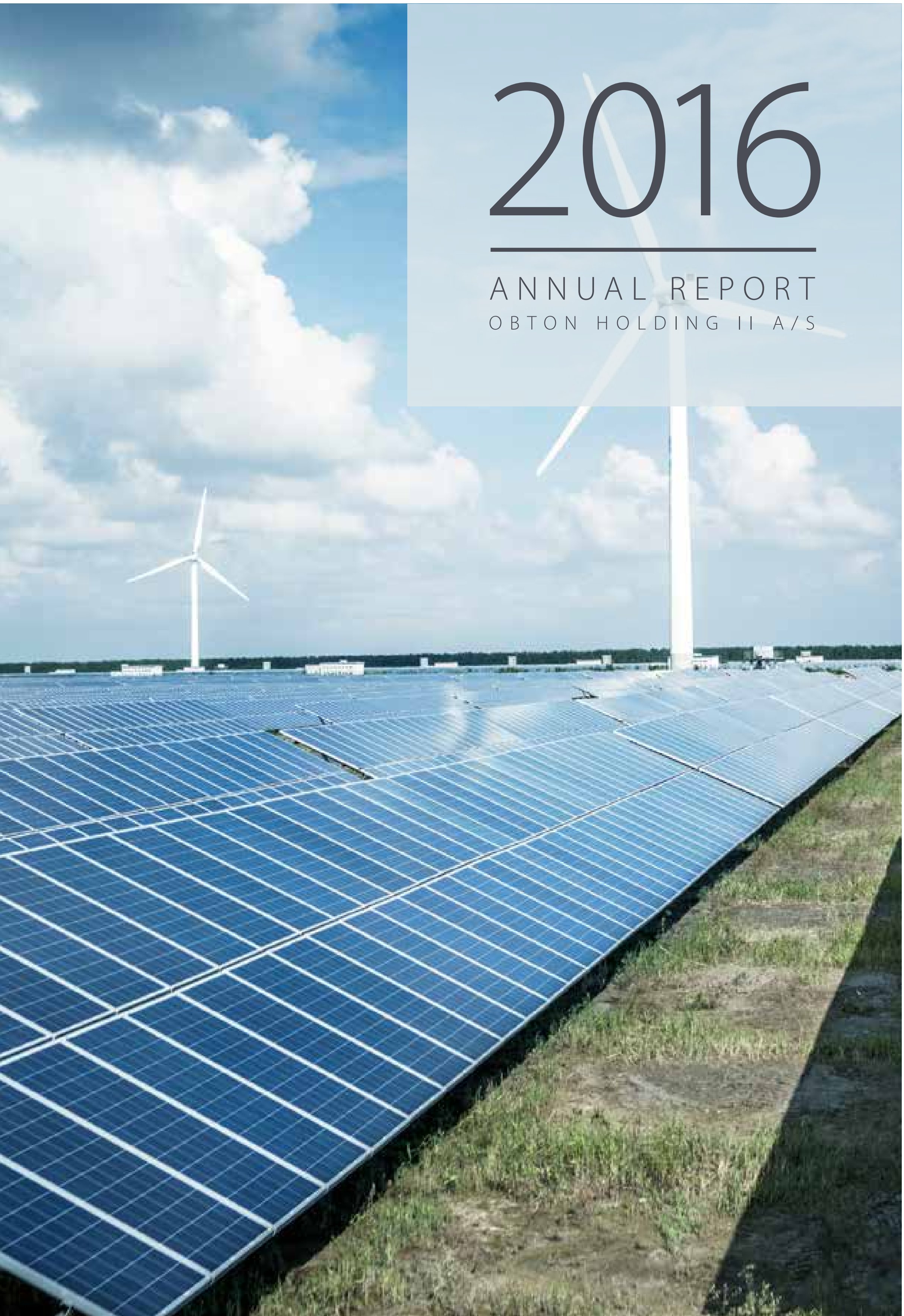
2016

ANNUAL REPORT

OBTON HOLDING II A/S



"2016 has been a landmark year for Obton Holding II A/S. We look forward to the new opportunities and prospects for further growth that 2017 holds in store."

Anders Marcus, CEO, Obton Holding II A/S

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LETTER FROM THE CEO

At Obton Holding II A/S, our mission is to give people new opportunities. This is true of the products our subsidiary companies - Obton A/S and Koncenton A/S, deliver to our customers, the agreements we make with our partners and the conditions we offer our employees. Combined with our core values, this mission drives our vision of being Denmark's strongest investment alternative. Obton Holding II A/S's strengthened position coming out of 2016 marks an important step in the pursuit of our vision, following a year in which we fulfilled our lofty expectations from end to end. Meanwhile, Obton Holding II A/S has also geared the organisation for continued growth in 2017.

NEW BUSINESS AREAS

Our success in 2016 was especially due to Obton's procurement and financing department, which concluded solar and wind energy project agreements totalling more than DKK 1.8 billion – a 25% increase compared to 2015. Adding to this, Koncenton concluded property project agreements for a total of DKK 1 billion. New project agreements included a winning bid on solar PV plants in the Netherlands with a total output of 18 MWp, agreements for two GE wind turbines with a total output of 5.5 MW near Frankfurt, Germany, and a DKK 200m property in Frederiksberg, an attractive Copenhagen quarter. The investments have been warmly received by our investors, who share our view that these new business areas hold great potential.

FINANCING BREAKTHROUGH

Obton has successfully consolidated its overall competitiveness and presence in the primary markets in Germany and France. The financing of large-scale portfolio projects – a core focus from the start of the year – was an area of great success in 2016. In 2016, Obton collaborated with the German bank Nord/LB on the financing of three French solar portfolios valued at DKK 360m.

2016 also saw Obton's participation from the initial groundbreaking in the construction of a 2.8 MWp tracker solar PV plant in Dirac, France. Construction of the solar PV plant was completed according to schedule, with connection to the grid in September 2016. Koncenton concluded a range of financing agreements in 2016 with three of Denmark's major mortgage lending institutions regarding several property projects in Aarhus and Copenhagen.

OUR STRONGEST RESOURCE: OUR EMPLOYEES

In 2016, Obton Holding II A/S relocated our headquarters in Aarhus to provide better working conditions for our growing staff. In just six months, we grew from 40 to 60 employees, placing greater demands on the physical workplace environment and conditions in general. At the time of this writing, we have more than 70 employees, and we are geared for continued ambitious growth in 2017, where our goal is to surpass DKK 10 billion in solar energy, wind energy and property assets. In 2017, Obton will seek to maintain its position among the 15 largest portfolio managers of solar energy in Europe, while Koncenton will continue to expand its property portfolio to meet the growing demand from the investors.

Obton Holding II A/S sees continued great potential in solar and wind energy as well as the property market, and we are prepared for the challenges that await in 2017. With the strongest customers, the strongest partners and the strongest employees, we are convinced that 2017 will be yet another landmark year for Obton Holding II A/S.

Anders Marcus
CEO

WHO WE ARE

Obton Holding II A/S is the parent company of Obton A/S and Koncenton A/S, who specialise in the procurement and management of renewable energy (solar and wind) and property assets. In 2016 alone, Obton Holding II A/S invested DKK 2.8 billion in solar PV plants, wind turbines and properties, bringing our total investment portfolio to more than DKK 6,3 billion. Obton manages more than 250 MW of renewable capacity in mature markets such as Germany, France and Italy, in addition to a strong presence in smaller yet ambitious markets such as Belgium and the Netherlands. Koncenton manages 15 property projects in the largest cities of Denmark totalling more than 1000 units.

As part of the portfolio strategy, Obton aim to launch a renewable energy project in a new market every year, expanding its business area in pursuit of the ideal risk-return balance. Koncenton's strategy involves consolidate its position in a highly competitive property market. Obton Holding II A/S's financial results speak to our success. In 2016, we achieved a gross profit of DKK 143m and an EBIT of DKK 78m, consolidating our strong market position and underpinning the company's ambitious growth expectations going forward.

STRONG CORE VALUES

Our strong performance in 2016 would not have been possible without our dedicated employees. Obton Holding II A/S employs 70 professional specialists who share a commitment to our core values of diligence, winning mentality, vigour and joy. By combining these values with professional expertise, our procurement and financing team adeptly plans and executes even the most complex tasks – cultivating and demonstrating a deeply-rooted understanding that the synthesis of our talents delivers a synergy beyond the sum of our individual potential.

HOW WE DO BUSINESS

As a long-standing and significant player in the renewable energy sector as well as in the property market, Obton and Koncenton enjoy a strong reputation as an experienced and trustworthy partner among banks, developers, EPC companies and owners of renewable energy and property projects.

SCREENING PROCESS

Obton and Koncenton's investment approaches are built on the continuous screening of all relevant markets. The combination of our extensive network and strong presence in local markets attracts investment opportunity proposals every day. Most of our projects are run on a turn-key basis, but the business model also accommodates development, early finance and secondary market opportunities.

AUM

+6,3 BN. DKK

2015: +3,5

GROSS PROFIT

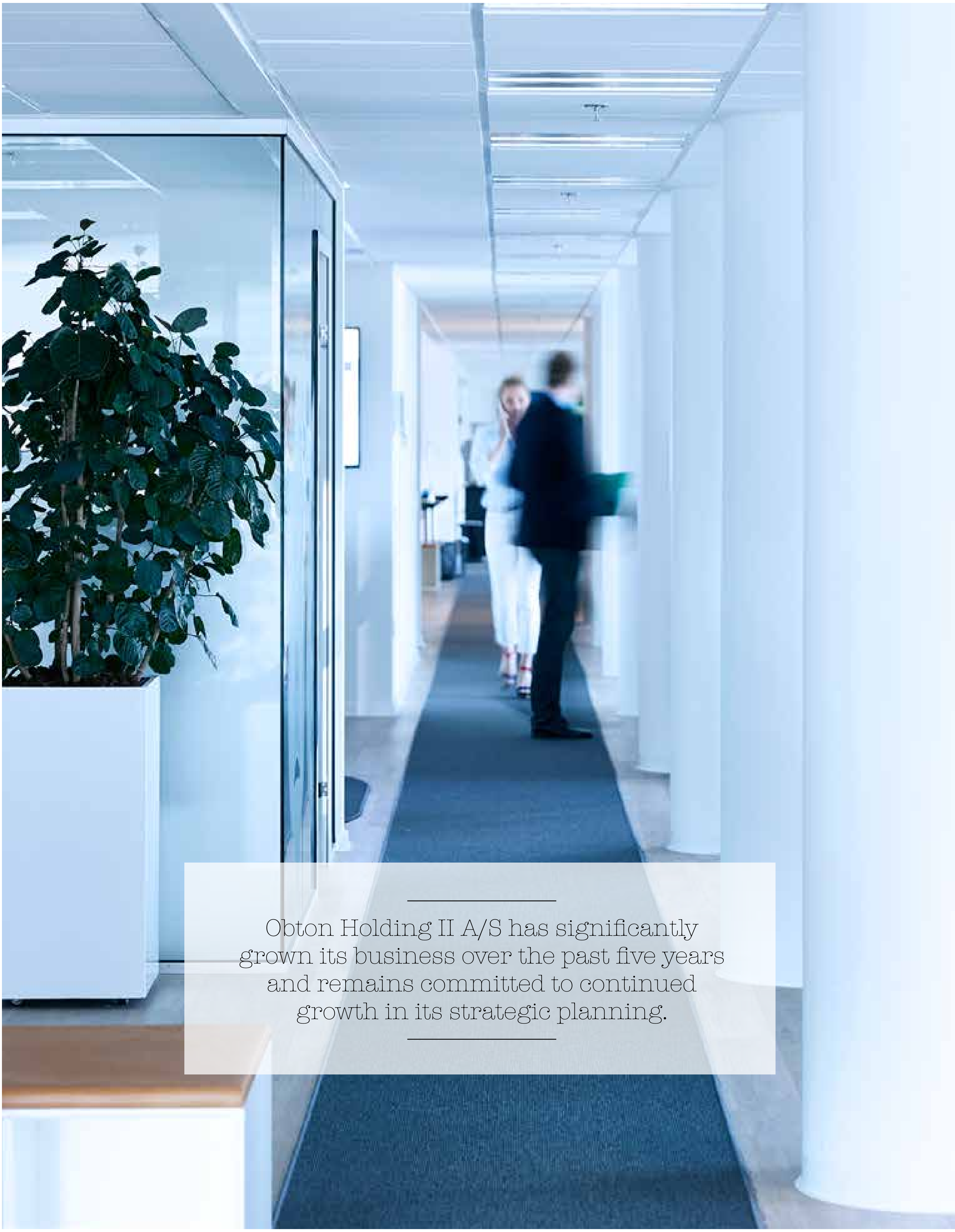
+143 M. DKK

2015: +77

EBIT

+78 M. DKK

2015: +41



Obton Holding II A/S has significantly grown its business over the past five years and remains committed to continued growth in its strategic planning.

Obton Holding II A/S has experienced strong growth in recent years, as evidenced in our project portfolio, assets under management and financial results through the years. Meanwhile, our growth ambitions remain strong; our most recent strategy report anticipates annual growth in EBIT of +30% over the next 3 years. This growth target will be met through our intensive efforts on three strategic initiatives:

- Increase inflow of projects, including the opening of local offices
- Enter new markets
- Develop the wind business
- Expand the property portfolio

If Obton Holding II A/S succeeds with these initiatives and efforts, we are certain that the results will meet our growth expectations.

A PART OF OUR DNA

Obton Holding II A/S's growth ambitions extend beyond the management to every member of our staff. Our working culture is infused with a winning mentality and insatiable thirst for improvement. The growth ambitions represent progress, challenges and new opportunities, which for many employees are not just the foundation of an attractive workplace, but an integral part of their DNA.

This harmonisation of the company's and employees' ambitions is essential in the conversion of ambition to results.

TIMELINE AND HISTORICAL FINANCIAL PERFORMANCE

Gross profit* EBIT

Core business establishment

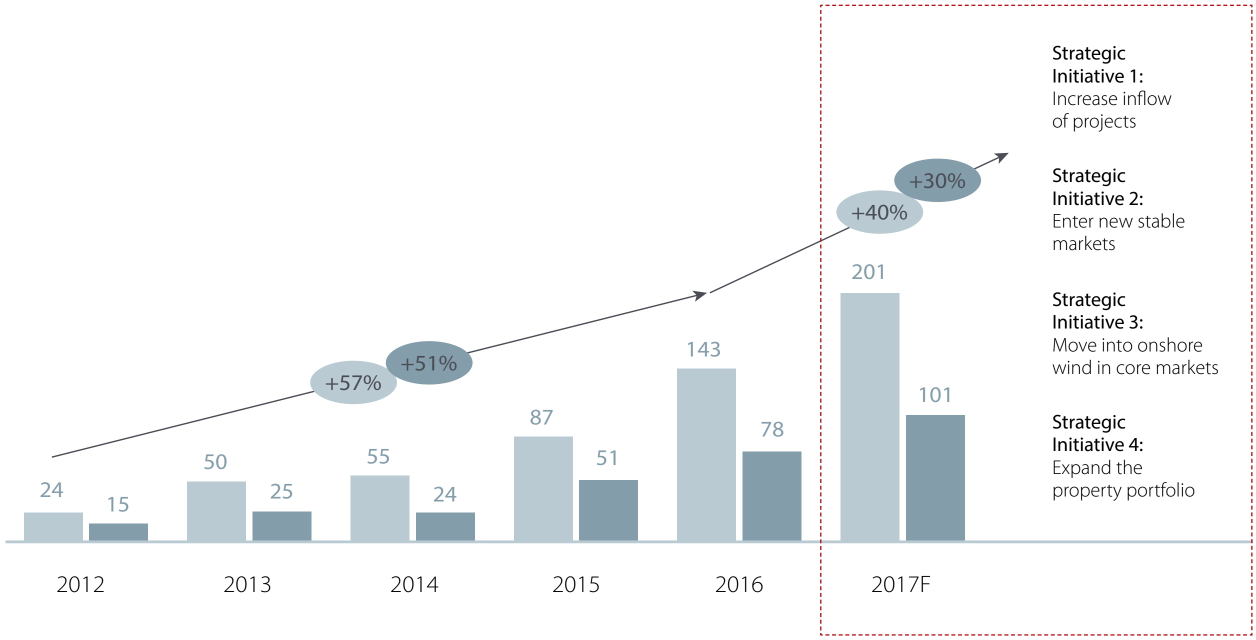
- Establishment of business model and investor base
- Obton delivers investment opportunities in the growing solar power market

Solar expansion

- Further expansion of customer base
- Growth in volume of solar power projects in core markets of Germany and France

Develop/expand the wind and property business

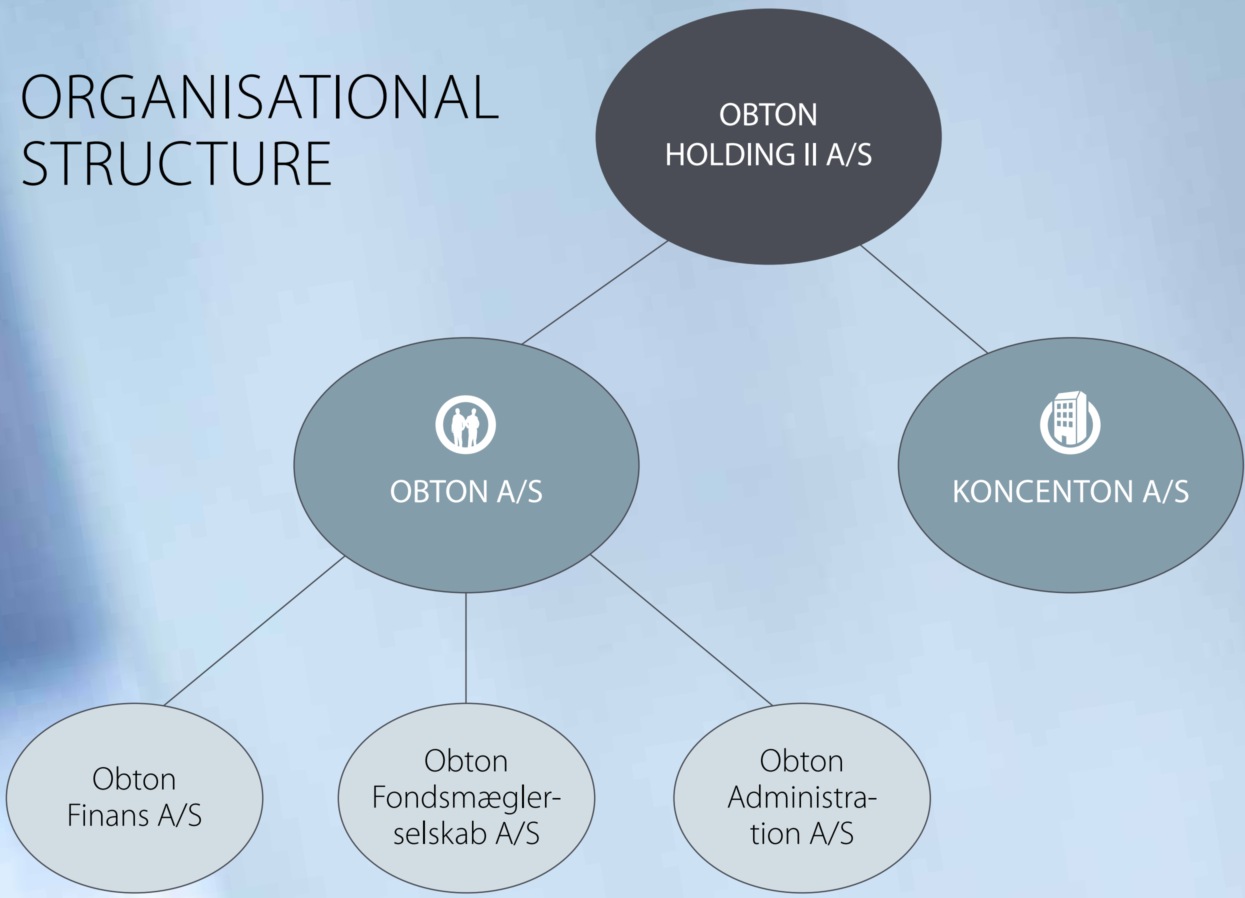
- In pursuit of expanding our extensive customer base and fulfilling diversification objectives, Obton Holding II A/S launches Koncenton in 2015 and wind turbine investments in 2016, contributing to the company's growth
- Additional growth targets defined in the 2017-2019 strategy



Based on financial figures for the Obton Holding II A/S, including the subsidiary companies Obton A/S and Koncenton A/S.


OBTON

ORGANISATIONAL STRUCTURE



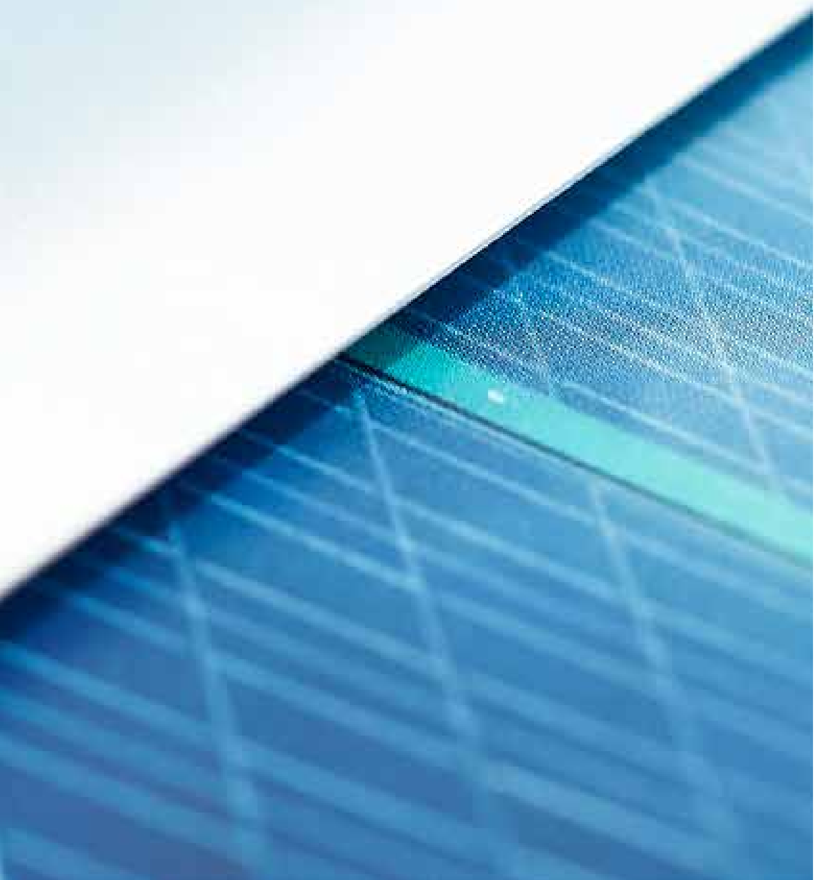
BUSINESS MODEL

At Obton Holding II A/S, three key areas form the core elements of our business:

- Procurement
- Financing
- Sales and administration

The cyclical pattern from the three key areas generates a stable cash flow, which both explains the growth of previous years and supports our ambitious growth targets heading towards 2019. We have qualified, ambitious and loyal employees in each of these key areas.

They are the driving force behind our mission, vision and values – and they are vital to the fulfilment of our strategy and growth targets.



PROCUREMENT OBTON

- With a presence in every major European market and strongholds in Germany and France, Obton manages assets with a total value of DKK +4.5 billion.
- Obton also possesses some of the largest solar portfolios and pipelines in smaller and less mature markets, such as Belgium and the Netherlands.
- Obton's 2017 target is to invest DKK 2.5 billion in solar and wind projects, with a primary focus on core markets and secondary focus on new markets.
- Obton's project portfolio has grown six-fold in value from 2012 to 2016, with eight-fold growth in installed capacity.

PROCUREMENT KONCENTON

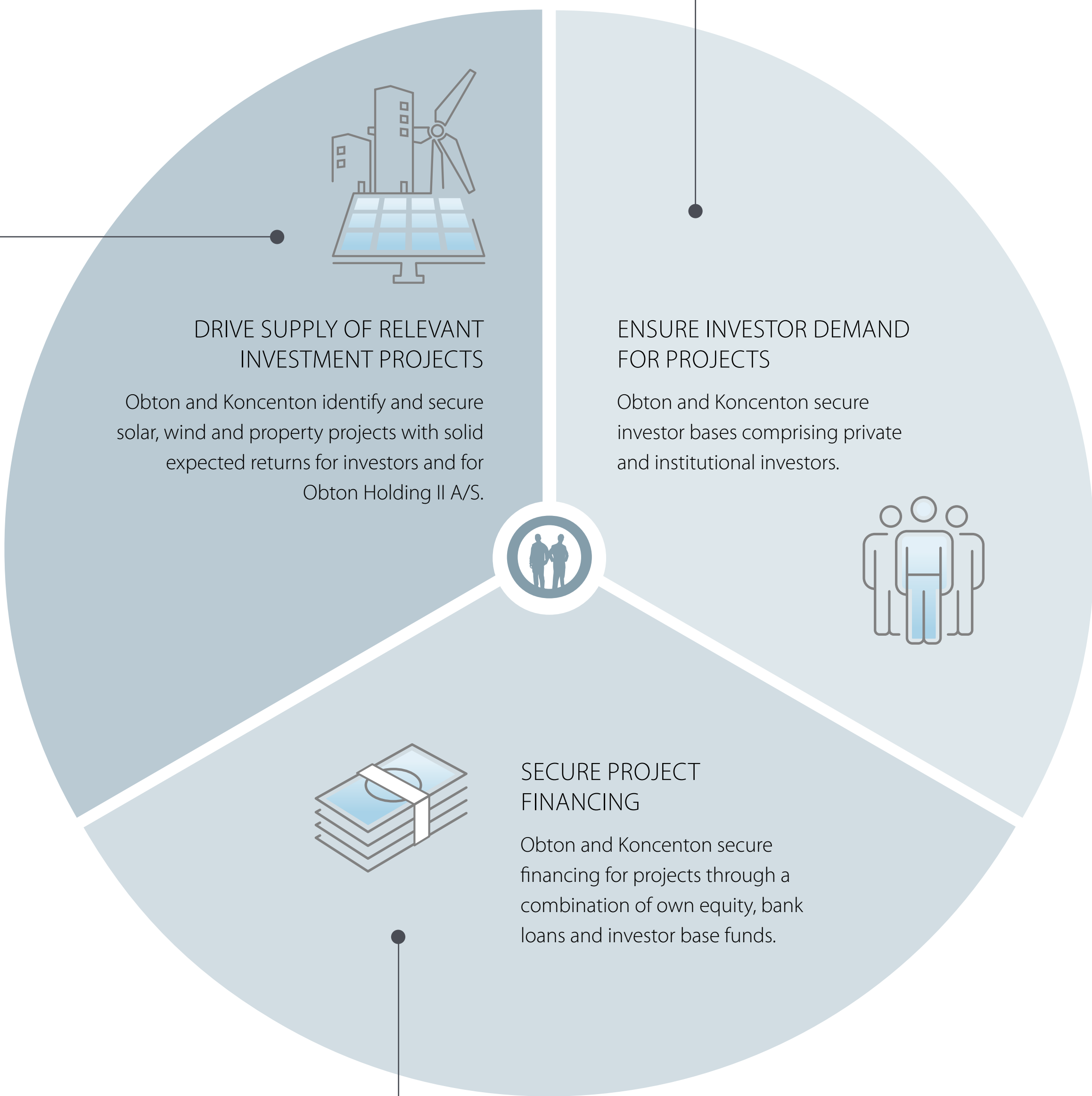
- Koncenton has expanded its portfolio of properties dynamically in 2016 to a total of 15 properties totalling at DKK +1.7 billion.
- Koncenton's 2017 target is to invest DKK 2 billion in property projects in the largest cities in Denmark - primarily Aarhus and Copenhagen.

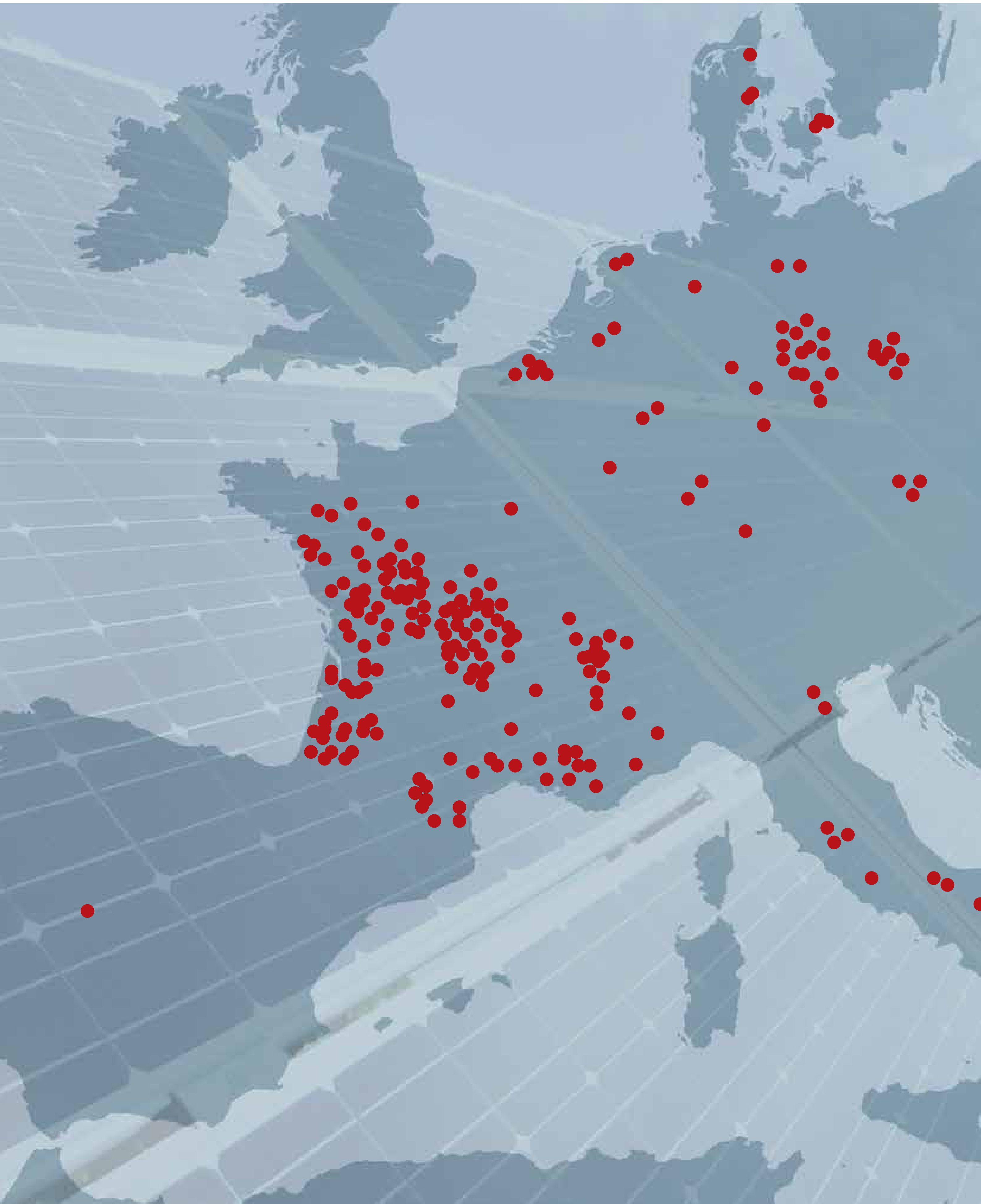
FINANCING

- Obton and Koncenton secure attractive debt financing in combination with drawing on their own equity.
- Obton and Koncenton mitigate risk by selling stakes to investors within a short time frame, thus ensuring a stable cash flow.
- 2016 saw many successful financing agreements, topped by those concluded with Rabobank, Nord/LB and the three largest mortgage lending institutions in Denmark.

SALES AND ADMINISTRATION

- Obton Holding II A/S's investor base of approximately 2,000 investors is primarily composed of wealthy individuals and corporate investors looking for alternative investments offering favourable returns.
- When projects are acquired by investors, Obton Holding II A/S provides operations management, accounting and corporate administration services.
- Obton and Koncenton's well-managed sales organisation follows a clearly defined approach tailored to meet the expectations of the investors.
- Surveys show that Obton and Koncenton enjoy strong credibility and outperforms alternative investment types, while more than 70% of customers are likely to invest again.





ASSETS UNDER MANAGEMENT

KONCENTON

DENMARK

Total units	1,097
Annual rent	89,050,000 DKK
Total assets	1,781,296,000 DKK

OBTON

BELGIUM

Production capacity	16 MWp
Annual production	14,540,179 kWh
Total assets	358,076,320 DKK

ITALY

Production capacity	26 MWp
Annual production	38,153,147 kWh
Total assets	626,000,000 DKK

FRANCE

Production capacity	61 MWp
Annual production	66,550,781 kWh
Total assets	1,407,580,086 DKK

SPAIN

Production capacity	4 MWp
Annual production	5,620,678 kWh
Total assets	203,000,000 DKK

GERMANY

Production capacity	131 MWp
Annual production	148,917,756 kWh
Total assets	1,714,439,782 DKK

THE NETHERLANDS

Production capacity	18 MWp
Annual production	16,943,960 kWh
Total assets	129,896,292 DKK

As at 31 December 2016

VALUE CHAIN

Obton and Koncenton invest at various stages of the value chain to diversify return and risk. The various points of Obton and Koncenton's entry into the value chain offer different benefits and disadvantages. The early planning phase may entail uncertainty regarding costs and fixed tariffs, so the returns on these projects must be higher than at other stages of the value chain to offset the risks.

DEVELOPMENT

Obton and Koncenton are first-mover in the development of projects. Obton typically secures the project rights through bidding rounds conducted by national governments or in connection with a sales process, while Koncenton completes its development projects in close connection with a property developer. Obton and Koncenton supervise the project, collecting bids and concluding agreements with subcontractors and suppliers. A contract is also concluded with an experienced contractor to guarantee professional and timely project execution.

Projects are always subjected to thorough legal, technical and financial due diligence, thus ensuring the required quality and durability of the projects within the applicable parameters.

EARLY FINANCE

In this phase, Obton and Koncenton typically enter into a collaboration with a developer in need of the necessary starting capital for the construction of a solar PV, wind turbine or property project. Obton and Koncenton contribute as a capital investor, without responsibility for the practical and administrative requirements relating to the development of the specific project.

A characteristic aspect of "early finance" is that Obton and Koncenton do not take over the project until the construction phase, and only after the satisfactory completion of technical, legal and financial due diligence.

TURN-KEY

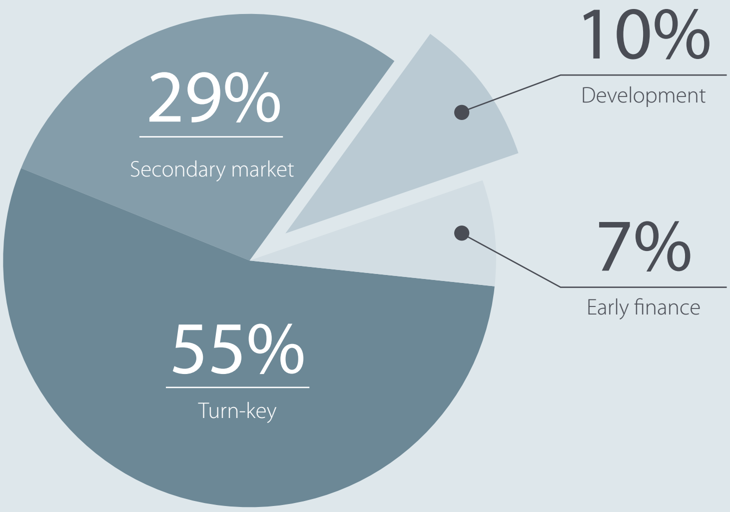
Turn-key projects involve the purchase of solar, wind or property projects that Obton and Koncenton take over immediately after the completion of the project. Developers or project brokers typically propose these projects to Obton and Koncenton. The process begins with the signing of a binding project acquisition agreement, where the final takeover of the project is typically contingent upon the fulfilment of a set of requirements.

Technical and legal due diligences are critical components of these projects. Obton and Koncenton's streamlined and flexible organisational structure ensures a relatively rapid process of signing agreements with the seller of the project, and a binding project agreement can be concluded relatively fast.

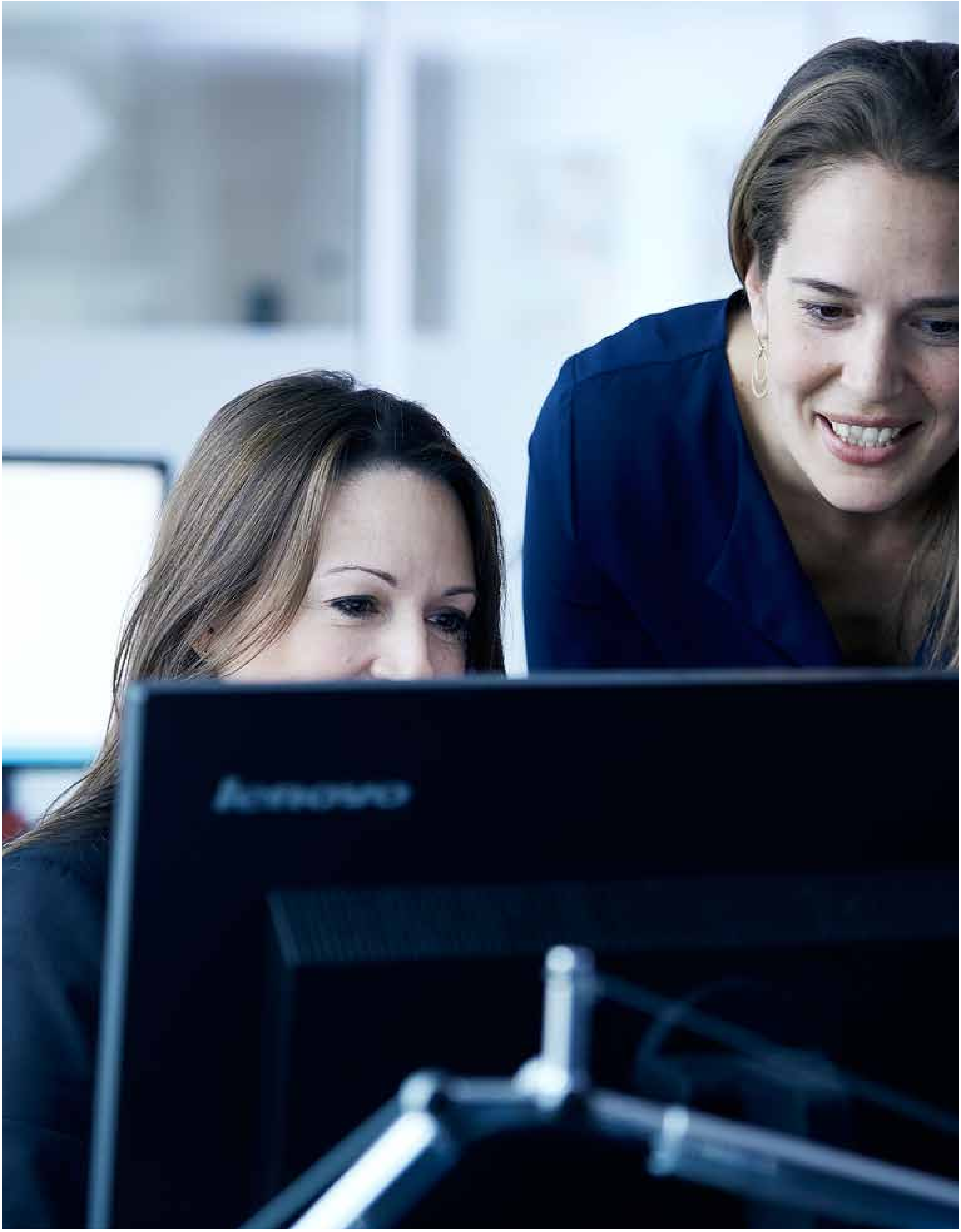
SECONDARY MARKET

Obton and Koncenton are often offered projects in the secondary market; since production/rent income and general knowledge of the project are already established, this represents a solid and predictable investment area. Obton often has opportunities to increase returns on these projects through optimisation and by concluding new cooperation agreements or refinancing agreements with banks on more favourable terms.

For Obton projects with a few years of production history comprise a significant portion of the overall portfolio; and given the longer life of projects, this will remain a focus area for Obton.



STAGES OF THE VALUE CHAIN



"Workdays at Obton are never the same. My colleagues and I tackle a broad range of challenges every day."

Teresa, transaction specialist at Obton A/S

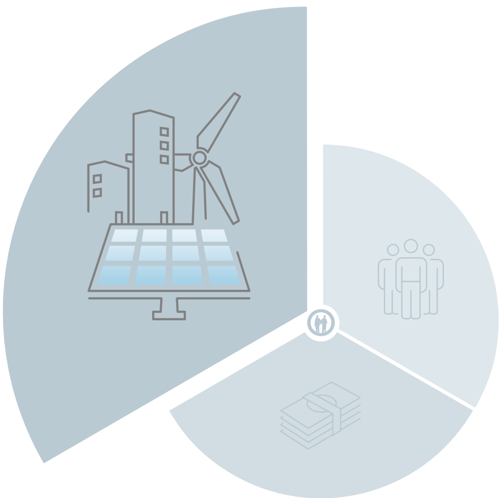
PROCUREMENT AND FINANCING DEPARTMENT

Developing and cementing Obton Holding II A/S's position as a serious player in the solar, wind and property industry for many years to come requires dedicated, competent and dynamic employees with a winning mentality. We are convinced that we have assembled the right team to continue the company's positive growth.

The procurement and financing team at Obton Holding II A/S is a group of highly knowledgeable industry specialists in their respective fields. The team possesses decades of experience with the development, acquisition, operation and financing of solar, wind and property projects in Denmark and Europe's largest markets for renewable energy. Each of these specialists contribute to a homogeneous and strong team with an interdisciplinary focus that ensures quality-driven solutions for the benefit of the team and our partners.

The main drivers behind our success in 2016 included the fulfilment of our strategic goals, combined with increased focus on team development, cost management and optimum utilisation of procurement opportunities. Together with the rest of the organisation, the procurement and financing team is geared to continue the growth and development of the company.

Our strategy and goals are fundamental to the continuing efforts that make Obton and Koncenton strong and long-term partners.



PROCUREMENT CASES

Obton's total project portfolio surpassed 250 MWp in 2016. This growth was due in part to our activities in the German market, where we had great success in negotiating solar PV and wind turbine projects with a total capacity of 50 MWp and a value of DKK 600m. Additional agreements during the year included a couple of major French and Belgian solar PV projects at a total value of DKK 630m.

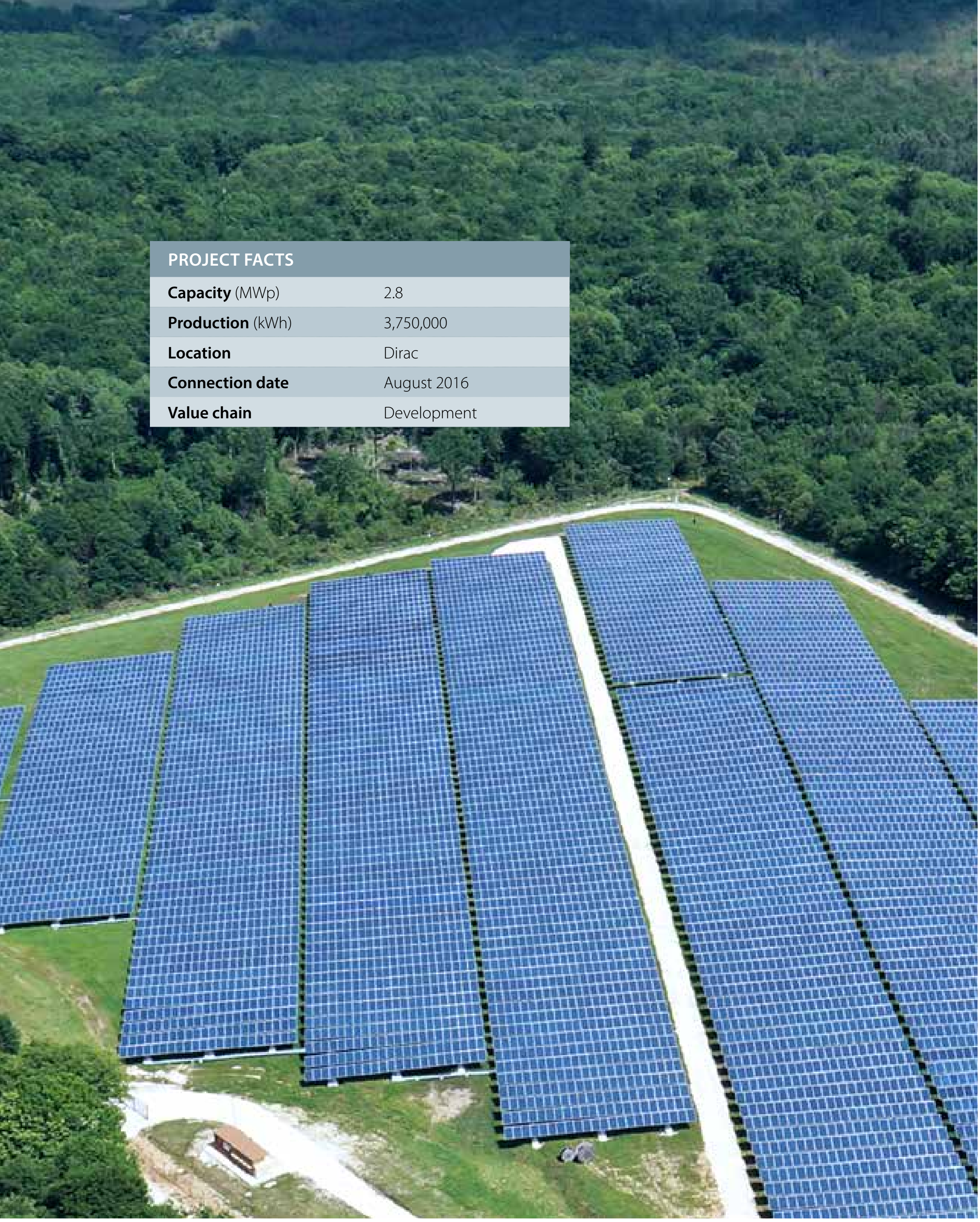
Koncenton made significant additions to its property portfolio, which includes some large properties in and around Copenhagen. The projects are mostly real estate occupied by families, couples and students. Some of the most noteworthy projects from 2016 are highlighted in the following pages.

TEMPUS, Germany

NICKY LARSEN
Head of the project for Obton

"We took over the brand new GE turbines at the time of their connection to the grid in the summer of 2016. Prior to the takeover, we closely monitored the construction process to ensure compliance with quality requirements and the project schedule. This is Obton's first wind turbine project and in many ways a prestige project marking our entry into the German wind market."

PROJECT FACTS	
Capacity (MW)	5.5
Production (kWh)	15,700,000
Location	Frankfurt, Germany
Connection date	June 2016
Value chain	Turn-key

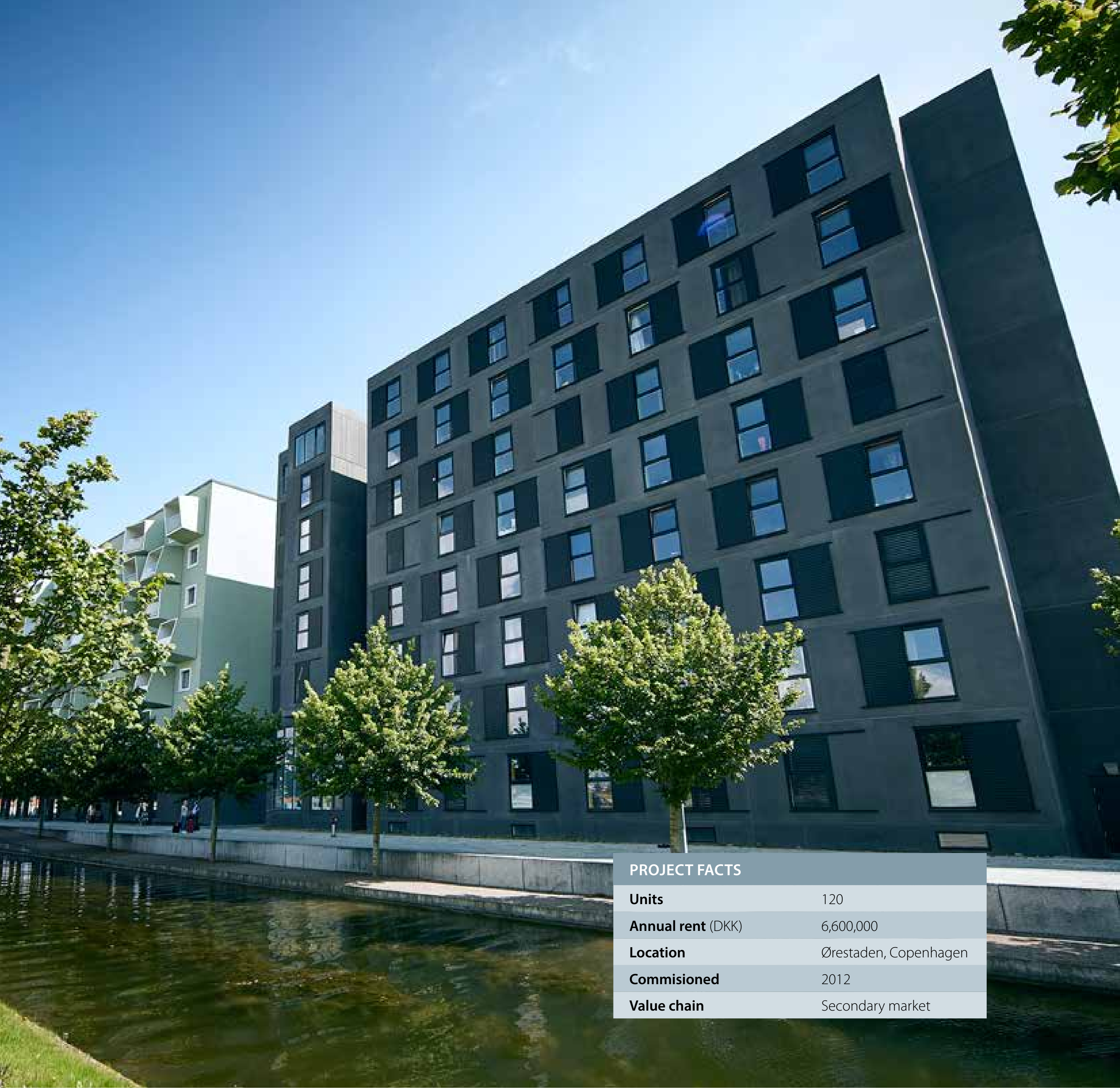


PROJECT FACTS	
Capacity (MWp)	2.8
Production (kWh)	3,750,000
Location	Dirac
Connection date	August 2016
Value chain	Development

DIRAC, France

NICKY LARSEN
Head of the project for Obton

"This was one of Obton's largest solar PV projects in which we were responsible for development. It was a challenging but also extremely satisfying process, where we planted the initial seed ourselves and watched as it sprouted and grew to a fully functional solar PV plant in August 2016."



PROJECT FACTS	
Units	120
Annual rent (DKK)	6,600,000
Location	Ørestaden, Copenhagen
Commisioned	2012
Value chain	Secondary market

ØRESTADEN, Denmark

ANDERS MARCUS
Head of the project for Koncenton

"We had a unique opportunity to get hold of such a large property project in the upcoming neighbourhood of Ørestaden just south of the Copenhagen city centre. The property consists of 120 apartments mainly occupied by students attending the surrounding educational institutions."

PLUTON, France

MIKKEL BERTHELSEN
Head of the project for Obton

"Obton participated as a financing partner in this portfolio of French solar PV plants, where capital was needed for construction of the last plants. We carefully monitored the construction of the last plants and ultimately approved them before we formally assumed ownership."

PROJECT FACTS	
Capacity (MWp)	2.99
Production (kWh)	3,436,626
Location	22 rooftops in Nouvelle-Aquitaine
Connection date	2013-2016
Value chain	Early finance

IB SCHØNBERGS ALLÉ, Denmark

ANDERS MARCUS
Head of the project for Koncenton

"This property is being built by an experienced contractor, so the project agreement was concluded following a highly professional and 'clean' negotiation process. Once built, the property will be Koncenton's largest to date marking our presence in the real estate market."

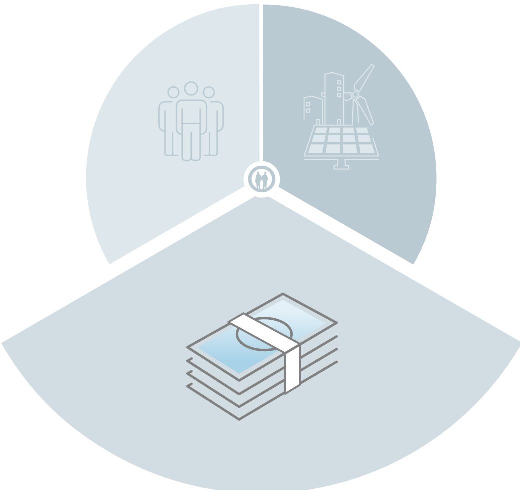
PROJECT FACTS	
Units	228
Annual rent (DKK)	15,000,000
Location	Valby, Copenhagen
Commissioning	August 2018
Value chain	Development

FABER, Germany

BENT HANSEN
Head of the project for Obton

"Obton took over the V-112 wind turbine from Vestas at the construction phase in September 2016. Prior to the assuming ownership, wind reports were produced by two independent sources and verified by yet another expert. Obton also concluded a service and maintenance agreement with Vestas that runs over the next 18 years, ensuring the future operation of the project."

PROJECT FACTS	
Capacity (MW)	3.3
Production (kWh)	6,200,000
Location	Mannheim
Connection date	September 2016
Value chain	Turn-key



FINANCING CASES

2016 was unequivocally a breakthrough year for Obton and the financing specialists on the team, as we established strong ties with some of Europe's largest banks and financing institutions, who financed some of the largest transactions in Obton's history. On the next page we describe two of the most remarkable financing agreements concluded by Obton in 2016 – one with German Nord/LB and the other with Dutch Rabobank.

NORD/LB

NORD/LB has been an active player in international solar PV projects for more than ten years. The bank has also engaged in the financing of renewable energy projects for more than 20 years. To date, NORD/LB has financed solar and wind projects in France with a combined output of more than 500 MW.

Obton's successful cooperation with one of Germany's largest banks, NORD/LB, resulted in three transactions involving large French solar PV projects within a span of just five months in 2016. The total project price of the three projects was approximately DKK 360m, placing the deal among Obton's three largest transactions. Both parties describe the cooperation and process behind the agreement as being flexible and exceptionally effective, illustrated by the fact that the agreement for the three solar PV projects was signed within just five months.

MIKKEL BERTHELSEN
Chief Legal Officer at Obton, welcomes the cooperation:

"The process with Nord/LB has been highly productive. The rapid structuring of financing agreements is crucial to our ability to operate in the highly dynamic and competitive solar market. We hope that we will be entering into more agreements with them in the coming years."

RABOBANK

The Dutch bank Rabobank is considered to be among the world's 30 largest financing institutions. With its roots in the agriculture and food industry, Rabobank has always been committed to maintaining a sustainable foundation. Thus the financing of renewable energy sources such as solar PV plants is closely aligned with their business strategy.

In 2016, Obton concluded a refinancing agreement with Dutch Rabobank concerning a Belgian portfolio of solar PV plants with a total capacity of 12.8 MWp. Rabobank has been a significant player in the financing market for renewable energy since 1990, so we view the agreement as a milestone for Obton that underscores our strong position in the industry. The DKK 225m agreement was reached after a relatively short negotiation process that can be described as intense and efficient. Both parties expressed satisfaction with the process and its results, laying the groundwork for future financing agreements between Obton and Rabobank.

ANDREAS DITLEV DUCKERT
Chief Finance Officer at Obton, lauds the agreement with Rabobank:

"The collaboration with Rabobank was intense and highly effective from the outset of negotiations. We were highly impressed by the dedication and professionalism exhibited by the team at Rabobank."

KONCENTON FINANCE

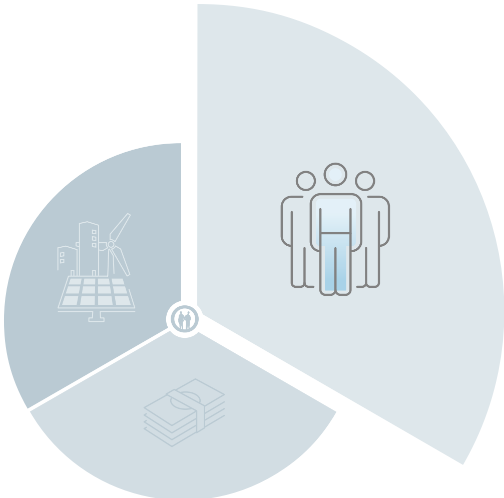
Koncenton concluded a range of financing agreements in 2016 with various partners, including three of Denmark's major mortgage lending institutions and one of the largest banks in the Nordic region. These financing agreements are concluded according to a rather fixed concept in which the parties are familiar with each other's work processes, quality requirements and ambitions. This template significantly eases the financing process, as the negotiations leading to the finalised financing agreement are rarely prolonged.

In 2016, Koncenton concluded financing agreements for 12 property projects with a total value exceeding DKK 1 billion. This figure will likely be surpassed in 2017, as Koncenton expects to conclude financing agreements totalling DKK 1.5 billion during the year.

ANDERS MARCUS

CEO at Obton Holding II A/S, is extremely satisfied with the cooperation:

"Our cooperation with the largest financing institutions in Denmark affirms the quality of the property projects we offer to our investors. We are very proud of this manifestation of our position in the property market. With the trust of our financing partners, we feel well-equipped to meet our 2017 growth ambitions and significantly expand our property portfolio."



DIVESTMENTS

Investments in renewable energy and properties have long been a prime investment target for individuals, companies and institutional investors. These investments offer a stable return with a manageable risk profile. The world's largest asset manager, Blackrock, explored how the largest European investors wish to manage their portfolios. These investors expressed a desire to increase their investments in alternative energy, including solar, wind and properties. This desire is due in part to the high stock index prices, making new stock investments historically expensive, and the declining returns on government bonds.

At Obton Holding II A/S, we are also seeing increased demand from investors seeking to diversify risk and balance their investment portfolios. Our subsidiary companies - Obton and Koncenton - offer investments with a medium/long-term investment horizon. Investors achieve a stable cash flow from a stable operating asset in the form of a solar PV plant, wind turbine or property project, providing sound risk diversification in their investment portfolios. Based on our order intakes, we assess that more and more investors want to invest their funds in solar, wind and property, compared with previous years.

Both at Obton and Koncenton our resale rates are high, confirming both the attractiveness of our product and investors' strong satisfaction with Obton and Koncenton as their business partner. We are very proud of these results.

HOW THE LARGEST EUROPEAN INVESTORS EXPECT TO CHANGE THEIR PORTFOLIOS

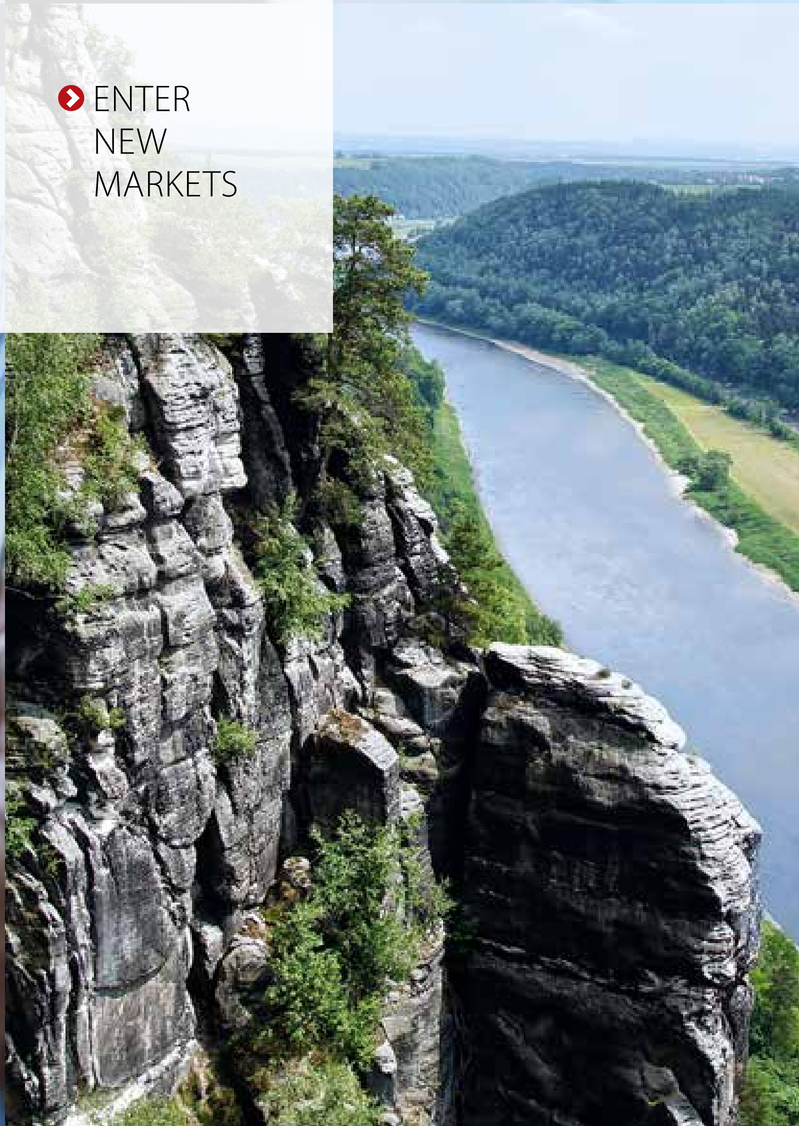

Sell
Hold
Buy
STOCKS
31%
29%
40%
BONDS
44%
31%
25%
HEDGE FUNDS
33%
43%
24%
PRIVATE EQUITY FUNDS
14%
50%
36%
PROPERTIES
9%
25%
66%
ALTERNATIVE INVESTMENTS
2%
29%
69%
Source: Blackrock

INCREASE INFLOW OF PROJECTS

DEVELOP THE WIND BUSINESS

EXPAND KONCENTON PROPERTY PORTFOLIO

ENTER NEW MARKETS



STRATEGY

STRONG MARKET POSITION

From their inceptions, Obton and Koncenton have delivered positive results for co-investors by locating and selecting attractive investment projects. The combined project portfolio of the two companies has grown more than six-fold since 2012.

Obton and Koncenton's strong market positions are largely results of the positive reputation that has been built and cultivated; both companies are recognised as experienced and trusted partners among investors and business partners. Our horizontal organisational structure and dedicated teams of specialists enable flexibility and speed in our work, which together with our volume comprise some of our major competitive advantages.

PREPARED FOR THE FUTURE

We operate in a constantly developing industries, which makes adaptability and openness to change a critical success criterion. Driven by an entrepreneurial spirit and great ambitions, we are innovative and seize opportunities to develop our business.

Both Obton and Koncenton have sound core businesses with strong portfolios and solid finances. But we want more. And we are capable of more. A comprehensive analysis of our business model and market developments confirm the continued strong potential for growth in existing and new markets, products and customers.

We have therefore launched a series of initiatives to ensure the continued development and growth of our business in the coming years. We call this our 2019 strategy and it identifies four important focus areas for the period 2017-2019:

- Increase inflow of projects
- Entry into new markets
- Develop the wind business
- Expand Koncenton property portfolio

In other words, we will expand our business with more solar PV projects and expand the portfolio with new markets, wind turbines and property projects to meet investor demand. We will also increase our focus on financing partners and cultivate strategic partnerships that open the door to even larger projects than those we typically work with at present.

EMPLOYEES

WE GIVE PEOPLE NEW OPPORTUNITIES

At Obton Holding II A/S, our mission is to give people new opportunities. We strive to be Denmark's strongest investment alternative – an ambition that requires the strongest employees.

Therefore, we are constantly working to build our competencies and take advantage of new opportunities. We invest in our staff, including ongoing training and certification of employees and managers to ensure they remain among the strongest in their respective fields of expertise.

GROWTH IN THE STAFF

Obton Holding II A/S has expanded its staff every year since the company's founding, and 2016 was no exception. Last year we welcomed 20 new employees, thereby bolstering central positions in our procurement, operating and administration departments, among others.

With an increased focus on recruitment and on-boarding of new employees, we have taken great strides to attract and retain the sharpest and most passionate specialists. We are proud of our high retention rate, which reflects that we are an attractive workplace with satisfied employees.

Once again in 2016, we welcomed a number of students, who contribute with the latest insights and develop their talents through study and internship positions at Obton and Koncenton.

STRONG WINNING CULTURE

Obton and Koncenton's success depend on the knowledge, competencies and ambitions of its employees. We believe that by establishing and cultivating our corporate culture of diligence, drive, winning mentality and joy, we have laid the foundation for being Denmark's strongest investment alternative.

In 2017 we will once again dedicate our efforts to ensuring that this core culture continues to thrive at Obton. We will also strive to become even sharper in our efforts to optimise knowledge and competence sharing across the organisation in line with our continued growth.

Figures as at 31 December 2016

EMPLOYEES: **60**

AVERAGE AGE: **40 years old**

GENDER DISTRIBUTION: **22 women / 38 men**

LANGUAGE COMPETENCIES:
Danish, English, German, French, Dutch, Spanish, Italian.

EMPLOYEE PROFILES

MIKKEL BERTHELSEN

Partner & Chief Legal Officer
Joined Obton in June 2013

Mikkel is a lawyer with a law degree from Aarhus University (Denmark), in addition to supplemental Corporate Finance studies at the University of California, Berkeley (USA). Mikkel has more than 10 years of experience with renewable energy from commercial positions at Vestas Wind Systems in Denmark, Germany and the United States.

"*At Obton I'm responsible for the negotiation of transactions, including procurement and financing contracts for solar and wind projects in countries including France, Belgium and England. My job has a very international perspective, and it's also my responsibility to manage Obton's foreign advisors.*
I have one clear success criterion in my work: completing profitable transactions. The transaction process varies greatly. The many challenges we encounter along the way to structuring a succesfull deal are highly motivating. I love the complexity that each transaction constitute. Obton is permeated with a spirit of 'of course we can' – and that gives me a strong belief that we will succeed every time."

TERESA CONDE MUÑOZ

Transaction Specialist
Joined Obton in October 2016

Teresa is a lawyer with a law degree from U.N.E.D. University (Madrid, Spain) and she also holds a Masters in European Legal Studies from Nancy 2 University (Nancy, France). Teresa started her career at the European Court of Justice in Luxembourg, after which she transitioned to the financial sector, where she has worked for many years with a range of large international clients.

"*As a transaction specialist, I have direct contact with the parties involved in a transaction. I review the legal documentation and follow up on contract obligations to ensure that replies and documents are submitted on time so that the transfer is as easy and quick as possible. As part of Obton's team of transaction specialists, I am responsible for transactions involving solar PV projects in France, England and other potential new markets. I learn a great deal from my professional and talented colleagues, and I am very proud to be part of this team. My professional goal is to continuously become more effective and contribute to the company's growth through my work and dedication. Obton offers great opportunities to take the initiative and assume responsibility, which makes our workdays both fun and challenging.*"

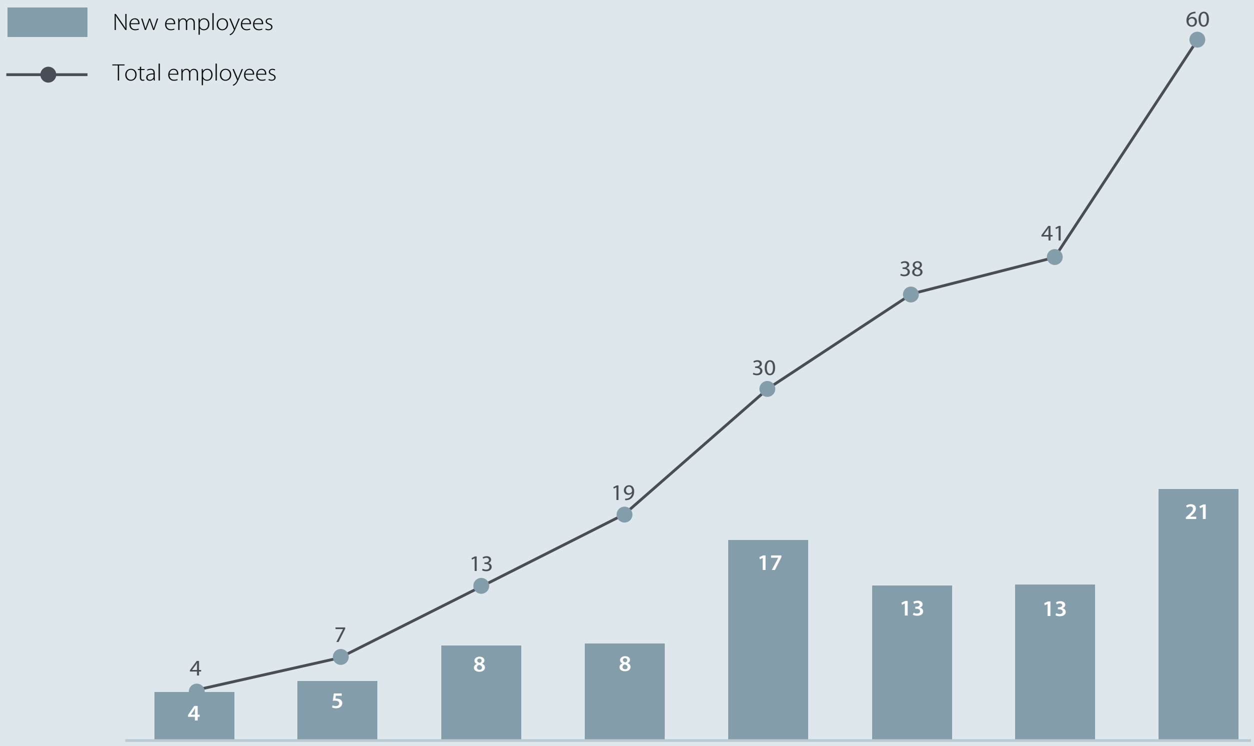
JULIE AAGAARD SPAREVATH

Business Controller
Joined Obton Holding II A/S in May 2013

Julie holds a degree in business administration from Aarhus Business School (Denmark) and she worked as an auditor at KPMG for five years before joining Obton.

"As Business Controller for Obton Holding II A/S, my responsibilities include the preparation of financial statements and reporting to the Danish Financial Supervisory Authority. My role in the company has evolved in line with our growth, and the many new opportunities make my work both fun and challenging.
As an employee, I play a major role in many of the decisions that are made, providing strong experience and preparing me for the tasks and challenges that arise in the course of a varied workday.
It's important to me that I make a difference for the people I work with – this goes for both my colleagues and our business partners. I take pride in providing good service and delivering high quality results every time, which enables all of us to continuously improve and optimise our efforts."

STAFF GROWTH



	2009	2010	2011	2012	2013	2014	2015	2016
Retention rate*		100%	100%	92%	95%	87%	97%	100%

Source: Internal data
**The retention rate is calculated according to the number of resignations*

RASMUS LAURSEN

Team Manager, Business Operations
Joined Obton in August 2014

Rasmus has a master's degree in business economics from Aarhus University. Rasmus started at Obton as an operations controller immediately after graduating from university; he quickly advanced in the company and is now team manager with responsibility for four employees.

"*As part of the operations team, I serve as the link between procurement and operations. When a project is far enough along in the process, I begin to focus on the actual transition from seller to Obton, ensuring that projects are handed over in the best possible way and quickly 'rest' with an operating controller. As team manager, I am also part of Obton's management team and thus help chart the overall direction of the company. I must be a role model and embody our values every single day I go to work.*
I strive to do things a little bit better than yesterday; it's great to see how this focus can create value for the company and for our stakeholders. My overall goal is to ensure that Obton has satisfied stakeholders – not just the investors who are our direct customers, but also our business partners."


PARTNER GROUP 2017

OBTON HOLDING II A/S

C/O Obton A/S, Silkeborgvej 2, 8000 Aarhus C

ANNUAL REPORT

1 JANUARY - 31 DECEMBER 2016
1 TH FINANCIAL YEAR

The Annual Report has been presented and adopted at the Company's Annual General Meeting on 12 June 2017

Anders Marcus

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1 January - 31 December

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COMPANY DETAILS

Company	Obton Holding II A/S c/o Obton A/S Silkeborgvej 2 8000 Aarhus C Website: www.obton.com E mail: obton@obton.com CVR no.: 38 25 11 98 Established: 30 November 2016 Registered Office: Aarhus Financial Year: 1 January - 31 December
Board of Directors	Peter Krogsgaard Jørgensen, Chairman Anders Marcus Lars Bentsen
Board of Executives	Anders Marcus Oliver Dahl Peters
Auditor	BDO Statsautoriseret revisionsaktieselskab Kystvejen 29 8000 Aarhus C
Law Firm	Innova Advokatfirma Mindet 2 8000 Aarhus C

GROUP STRUCTURE

The following associated companies are not included in the consolidation but are recognised at equity value under the equity method:

Obton Solenergi Paso II A/S, Silkeborgvej 2, 8000 Aarhus C

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 Obton Holding II A/S 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 Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the Group's and the Company's financial position at 31 December 2016 and of the results of the Group's and 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.

Board of Executives

Anders Marcus	Oliver Dahl Peters

Board of Directors

Peter Krogsgaard Jørgensen Chairman	Anders Marcus	Lars Bentsen

INDEPENDENT AUDITOR'S REPORT

To the Shareholder of Obton Holding II A/S

OPINION

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of Obton Holding II A/S for the financial year 1 January - 31 December 2016, which comprise income statement, balance sheet, statement of changes in equity, notes and a summary of significant accounting policies. The Consolidated Financial Statements and the Parent Company Financial Statements are pre-pared in accordance with the Danish Financial Statements Act.

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the assets, liabilities and financial position of the Group and the Parent Company at 31 December 2016 and of the results of the Group and the Parent 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 Consolidated Financial State-ments and the Parent Company Financial Statements" section of our report. We are independent of the Group 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 CONSOLIDATED FINANCIAL STATEMENTS AND THE PARENT COMPANY FINANCI-AL STATEMENTS

Management is responsible for the preparation of Consolidated Financial Statements and the Parent Company 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 Consolidated Financial Statements and the Parent Company Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated Financial Statements and the Parent Company Financial Statements, Management is responsible for assessing the Group's and the Parent 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 Consolidated Financial Statements and the Parent Company Financi-al Statements unless Management either intends to liquidate the Group or the Company or to cease operations, or has no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS AND THE PARENT COMPANY FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements and the Parent Company 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 Consolidated Financial Statements and the Parent Company 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 Consolidated Financial Statements and the Parent Company 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 Group's and the Parent 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 Consolidated Financial Statements and the Parent Company 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 Group's and the Parent 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 Consolidated Financial State-ments and the Parent Company 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 Group and the Parent Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and contents of the Consolidated Financial Statements and the Parent Company Financial Statements, including the disclosures, and whether the Consolida-ted Financial Statements and the Parent Company Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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 Consolidated Financial Statements and the Parent Company 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 Consolidated Financial Statements and the Parent Company Financial Statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the Consolidated Financial Statements and the Pa-rent Company 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 Consolidated Financial Statements and the Parent Company 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.

Aarhus, 12 June 2016
BDO Statsautoriseret revisionsaktieselskab
CVR nr. 20 22 26 70

Jesper L. Christensen
State Authorised
Public Accountant

Arne B. Jepsen
State Authorised
Public Accountant

FINANCIAL HIGHLIGHTS OF THE GROUP

	2016 DKK '000
Income statement	
Gross profit/loss	143.805
Operating profit/loss	83.242
Financal income and expenses, net	5.944
Profit/loss for the year before tax	78.882
Profit/loss for the year	58.615
Balance sheet	
Balance sheet total	319.178
Equity	139.977
Invested capital	121.114
Investments in tangible fixed assets	3.025
Ratios	
Gross margin	59,5
Rate of return	137,5
Solvency ratio	43,9
Return on equity	83,7

The ratios stated in the list of key figures and ratios have been calculated as follows

Rate of return: $\frac{\text{Profit/loss on ordinary activities x 100}}{\text{Average invested capital}}$

Invested capital: Intangible fixed assets (ex goodwill) + tangible assets + inventories + receivables + other working current assets – trade payables – other provisions – other long and short term working liabilities

Solvency ratio: $\frac{\text{Equity ex. minorities, at year end x 100}}{\text{Total equity and liabilities, at year end}}$

Return on equity: $\frac{\text{Profit/loss after tax x 100}}{\text{Average equity}}$

The ratios follow in all material respects the recommendations of the Danish Finance Society.

MANAGEMENT'S REVIEW

PRINCIPAL ACTIVITIES

The Group's principal activities are sale of consultancy services in connection with development, construction, financing, and sale of investment projects based on renewable energy and properties.

DEVELOPMENT IN ACTIVITIES AND FINANCIAL POSITION

The results are considered satisfactory.

PROFIT/LOSS FOR THE YEAR COMPARED TO FUTURE EXPECTATIONS

The Group had a satisfactory year with increasing revenue throughout the year. The Group has in recent years expanded its activities to comprise properties, exclusively residential properties in the largest Danish cities, and wind energy in Germany. Again in 2016, a number of new staff were employed and considerable resources were invested in preparing the organisation for the handling of purchases/administration/financing/sale of an increasing number and larger investment projects in 2016.

The primary focus remaining on solar energy in Obton, and a very high and continued increasing level of activity in relation to properties in Koncenton, 2016 resulted in a considerable higher revenue, in aggregate and measured per employee. At the same time, considerable resources were invested in enabling the organisation to handle an increasing revenue in 2017. Investment projects have been realised of more than DKK 3 bn in 2016, concentrated on Denmark, Germany, France and the Benelux countries. In aggregate, the Group now manages investments of more than DKK 6.3 bn across seven countries.

SIGNIFICANT EVENTS AFTER THE END OF THE FINANCIAL YEAR

No events have occurred after the end of the financial year of material importance for the Group's financial position.

SPECIAL RISKS

The Group's most significant operating risk is attached to the ability to be strongly positioned in the markets where the products are sold and to ensure that production prices are always competitive.

Price risks:

The Group is not subject to any special price risks.

Foreign exchange risks:

The Group's operating activities include transactions in EUR and the results, cash flows and equity are therefore affected by the exchange rate and interest development of EUR.

The foreign exchange risk is considered minimal in view of the foreign exchange cooperation.

KNOWLEDGE RESOURCES

It is essential to the Group's continued growth to attract and retain competent staff.

In order to secure high and competitive services and quality, the Group invests currently resources in improving the qualifications of the Group's staff.

FUTURE EXPECTATIONS

A major pipeline was established in 2016 of projects in both the existing markets Denmark, Germany, the Netherlands, and France, and in new countries that are expected to be realised in 2017. Thus, additional growth is expected in both revenue and earnings in 2017, based on the existing markets and establishment in 1 to 2 new countries.

INCOME STATEMENT 1. JANUARY - 31. DECEMBER

	Note	Group 2016, DKK	Parent Company 2016, DKK
GROSS PROFIT		143.804.962	-80.000
Staff costs	**1**	-59.291.277	0
Depreciation, amortisation and impairment		-1.271.772	0
OPERATING PROFIT		83.241.913	-80.000
Result of equity investments in group and associates	**2**	54.325	58.695.264
Income from other equity investments and securities		9.079.173	0
Other financial income	**3**	1.710.081	0
Impairment of asset investments		-10.358.291	0
Other financial expenses	**4**	-4.844.855	0
PROFIT BEFORE TAX		78.882.346	58.615.264
Tax on profit/loss for the year	**5**	-20.267.082	0
PROFIT FOR THE YEAR	**6**	**58.615.264**	**58.615.264**

BALANCE SHEET AT 31. DECEMBER

ASSETS	Note	Group 2016, DKK	Parent Company 2016, DKK
Intangible fixed assets acquired		406.954	0
Goodwill		350.000	0
Intangible fixed assets	**7**	**756.954**	**0**
Other plant, machinery, tools and equipment		3.157.906	0
Leasehold improvements		70.969	0
Tangible fixed assets	**8**	**3.228.875**	**0**
Equity investments in group enterprises		0	143.256.804
Equity investments in associated enterprises		2.037.838	0
Other securities		22.619.667	0
Rent deposit and other receivables		23.861.926	0
Fixed asset investments	**9**	**48.519.431**	**143.256.804**
FIXED ASSETS		**52.505.260**	**143.256.804**
Trade receivables		37.131.596	0
Contract work in progress	**10**	15.709.260	0
Receivables from group enterprises		2.379.517	0
Receivables from associated enterprises		1.060.836	0
Other receivables		123.686.677	0
Receivables investor deposits		40.377.877	0
Prepayments and accrued income	**11**	4.423.443	0
Receivables		**224.769.206**	**0**
Equity investments, group enterprises		500.000	0
Other securities and equity investments		15.535.150	0
Current investments		**16.035.150**	**0**
Cash and cash equivalents		**25.868.517**	**0**
CURRENT ASSETS		**266.672.873**	**0**
ASSETS		**319.178.133**	**143.256.804**

BALANCE SHEET AT 31. DECEMBER

EQUITY AND LIABILITIES	Note	Group 2016, DKK	Parent Company 2016, DKK
Share capital	12	12.777.778	12.777.778
Reserve for net revaluation according to equity value method		0	58.695.264
Other reserves		1.419.971	0
Retained profit		125.779.055	68.503.762
EQUITY		139.976.804	139.976.804
Provision for deferred tax	13	2.830.392	0
Other provisions for liabilities	14	547.261	0
PROVISION FOR LIABILITIES		**3.377.653**	**0**
Other liabilities		1.189.705	0
Subordinate loan capital		6.099.000	0
Long-term liabilities	15	**7.288.705**	**0**
Short-term portion of long-term liabilities	15	3.750.000	0
Bank debt		41.206.759	0
Trade payables		19.255.142	80.000
Payables to group enterprises		877.835	3.200.000
Corporation tax		42.173.675	0
Other liabilities		60.471.496	0
Accruals and deferred income	16	800.064	0
Current liabilities		**168.534.971**	**3.280.000**
LIABILITIES		175.823.676	3.280.000
EQUITY AND LIABILITIES		**319.178.133**	**143.256.804**

Contingencies etc.	17		
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Consolidated financial statements	20		

EQUITY

GROUP	Share capital	Other reserves	Retained profit	Total
Equity at 1 January 2016	12.777.778	1.419.971	80.711.031	94.908.780
Proposed distribution of profit			45.068.024	45.068.024
Equity at 31 December 20156	**12.777.778**	**1.419.971**	**125.779.055**	**139.976.804**

PARENT COMPANY	Share capital	Reserve for net revaluation according to equity va	Retained profit	Total
Equity at 1 January 2016	12.777.778	0	68.583.762	81.361.540
Proposed distribution of profit		58.695.264	-80.000	58.615.264
Equity at 31 December 20156	**12.777.778**	**58.695.264**	**68.503.762**	**139.976.804**

NOTES

	Group 2016, DKK	Parent Company 2016, DKK	Note
Staff costs			1
Average number of employees Group: 50 Parent company: 0			
Wages and salaries	51.507.147	0	
Pensions	4.659.335	0	
Social security costs	160.965	0	
Other staff costs	2.963.830	0	
	59.291.277	**0**	
Remuneration of management	2.733.353	0	
Remuneration of board of directors	200.000	0	
	2.933.353	**0**	
Result of equity investments in group and associates			2
Result of equity investments in group enterprises	0	58.695.264	
Result of equity investments in associated enterprises	54.325	0	
	54.325	**58.695.264**	
Other financial income			3
Other interest income	1.710.081	0	
	1.710.081	**0**	
Other financial expenses			4
Group enterprises	0	0	
Other interest expenses	4.844.855	0	
	4.844.855	**0**	
Tax on profit/loss for the year			5
Calculated tax on taxable income of the year	17.500.271	0	
Adjustment of deferred tax	2.766.811	0	
	20.267.082	**0**	
Proposed distribution of profit			6
Proposed dividend for the year	1.547.240	0	
Extraordinary dividend	12.000.000	0	
Allocation to reserve for net revaluation according to equity value methods	0	58.695.264	
Accumulated profit	45.068.024	-80.000	
	58.615.264	**58.615.264**	

NOTES

	Intangible fixed assets acquired	Goodwill	Note
Intangible fixed assets			**7**
Cost at 1 January 2016	806.269	1.750.000	
Cost at 31 December 2016	**806.269**	**1.750.000**	
Amortisation at 1 January 2016	238.061	1.050.000	
Amortisation for the year	161.254	350.000	
Amortisation at 31 December 2016	**399.315**	**1.400.000**	
Carrying amount at 31 December 2016	**406.954**	**350.000**	

	Other plant, machinery, tools and equipment	Leasehold improvements	Note
Tangible fixed assets			**8**
Cost at 1 January 2016	2.576.250	19.505	
Additions	2.952.503	72.471	
Disposals	-245.224	0	
Cost at 31 December 2016	**5.283.529**	**91.976**	
Depreciation and impairment losses at 1 January 2016	1.667.077	16.191	
Reversal of depreciation of assets disposed of	-245.224	0	
Depreciation for the year	703.770	4.816	
Depreciation and impairment losses at 31 December 2016	**2.125.623**	**21.007**	
Carrying amount at 31 December 2016	**3.157.906**	**70.969**	

NOTES

	Equity investments in associated enterprises	Other securities	Rent deposit and other receivables	Note
Fixed asset investments				**9**
Cost at 1 January 2016	1.800.000	9.815.709	28.305.312	
Additions	1.983.513	12.803.958	19.856.525	
Disposals	-1.800.000	0	-24.299.911	
Cost at 31 December 2016	**1.983.513**	**22.619.667**	**23.861.926**	
Revaluation at 1 January 2016	125.750	0		
Transferred	-125.750	0		
Revaluation and impairment losses for the year	67.301	0		
Revaluation at 31 December 2016	**67.301**	**0**		
Amortisation of goodwill	12.976	0		
Impairment losses and amortisation of goodwill at 31 December 2016	**12.976**	**0**		
Carrying amount at 31 December 2016	**2.037.838**	**22.619.667**	**23.861.926**	

Goodwill

The Group has acquired investments in Obton Solenergi Paso A/S during the year.
The cost price of the equity ratio amounts to 1,984 tkr. Goodwill of the year’s purchase amounts to 129 tkr.

PARENT COMPANY	Equity investments in group enterprises
Additions	83.362.675
Cost at 31 December 2016	**83.362.675**
Revaluation and impairment losses for the year	59.894.129
Revaluation at 31 December 2016	**59.894.129**
Carrying amount at 31 December 2016	**143.256.804**

Name and registered office	Equity	Profit/loss for the year	Ownership
INVESTMENTS IN SUBSIDIARIES (DKK)			
Obton A/S, Aarhus	111.233.298	29.871.758	100%
Koncenton A/S, Aarhus	31.627.409	29.531.504	100%
INVESTMENTS IN ASSOCIATES (DKK)			
Obton Solenergi Paso II A/S, Aarhus	9.605.252	336.503	20%

NOTES

	Group 2016, DKK	Parent company 2016, DDK	Note
Contract work in progress			**10**
Sales value of completed production	15.709.260	0	
Contract work in progress, net	**15.709.260**	**0**	
Recognised as follows: Contract work in progress (asset)	15.709.260	0	
	15.709.260	**0**	

	Group 2016, DKK	Parent company 2016, DDK	Note
Prepayments and accrued income			**11**
Insurances	35.914	0	
Costs	4.387.529	0	
	4.423.443	**0**	

Prepayments and accrued income consists of the following:
Prepaid costs, relating to insurances, subscriptions, interest, etc. In addition, the termination items include the start up costs incurred in connection with the purchase of new projects. Some projects extend over several years and Obton A/S may therefore have incurred costs that have not been completed and invoiced. Therefore, it is estimated that there will be additional start up costs in subsequent financial years. Start up costs are only incurred for projects where billable fees are invoiced. If the project is not sold in the relevant financial year, the costs associated with the project in question will be capitalised. Of the above balance, there are timing differences in the primary start up costs.

Share capital	Parent company 2016, DDK	Note
Specification of share capital:		**12**
A-shares, 8.944.444 in the denomination of 1 DKK	8.944.444	
B-shares, 1.277.778 in the denomination of 1 DKK	1.277.778	
C-shares, 1.277.778 in the denomination of 1 DKK	1.277.778	
D-shares, 1.277.778 in the denomination of 1 DKK	1.277.778	
	12.777.778	

NOTES

Provision for deferred tax	Group 2016, DKK	Parent company 2016, DDK	Note
Provision for deferred tax comprises deferred tax on intangible fixed assets, tangible fixed assets, contract work in progress, prepayments and accrued income and borrowing costs.			13
Deferred tax concerns:			
Intangible fixed assets acquired	111.500	0	
Other plant, machinery, tools and equipment	78.300	0	
Leasehold improvements	2.800	0	
Contract work in progress	1.935.500	0	
Prepayments and accrued income	959.800	0	
Borrowing costs	-36.700	0	
Other assets and liabilities	-220.808	0	
	2.830.392	**0**	
Deferred tax, 1 January 2016	352.992	0	
Provisions for the year	2.477.400	0	
Provision for deferred tax 31 December 2016	**2.830.392**	**0**	

	Group 2016, DKK	Parent company 2016, DDK	Note
Other provisions for liabilities			14
0-1 år	547.261	0	

Other provisions for liabilities include Q&M costs relating to Q4 2016.

GROUP	1/1 2016 total liabilities	31/12 2016 total liabilities	Repayment next year	Debt outstanding after 5 years	Note
Long term liabilities					15
Other liabilities	0	2.439.705	1.250.000	0	
Subordinate loan capital	0	8.599.000	2.500.000	764.600	
	0	**11.038.705**	**3.750.000**	**764.600**	

	Note
Accruals and deferred income	16
Accruals and deferred income consist of prepayments received regarding income in subsequent years.	

NOTES

	Note

Contingencies etc. 17

The company has tenancy commitments with an annual rent of DKK ('000) 2,338. The tenancy agreement is non terminable until 31 March 2020 and results in a total liability of DKK ('000) 9,352.

The group is involved in a pending case with the French tax authorities. The company's management has calculated a preliminary claim from the French tax authorities. The requirement, however, is still uncertain of size and outcome. It is not known when the case ends.

Joint liabilities
The company is jointly and severally liable together with the parent company and the other Group companies in the joint taxable Group for tax on the Group's jointly taxed income and for certain possible withholding taxes such as dividend tax and royalty tax, and for the joint registration of VAT.

Tax payable on the Group's joint taxable income is stated in the annual report of Obton Holding A/S, which serves as management company for the joint taxation.

	GROUP		PARENT COMPANY		
Charges and securities	Carrying amount of assets DKK	Nominal value of mortgage or outstanding debt DKK	Carrying amount of assets DKK	Nominal value of mortgage or outstanding debt DKK	Note
The company has provided security in the form of a business charge of a nominal amount of DKK 10,000,000 for account with bank. The business charge includes ordinary debt, inventories, fixtures, equipment, receivables and goodwill etc.					18
The following assets are set as security for debt Other plant, machinery, tools and equipment	3.157.906	0	0	0	
Leasehold improvements	70.969	0	0	0	
Trade receivables	14.000	0	0	0	
Receivables, investor deposits	40.377.877	0	0	0	

The carrying amount of charged assets is shown entirely in accordance with the allocation used in the financial statements.

NOTES

Related parties	Note
Controlling interest	**19**

Obton Holding II A/S, Obton Holding A/S, Anders Marcus and Peter Krogsgaard Jørgensen.

Other related parties having performed transactions with the company

The company's related parties having a significant influence comprise subsidiaries and associates as well as the companies' Board of Directors, Board of Executives and executive officers and their relatives. Related parties include also companies in which the above mentioned group of persons has material interests.

Transactions with related parties

Obton Holding II A/S did not carry out any substantial transactions that were not concluded on market conditions. According to section 98c, subsection 7 of the Danish Financial Statements Act information is given only on transactions that were not performed on common market conditions.

	Note
Consolidated financial statements	**20**

The company is included in the consolidated financial statements of Obton Holding A/S, Silkeborgvej 2, 8000 Aarhus C, CVR no. 30 23 75 44.

ACCOUNTING POLICIES

The annual report of Obton Holding II A/S for 2016 has been presented in accordance with the provisions of the Danish Financial Statements Act for enterprises in reporting class C, medium enterprise.

With effect from 1 January 2016, the Company has implemented Law No. 738 of June 1, 2015.
This entails the following changes for recognition and measurement for:

1. Annual reassessment of residual values on tangible assets

It is the company's first fiscal year, so there are no comparative figures.

The annual report is prepared with the following accounting principles.

CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements include the parent company Obton Holding II A/S and its subsidiaries in which Obton Holding II A/S directly or indirectly holds more than 50% of the voting rights or in any other way has a controlling influence. Enterprises in which the group holds between 20% and 50% of the voting rights and exercises significant, but not controlling influence, are considered associates, see the group structure.

The consolidated financial statements consolidate the financial statements of the parent company and the subsidiaries by combining uniform accounts items. Intercompany income and expenses, shareholdings, internal balances and dividend, and realised and unrealised gains and losses arising from transactions between the consolidated enterprises are fully eliminated in the consolidation.

New acquired or established enterprises are recognised in the consolidated financial statements from the time of acquisition. Sold or wound up enterprises are recognised in the consolidated income statement up to the time of disposal. Comparative figures are not adjusted for new acquired, sold or wound up enterprises.

Acquired enterprises are recognised in the consolidated financial statements under the acquisition method, reassessing all identified assets and liabilities to fair value at the acquisition date. The fair value is calculated based on acquisitions made in an active market, alternatively calculated using generally accepted valuation methods. Upon calculation of the fair value of properties used in the business a discounted cash flow model is applied based on discounted cash flow of future earnings. Operating equipment is recognised at fair value based on an assessor's opinion, built on an overall assessment of the production equipment.

Investments in subsidiary enterprises are set off by the proportional share of the subsidiaries' market value of net assets and liabilities at the acquisition date.

Positive differences between acquisition value and market value of acquired and identified assets and liabilities are recognised in intangible fixed assets as goodwill and amortised systematically in the income statement under an individual assessment of the useful life. Negative differences are recognised in the income statement upon acquisition. Differences from acquired enterprises amount to DKK ('000).

Investments in associates are measured in the balance sheet at the proportional share of the value of the enterprises, calculated under the accounting policies of the parent company and eliminating proportionally any unrealised intercompany gains and losses. The proportional share of the results of the associates is recognised in the income statement after elimination of the proportional share of internal gains and losses.

ACCOUNTING POLICIES

INCOME STATEMENT

NET REVENUE

Net revenue from sale of administration and consultancy services and vendor fee is recognised in the income statement if delivery and transfer of risk have taken place before the end of the year. The project sum for sale of A/S, K/S and P/S projects is not recognised as revenue because Obton A/S is just considered to be vendor. Own projects, where Obton A/S has entered into a final binding agreement with purchaser and equity investments, are not transferred at the balance sheet date. Obton A/S is considered to bear the risk and is therefore exceptionally recognised as revenue and cost of sales, respectively. Net revenue is recognised exclusive of VAT, duties and with deduction of any discounts.

Where products with a high degree of individual adjustments are delivered, recognition in net revenue is made as and when the production progresses, the net revenue being equal to the sales value of the work performed for the year (the production method). This method is applied when the total costs and expenses regarding the contract and the degree of completion at the balance sheet date can be reliably assessed, and it is likely that the financial benefits will flow to the company.

When the result of contract work cannot be assessed reliably, revenue is only recognised corresponding to related costs to the extent that it is likely that they will be recovered.

COST OF SALES

Cost of sales comprise costs incurred to achieve the net revenue for the year, including direct and indirect costs of raw materials and consumables.

OTHER EXTERNAL EXPENSES

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

Payments related to operating lease expenses and other lease agreements are recognised in the income statement during the continuance of the contract. The company's total liability concerning operating and other lease agreements are stated under contingencies, 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.

INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES

The proportional share of the results of each subsidiary after full elimination of intercompany profits/losses and deduction of amortisation of goodwill is recognised in the income statement of the parent company.

The proportional share of the results of each associate after proportional elimination of intercompany profits/losses and deduction of amortisation of goodwill is recognised in the income statement of the owner company.

REVENUE FROM OTHER SECURITIES

Revenue from other securities includes interest income, and realised and unrealised gains and losses.

FINANCIAL INCOME AND EXPENSES

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 curren¬cies, amortisation of financial assets and liabi¬lities 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

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.

ACCOUNTING POLICIES

BALANCE SHEET

INTANGIBLE FIXED ASSETS

Acquired goodwill is measured at cost less accumulated amortisation. Goodwill is amortised on a straight line basis over the expected useful life which is estimated to 5 years. The period of amortisation is determined based on an assessment of the acquired company's position in the market and earnings profile, and the industry specific conditions.

Software is measured at the lower of cost with deduction of accumulated amortisation and recoverable value. Software is amortised over 5 years.

Profit or loss from sale of intangible fixed assets is calculated at the difference between the sales price and the carrying amount at the time of the sale. Profit and loss are recognised in the Income Statement under other operating income or other operating expenses.

TANGIBLE FIXED ASSETS

Leasehold improvements and other plant, fixtures and equipment are measured at cost less accumulated depreciation and impairment losses.

The depreciation base is cost less estimated residual value after end of useful life.

The cost includes the acquisition price and costs incurred directly in connection with the acquisition until the time when the asset is ready to be used. As regards self manufactured assets, the cost price includes cost of materials, components, subcontractors, direct payroll and indirect production costs.

Straight line depreciation is provided on the basis of an assessment of the expected useful lives of the assets and their residual value:

	Useful life	Residual value
Other plant, fixtures and equipment	3 - 5 years	0 %
Leasehold improvements	5 years	0 %

Profit or loss on disposal of tangible fixed assets is stated as the difference between the sales price less selling costs and the carrying amount at the time of sale. Profit or loss is recognised in the income statement as other operating income or other operating expenses.

FIXED ASSET INVESTMENTS

Investments in subsidiaries and associates are measured in the company's balance sheet under the equity method.

Investments in subsidiaries and associates are measured in the balance sheet at the proportional share of the enterprises' carrying equity value, calculated in accordance with the parent company's accounting policies with deduction or addition of unrealised intercompany profits or losses and with addition or deduction of the residual value of positive or negative goodwill.

Acquired enterprises are recognised in the consolidated financial statements under the acquisition method, reassessing all identified assets and liabilities to fair value at the acquisition date. The fair value is calculated based on acquisitions made in an active market, alternatively calculated using generally accepted valuation methods. At calculation of the fair value of properties used in the business a discounted cash flow model is applied based on discounted cash flow of future earnings. Operating equipment is recognised at fair value based on an assessor's opinion, built on an overall assessment of the production equipments.

Consolidated goodwill is amortised over the expected useful life determined on the basis of management's experience within the individual lines of business. Consolidated goodwill is amortised on a straight line basis over the period of amortisation which is estimated to 5 years. The period of amortisation is determined based on an assessment of the acquired company's position in the market and earnings profile, and the industry specific condition.

Net revaluation of investments in subsidiaries and associates is transferred under the equity to reserve for net revaluation under the equity value method to the extent that the carrying amount exceeds the acquisition value.

Subsidiaries and associates with a negative carrying equity value are measured to DKK 0 and any amounts due from these enterprises are written down by the company's share of the negative equity to the extent that it is deemed to be irrecoverable. If the carrying negative equity value exceeds accounts receivable, the residual amount is recognised under provision for liabilities to the extent that the company's has a legal or actual liability to cover the subsidiary's and associates' deficit.

IMPAIRMENT OF FIXED ASSETS

The carrying amount of intangible fixed and tangible assets together with fixed assets, which are not measured at fair value, are valued on an annual basis for indications of impairment other than that reflected by amortisation and depreciation.

In the event of impairment indications, an impairment test is made for each asset or group of assets, respectively. If the net realisable value is lower than the carrying amount, the assets are written down to the lower value.

The recoverable amount is calculated at the higher of net selling price and capital value. The capital value is determined as the fair value of the expected net cash flows from the use of the asset or group of assets and the expected net cash flows from sale of the asset or group of assets after the end of its useful life.

RECEIVABLES

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

CONTRACT WORK IN PROGRESS

Work in progress on contract is measured at the sales value of the work performed. The sales value is measured on the basis of the degree of completion on the balance sheet date and the total anticipated revenue related to the specific piece of work in progress.

The specific piece of work in progress is recognised in the balance sheet as receivables or payables, depending on the net value of the selling price less progress invoicing and progress payments.

Costs relating to sales work and obtaining of contracts are recognised in the income statement as and when they are incurred.

ACCRUALS, ASSETS

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

SECURITIES AND INVESTMENTS

Securities and investments, recognised as current assets, comprise A/S, K/S and P/S projects which were started before the balance sheet date but which are not yet fully subscribed/completed.

As regards projects for which the investors have subscribed more than 50% of the capital, a proportional share of the expected profit is recognised.

As regards projects for which the investors have not subscribed more than 50% of the capital, equity investments for resale are measured at the lower of costs incurred and the net realisable value.

Costs related to sales work and winning of contracts are recognised in the income statement as and when they are incurred.

CASH AND CASH EQUIVALENTS

Cash equivalents comprise cash at bank deposits.

OTHER PROVISIONS FOR LIABILITIES

Other provisions for liabilities include the expected cost of warranty commitments, loss on work in progress, restructuring etc. and deferred tax.

Warranty commitments include liabilities for improvement of work within the warranty period of 1 to 5 years. The provision for liabilities is measured and recognised on the basis of experience with warranty work.

When it is likely that the total costs will exceed the total income on the contract work in progress, a provision is made for the total loss that is anticipated for the contract. The provision is recognised as a cost under production costs.

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.

The company is subject to joint taxation with Danish group companies. The current corporation tax is distributed among the joint taxable companies in proportion to their taxable income and with full allocation and refund related to tax losses. The joint taxable companies are included in the on account tax scheme. Joint taxation contributions receivable and payable are recognised in the balance sheet under current assets and liabilities, respectively.

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 will 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

Financial liabilities are recognised at the time of borrowing by the amount of proceeds received less borrowing costs. In subsequent periods, the financial liabilities are measured at amortised cost equal to the capitalised value when using the effective interest, the difference between the proceeds and the nominal value being recognised in the income statement over the term of loan.

Amortised cost of current liabilities usually corresponds to nominal value.

ACCRUALS, LIABILITIES

Accruals recognised as liabilities include payments received regarding income in subsequent years.

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.

On recognition of foreign subsidiaries that are not independent entities, but integrated entities, monetary items are translated at the exchange rate on the balance sheet date. Non monetary items are translated at the rate at the time of acquisition or at the time of subsequent revaluation or writedown of the asset. The items of the income statement are translated at the rate on the transaction date, items derived from non monetary items being translated at the historic rates of the non monetary item.

The income statements of foreign subsidiaries and associates fulfilling the criteria for being independent entities are translated at an average exchange rate for the month and balance sheet items are translated at the rate of exchange on the balance sheet date. Exchange differences arising from translation of the equity of foreign subsidiaries at the beginning of the year to the rates of the balance sheet date and from translation of income statements from average rate to the rates of the balance sheet date are recognised directly in the equity.

Exchange adjustment of intercompany accounts with foreign subsidiaries that are deemed to be an addition to or deduction from the equity of independent subsidiaries are recognised directly in the equity.

CASH FLOW STATEMENT

With reference to Section 86(4) of the Danish Financial Statements Act, the company has not prepared a cash flow statement. A cash flow statement has been prepared for the Group.

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