

NPP Brazil I K/S

**Gyngemose Parkvej 50
2860 Søborg**

CVR no. 38 45 60 67

Annual report for 2017

(1st Financial year)

Adopted at the annual general
meeting on 1 May 2018

Knud Erik Andersen
chairman

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Statement by management on the annual report

The supervisory and executive boards have today discussed and approved the annual report of NPP Brazil I K/S for the financial year 1 March - 31 December 2017.

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

In our opinion, the financial statements give a true and fair view of the Company's financial position at 31 December 2017 and of the results of the Company's operations for the financial year 1 March - 31 December 2017.

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

Management recommends that the annual report should be approved at the annual general meeting.

Søborg, 1 May 2018

Executive Board

Kevin Wilkinson

Board of Directors

Knud Erik Andersen
chairman

Morten Christiansen

Jens-Peter Zink

Independent auditor's report

To the shareholders of NPP Brazil I K/S

Opinion

We have audited the financial statements of NPP Brazil I K/S for the financial year 1 March - 31 December 2017, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes. The financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the company's financial position at 31 December 2017 and of the results of the company's operations for the financial year 1 March - 31 December 2017 in accordance with the Danish Financial Statements Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Independent auditor's report

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

Independent auditor's report

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on management's review

Management is responsible for management's review.

Our opinion on the financial statements does not cover management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read management's review and, in doing so, consider whether management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of management's review.

København Ø, 1 May 2018

KPMG
Statsautoriseret Revisionspartnerselskab
CVR no. 25 57 81 98

Martin Eiler
State Authorised Public Accountant
MNE no. mne32271

Company details

The company

NPP Brazil I K/S
Gyngemose Parkvej 50
2860 Søborg

CVR no.: 38 45 60 67

Reporting period: 1 March - 31 December 2017

Incorporated: 01 March, 2017

Domicile: Gladsaxe

Board of Directors

Knud Erik Andersen, chairman
Morten Christiansen
Jens-Peter Zink

Executive Board

Kevin Wilkinson

Auditors

KPMG
Statsautoriseret Revisionspartnerselskab
Dampfærgevej 28
2100 København Ø

Group Report

The Company is part of the consolidated financial statements of European Energy A/S, Gyngemose Parkvej 50, 2860 Søborg, which is the smallest group in which the Company is included as a subsidiary.

Management's review

Business activities

The Company's objective is to develop, construct and finance solar PV projects in the northern states of Brazil.

Business review

The Company's income statement for the year ended 31 December shows a loss of EUR 1,886, and the balance sheet at 31 December 2017 shows equity of EUR 2,147.

Financial review

The results of operations for 2017 are in accordance with expectations.

There has not been any significant activity in the Company during 2017.

The Company has started its participation in the construction of a 90MW solar PV project in the state of Paraiba, Brazil and following commissioning of the asset, first operational revenues are expected to be generated by the Company in Q3 2018.

Significant events occurring after end of reporting period

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

Accounting policies

The annual report of NPP Brazil I K/S for 2017 has been prepared in accordance with the provisions of the Danish Financial Statements Act concerning reporting class B entities as well as selected provisions as applying to reporting class C.

As 2017 is the company's first reporting period, no comparatives have been presented.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Foreign-exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement as financial income or financial expenses. If foreign currency transactions are considered cash flow hedges, the value adjustments are taken directly to equity.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Non-monetary items are translated at the exchange rates at the date of acquisition or at the date of subsequent revaluations of the asset. Income statement items are translated at the exchange rates at the transaction date, whereas items derived from non-monetary items are translated at historical exchange rates for the non-monetary item.

Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including amortisation, depreciation and impairment losses, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the company and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow from the company and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. On subsequent recognition, assets and liabilities are measured as described below for each individual accounting item.

Accounting policies

Certain financial assets and liabilities are measured at amortised cost using the effective interest method. Amortised cost is calculated as the historic cost less any instalments and plus/less the accumulated amortisation of the difference between the cost and the nominal amount.

On recognition and measurement, allowance is made for predictable losses and risks which occur before the annual report is presented and which confirm or invalidate matters existing at the balance sheet date.

Income statement

Gross profit

In pursuance of section 32 of the Danish Financial Statements Act, the company does not disclose its revenue.

Gross profit reflects an aggregation of revenue, changes in inventories of finished goods and work in progress and other operating income less raw materials and consumables and other external expenses.

Financial income and expenses

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

Tax

The Company is not an independent taxable entity and therefore no provisions are made for tax on profit/loss for the year and current and dererred tax liabilities are not recognized.

Balance sheet

Cash and cash equivalents

Cash and cash equivalents comprise cash and short-term securities whose remaining life is less than three months and which are readily convertible into cash and which are subject only to insignificant risks of changes in value.

Accounting policies

Equity

Dividend

Proposed dividends are recognized as a liability at the date when they are adopted at the annual general meeting (declaration date). The expected dividend payment for the year is disclosed as a separate item under equity.

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.

Income statement 1 March - 31 December

| | <u>Note</u> | <u>2017</u> |
|--|-------------|-----------------------------|
| Gross profit | | -1.714 |
| Financial expenses | | <u>-172</u> |
| Result for the year | | <u><u>-1.886</u></u> |
| Proposed distribution of result | | |
| Retained earnings | | <u>-1.886</u> |
| | | <u><u>-1.886</u></u> |

Balance sheet 31 December

| | <u>Note</u> | <u>2017</u> EUR |
|--------------------------|-------------|---------------------|
| Assets | | |
| Cash at bank and in hand | | <u>3.557</u> |
| Current assets total | | <u>3.557</u> |
| Assets total | | <u><u>3.557</u></u> |

Balance sheet 31 December

| | <u>Note</u> | <u>2017</u> EUR |
|-------------------------------------|-------------|----------------------------|
| Liabilities and equity | | |
| Share capital | | 4.033 |
| Retained earnings | | <u>-1.886</u> |
| Equity | 2 | <u>2.147</u> |
| Trade payables | | <u>1.410</u> |
| Short-term debt | | <u>1.410</u> |
| Debt total | | <u>1.410</u> |
| Liabilities and equity total | | <u><u>3.557</u></u> |
| Related parties and ownership | 3 | |

Equity

| | <u>Share capital</u> | <u>Retained earnings</u> | <u>Total</u> |
|--|----------------------|------------------------------|---------------------|
| Equity at 1 March 2017 | 0 | 0 | 0 |
| Result for the year | 0 | -1.886 | -1.886 |
| Cash payments concerning formation of entity | 4.033 | 0 | 4.033 |
| Equity at 31 December 2017 | <u>4.033</u> | <u>-1.886</u> | <u>2.147</u> |

Notes to the annual report

| | <u>2017</u> |
|-----------------------------|-------------|
| 1 Staff costs | |
| Average number of employees | <u>1</u> |

2 Equity

The share capital consists of 30.000 shares of a nominal value of DKK 1. No shares carry any special rights.

Since the Company's foundation there has not been any changes in the Capital of the Company.

3 Related parties and ownership

The Company is part of the consolidated financial statements of European Energy A/S, Gyngemose Parkvej 50, 2860 Søborg, which is the smallest group in which the Company is included as a subsidiary.