

EE PV 1 ApS

**Gyngemose Parkvej 50
2860 Søborg**

CVR no. 38 55 39 76

Annual report for 2017

(1st Financial year)

Adopted at the annual general
meeting on 22 March 2018

Anne Wichmann
chairman

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Statement by management on the annual report

The executive board has today discussed and approved the annual report of EE PV 1 ApS for the financial year 5 April - 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 5 April - 31 December 2017.

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

The financial statements have not been audited. Management declares that the criteria for omission of audit are met.

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

Søborg, 22 March 2018

Executive board

Jens-Peter Zink

Knud Erik Andersen

Independent auditor's review report

To the shareholders of EE PV 1 ApS

We have reviewed the accompanying financial statements of EE PV 1 ApS for the financial year 5 April - 31 December 2017, which comprise a summary of significant accounting policies, income statement, balance, statement of changes in equity and notes.

Management's responsibility for the financial statements

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

Auditor's Responsibility

Our responsibility is to express a conclusion on the accompanying financial statements. We conducted our review in accordance with International Standard relating to Engagements to Review Historical Financial Statements and additional requirements under Danish Auditor regulation. This requires us to conclude whether anything has come to our attention that causes us to believe that the financial statements, taken as a whole, are not prepared in all material respects in accordance with the applicable financial reporting framework. This requires us also to comply with relevant ethical requirements.

A review of financial statements in accordance with the International Standard relating to Engagements to Review Historical Financial Statements is a limited assurance engagement. The auditor performs procedures primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly we do not express an audit opinion on these financial statements.

Independent auditor's review report

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that these financial statements do not give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2017 and of the results of the Company's operations for the financial year 5 April - 31 December 2017 in accordance with the Danish Financial Statements Act.

København Ø, 22 March 2018

KPMG
Statsautoriseret Revisionspartnerselskab
CVR no. 25 57 81 98

Martin Eiler
statsaut. revisor
MNE no. mne32271

Company details

The company

EE PV 1 ApS
Gyngemose Parkvej 50
2860 Søborg

CVR no.: 38 55 39 76

Reporting period: 5 April - 31 December 2017

Incorporated: 5. April 2017

Domicile: Gladsaxe

Executive board

Jens-Peter Zink
Knud Erik Andersen

Auditors

KPMG
Statsautoriseret Revisionspartnerselskab
Dampfærgevej 28
2100 København Ø

Group report

The Company is included in the group annual report 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 purpose is, directly or through equity investments in other companies affiliated with the energy industry, to develop, finance, operate and sell renewable energy

Business review

The Company's income statement for the year ended 31 December shows a loss of DKK 105.231, and the balance sheet at 31 December 2017 shows negative equity of DKK 55.231.

The company has in 2017 merged its daughter company EE Sol ApS into the company.

The company has during 2017 developed and initiated construction of 8 solar PV parks in Denmark with a total size of 70 MW. The commissioning of the first 20 MW is expected to realize during Q1 2018 and the rest of portfolio will initiate construction within Q1 2018 with the expectation to be connected to the grid within Q2 2018.

Capital and financing matters

The company has lost more than 50% of its share capital.

Management is aware of the danish compact act rules regarding losses of capital. Management expect that the company during activities in 2018 will reestablish its share capital.

The Company's cash flow position is considered strong.

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 EE PV 1 ApS 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 addition from larger accounting class.

The annual report for 2017 is presented in DKK

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

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

Basis of recognition and measurement

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

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

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

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

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

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

Income statement

Gross profit

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

Accounting policies

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, amortisation of mortgage loans etc.

Profit/loss from investments in subsidiaries

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

Tax on profit/loss for the year

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

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

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

Balance sheet

Investments in subsidiaries

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

Accounting policies

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

Net revaluations of investments in subsidiaries are taken to the net revaluation reserve according to the equity method to the extent that the carrying amount exceeds the cost. Dividends from subsidiaries which are expected to be declared before the annual report of EE PV 1 ApS is adopted are not taken to the net revaluation reserve.

Inventory

Development projects

Development projects comprises projects in progress within the development and construction of renewable energy facilities. Projects can be divided into the following categories.

Projects under development

Projects under construction

Completed projects for resale

Completed projects are transferred to property, plant and equipment when the system is transferred to commercial operation.

Development projects are measured at the lower of cost and the net realisable value.

Projects under development

Projects under development include projects where construction has not yet been initiated.

Cost includes direct and indirect charges incurred for the development of projects, including interest in the project period.

Accounting policies

Projects under construction

Projects under construction include projects construction has been initiated, but not completed.

Cost includes cost incurred in the development phase (projects under development) and costs in relation to the construction phase, which primarily include direct and indirect costs for subcontractors, project management and financing as well as interest during the construction period.

Completed projects for resale

Completed projects for resale include projects where construction is completed, but where the sales process has not been completed.

Cost includes incurred in the development phase (projects under development) and cost in relation to the construction phase, which primarily include direct and indirect cost for subcontractors, project management and financing as well as interest in the period up to the completion of the construction project.

If the expected sales price for the project less the sales cost (net realisable value) is deemed to be lower than the carrying amount, write-down is made to this lower value.

Impairment of fixed assets

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

Where there are indications of impairment, an impairment test is performed for each individual asset or group of assets, respectively. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable amount).

Receivables

Receivables are measured at amortised cost.

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

Accounting policies

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.

Equity

Dividend

Proposed dividends are disclosed as a separate item under equity. Dividends are recognised as a liability at the date of declaration by the annual general meeting.

Income tax and deferred tax

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

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

Liabilities

Other liabilities are measured at net realisable value.

Foreign currency translation

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

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

Income statement 5 April - 31 December

	<u>Note</u>	<u>2017</u> DKK
Gross profit		-57.712
Earnings Before Interest Taxes Depreciation and Amortization		-57.712
Result from investments in subsidiaries		<u>-47.967</u>
Result before tax		-105.679
Tax on profit/loss for the year		<u>448</u>
Result for the year		<u><u>-105.231</u></u>
 Proposed distribution of result		
Retained earnings		<u>-105.231</u>
		<u><u>-105.231</u></u>

Balance sheet 31 December

	<u>Note</u>	<u>2017</u> DKK
Assets		
Investments in subsidiaries	1	8.000
Receivables from affiliated companies	2	<u>16.857.601</u>
Fixed asset investments		<u>16.865.601</u>
Fixed assets total		<u>16.865.601</u>
Work in progress	3	<u>40.816.796</u>
Trade receivables		2.360
Other receivables		2.002.361
Deferred tax asset		448
Prepayments		<u>700.000</u>
Receivables		<u>2.705.169</u>
Cash at bank and in hand		<u>32.956.308</u>
Current assets total		<u>76.478.273</u>
Assets total		<u><u>93.343.874</u></u>

Balance sheet 31 December

	<u>Note</u>	<u>2017</u> DKK
Liabilities and equity		
Share capital		50.000
Retained earnings		<u>-105.231</u>
Equity	4	<u>-55.231</u>
Banks		<u>84.311.206</u>
Long-term debt		<u>84.311.206</u>
Trade payables		9.049.899
Other payables		<u>38.000</u>
Short-term debt		<u>9.087.899</u>
Debt total		<u>93.399.105</u>
Liabilities and equity total		<u><u>93.343.874</u></u>
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Equity

	<u>Share capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity at 5 April 2017	0	0	0
Net profit/loss for the year	0	-105.231	-105.231
Cash payments concerning formation of entity	50.000	0	50.000
Equity at 31 December 2017	<u>50.000</u>	<u>-105.231</u>	<u>-55.231</u>

Notes to the annual report

	2017
	DKK
1 Investments in subsidiaries	
Cost at 5 April 2017	0
Additions for the year	12.648
Disposals for the year	-4.648
Cost at 31 December 2017	<u>8.000</u>
Revaluations at 5 April 2017	0
Disposals for the year, merger	21.093
Net profit/loss for the year	-55.017
Equity investments with negative net asset value amortised over receivables	<u>33.924</u>
Revaluations at 31 December 2017	<u>0</u>
Carrying amount at 31 December 2017	<u><u>8.000</u></u>

Notes to the annual report

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Ownership	Equity	Net profit/loss for the year
Solar Park Øster Toreby K/S	Søborg	100%	0	0
Solar Park Stubbekøbing K/S	Søborg	100%	0	0
Solar Park Pelsdyrparken K/S	Søborg	100%	0	0
EE PV Denmark 1 K/S	Søborg	100%	-10.390	-10.390
EE PV Denmark 2 K/S	Søborg	100%	-1.711	-1.711
EE PV Denmark 3 K/S	Søborg	100%	-1.711	-1.711
EE PV Denmark 4 K/S	Søborg	100%	-10.984	-10.984
EE PV Denmark 5 K/S	Søborg	100%	-1.677	-1.677
Vores Sol A12 K/S	Søborg	100%	-252	-17
*Vores Sol A13 K/S	Søborg	100%	-248	-13
*Vores Sol A14 K/S	Søborg	100%	-248	-13
*Vores Sol A15 K/S	Søborg	100%	-248	-13
*Vores Sol A16 K/S	Søborg	100%	-248	-13
*Vores Sol A17 K/S	Søborg	100%	-248	-13
*Vores Sol A30 K/S	Søborg	100%	-248	-13
*Vores Sol A31 K/S	Søborg	100%	-248	-13
*Vores Sol A32 K/S	Søborg	100%	-248	-13
*Vores Sol A33 K/S	Søborg	100%	-248	-13
*Vores Sol A34 K/S	Søborg	100%	-248	-13
*Vores Sol A35 K/S	Søborg	100%	-248	-13
*Vores Sol A36 K/S	Søborg	100%	-248	-13
*Vores Sol A37 K/S	Søborg	100%	-248	-13
*Vores Sol A38 K/S	Søborg	100%	-248	-13
*Vores Sol A39 K/S	Søborg	100%	-248	-13
*Vores Sol V40 K/S	Søborg	100%	-248	-13
*Vores Sol A41 K/S	Søborg	100%	-248	-13
*Vores Sol A42 K/S	Søborg	100%	-248	-13
*Vores Sol A43 K/S	Søborg	100%	-248	-13
*Vores Sol A44 K/S	Søborg	100%	-248	-13
*Vores Sol A45 K/S	Søborg	100%	-248	-13

Notes to the annual report

1 Investments in subsidiaries (continued)

Name	Place of registered office	Own ershi p	Equi ty	Net profi t/loss for the year
*Vores Sol A46 K/S	Søborg	100%	-248	-13
*Vores Sol A47 K/S	Søborg	100%	-249	-14
*Vores Sol A48 K/S	Søborg	100%	-249	-14
*Vores Sol A49 K/S	Søborg	100%	-249	-14
*Vores Sol A50 K/S	Søborg	100%	-249	-14
*Vores Sol A51 K/S	Søborg	100%	-249	-14
*Vores Sol A52 K/S	Søborg	100%	-249	-14
*Vores Sol A53 K/S	Søborg	100%	-249	-14
EE Sol ApS, fusioneret i 2017	Søborg	0%	0	-21.093
			-33.924	-47.967

*The companies are in 2018 merged into the companies Solar Park Øster Toreby K/S, Solar Park Stubbekøbing K/S og Solar Park Pelsdyrparken K/S.

Notes to the annual report

2 Fixed asset investments

	Receivables from affiliated companies
Cost at 5 April 2017	0
Additions for the year	<u>16.891.525</u>
Cost at 31 December 2017	<u>16.891.525</u>
Revaluations at 5 April 2017	0
Revaluations for the year	<u>-33.924</u>
Revaluations at 31 December 2017	<u>-33.924</u>
Carrying amount at 31 December 2017	<u><u>16.857.601</u></u>

Per 31 December 2017, an amount of 15,5 mio.DKK has been deposited as a security for fulfilment of different contracts. The release of the security will be performed no later than 19 months after documentation for the minimum effect of 10 MWp of the solar park.

	2017 DKK
3 Work in progress	
Work in progress	<u>40.816.796</u>
	<u><u>40.816.796</u></u>

In the amount is interest with DKK 574.206.

4 Equity

The share capital consists of 50.000 shares of a nominal value of DKK 1. No shares carry any special rights.

Notes to the annual report

5 Contingent assets, liabilities and other financial obligations

The company is jointly taxed with the ultimate parent company, KEA Holding I ApS (management company), and the rest of the companies included in this joint taxation. The company is unlimited and jointly liable for Danish corporation tax ect. within the joint taxation circel.

The company is obligated to buy modules with expected delivery in 2018. The obligation per 31 December 2017 is 8,7 mio. DKK.

6 Charges and securities

As security for bank debts of 84 mio.DKK, the Company has granted charges on share capital of nom. 1.000 DKK and in the activities in each of the companies below:

EE PV Denmark 1 K/S

EE PV Denmark 2 K/S

EE PV Denmark 3 K/S

EE PV Denmark 4 K/S

EE PV Denmark 5 K/S

Vores Sol A12 K/S

Vores Sol A17 K/S

Vores Sol A30 K/S

Vores Sol A39 K/S

Vores Sol A40 K/S

Vores Sol A53 K/S

Solar Park Pelsdyrparken K/S

Solar Park Stubbekøbing K/S

Solar Park Øster Toreby K/S

7 Related parties and ownership

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

European Energy A/S.

Consolidated financial statements

The Company is included in the group annual report of European Energy A/S, Gyngemose Parkvej 50, 2860 Søborg which is the smallest group in which the company is included as a subsidiary.