

**Kaiserwetter Energy Asset Management  
ApS  
Central Business Registration No  
30356136**

**Annual report 2014**

The Annual General Meeting adopted the annual report on 15.06.2015

**Chairman of the General Meeting**

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Name: Hanno Schoklitsch

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## **Entity details**

### **Entity**

Kaiserwetter Energy Asset Management ApS  
Kronprinsensgade 1, baghuset, 3. sal  
1114 København K

Central Business Registration No: 30356136

Registered in: Copenhagen

Financial year: 01.01.2014 - 31.12.2014

### **Executive Board**

Hanno Schoklitsch

### **Auditors**

Deloitte Statsautoriseret Revisionspartnerselskab  
Egtved Allé 4  
6000 Kolding

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

The Board of Directors and the Executive Board have today considered and approved the annual report of Kaiserwetter Energy Asset Management ApS for the financial year 01.01.2014 - 31.12.2014.

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

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2014 and of the results of its operations for the financial year 01.01.2014 - 31.12.2014.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Copenhagen, 12.06.2015

### **Executive Board**

Hanno Schoklitsch

## Independent auditor's reports

### To the owners of Kaiserwetter Energy Asset Management ApS

#### Report on the financial statements

We have audited the financial statements of Kaiserwetter Energy Asset Management ApS for the financial year 01.01.2014 - 31.12.2014, which comprise the accounting policies, income statement, balance sheet, statement of changes in equity and notes. The financial statements are prepared in accordance with the Danish Financial Statements Act.

#### 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 financial statements that are free from material misstatement, whether due to fraud or error.

#### Auditor's responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Entity's preparation of financial statements that give a true and fair view 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 Entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

#### Qualification

##### *Basis for qualified opinion*

As stated in note 7 and 8 in the annual report the value of receivables of EUR 516k is encumbered with significant uncertainty. At the time of the presentation of the annual report, negotiations are conducted with lenders etc which may have an essential influence on the debtor companies' ability to repay the debts to Kaiserwetter Energy Asset Management ApS. As the mentioned negotiations have not been finalised yet, we are on the present basis not able to evaluate whether the value in the annual report of these receivables is true and fair. Therefore, we qualify for the valuation of the receivable recognised in the balance sheet at 31.12.2014 at a recognised value of EUR 516k

#### Qualified opinion

In our opinion, the financial statements, except for the possible effect of the matter described in basis for qualified opinion, give a true and fair view of the Entity's financial position at 31.12.2014 and of the results of its operations for the financial year 01.01.2014 – 31.12.2014 in accordance with the Danish Financial Statements Act.

#### Statement on the management commentary

Pursuant to the Danish Financial Statements Act, we have read the management commentary. We have not performed any further procedures in addition to the audit of the financial statements.

## **Independent auditor's reports**

On this basis, it is our opinion that the information provided in the management commentary is consistent with the financial statements.

Kolding, 12.06.2015

### **Deloitte**

Statsautoriseret Revisionspartnerselskab

Leo Gilling

State Authorised Public Accountant

Lars Ørum Nielsen

State Authorised Public Accountant

## **Management commentary**

### **Primary activities**

The Companies Primary activities is to manage wind turbine and solar energy projects.

### **Development in activities and finances**

Loss for the year is EUR (284k), and the equity is EUR 2.757k at 31. December 2014.

### **Uncertainty relating to recognition and measurement**

The value of receivables from managed companies is subject to uncertainty because the liquidity of many of the companies is tight, but the management has assessed each receivable specifically and points out that the assessments is done by recognizing the financial restructuring of the underlying asset, which should lead to a strong economic future setup.

### **Events after the balance sheet date**

No events have occurred after the balance sheet date to this date which would influence the evaluation of this annual report.

## Accounting policies

### Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of certain provisions for reporting class C.

The annual report is presented in EUR.

The accounting policies applied for these financial statements are consistent with those applied last year.

### Consolidated financial statements

Referring to section 110 of the Danish Financial Statements Act, no consolidated financial statements have been prepared.

### Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

### Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the one in effect at the payment date, or the rate at the balance sheet date are recognised in the income statement as financial income or financial expenses.

## Accounting policies

### Income statement

#### Gross profit or loss

Gross profit or loss comprises revenue, other operating income and external expenses.

#### Revenue

Revenue from the sale of administrative services is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

#### Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including distribution, sale, marketing, administration, premises, bad debts, etc.

#### Staff costs

Staff costs comprise salaries and wages as well as social security contributions, pension contributions, etc for entity staff.

#### Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment comprise amortisation, depreciation and impairment losses for the financial year, calculated on the basis of the residual values and useful lives of the individual assets and impairment testing as well as gains and losses from the sale of intangible assets as well as property, plant and equipment.

#### Income from investments in group enterprises

Income from investments in group enterprises comprises the pro rata share of the individual enterprises' profit/loss after full elimination of internal profits or losses.

#### Other financial income

Other financial income comprises dividends etc received on other investments, interest income, including interest income on receivables from group enterprises, net capital gains on securities, payables and transactions in foreign currencies, amortisation of financial assets as well as tax relief under the Danish Tax Prepayment Scheme etc.

#### Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

## Accounting policies

### Income taxes

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

The Entity is jointly taxed with other Danish companies. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

### Balance sheet

#### Intellectual property rights etc

Intellectual property rights is management contracts.

Intellectual property rights acquired are measured at cost less accumulated amortisation. Patents are amortised over their remaining duration, and licences are amortised over the term of the agreement, but over no more than 20 years.

Intellectual property rights etc are written down to the lower of recoverable amount and carrying amount.

#### Property, plant and equipment

Fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Other fixtures and fittings, tools and equipment	5 years
IT equipment and accounting system	5-10 years

Property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

#### Investments in group enterprises

Investments in group enterprises are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity plus or minus unamortised positive, or negative, goodwill and minus or plus unrealised intra-group profits or losses.

## **Accounting policies**

Group enterprises with negative equity are measured at DKK 0, and any receivables from these enterprises are written down by the Parent's share of such negative equity value if it is deemed irrecoverable. If the negative equity value exceeds the amount receivable, the remaining amount is recognised under provisions if the Parent has a legal or constructive obligation to cover the liabilities of the relevant enterprise.

Upon distribution of profit or loss, net revaluation of investments in group enterprises is transferred to Reserve for net revaluation according to the equity method under equity.

Goodwill is calculated as the difference between cost of the investments and fair value of the assets and liabilities acquired. Goodwill is amortised over its estimated useful life which is normally 5 years.

Investments in group enterprises are written down to the lower of recoverable amount and carrying amount.

### **Receivables**

Receivables are measured at amortised cost, usually equalling nominal value less write-downs for bad and doubtful debts.

### **Prepayments**

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

### **Cash**

Cash comprises cash in hand and bank deposits.

### **Other financial liabilities**

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

### **Income tax receivable or payable**

Current tax payable or receivable is recognised in the balance sheet, stated as tax calculated on this year's taxable income, adjusted for prepaid tax.

## Income statement for 2014

	<u>Notes</u>	<u>2014 EUR</u>	<u>2013 EUR</u>
<b>Gross profit</b>		<b>16.783</b>	<b>144.250</b>
Staff costs	1	(267.217)	(529.761)
Depreciation, amortisation and impairment losses		<u>(77.543)</u>	<u>(70.913)</u>
<b>Operating profit/loss</b>		<b>(327.977)</b>	<b>(456.424)</b>
Income from investments in group enterprises		(665)	296.002
Other financial income	2	57.302	280.497
Other financial expenses	3	<u>(13.094)</u>	<u>(8.123)</u>
<b>Profit/loss from ordinary activities before tax</b>		<b>(284.434)</b>	<b>111.952</b>
Tax on profit/loss from ordinary activities		<u>0</u>	<u>0</u>
<b>Profit/loss for the year</b>		<b><u><u>(284.434)</u></u></b>	<b><u><u>111.952</u></u></b>
<b>Proposed distribution of profit/loss</b>			
Reserve for net revaluation according to the equity method		(665)	296.002
Retained earnings		<u>(283.769)</u>	<u>(184.050)</u>
		<b><u>(284.434)</u></b>	<b><u>111.952</u></b>

**Balance sheet at 31.12.2014**

	<u>Notes</u>	<u>2014 EUR</u>	<u>2013 EUR</u>
Acquired licences		0	0
<b>Intangible assets</b>	4	<u>0</u>	<u>0</u>
Other fixtures and fittings, tools and equipment		318.814	396.357
<b>Property, plant and equipment</b>	5	<u>318.814</u>	<u>396.357</u>
Investments in group enterprises		1.345.661	1.346.326
Receivables from group enterprises		100.071	0
<b>Fixed asset investments</b>	6	<u>1.445.732</u>	<u>1.346.326</u>
<b>Fixed assets</b>		<u>1.764.546</u>	<u>1.742.683</u>
Trade receivables	7	186.383	136.964
Receivables from group enterprises	8	1.169.852	636.548
Other short-term receivables		9.625	580.572
Prepayments		3.958	0
<b>Receivables</b>		<u>1.369.818</u>	<u>1.354.084</u>
<b>Cash</b>		<u>101.210</u>	<u>535.702</u>
<b>Current assets</b>		<u>1.471.028</u>	<u>1.889.786</u>
<b>Assets</b>		<u>3.235.574</u>	<u>3.632.469</u>

**Balance sheet at 31.12.2014**

	<u>Notes</u>	<u>2014 EUR</u>	<u>2013 EUR</u>
Contributed capital		68.000	68.000
Reserve for net revaluation according to the equity method		1.316.900	1.317.565
Retained earnings		1.372.032	1.655.801
<b>Equity</b>		<b><u>2.756.932</u></b>	<b><u>3.041.366</u></b>
Trade payables		72.797	33.746
Debt to group enterprises		167.296	119.177
Income tax payable		66.298	108.033
Other payables		172.251	330.147
<b>Current liabilities other than provisions</b>		<b><u>478.642</u></b>	<b><u>591.103</u></b>
<b>Liabilities other than provisions</b>		<b><u>478.642</u></b>	<b><u>591.103</u></b>
<b>Equity and liabilities</b>		<b><u><u>3.235.574</u></u></b>	<b><u><u>3.632.469</u></u></b>
Unrecognised rental and lease commitments	9		
Contingent liabilities	10		

**Statement of changes in equity for 2014**

	<b>Contributed capital EUR</b>	<b>Reserve for net revalua- tion accor- ding to the equity me- thod EUR</b>	<b>Retained earnings EUR</b>	<b>Total EUR</b>
Equity beginning of year	68.000	1.317.565	1.655.801	3.041.366
Profit/loss for the year	0	(665)	(283.769)	(284.434)
<b>Equity end of year</b>	<b>68.000</b>	<b>1.316.900</b>	<b>1.372.032</b>	<b>2.756.932</b>

## Notes

	<b>2014</b>	<b>2013</b>
	<b>EUR</b>	<b>EUR</b>
<b>1. Staff costs</b>		
Wages and salaries	246.673	490.233
Pension costs	19.333	32.571
Other social security costs	779	821
Other staff costs	432	6.136
	<b>267.217</b>	<b>529.761</b>
	<b>2014</b>	<b>2013</b>
	<b>EUR</b>	<b>EUR</b>
<b>2. Other financial income</b>		
Financial income arising from group enterprises	50.685	63.010
Interest income	6.617	217.487
	<b>57.302</b>	<b>280.497</b>
	<b>2014</b>	<b>2013</b>
	<b>EUR</b>	<b>EUR</b>
<b>3. Other financial expenses</b>		
Financial expenses from group enterprises	1.884	7.533
Interest expenses	7	590
Exchange rate adjustments	4.091	0
Other financial expenses	7.112	0
	<b>13.094</b>	<b>8.123</b>
		<b>Acquired</b>
		<b>licences</b>
		<b>EUR</b>
<b>4. Intangible assets</b>		
Cost beginning of year		575.000
<b>Cost end of year</b>		<b>575.000</b>
Amortisation and impairment losses beginning of year		(575.000)
<b>Amortisation and impairment losses end of year</b>		<b>(575.000)</b>
<b>Carrying amount end of year</b>		<b>0</b>

## Notes

	<b>Other fixtures and fittings, tools and equipment EUR</b>
<b>5. Property, plant and equipment</b>	
Cost beginning of year	1.245.658
<b>Cost end of year</b>	<b>1.245.658</b>
Depreciation and impairment losses beginning of the year	(849.301)
Depreciation for the year	(77.543)
<b>Depreciation and impairment losses end of the year</b>	<b>(926.844)</b>
<b>Carrying amount end of year</b>	<b>318.814</b>

	<b>Investments in group enterprises EUR</b>	<b>Receivables from group enterprises EUR</b>
<b>6. Fixed asset investments</b>		
Cost beginning of year	28.761	0
Additions	0	100.071
<b>Cost end of year</b>	<b>28.761</b>	<b>100.071</b>
Revaluations beginning of year	1.317.565	0
Share of profit/loss after tax	(665)	0
<b>Revaluations end of year</b>	<b>1.316.900</b>	<b>0</b>
<b>Carrying amount end of year</b>	<b>1.345.661</b>	<b>100.071</b>

	<b>Registered in</b>	<b>Corporate form</b>	<b>Equity interest %</b>
Subsidiaries:			
Kaiserwetter Energy Asset Management GmbH	Hamburg	GmbH	100,00
Kaiserwetter Energy Asset Management S.L.U	Madrid	S.L.U	100,00

## Notes

### 7. Short-term trade receivables

The value of the receivables is subject to uncertainty as several of these enterprises have tight liquidity. Reference is made to the comments in the management commentary concerning uncertainty relating to the valuation. The book value of unsecured receivables amounts to 122.490 EUR.

### 8. Short-term receivables from group enterprises

The value of the receivables is subject to uncertainty as several of these enterprises have tight liquidity. Reference is made to the comments in the management commentary concerning uncertainty relating to the valuation. The book value of unsecured receivables amounts to 393.649 EUR.

	<u>2014</u> <u>EUR</u>	<u>2013</u> <u>EUR</u>
<b>9. Unrecognised rental and lease commitments</b>		
Commitments under rental agreements or leases until expiry	<u>6.151</u>	<u>24.000</u>

### 10. Contingent liabilities

The Company participates in a Danish joint taxation arrangement in which Kaiserwetter Solar Invest ApS serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Company is therefore liable from the financial year 2013 for income taxes etc for the jointly taxed companies and from 1 July 2012 also for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed companies.