

Nordic Solar Management A/S

Strandvejen 102, 3 1
2900 Hellerup

Annual report
1 January 2018 - 31 December 2018

**The annual report has been presented and
approved on the company's general meeting the**

28/05/2019

Nikolaj Holtet Hoff
Chairman of general meeting

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Company information

Reporting company	Nordic Solar Management A/S Strandvejen 102, 3 1 2900 Hellerup Phone number: 70264444 CVR-nr: 32677819 Reporting period: 01/01/2018 - 31/12/2018
Auditor	PRICEWATERHOUSECOOPERS STATSAUTORISERET REVISIONSPARTNERSELSKAB Strandvejen 44 2900 Hellerup DK Denmark CVR-nr: 33771231 P-number: 1016959517

Statement by Management

Management and Board of Directors have today considered and adopted the Annual Report of Nordic Solar Management A/S for the financial year 1 January - 31 December 2018.

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 financial position at 31 December 2018 of the Company and of the results of the Company operations for 2018.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Hellerup, the 28/05/2019

Management

Nikolaj Holtet Hoff

Anders Søggaard-Jensen

Board of directors

Christian Dulong Hoff

Anders Søggaard-Jensen

Marinus Boogert

The independent auditor's report on financial statements

To the Shareholders of Nordic Solar Management A/S

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2018, and of the results of the Company's operations for the financial year 1 January - 31 December 2018 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Nordic Solar Management A/S for the financial year 1 January - 31 December 2018, which comprise income statement, balance sheet and notes, including a summary of significant accounting policies ("financial statements").

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.

Responsibilities of management 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.

Auditor's responsibility

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.

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 the 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, in our view, 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 in Management's Review.

Hellerup, 28/05/2019

Henrik Ødegaard , mne31489
State Authorised Public Accountant
PRICEWATERHOUSECOOPERS

Kristian Pedersen , mne35412
State Authorised Public Accountant
PRICEWATERHOUSECOOPERS

STATSAUTORISERET
REVISIONSPARTNERSELSKAB
CVR: 33771231

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Management's Review

Key activities

The Company's key activities are to manage and facilitate investments in solar enterprises and solar parks.

Development in the year

The income statement of the Company for 2018 shows a profit of DKKt 3,624 and at 31 December 2018 the balance sheet of the Company shows equity of DKKt 6,906.

Targets and expectations for the year ahead

For 2019, Management expects to realise a profit in line with 2018.

Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

Accounting Policies

The annual report has been prepared in accordance with the regulation applying to Reporting class B.

Selected rules applying to reporting to reporting class C has been used.

The accounting policies applied remain unchanged from last year.

The Financial Statement for 2018 are presented in DKK.

Consolidated financial statements

With reference to section 110 of the Danish Financial Statements Act, no consolidated financial statements are prepared.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset 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 out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Translation policies

Danish kroner is used as the presentation currency. All other currencies are regarded as foreign currencies. Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchanging differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement. Fixed assets acquired in foreign currencies are measured at the transaction date rates.

Income Statement

Gross Result

With reference to section 32 of the Danish Financial Statements Act, gross result has not been disclosed in the Annual Report.

The gross result is calculated as a summary of revenue with deduction of direct allocated cost as well as other external cost.

Revenue

Revenue is recognised in the income statement when delivery and transfer of risk to the buyer have been made before year end.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

Direct costs

Direct costs comprises costs incurred in generating the revenue for the year.

Other external expenses

Other external expenses comprise expenses for premises, sales as well as office expenses, etc.

Employee expenses

Employee expenses comprise wages and salaries.

Depreciation, amortisation expense and impairment losses

Depreciation, amortisation expense and impairment losses comprise, amortisation, depreciation and impairment of property, plant and equipment.

Other operating expenses

Other operating expenses comprise items of a secondary nature to the main activities of the Company, including losses in the sale of property, plant and equipment.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

The company is jointly taxed with the parent company. The tax effect of the joint taxation with the parent company is allocated between the jointly taxed companies in proportion to their taxable income (full allocation with credit for tax losses).

Balance Sheet**Property, plant and equipment**

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Fixtures, fittings, tools and equipment: 3 years

Depreciation period and residual value are reassessed annually.

Investments in group enterprises

Investments in subsidiaries are measured at cost. Where cost exceeds the recoverable amount, write-down is made to this lower value.

Other investments

Other investments, which consists of unlisted shares, are measured at cost less any accumulated impairment losses.

Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

If so, the asset is written down to its lower recoverable amount.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provision for bad debts.

Equity***Dividend***

Dividend distribution proposed by Management for the year is disclosed as a separate equity item.

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carry-forwards, are measured at the value at which the asset is expected to be realised, either by elimination in 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 will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity in the deferred tax relates to items recognised in equity.

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Financial debts

Other debts are measured at amortised cost, substantially corresponding to nominal value.

Income statement 1 Jan 2018 - 31 Dec 2018

	Disclosure	2018 kr.	2017 kr.
Gross Result		16,000,153	11,088,299
Employee expense	1	-11,142,436	-9,160,350
Depreciation, amortisation expense and impairment losses of property, plant and equipment and intangible assets		-152,887	-73,427
Other operating expenses		-7,202	0
Profit (loss) from ordinary operating activities		4,697,628	1,854,522
Impairment of financial assets		3,817	0
Other finance expenses		-35,454	-25,509
Profit (loss) from ordinary activities before tax		4,665,991	1,829,013
Tax expense	2	-1,042,270	-419,731
Profit (loss)		3,623,721	1,409,282
Proposed distribution of results			
Proposed dividend recognised in equity		1,000,000	0
Retained earnings		2,623,721	1,409,282
Proposed distribution of profit (loss)		3,623,721	1,409,282

Balance sheet 31 December 2018

Assets

	Disclosure	2018 kr.	2017 kr.
Fixtures, fittings, tools and equipment		332,850	174,501
Leasehold improvements		93,740	80,559
Property, plant and equipment	3	426,590	255,060
Investments in group enterprises		1,600,000	0
Other investments		2,003,715	0
Deposits		295,588	295,588
Investments		3,899,303	295,588
Total non-current assets		4,325,893	550,648
Trade receivables		197,350	8,315,946
Receivables from group enterprises		321,982	0
Current deferred tax assets		3,642	929
Other receivables		14,088	0
Receivables		537,062	8,316,875
Cash and cash equivalents		7,453,693	405,726
Current assets		7,990,755	8,722,601
Total assets		12,316,648	9,273,249

Balance sheet 31 December 2018

Liabilities and equity

	Disclosure	2018 kr.	2017 kr.
Contributed capital	4	500,000	500,000
Retained earnings		5,406,482	2,782,761
Proposed dividend		1,000,000	0
Total equity		6,906,482	3,282,761
Trade payables		49,875	625,328
Other payables, including tax payables, liabilities other than provisions		5,360,291	5,365,160
Short-term liabilities other than provisions, gross		5,410,166	5,990,488
Liabilities other than provisions, gross		5,410,166	5,990,488
Liabilities and equity, gross		12,316,648	9,273,249

Disclosures

1. Employee expense

	2018 kr.	2017 kr.
Wages and salaries	10,895,483	8,977,677
Other social security expenses	67,963	37,404
Other staff expenses	178,990	145,269
	11,142,436	9,160,350

2. Tax expense

	2018 kr.	2017 kr.
Current tax for the year	1,042,137	416,861
Deffered tax adjustments in the year	-2,713	2,870
Adjustment of tax concerning previous years	2,846	0
	1,042,270	419,731

3. Property, plant and equipment

	Leasehold improvements kr.	Fixtures, fittings, tools and equipment kr.	Total kr.
Cost at 1 January	87,754	290,987	378,741
Additions for the year	32,523	242,270	274,793
Disposals for the year	0	-9,972	-9,972
Cost at 31 December	120,277	523,285	643,562
Impairment losses and depreciations at 1 year	7,195	59,660	66,855
Reversal of impairment and depreciation of sold assets	0	-2,770	-2,770
Depreciations for the year	19,342	133,545	152,887
Depreciation at 31 December	26,537	190,435	216,972
Carrying amount at 31 December	93,740	332,850	426,590

4. Contributed capital

The share capital consists of 500,000 shares of a nominal value DKK 1. No shares carry any special rights.

	Contributed capital	Retained earnings	Proposed dividend for the year	Total
	kr.	kr.	kr.	kr.
Equity at 1 January	500,000	2,782,761	0	3,282,761
Net profit/loss for the year	0	2,623,721	1,000,000	3,623,721
Equity at 31 December	500,000	5,406,482	1,000,000	6,906,482

5. Disclosure of contingent liabilities

Rental and lease obligations

The company has a rental commitment of 6 months corresponding to DKK 176,475.

Other contingent liabilities

The Danish group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. Moreover, the Danish group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

6. Information on average number of employees

	2018
Average number of employees	9

Average number of employees in 2017 was 6.