



## ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2016 - GENERELL INFORMASJON

### Enheten

Organisasjonsnummer: 935 374 324  
Organisasjonsform: Aksjeselskap  
Foretaksnavn: JACOBSEN ELEKTRO HOLDING AS  
Forretningsadresse: Sankt Hallvards vei 3  
3414 LIERSTRANDA

### Regnskapsår

Årsregnskapets periode: 01.01.2016 - 31.12.2016

### Konsern

Mørselskap i konsern: Ja  
Konsernregnskap lagt ved: Ja

### Regnskapsregler

Regler for små foretak benyttet: Nei  
Benyttet ved utarbeidelsen av årsregnskapet til selskapet: Regnskapslovens alminnelige regler  
Benyttet ved utarbeidelsen av årsregnskapet til konsernet: Regnskapslovens alminnelige regler

### Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Geir Gjersdal  
Dato for fastsettelse av årsregnskapet: 12.10.2017

### Grunnlag for avgivelse

År 2016: Årsregnskapet er elektronisk innlevert  
År 2015: Tall er hentet fra elektronisk innlevert årsregnskap fra 2016

*Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.*

Brønnøysundregistrene, 06.10.2019



## Resultatregnskap

Beløp i: NOK	Note	2016	2015
<b>RESULTATREGNSKAP</b>			
<b>Inntekter</b>			
Salgsinntekt	17,20	46 981 000	42 014 000
<b>Sum inntekter</b>		<b>46 981 000</b>	<b>42 014 000</b>
<b>Kostnader</b>			
Lønnskostnad	15,19	19 141 000	21 824 000
Avskrivning på varige driftsmidler og immaterielle eiendeler	3	426 000	380 000
Annen driftskostnad	3,11,1 9	48 095 000	19 784 000
<b>Sum kostnader</b>		<b>67 662 000</b>	<b>41 988 000</b>
<b>Driftsresultat</b>		<b>-20 681 000</b>	<b>26 000</b>
<b>Finansinntekter og finanskostnader</b>			
Renteinntekt fra foretak i samme konsern		8 000	4 000
Annen renteinntekt		0	8 000
Annen finansinntekt	21	1 377 000	52 000
<b>Sum finansinntekter</b>		<b>1 385 000</b>	<b>64 000</b>
Verdireduksjon andre finansielle instrumenter vurdert til virkelig verdi	4	2 630 000	0
Rentekostnad til foretak i samme konsern		0	26 000
Annen rentekostnad		573 000	194 000
Annen finanskostnad	21	2 251 000	807 000
<b>Sum finanskostnader</b>		<b>5 454 000</b>	<b>1 027 000</b>
<b>Netto finans</b>		<b>-4 069 000</b>	<b>-963 000</b>
<b>Ordinært resultat før skattekostnad</b>		<b>-24 750 000</b>	<b>-937 000</b>
Skattekostnad på ordinært resultat	16	1 671 000	-35 000
<b>Ordinært resultat etter skattekostnad</b>		<b>-26 421 000</b>	<b>-902 000</b>
<b>Årsresultat</b>		<b>-26 421 000</b>	<b>-902 000</b>



## Balanse

Beløp i: NOK	Note	2016	2015
<b>BALANSE - EIENDELER</b>			
<b>Anleggsmidler</b>			
<b>Immaterielle eiendeler</b>			
Konsesjoner, patenter, lisenser, varemerker og lignende rettigheter	3	81 000	124 000
Utsatt skattefordel	16	10 000	0
<b>Sum immaterielle eiendeler</b>		<b>91 000</b>	<b>124 000</b>
<b>Varige driftsmidler</b>			
Maskiner og anlegg	3	658 000	934 000
Skip, rigger, fly og lignende	3	156 000	206 000
<b>Sum varige driftsmidler</b>		<b>814 000</b>	<b>1 140 000</b>
<b>Finansielle anleggsmidler</b>			
Investering i datterselskap	4	65 850 000	63 190 000
Lån til foretak i samme konsern		3 357 000	0
<b>Sum finansielle anleggsmidler</b>		<b>69 207 000</b>	<b>63 190 000</b>
<b>Sum anleggsmidler</b>		<b>70 112 000</b>	<b>64 454 000</b>
<b>Omløpsmidler</b>			
<b>Varer</b>			
<b>Fordringer</b>			
Kundefordringer	9,11	3 090 000	12 015 000
Andre fordringer	9	1 034 000	715 000
Work in prgorsee, not invoiced	8	0	0
Aktiverte salgskostnader	7	605 000	605 000
Konsernfordringer	9,11	7 936 000	18 384 000
<b>Sum fordringer</b>		<b>12 665 000</b>	<b>31 719 000</b>
<b>Bankinnskudd, kontanter og lignende</b>			
Bankinnskudd, kontanter og lignende	9,10	1 095 000	1 031 000
<b>Sum bankinnskudd, kontanter og lignende</b>		<b>1 095 000</b>	<b>1 031 000</b>
<b>Sum omløpsmidler</b>		<b>13 760 000</b>	<b>32 750 000</b>



## Balanse

Beløp i: NOK	Note	2016	2015
<b>SUM EIENDELER</b>		<b>83 872 000</b>	<b>97 204 000</b>
<b>BALANSE - EGENKAPITAL OG GJELD</b>			
<b>Egenkapital</b>			
<b>Innskutt egenkapital</b>			
Selskapskapital	12,13	200 000	200 000
Overkurs	12	26 957 000	39 900 000
Annen innskutt egenkapital			93 000
<b>Sum innskutt egenkapital</b>		<b>27 157 000</b>	<b>40 193 000</b>
<b>Opptjent egenkapital</b>			
Annen egenkapital	12		13 385 000
Udekket tap	12	0	0
<b>Sum opptjent egenkapital</b>		<b>0</b>	<b>13 385 000</b>
<b>Sum egenkapital</b>		<b>27 157 000</b>	<b>53 578 000</b>
<b>Gjeld</b>			
<b>Langsiktig gjeld</b>			
Utsatt skatt	16		52 000
<b>Sum avsetninger for forpliktelser</b>			<b>52 000</b>
<b>Annen langsiktig gjeld</b>			
Langsiktig konserngjeld	11	5 733 000	21 243 000
<b>Sum annen langsiktig gjeld</b>		<b>5 733 000</b>	<b>21 243 000</b>
<b>Sum langsiktig gjeld</b>		<b>5 733 000</b>	<b>21 295 000</b>
<b>Kortsiktig gjeld</b>			
Gjeld til kredittinstitusjoner	9,10	14 562 000	6 384 000
Leverandørgjeld	11	3 870 000	3 944 000
Skyldige offentlige avgifter	9	1 847 000	1 453 000
Kortsiktig konserngjeld	11	27 536 000	6 301 000
Annen kortsiktig gjeld	8	3 167 000	4 249 000
<b>Sum kortsiktig gjeld</b>		<b>50 982 000</b>	<b>22 331 000</b>



## Balanse

<b>Beløp i: NOK</b>	<b>Note</b>	<b>2016</b>	<b>2015</b>
Sum gjeld		56 715 000	43 626 000
<b>SUM EGENKAPITAL OG GJELD</b>		<b>83 872 000</b>	<b>97 204 000</b>



## Konsernets resultatregnskap

Beløp i: NOK	Note	2016	2015
<b>RESULTATREGNSKAP</b>			
<b>Inntekter</b>			
Salgsinntekt	17,20	1 266 440 000	705 919 000
Annen driftsinntekt	17	296 000	17 376 000
<b>Sum inntekter</b>		<b>1 266 736 000</b>	<b>723 295 000</b>
<b>Kostnader</b>			
Prosjektkostnad	18	988 396 000	486 984 000
Varekostnad		104 669 000	117 644 000
Lønnskostnad	15,19	61 819 000	70 454 000
Avskrivning på varige driftsmidler og immaterielle eiendeler	3	8 299 000	7 486 000
Nedskrivning av varige driftsmidler og immaterielle eiendeler		791 000	547 000
Annen driftskostnad	3,11,1 8	58 558 000	70 935 000
<b>Sum kostnader</b>		<b>1 222 532 000</b>	<b>754 050 000</b>
<b>Driftsresultat</b>		<b>44 204 000</b>	<b>-30 755 000</b>
<b>Finansinntekter og finanskostnader</b>			
Annen renteinntekt		101 000	770 000
Annen finansinntekt	21	10 156 000	56 190 000
<b>Sum finansinntekter</b>		<b>10 257 000</b>	<b>56 960 000</b>
Annen rentekostnad		48 005 000	21 161 000
Annen finanskostnad	21	15 279 000	58 036 000
<b>Sum finanskostnader</b>		<b>63 284 000</b>	<b>79 197 000</b>
<b>Netto finans</b>		<b>-53 027 000</b>	<b>-22 237 000</b>
<b>Ordinært resultat før skattekostnad</b>		<b>-8 823 000</b>	<b>-52 992 000</b>
Skattekostnad på ordinært resultat	16	8 832 000	8 765 000
<b>Ordinært resultat etter skattekostnad</b>		<b>-17 655 000</b>	<b>-61 757 000</b>
<b>Årsresultat</b>	12	<b>-17 655 000</b>	<b>-61 757 000</b>
Minoritetsinteresser	12	769 000	-6 837 000



## Konsernets resultatregnskap

<b>Beløp i: NOK</b>	<b>Note</b>	<b>2016</b>	<b>2015</b>
Årsresultat etter minoritetsinteresser	12	-18 424 000	-54 920 000
<b>Overføringer og disponeringer</b>			
Overføringer til/fra annen egenkapital	12	-17 655 000	-61 757 000
<b>Sum overføringer og disponeringer</b>		<b>-17 655 000</b>	<b>-61 757 000</b>



## Konsernets balanse

Beløp i: NOK	Note	2016	2015
<b>BALANSE - EIENDELER</b>			
<b>Anleggsmidler</b>			
<b>Immaterielle eiendeler</b>			
Konsesjoner, patenter, lisenser, varemerker og lignende rettigheter	3	271 000	459 000
Utsatt skattefordel	16	567 000	567 000
<b>Sum immaterielle eiendeler</b>		<b>838 000</b>	<b>1 026 000</b>
<b>Varige driftsmidler</b>			
Tomter, bygninger og annen fast eiendom	3	23 275 000	24 142 000
Maskiner og anlegg	3	36 237 000	39 529 000
Driftsløsøre, inventar, verktøy, kontormaskiner og lignende	3	1 280 000	9 987 000
<b>Sum varige driftsmidler</b>		<b>60 792 000</b>	<b>73 658 000</b>
<b>Finansielle anleggsmidler</b>			
Finansielt anleggsmiddel	5	136 140 000	181 437 000
Andre fordringer	9	1 990 000	3 637 000
<b>Sum finansielle anleggsmidler</b>		<b>138 130 000</b>	<b>185 074 000</b>
<b>Sum anleggsmidler</b>		<b>199 760 000</b>	<b>259 758 000</b>
<b>Omløpsmidler</b>			
<b>Varer</b>			
Varer	6,9	6 684 000	2 871 000
<b>Sum varer</b>		<b>6 684 000</b>	<b>2 871 000</b>
<b>Fordringer</b>			
Kundefordringer	9,11	675 138 000	332 016 000
Andre fordringer	9	213 327 000	306 308 000
Aktiverte salgskostnader	7	179 072 000	169 238 000
Work in prgorsee, not invoiced	8	290 726 000	47 657 000
Konsernfordringer	9,11	9 258 000	7 010 000
<b>Sum fordringer</b>		<b>1 367 521 000</b>	<b>862 229 000</b>
<b>Bankinnskudd, kontanter og lignende</b>			
Bankinnskudd, kontanter og lignende	9,10	24 330 000	12 278 000



## Konsernets balanse

Beløp i: NOK	Note	2016	2015
Sum bankinnskudd, kontanter og lignende		24 330 000	12 278 000
Sum omløpsmidler		1 398 535 000	877 378 000
<b>SUM EIENDELER</b>		<b>1 598 295 000</b>	<b>1 137 136 000</b>

## BALANSE - EGENKAPITAL OG GJELD

### Egenkapital

#### Innskutt egenkapital

Selskapskapital	12,13	200 000	200 000
Overkurs		26 957 000	39 900 000
Annen innskutt egenkapital			93 000
<b>Sum innskutt egenkapital</b>	<b>12</b>	<b>27 157 000</b>	<b>40 193 000</b>

#### Opptjent egenkapital

Annen egenkapital	12	35 754 000	28 971 000
Minoritetsinteresser	12	-9 627 000	-12 530 000
<b>Sum opptjent egenkapital</b>		<b>26 127 000</b>	<b>16 441 000</b>

#### Sum egenkapital

	12	<b>53 284 000</b>	<b>56 634 000</b>
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### Gjeld

#### Langsiktig gjeld

Utsatt skatt	16	42 523 000	37 090 000
<b>Sum avsetninger for forpliktelser</b>		<b>42 523 000</b>	<b>37 090 000</b>

#### Annen langsiktig gjeld

Gjeld til kredittinstitusjoner	9	242 498 000	307 780 000
Øvrig langsiktig gjeld		533 000	10 266 000
<b>Sum annen langsiktig gjeld</b>		<b>243 031 000</b>	<b>318 046 000</b>

#### Sum langsiktig gjeld

		<b>285 554 000</b>	<b>355 136 000</b>
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#### Kortsiktig gjeld

Gjeld til kredittinstitusjoner	9,10	190 727 000	189 382 000
Leverandørgjeld	11	553 249 000	245 103 000
Betalbar skatt	16	919 000	2 560 000



## Konsernets balanse

<b>Beløp i: NOK</b>	<b>Note</b>	<b>2016</b>	<b>2015</b>
Skyldige offentlige avgifter	9	155 422 000	166 348 000
Kortsiktig konserngjeld	11	0	2 500 000
Annen kortsiktig gjeld	8	346 050 000	88 504 000
Invoiced work in progress	8	13 090 000	30 968 000
<b>Sum kortsiktig gjeld</b>		<b>1 259 457 000</b>	<b>725 365 000</b>
<b>Sum gjeld</b>		<b>1 545 011 000</b>	<b>1 080 501 000</b>
<b>SUM EGENKAPITAL OG GJELD</b>		<b>1 598 295 000</b>	<b>1 137 135 000</b>



# **Annual Report for 2016**

## **Jacobsen Elektro Group**

- Board of Directors Report**
- Profit & Loss Accounts**
- Balance Sheet**
- Cash Flow Statement**
- Notes**
- Auditor's Report**



## THE BOARD OF DIRECTORS' REPORT 2016

### 1. Operations

#### Jacobsen Elektro Holding AS

Jacobsen Elektro Holding AS is a holding and investment company, and the parent company in the Jacobsen Group. Jacobsen Elektro Holding AS currently consists of the following operating subsidiaries: Jelco AS, Jacobsen Elektro AS, Jarlsø AS and Jelcem AS.

The Company's head office is in Lier, Norway.

#### Jelco AS

Jelco AS' main activity is the ownership and operation of power plants through special purpose subsidiaries. In addition, it provides intercompany services related to development of new Independent Power Producer (IPP) projects.

The Company is the majority owner of Jacobsen Uganda Power Plant Company Ltd (JUPPCL). JUPPCL owns and operates a 50 MW power plant in Namanve, Uganda. However, in 2016 the requested dispatch was low.

The Company is also engaged in development of new contracts and investment opportunities, in cooperation with Jacobsen Elektro AS and Jacobsen Elektro Holding AS.

#### Jacobsen Elektro AS

Jacobsen Elektro AS is a project-based company with Africa, Asia and Eastern Europe as its key export markets. The Company specializes in the supply of new or refurbished transformer stations, as well as the construction of power plants. The Company's strategy is to assume total responsibility by supplying turnkey plants. The Company wishes to reinforce its position in the field of renewable energy and has recently carried out upgrading of existing hydroelectric plants in Tanzania and are working with possible solar projects in Kosovo

The international projects are financed mainly via guarantees from GIEK or similar institutions as an important and integral part of the total project. The Company also engages in open bid projects with financing from a variety of sources. In addition, the Company has a strong focus on the sale of expertise through its consulting department for relay planning and services, including training activities in both domestic and international markets.

The Norwegian Energy market is in strong growth, and the Company has increased the focus on the Norwegian market, especially for turnkey projects for sub stations and projects related to Protection and Control. In addition, the Company has a very strong position in the consultancy market for relay planning and service in the Norwegian market.

Throughout 2016, the Company has been engaged in a number of projects. The most substantial being:

- Kinyerezi 1, Tanzania: The construction of a gas fired, 150 MW, power plant. The contract was effective in August 2013, and the work was finalized by April 2016. Delay in date of finalizing the project is due to late payments from customer and consequently suspension periods during 2014, 2015 and 2016.
- Kinyerezi 1 Extension: The extension of the Kinyerezi 1 project by adding another 185 MW at the same area as the Kinyerezi 1 project in Tanzania. The project was effective in 2016 and is scheduled to be finalized in 2018.
- Kvandal: The construction of a new substation in Kvandal Norway. This is the first EPC contract for a complete new substation for Statnett in Norway. The project was handed over in October 2015, but some minor activities remained until protection and control system was ready. These activities were finalized during 2016.



- Liberia. Construction of an 18MW HFO Power Plant in Monrovia, Liberia. The contract was effective early 2014. We unfortunately had to stop all work with the project under a Force Majeure situation due to the Ebola outbreak. Force majeure started August 4<sup>th</sup> 2014, and ended in 2015. Even though the Ebola outbreak created major challenges, the Project was finalized in 2016.
- Frame agreement with Statnett for Protection and control systems in new and existing stations; The company has been working in several call offs of the valid Frame Agreement.

In Q4 2016 the Company won the pilot project for Digital Substations with Statnett. This is the pilot for the future control and protection solutions within Statnett and highlight the Company's strong technical position in Norway.

The Company has also won several smaller projects for major distribution network owners in Norway.

The activities in the Norwegian service and consultancy market have been very satisfactory in 2016, and the positive trend has continued in 2017.

## **Jarlsø AS**

Jarlsø AS with subsidiaries ('the Group') forms a group of companies engaged in the Engineering, Procurement and Construction (EPC) and installation of telecommunication equipment and services. The company operates through two divisions:

- Tower Sales, through which Jarlsø AS provides complete EPC deliveries of telecom and network towers through Jarlsø AS and JTS Shanghai; and
- Telecom Services, which delivers EPC and tower maintenance services to customers in the telecommunication and power sectors through six subsidiaries of Jarlsø AS located in Kenya, Tanzania, Uganda, DRC, Congo Brazzaville and Ghana.

Jarlsø AS is a subsidiary 100% owned by Jacobsen Elektro Holding AS. The Group's head office is in Lier, Norway.

## **Jelcem AS**

Jelcem AS is an operating company for independent production units of ready-mixed concrete (RMC). The production units were owned and operated by majority-owned subsidiaries in Ghana and Togo. The production units are still facing initial challenges as a part of the start-up phase. These challenges are related to achieving the expected sales volumes and margins. As a consequence, the Board of Directors decided to sell the operations in Togo (as from Jan 2017) and to close down the management function in Norway (as from July 2017).

Jelcem AS is wholly owned by Jacobsen Elektro Holding AS.

The Company's business address is in Lier, Norway.

The management's focus and main activities during 2016 have been divided into 3 different activities;

- In Ghana. To become well established in the market as a high quality supplier of RMC and by this increase sales volume and the corresponding margins. The actual sales volumes and margins have been lower than initially expected. This has led to tight liquidity that has been supported by both internal and external sources.
- In Togo. To sell the shares in Jelcem Togo and transfer part of the Ecobank debt to Norway.
- In Norway. As a consequence of Jelcem Togo being sold, the two employee contracts in Norway will be terminated by the end of July 2017.



Due to the debt structure, the financial expenses remain high.

## 2. Financials

### *Profit & Loss Accounts, Balance Sheet and Cash Flow Statement*

In 2016, the Group had operating revenues of 1.266,7 MNOK, up from 723,3 MNOK in 2015. The increase in revenue in 2016 is mainly due to the start up of the Kinyerezi 1 Extension project in Q2 2016. The loss before tax was 8,8 MNOK compared to a loss of 53 MNOK in 2015. The loss for the year after tax was 17,7 MNOK compared to a loss of 61,8 MNOK in 2015.

The total balance per 31.12.2016 was 1.598 MNOK compared to 1.137 MNOK for 2015.

The Group's equity per 31.12.2016 was 53,3 MNOK, equal to 3,3% of the total balance, compared to 56,6 MNOK or 5% respectively in 2015.

Current assets were 1.399 MNOK and thus 87,5% of the total balance. Short-term liabilities were 1.259,5 MNOK. Long-term liabilities at year-end were 243 MNOK.

Net cash flow from operational activities was -25,3MNOK compared to -47,4 MNOK in 2015. The cash flow from investments was - 6,9 MNOK and the cash flow from financing activities was 44,1 MNOK. The net change in liquid assets was 12 MNOK, compared to -40,3 MNOK in the previous year.

At the close of the year, the Group's holdings of bank deposits and liquid assets were 24,3 MNOK, compared to 12,3 MNOK in 2015.

The Group has experienced a number of late payments from one of their major customers and as a consequence, the liquidity has been tight.

Regarding the Jelcem companies;

- In respect of Jelcem Ghana, Jelcem Norway have written off bad debt amounting to about 27 MNOK. The P&L effect on consolidated level is zero.
- In respect of Jelcem Togo, all outstanding internal debts have been written off amounting to 32,9 MNOK. This implies a bad debt loss in the books of Jacobsen Elektro AS, Jacobsen Elektro Holding AS, Jarlsø AS and Jelcem AS of 3,6 MNOK, 7,1 MNOK, 1,1 MNOK and 21,1 MNOK respectively. The P&L effect on consolidated level is zero.
- In respect of Jelcem Norway, Jacobsen Elektro AS, Jacobsen Elektro Holding AS and Jelco have written off total debt towards Jelcem AS amounting to 57 MNOK (30 MNOK, 22,2 MNOK and 4,8 MNOK respectively). The P&L effect on consolidated level is zero.
- In respect to the renegotiation of the Fidelity Bank loan, the company guarantee provided by Jacobsen Elektro AS is maintained unchanged.
- In respect to the renegotiation of the Ecobank loan, Jacobsen Elektro Holding will take over a majority of the loan.

The Board of Directors is of the opinion that the Annual Accounts and Annual Report provide a true and correct picture of the Group's assets and liabilities, financial position and the profit/loss at the close of the accounting year 2016.



### 3. Order backlog, market situation and future prospects

#### Jelco AS

JUPPCL holds a Power Purchase Agreement (PPA) with the Uganda Electricity and Transmission Company Ltd (UETCL) for the sale of electric power and capacity. The PPA has been extended to the 15<sup>th</sup> of September 2017 and is subject for annual renewal. The operating license was extended in 2016 and is valid until 15<sup>th</sup> of September 2017. It will be annually renewed and will enable the operating license to match with the PPA agreement. The license allows for a minimum production by one unit, i.e. 15% of the capacity to be produced and sold as electricity to UETCL. In accordance with the Power Purchase Agreement (PPA) between JUPPCL and its customer Uganda Electricity Transmission Company Limited (UETCL), UETCL has no obligations to purchase the electricity that the power station can produce. The Group is also engaged in development of new contracts and investment opportunities, in cooperation with Jacobsen Elektro AS and Jacobsen Elektro Holding AS.

#### Jacobsen Elektro AS

The company's consulting and service activities, which are mainly focused on the Norwegian market, has had a very satisfactory influx of orders, and the positive trend has continued in 2017.

The renewed Frame Agreement with Statnett for control and protection systems in Norway was effective by June 2015 (by completing the pilot station) and has an estimated value of 250-350 MNOK over a 4-year period starting January 1<sup>st</sup>. 2016. During 2016 the Company has continued working within the Frame Agreement and several more call offs have been awarded in 2016 and start of 2017.

The company has won the pilot project for 'Digital Substation' with Statnett. This is the pilot for the future control and protection solutions within Statnett.

The company has during 2016 given offers to several EPC substations both to Statnett and other grid owners and we are in a good position to win new orders both with Statnett and other grid owners.

#### *Export Market*

The major order backlog consists of the following:

Kinyerezi 1 Extension project 185MW Power plant (Tanzania): 646,4 MNOK

Kinyerezi 1: 36,7 MNOK

At the close of the year, the Company had a total order backlog of approximately 756,3 MNOK

In June 2017 the Company signed a contract with the state owned utility in Indonesia (PLN) for building a 40 MW Power Plant. The Company's portion of the contract (as a consortium member) is appr 40 MUSD. In August 2017 the Company was awarded an EPC contract for a substation by the Norwegian utility Statnett. The total contract value including Protection and control for the company is appr 153MNOK.

In the period January-July 2017 the Company has been awarded call offs under the Frame Agreement with Statnett for control and protection systems with a value of appr 100MNOK.

#### *Market and future prospects*

In addition to effective contracts, the Company has a pipeline of upcoming projects. Of these, the following are assessed to have a high degree of probability of realization, such that development costs have been capitalized:



- Substation Project in Myanmar. 13 substations/4 years agreement. Contract value approx 100MEUR. Brown field project with total refurbishment of existing substations. The project is now set up to be arranged in 3 separate phases, where phase 1 has a value of approx 42 MEUR
- Power plant in Uganda
- Transmission and scada in Albania
- Extension of Ubungo Power plant, Tanzania
- Power plant in Benin. Jacobsen Elektro Holding AS has been awarded a 120 MW IPP project where the company is intended to build the EPC part of the contract
- Power Plant Ghana. The development of the project is in its final stage and has been reconfirmed by the new Government of Ghana. We have signed a Term Sheet with an international reputable investor and developer to jointly develop the project up till financial closure. Payment has been made under this Term Sheet and main principle of the ownership has been defined. A Share Holder Agreement will be signed based upon the Term Sheet. The EPC contract under this IPP project has a value of approximately 550MUSD.
- Transmission in Ghana. This is a follow up project for the Phase 1 (2004-2008) and Phase II (2009-2014) transmission project in Ghana. The scope of the project includes both refurbishment of substation and new substations in different voltage levels.
- Power Plant in Indonesia
- Solar Power plant in Kosovo

Although expectations of future earnings and growth imply some uncertainty, the Board of Directors' assessment is that the market in which the Company operates is very strong and represents a significant potential for the further growth and development of the Company.

#### **Jarlso AS**

The general market outlook is considered positive as the company supplies telecom infrastructure equipment and solutions mainly to emerging markets, where the telecom sectors is expected to remain in a phase of strong growth and development in the coming years.

The Board considers that the Group's potential for expanding its product portfolio and geographical and customer footprint remains good. Product development continues to be a priority in order to remain competitive within existing product categories and offer new, innovative solutions to our customers.

#### **Jelcem AS**

The market for high quality Ready Mixed Concrete (RMC) in Africa is growing and Jelcem Ghana has gained the position as a supplier of high quality RMC.

The construction industry in Ghana has become aware of the RMC advantages and the corresponding quality requirements. The demand is growing fast and several RMC suppliers have been established. Jelcem Ghana is known for their high quality and is winning market share and increased margins on this.

#### **4. Financial risk**

The Group is exposed to risk as a portion of the Group's expenses is in NOK, while a larger portion of the Group's income is in other currencies. The Group seeks to eliminate the exposure to exchange rate fluctuations that arise as a result of having different income and expense currencies in our projects, through mainly contractual changes or financial hedging, and the currency risk can thus be considerably reduced for the individual projects. Furthermore, the Group makes every effort to



reduce the sum of currency fluctuation exposure in the individual projects by adapting the income and cost currencies to the highest degree possible.

Liquidity risk is linked to the uncertainty of timing of cash flows in the projects in conjunction with the Group's excess liquidity.

The risk of not receiving payment against trade receivables is deemed to be minor. International trade receivables are, as a general rule, secured by bank guarantees or similar arrangements with banks if possible. The Norwegian trade receivables, which represent only a small portion of the total receivables, have an excellent payment record. The interest risk is minimal.

The Group had no currency hedging contracts per 31.12.2016.

## **5. The working environment**

The Group has an excellent working environment with little distance between management and the employees characterized by the high level of teamwork, informal and effective decision-making processes and procedures. No accidents have occurred in the Group during 2016. The Group had a total of 1,9% absence due to illness.

## **6. Equal opportunity**

The Group had 263 employees at the close of the year. Of these, 30 were women and 233 were men. The Group's policy is that equal salaries shall be paid for equal work. The Group's Board of Directors consists of 3 men.

## **7. The external environment**

The Group generates low volumes of waste products in the form of waste oils and metals. Return arrangements have been established for metals, while environmental waste is sent to a receiving depot for waste segregation. Electronic equipment is returned in accordance with the applicable recycling arrangement. There is a requirement in connection with the financing of certain projects that an environmental study is prepared and approved with the subsequent requirements that are to be incorporated in HES routines in the individual projects. The Group hires external consultants to prepare the environmental studies. Apart from the above, the Group has not found it necessary to establish special arrangements to meet with environmental requirements stipulated by the authorities, customers or suppliers.

## **8. Events after 31.12.2016**

-The Company signed a contract with the state owned utility in Indonesia (PLN) for building a 40 MW Power Plant. The Company's portion of the contract (as a consortium member) is appr 40 MUSD.

-The Company was awarded an EPC contract for a substation by the Norwegian utility Statnett. The total Contract value including the part of the Frame agreement (control and protection) for the Company is appr 153 MNOK

-In the period January-July 2017, the Company has been awarded call offs under the Frame Agreement with Statnett for control and protection systems with a value of appr 100 MNOK.

-Power Plant Ghana. The development of the project is in its final stage and has been reconfirmed by the new Government of Ghana. We have signed a Term Sheet with an international reputable investor and developer to jointly develop the project up till financial closure. Payment has been made under this Term Sheet and main principle of the ownership has been defined. A Share Holder Agreement will be signed based upon the Term Sheet. The EPC contract under this IPP project has a value of approximately 550MUSD.



-The pilot project for 'Digital Substation' with Statnett has been delivered according to the customers expectations and schedule.


**9. Appropriation of profit/loss for the year**

The Board of Directors proposes that the result of the Group for the year of – 17,7 MNOK is taken from retained earnings.

Lierstranda, 12<sup>th</sup> October 2017

  
Johan Svendsen  
Chairman of the Board

  
Clas-Eirik Strand  
Member of the Board

  
Karl Johan Svendsen  
Member of the Board

  
Geir Ojersdal  
CEO



## Jacobsen Elektro Holding AS

## INCOME STATEMENT

(Amounts in NOK 1000)

Parent				Group	
2016	2015		Note	2016	2015
46 981	42 014	Revenues	17,20	1 266 440	705 919
0	0	Other revenues	17	296	17 376
<b>46 981</b>	<b>42 014</b>	<b>Total revenue</b>		<b>1 266 736</b>	<b>723 296</b>
0	0	Project expenses	18	988 396	486 984
0	0	Raw materials and consumables used		104 669	117 644
19 141	21 824	Employee expenses	15,19	61 819	70 454
426	380	Depreciation	3	8 299	7 486
0	0	Impairment charges		791	547
48 095	19 784	Other operating expenses	3,11,19	58 558	70 935
<b>67 661</b>	<b>41 988</b>	<b>Total operating expenses</b>		<b>1 222 532</b>	<b>754 050</b>
<b>-20 681</b>	<b>25</b>	<b>Operating profit</b>		<b>44 204</b>	<b>-30 754</b>
0	0	Income from subsidiaries and associated companies		0	0
8	4	Interest from group companies		0	0
0	8	Interest income		101	770
1 377	52	Other financial income	21	10 156	56 190
2 630	0	Write-downs financial assets	4	0	0
0	26	Interest to group companies		0	0
573	194	Interest expense	18	48 004	21 161
2 251	807	Other financial expense	21	15 279	58 037
<b>-4 070</b>	<b>-963</b>	<b>Total financial income (loss)</b>		<b>-53 026</b>	<b>-22 238</b>
<b>-24 750</b>	<b>-937</b>	<b>Profit before tax</b>		<b>-8 822</b>	<b>-52 992</b>
1 671	-35	Income Tax expense	16	8 832	8 765
<b>-26 421</b>	<b>-902</b>	<b>Net profit or loss for the year</b>	12	<b>-17 655</b>	<b>-61 757</b>
		Minor interests	12	769	-6 837
		Majority interests	12	-18 424	-54 920
-26 421	-902	Transferred from retained earnings	12	-17 655	-61 757
0	0	Transferred to retained earnings	12	0	0
0	0	Group Contribution	12	0	0



## Jacobsen Elektro Holding AS

BALANCE SHEET AT 31.12.2016

(Amounts in NOK 1000)

Parent		Group				
2016	2015	ASSETS	Note	2016	2015	
81	124	Intangibles	3	271	459	
10	0	Deferred tax / Incurred withholding tax	16	567	567	
<b>91</b>	<b>124</b>	<b>Total intangible assets</b>		<b>837</b>	<b>1 026</b>	
0	0	Land, buildings and property	3	23 275	24 142	
658	934	Machinery and movables	3	36 237	39 529	
156	206	Fixtures and fittings, tools, office machinery and equipment	3	1 280	9 987	
<b>814</b>	<b>1 140</b>	<b>Total tangible assets</b>		<b>60 792</b>	<b>73 657</b>	
65 850	63 190	Investments in subsidiaries	4	0	0	
3 357	0	Loans to group companies		0	0	
0	0	Financial assets	5	136 140	181 437	
0	0	Other long term receivables	9	1 991	3 637	
<b>69 207</b>	<b>63 190</b>	<b>Total financial fixed assets</b>		<b>138 131</b>	<b>185 074</b>	
<b>70 112</b>	<b>64 454</b>	<b>TOTAL FIXED ASSETS</b>		<b>199 760</b>	<b>259 758</b>	
0	0	Inventories	6,9	6 684	2 871	
3 090	12 015	Trade receivables	9,11	675 138	332 016	
1 034	715	Other receivables	9	213 329	306 308	
0	0	Work in progress not invoiced	8	290 726	47 657	
7 936	18 384	Other receivables, group Companies	9,11	9 258	7 010	
605	605	Activated contractual cost	7	179 072	169 238	
<b>12 655</b>	<b>31 719</b>	<b>Total receivables</b>		<b>1 367 521</b>	<b>862 230</b>	
<b>1 095</b>	<b>1 031</b>	<b>Cash and bank deposits</b>	9,10	<b>24 330</b>	<b>12 278</b>	
<b>13 760</b>	<b>32 750</b>	<b>TOTAL CURRENT ASSETS</b>		<b>1 398 535</b>	<b>877 378</b>	
<b>83 872</b>	<b>97 204</b>	<b>TOTAL ASSETS</b>		<b>1 598 295</b>	<b>1 137 136</b>	



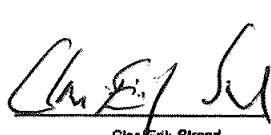
**Jacobsen Elektro Holding AS**

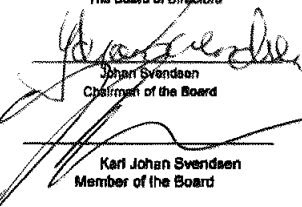
**BALANCE SHEET AT 31.12.2016**


(Amounts in NOK 1000)

Parent		Group			
2016	2015	EQUITY AND LIABILITIES	Note	2016	2015
200	200	Share capital	12,13	200	200
26 957	39 900	Share premium	12	26 957	39 900
0	93	Other paid-in equity	12	0	93
<b>27 157</b>	<b>40 193</b>	<b>Total paid-in equity</b>		<b>27 157</b>	<b>40 193</b>
0	13 385	Retained earnings	12	35 754	28 971
<b>0</b>	<b>13 385</b>	<b>Total retained earnings</b>		<b>35 754</b>	<b>28 971</b>
		Minority interests	12	-8 627	-12 530
<b>27 157</b>	<b>53 578</b>	<b>TOTAL EQUITY</b>	12	<b>63 284</b>	<b>66 636</b>
0	0	Pension liabilities	15	0	0
0	52	Deferred tax	16	42 523	37 090
<b>0</b>	<b>52</b>	<b>Total provisions</b>		<b>42 523</b>	<b>37 090</b>
0	0	Liabilities to financial institutions	9	242 498	307 780
5 733	21 243	Other long-term liabilities group companies	11	0	0
0	0	Other long-term liabilities		533	10 266
<b>5 733</b>	<b>21 243</b>	<b>Other long term liabilities</b>		<b>243 031</b>	<b>318 046</b>
14 562	6 394	Liabilities to financial institutions	9,10	190 727	189 382
3 870	3 944	Trade creditors	11	553 249	245 103
0	0	Tax payable	18	919	2 560
1 847	1 483	Public duties payable	9	165 422	166 348
0	0	Dividends		0	0
27 536	6 301	Short term liabilities to group companies	11	0	2 500
0	0	Invoiced, work in progress	8	13 090	30 969
3 170	4 251	Short term liabilities	8	246 049	88 504
<b>50 964</b>	<b>22 292</b>	<b>Other short term liabilities</b>		<b>1 269 456</b>	<b>725 395</b>
<b>66 718</b>	<b>45 627</b>	<b>TOTAL LIABILITIES</b>		<b>1 546 016</b>	<b>1 680 661</b>
<b>63 872</b>	<b>67 204</b>	<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1 699 295</b>	<b>1 137 136</b>

Lierstranda, 12 October 2017  
The Board of Directors

  
Clas Erik Strand  
Member of the Board

  
Karl Johan Svendaen  
Chairman of the Board  
Member of the Board

  
Geir Gjesdal  
Managing Director



## Jacobsen Elektro Holding AS

## CASH FLOW STATEMENT

(Amounts in NOK 1000)

Parent			Group	
2016	2015		2016	2015
-24 750	-937	<b>Cash flow from operations</b>	-8 822	-52 992
0	0	Profit before income taxes	-2 580	-1 116
0	0	Taxes paid in the period	3 094	-17 081
426	380	Profit / loss sale of fixed assets	8 299	7 486
2 630	0	Depreciation	791	0
0	0	Impairment of fixed assets		
0	0	Differences in expensed pensions and payments in/out of the pension scheme	0	-36
0	0	Change in inventories	-3 813	651
8 925	-3 185	Change in trade debtors	-343 122	-96 671
-74	-2 878	Change in trade creditors	308 146	93 452
-4 354	-6 438	Change in other provisions	273 737	80 439
0	0	Net change work in progress	-260 947	-61 556
<b>-17 197</b>	<b>-13 058</b>	<b>Net cash flow from operations</b>	<b>-25 198</b>	<b>-47 424</b>
		<b>Cash flow from investments</b>		
0	0	Proceeds from sale of fixed assets	0	25 371
-57	-319	Purchase of fixed assets	-6 900	-2 359
0	0	Proceeds from sale of shares and investments in other companies	0	0
-92	0	Purchase of shares and investments in other companies	0	0
<b>-149</b>	<b>-319</b>	<b>Net cash flow from investments</b>	<b>-6 900</b>	<b>23 012</b>
		<b>Cash flow from financing</b>		
0	0	Net payment from long and short term loans	-11 018	-32 713
9 233	7 829	Net payment of short and long term loans group companies	4 781	1 402
8 178	5 603	Net change in bank overdraft	50 385	15 399
<b>17 411</b>	<b>13 432</b>	<b>Net cash flow from financing</b>	<b>44 148</b>	<b>-15 912</b>
0	0	Exchange gains / (losses) on cash and cash equivalents	0	0
65	55	Net change in cash and cash equivalents	12 062	-40 324
1 031	976	Cash and cash equivalents at the beginning of the period	12 278	52 601
<b>1 096</b>	<b>1 031</b>	<b>Cash and cash equivalents at the end of the period</b>	<b>24 330</b>	<b>12 278</b>



## Accounting principles

(Amounts in NOK 1 000)

The annual accounts have been prepared in compliance with the Accounting Act and accounting principles generally accepted in Norway.

### Consolidation principles

Jacobsen Elektro Holding AS is a sub-group in the Svetek Holding Group. The consolidated accounts for Jacobsen Elektro Holding AS include all the companies in which Jacobsen Elektro Holding AS has a direct or indirect controlling interest. Controlling interest is normally achieved when the Group owns more than 50 % of the shares in a company, and the Group is actually able to exercise control of the company.

Minority interests are included in the Group's equity. Minority interests include the minority's share of the value of subsidiary companies recognised in the balance sheet.

The acquisition method is used when recording combined businesses in the accounts. Companies that are purchased or sold during the year are included in the consolidated accounts from the time control is achieved until such control ends.

The consolidated accounts have been prepared as if the Group was one economic unit. Transactions and inter-company balances between companies in the Group have been eliminated. The consolidated accounts have been prepared according to uniform principles, by requiring our subsidiaries to follow and comply with the same accounting principles as those used by the parent company. Subsidiaries are entered in the consolidated accounts based on the Group's acquisition cost.

### Subsidiaries

Subsidiaries and other associated and affiliated companies are assessed using the cost method in the accounting year. The investment is assessed at cost of acquisition of the shares unless write-downs were necessary. Write-down to fair value has been implemented when the reduction in value was caused by circumstances that cannot be deemed to be of a temporary nature, and write-down must be deemed to be necessary in accordance with good accounting principles. Write-downs are reversed when the grounds for this process no longer apply.

Dividends and other distributed funds are recognised in the same year as the respective provision is made in the subsidiary. If dividends exceed the share of the retained result after the acquisition, the excess amount represents repayment of invested capital, and distributed funds are deducted from the value of the investment in the balance.

### Use of estimates

The preparation of financial statements in compliance with the Accounting Act requires the use of estimates. The application of the company's accounting principles also require management to apply assessments. Areas which to a great extent contain such assessments, a high degree of complexity, or areas in which assumptions and estimates are significant for the financial statements, are described in the notes.

### Revenue recognition - long term contracts

The Company's activities consist primarily of the execution of turnkey projects including design, engineering, procurement and construction. Most of the construction is conducted by subcontractors. Construction contracts are accounted for in accordance with NRS 2.

When the outcome of a construction contract can be estimated reliably and it is probable that the contract will be profitable, contract revenue is recognised over the period of the contract by reference to the stage of completion. Contract costs are recognised as expenses by reference to the stage of completion of the contract activity at the end of the reporting period. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that are likely to be recoverable.

Variations in contract work, claims and incentive payments are included in contract revenue to the extent that may have been agreed with the customer and are capable of being reliably measured.

The group uses the 'percentage-of-completion method' to determine the appropriate amount to recognise in a given period. The stage of completion is measured by reference to the contract costs incurred up to the end of the reporting period as a percentage of total estimated costs for each contract.

On the balance sheet, the group reports the net contract position for each contract as either an asset or a liability. A contract represents an asset where costs incurred plus recognised profits (less recognised losses) exceed progress billings; a contract represents a liability where the opposite is the case.



## Jacobsen Elektro Holding AS

## Notes to the accounts for 2016

### Revenue recognition - other

Income from sale of goods and services are recognised at fair value of the consideration, net after deduction of VAT, returns, discounts and reductions. Sales are taken to income when the company has delivered its products to the customer and there are no unsatisfied commitments which may influence the customer's acceptance of the product. Delivery is not completed until the products have been sent to the agreed place, and risks relating to loss and obsolescence have been transferred to the customer. Historical data is applied to estimate and recognise provisions for quantity rebates and returns at the sales date. Provisions for expected guarantee work are recognised as expenses and provisions for liabilities upon sh. Services are recognised in proportion to the work performed.

### Classification of balance sheet items

Assets intended for long term ownership or use have been classified as fixed assets. Assets relating to the trading cycle have been classified as current assets. Other receivables are classified as current assets if they are to be repaid within one year after the transaction date. Similar criteria apply to liabilities. First year's instalment on long term liabilities and long term receivables are, however, not classified as short term liabilities and current assets.

### Purchase costs

The purchase cost of assets includes the cost price for the asset, adjusted for bonuses, discounts and other rebates received, and purchase costs (freight, customs fees, public fees which are non-refundable and any other direct purchase costs). Purchases in foreign currencies are reflected in the balance sheet at the exchange rate at the transaction date.

For fixed assets and intangible assets purchase cost also includes direct expenses to prepare the asset for use, such as expenses for testing of the asset.

Interest expense incurred in connection with the production of fixed assets is expensed.

### Fixed assets

Land is not depreciated. Other fixed assets are reflected in the balance sheet and depreciated to residual value over the asset's expected useful life on a straight-line basis. If changes in the depreciation plan occur the effect is distributed over the remaining depreciation period. Direct maintenance of an asset is expensed under operating expenses as and when it is incurred. Additions or improvements are added to the asset's cost price and depreciated together with the asset. The split between maintenance and additions/improvements is calculated in proportion to the asset's condition at the acquisition date.

Leased assets are reflected in the balances sheet as assets if the leasing contract is considered a financial lease.

### Investments in other companies

Except for short term investments in listed shares, the cost method is applied to investments in other companies. The cost price is increased when funds are added through capital increases or when group contributions are made to subsidiaries. Dividends received are initially taken to income. Dividends exceeding the portion of retained equity after the purchase are reflected as a reduction in purchase cost. Dividend/group contribution from subsidiaries are reflected in the same year as the subsidiary makes a provision for the amount. Dividend from other companies are reflected as financial income when it has been approved.

### Asset impairments

Impairment tests are carried out if there is indication that the carrying amount of an asset exceeds the estimated recoverable amount. The test is performed on the lowest level of fixed assets at which independent cashflows can be identified. If the carrying amount is higher than both the fair value less cost to sell and recoverable amount (net present value of future use/ownership), the asset is written down to the highest of fair value less cost to sell and the recoverable amount.

Previous impairment charges, except writedown of goodwill, are reversed in later periods if the conditions causing the write-down are no longer present.



## Jacobsen Elektro Holding AS

## Notes to the accounts for 2016

### Inventories

Inventories are valued at the lower of purchase cost (according to the FIFO principle) and fair value. Recoverable amount has been used as approximation to net realisable value for raw materials and work in progress. For finished goods and work in progress purchase cost comprises cost of product design, material consumption, direct payroll expenses and other direct and indirect production expenses (based on normal capacity). Fair value is estimated sales costs less expenses for completion and sale. Only variable expenses are considered necessary to sell finished goods, whilst fixed production expenses are also included as necessary for not finished goods.

### Capitalised contract costs

Capitalised contract costs are recognised in accordance with NRS 2. Costs incurred in connection with projects where the management deems there is a more than 50 % probability that the company will sign a contract with the customer are capitalised at cost price.

### Debtors

Trade debtors are recognised in the balance sheet after provision for bad debts. The bad debts provision is made on basis of an individual assessment of each debtor and an additional provision is made for other debtors to cover expected losses. Significant financial problems at the customers, the likelihood that the customer will become bankrupt or experience financial restructuring and postponements and insufficient payments, are considered indicators that the debtors should be written down.

Other debtors, both current and long term, are recognised at the lower of nominal and net realisable value. Net realisable value is the present value of estimated future payments. When the effect of a writedown is insignificant for accounting purposes this is, however, not carried out. Provisions for bad debts are valued the same way as for trade debtors.

### Investments in quoted shares

Short term investments in listed companies the fair value principle is used. The value in the balance sheet corresponds to the market value of the investments at the period end. Dividends received, and both realised and unrealised gains/losses are recognised as other financial income.

### Foreign currencies

Assets and liabilities in foreign currencies are valued at the exchange rate on the balance sheet date. Exchange gains and losses relating to sales and purchases in foreign currencies are recognised as operating income and cost of goods sold.

### Financial assets

Financial assets are defined as the value of delivered power plants for which payment will be made according to contract in cash or other financial assets.

### Liabilities

Liabilities, with the exception of certain liability provisions, are recognised in the balance sheet at nominal amount.

### Guarantee commitments/complaints

Guarantee commitments relating to completed sales are valued at the estimated cost of such work. The estimate is made on the basis of historical figures for guarantee work, but adjusted for expected differences due to, for instance, changes in quality assurance routines and changes in product range. The provision is recognised under 'Other short term liabilities' and changes in the provision are recognised in income.

### Pensions

The company's pension plan is contribution based. In addition the company has AFP arrangement. The pension premium for AFP is considered as a pension cost and is classified with labour cost



## Jacobsen Elektro Holding AS

## Notes to the accounts for 2016

### Taxes

The tax charge in the income statement includes both payable taxes for the period and changes in deferred tax. Deferred tax is calculated at relevant tax rates on the basis of the temporary differences which exist between accounting and tax values, and any carryforward losses for tax purposes at the year-end. Tax enhancing or tax reducing temporary differences, which are reversed or may be reversed in the same period, have been eliminated. The disclosure of deferred tax benefits on net tax reducing differences which have not been eliminated, and carryforward losses, is based on estimated future earnings. Deferred tax and tax benefits which may be shown in the balance sheet are presented net.

Tax reduction on group contributions given and tax on group contribution received, booked as a reduction of cost price or taken directly to equity, are booked directly against tax in the balance sheet (offset against payable taxes if the group contribution has affected payable taxes, and offset against deferred taxes if the group contribution has affected deferred taxes).

Deferred tax is reflected at nominal value.

### Cash flow statement

The cash flow statement has been prepared according to the indirect method. Cash and cash equivalents include cash, bank deposits, and other short term investments which immediately and with minimal exchange risk can be converted into known cash amounts, with due date less than three months from purchase date.



Jacobsen Elektro Holding AS

Notes to the accounts for 2016

**Note 1 Group Overview**

The group consists of the following companies:

	<b>Ownership/ Voting</b>
Jacobsen Elektro Holding AS (parent)	
Jacobsen Elektro AS	99,9 %
Jarlsø AS	100,0 %
Jelcem AS	100,0 %
Jelco AS	100,0 %
Jel Oil & Gas	100,0 %
Jel Oil & Gas Ghana Ltd - inactive	86,0 % *)
Jel Oil & Gas Uganda - inactive	92,0 % *)
JJG Holding AS	100,0 %
Jelcem Ghana	80,0 %
Jelcem Togo	90,0 %
Jarlsø Telecom Solutions Tanzania Ltd	97,00 %
Jarlsø Telecom Solutions Kenya Ltd	99,98 %
Jarlsø Telecom Solutions DRC Ltd	99,90 %
Jarlsø Telecom Solutions Brazzaville Ltd	99,00 % *)
Jarlsø Telecom Solutions Ghana Ltd	100,00 %
Jarlsø Telecom Solutions Uganda Ltd	90,00 %
Jarlsø Telecom Solutions Shanghai Ltd	100,00 %
JUPPCL Uganda	92,0 %
Jelben Ltd	99,6 % *)
Jacobsen Jelco Ghana Ltd	86,0 % *)
Metpower Technologies	100,0 % *)
Jelco Power Albania 1	100,0 % *)
Jelco Power Albania 2	100,0 % *)
Jelco Nengo Hydro Power Co.	90,0 % *)
Central Power Co.	70,0 % *)
Jacobsen Albertine Power Co. Ltd	90,0 % *)
Jeltrans Ltd	75,0 % *)
Jacobsen Elektro Italia SRL	85,0 % *)

\*) These companies are not consolidated as the values in the companies are not material in 2016.



Jacobsen Elektro Holding AS

Notes to the accounts for 2016

**Note 2 Consolidation of Jacobsen Uganda Power Plant Company Limited (JUPPCL)**

An agreement has been entered into to build and operate a power plant in Uganda. In connection with this, Jacobsen Elektro AS has established a Special Purpose Entity (SPE) in Uganda called JUPPCL (Jacobsen Uganda Power Plant Company Limited).

The framework of agreements describes three phases:

1. The construction contract
2. The operational phase
3. The Ugandan Government's obligations on conclusion of the operational phase.

Phase 1 is completed. Phase 2 is operative.

The system of agreements encompasses two main contracts:

1. Implementation Agreement (IA) that describes the Government of Uganda's (GoU) obligations and rights.
2. A Power Purchase Agreement (PPA) that describes JUPPCL's obligations to sell power and UETCL's (Uganda Electricity Transmission Company Limited) obligation to purchase and pay for power.

**Principles:**

**Ownership.** In 2007 Jacobsen Elektro AS won a license in an international competition to Build, Own, Operate and later on Transfer (BOOT) the ownership of a power plant in Kampala Uganda, as part of the agreement and license structure the ownership of the Power plant shall be transferred to the Government of Uganda (GoU) at the expiry date of the Implementation Agreement (IA) which is valid for 13 years (one year of construction and 12 years of loan repayment) under the condition that outstanding financial commitments have been fully repaid. Furthermore GoU have under the IA the right to buyout the ownership of the power plant under the condition that GoU pay, in a lump-sum, all remaining financial obligations (principal amount plus any accrued outstanding interest payments).

The financial costs for the power plant are repaid under the IA by JUPPCL invoicing GoU, through UETCL, an Installed Capacity Charge (ICC) that is regulated every 6 months by the changes in the 6 months Euribor interest rate. The ICC is charged and paid regardless if the power plant is operating or not. All ICC payments are fully guaranteed by GoU under a sovereign guarantee. The structure works similar to a financial lease arrangement

The Power Plant operations are regulated under a Power Purchase Agreement (PPA). The PPA regulates the commercial and operational risk elements that describes JUPPCL's obligation to provide capacity and produce electricity, and furthermore be paid for such services. The income is based on how much JUPPCL is able to declare available capacity and how much electricity UETCL would like to purchase. The PPA tariffs are independent from the ICC tariff under the IA. Under the PPA arrangement JUPPCL is responsible to source and secure fuel deliveries to the Power Plant, as well as the regular Operation and Maintenance of the Power Plant.

The plant is recognized as a financial asset and the reduction in book value will be equal to the outstanding balance of the loan at take over. Payment of the ICC will thus have no consequences to bookkeeping or taxes for JUPPCL in relation to the full period of contract. As stated above the IA has a validity of 13 years from the Commercial Operation Date (15th of September 2008) of the Power Plant.



Jacobsen Elektro Holding AS

Notes to the accounts for 2016

**Note 3 Intangible and fixed assets**

**Parent**

	Intangibles	Machinery and transportation	Operating equipment, inventory, tools, etc	Total intangible and fixed assets
Purchase cost 01.01.	132	1 379	310	1 821
Additions	0	0	57	57
Disposals	0	0	0	0
<b>Purchase cost 31.12.</b>	<b>132</b>	<b>1 379</b>	<b>367</b>	<b>1 878</b>
Accumulated depreciation 31.12.	51	721	211	983
<b>Net book value 31.12.</b>	<b>81</b>	<b>658</b>	<b>156</b>	<b>895</b>
Depreciation in the year	43	276	107	426
Expected useful life	10 years	5 years	3- 5 years	
Depreciation plan	Straight line	Straight line	Straight line	

**Group**

	Intangibles	Buildings and plant	Machinery and transportation	Operating equipment, inventory, tools, etc	Total fixed assets
Purchase cost 01.01.	719	34 052	70 071	3 299	108 140
Changes in currency	-53	-2 150	-7 786	-153	-10 143
Additions	52	3 742	2 495	611	6 900
Disposals	0	-2 921	-142	-130	-3 193
<b>Purchase cost 31.12.</b>	<b>718</b>	<b>32 722</b>	<b>64 637</b>	<b>3 626</b>	<b>101 704</b>
Accumulated depreciation 1.1	259	9 942	21 185	1 678	33 064
Changes in currency	-26	-638	-1 001	-80	-1 745
Accumulated depreciation 31.12.	447	9 448	28 400	2 347	40 642
<b>Net book value 31.12.</b>	<b>271</b>	<b>23 275</b>	<b>36 237</b>	<b>1 280</b>	<b>61 063</b>
Depreciation in the year	215	144	7 235	848	8 442
Project related cost					-142
<b>Depreciation total</b>					<b>8 299</b>
Expected useful life	3 years	0 - 50 years	5-10 years	3-10 years	
Depreciation plan	Straight line	Straight line	Straight line	Straight line	



Jacobsen Elektro Holding AS

Notes to the accounts for 2016

Note 3 Intangible and fixed assets - continuance

Capitalized leasing and future commitment

Future commitments:

	Capital leases	Operating leases	Rent of property
2 017	2 592	355	1 124
2 018	1 944	150	438
2 019	0	0	239
2 020	0	0	239
2 021	0	0	955

Annual rental of non-financial assets

Parent

*Non-financial assets*

	Rental period	Annual rent
Buildings, Lier - Norway (parent)	01.01.14 - 30.06.2018	2 448

Lease agreements have been entered into for Ringeriksveien 16 and 20, Lierstranda up to and including 30.06.2018. At 31.12.2016 this represents a non-recognised lease commitment of NOK 3 672



Jacobsen Elektro Holding AS

Notes to the accounts for 2016

**Note 4 Subsidiaries, associated companies and joint ventures**

**Parent**

Investments in subsidiaries are booked according to the cost method.

Subsidiaries	Ownership/ voting right	Location	Equity last year (100%)	Result last year (100%)	Cost	Balance sheet value
Jacobsen Elektro AS	99,9 %	Lierstranda	177 743	442	64 035	64 035
Jelco AS	100,0 %	Lierstranda	4 967	-6 303	300	300
Jel Oil & Gas	100,0 %	Lierstranda	981	-32	1 106	996
Jelcem AS	100,0 %	Lierstranda	4 679	-55 334	2 630	0
Jarlsø AS	100,0 %	Lierstranda	3 346	-1 408	10 723	518
<b>Balance sheet value 31.12.</b>					<b>78 795</b>	<b>65 850</b>

In 2016 has Jacobsen Elektro Holding AS wrote down investments in subsidiaries with TNOK 2 630.

**Note 5 Financial Asset**

The financial asset is related to the contractual right to receive an ongoing settlement from the Government of Uganda for constructing an oil-burning power station, established as a PPA contract. The value of the financial asset corresponds to historical costs of the investment. The change in value of the financial assets is booked as raw materials and consumables used.

	2016	2015
Value of the financial asset	136 140	181 437

**Note 6 Inventories**

Parent			Group	
2016	2015		2016	2015
0	0	Raw materials	6 684	2 871
0	0	<b>Sum</b>	<b>6 684</b>	<b>2 871</b>
0	0	Obsolete inventory	0	37



Jacobsen Elektro Holding AS

Notes to the accounts for 2016

**Note 7 Capitalised contract costs**

	2016	2015
Capitalised Contract Costs	179 072	169 238

1) A still valid implementation agreement of (IA) was signed in 2011 in respect of the 50 MW IPP power plant. The corresponding Power Purchase Agreement was negotiated in 2012. The local authority's ambitions have increased the desired capacity from an original output of 50 MW to 120 MW. Necessary changes in the local laws are needed to open up for IPPs directly with Benin utility company. Meanwhile new elections in 2016 have held back the progress. Newly elected President has tasked the Minister of Energy to move forward. The first priority in this respect has been to conclude the ongoing 120 MW EPC power plant. The Government of Benin is currently negotiating the EPC contract with the awarded company. In the meantime together with two other companies, JEL had been awarded to supply of 120 MW power plant to be installed in Maria Glèta. The target of The Government of Benin is to start the construction of a first 120 MW IPP project before end of 2017 and to begin the next IPP project mid 2018. The third IPP shall be delayed with start of construction mid 2019.

(2) The Ubungo Extension that is related to the re-dimensioning of the plant in Ubungo, Tanzania, was delivered to the customer in the summer of 2012. Plant production is to be increased from 100 MW to 125 MW. JEL has done planning and conceptual engineering and has had discussions with customer's management every year since then. We, however, were not pushing this project as long as we made the sales efforts for Kinyerezi I Extension - hence we re-started the sales efforts late last year.

(3) Power plant Ghana 360 – The EPC part of an IPP project of 360 MW based on Wartsila equipment (Dual Fuel Engines). Jacobsen Jelco Ghana Ltd is the customer of Jacobsen Elektro AS. We have been working with the project for approx 6 years, and are now in the final stage of getting to a financial closure for the project. Total value of the EPC contract is approx 550 MUSD. Ongoing negotiations with relevant authorities until the election process started in Q3/Q4 2016. Due to the said election, there has been a halt in the progress as the new government has taken its office and reviewed energy strategies. We expect full progress in the project during Q3 2017.

In 2016 we decided to write down substation project in Mozambique. As the Kinyerezi I Extension was awarded to JEL in 2016 the activated sales cost is booked to the ongoing project.

Contracts	Country	2016	2015
Power plant (UETCL)	Uganda	27 500	27 500
Substations (YESB)	Myanmar	9 365	8 100
Substations (EDM)	Mozambique	0	2 796
Namawe Conversion (UETCL)	Uganda	5 460	5 460
Nengo bridge HEPP (UETCL)	Uganda	7 030	4 867
Substation and transmission (OST)	Albania	869	863
Substations - phase III in Ghana (ECG, GRIDCo)	Ghana	2 215	1 974
Substation (Statnett)	Norway	574	441
Power plant	Benin	18 865	17 856
Power plant 360 MW	Ghana	96 813	83 798
Kinyerezi Extension (Tanesco)	Tanzania	0	5 772
Ubungo Extension (Tanesco)	Tanzania	7 350	7 350
Purchase of land for power plant (Rockinol Uganda)	Uganda	957	957
Hydro power plant (Langonan Holdings Corp)	Philippines	899	899
PLN Kupang	Indonesia	569	0
Capitalised contract costs in Jacobsen Elektro Holding AS	Uganda	605	605
<b>SUM</b>		<b>179 072</b>	<b>169 238</b>



Jacobsen Elektro Holding AS

Notes to the accounts for 2016

Note 8 Long term contracts

Parent			Group	
2016	2015	Balance sheet value of projects	2016	2015
0	0	Accrued income, not invoiced	290 726	47 657
0	0	Retained payments according to contract	0	0
0	0	Deferred income, invoiced amount in excess of earned	13 090	30 968
		<b>Result items relating to long term contracts</b>	<b>2016</b>	<b>2015</b>
<b>2016</b>	<b>2015</b>	<b>Result of work in progress (Accumulated)</b>		
0	0	Total income in the income statement	2 076 036	1 306 689
0	0	Estimated contract profit	230 918	144 537
		<b>Loss-making long term contracts</b>		
0	0	Remaining production	0	0

All ongoing projects at 31.12.2016 have recognised profits. The degree of completion of all current projects at 31.12.2016 is calculated on the basis of the relationship between accrued project costs and estimated total project costs.

In 2016 the Jacobsen Elektro AS has recognized 857,7 MNOK related to the Kinyerezi I Extension power plant project. This has resulted in recognized profits of 113,7 MNOK classified as work in progress not invoiced. The main increase related to work in progress not invoiced, is due to the transfer of titles of gas turbine generators from the supplier to Jacobsen Elektro AS during mid 2016. In other short term liabilities there is a provision for not received invoices of 306,2 MNOK related to this project.



## Jacobsen Elektro Holding AS

## Notes to the accounts for 2016

**Note 9 Receivables and liabilities**

Parent			Group	
2016	2015		2016	2015
3 090	12 015	<b>Trade receivables</b>		
0	0	Trade receivables at nominal value	677 592	333 533
0	0	Bad debts provision	-2 454	-1 517
<b>3 090</b>	<b>12 015</b>	<b>Trade receivables in the balance sheet</b>	<b>675 138</b>	<b>332 016</b>
<b>2016</b>	<b>2015</b>	<b>Receivables which fall due later than one year</b>	<b>2016</b>	<b>2015</b>
0	0	Other long term receivables	1 991	3 637
<b>0</b>	<b>0</b>	<b>Total</b>	<b>1 991</b>	<b>3 637</b>
<b>2016</b>	<b>2015</b>	<b>Long term liabilities which fall due later than 5 ye</b>	<b>2016</b>	<b>2015</b>
0	0	Liabilities to credit institution	0	0
<b>0</b>	<b>0</b>	<b>Total</b>	<b>0</b>	<b>0</b>
<b>2016</b>	<b>2015</b>		<b>2016</b>	<b>2015</b>
0	0	<b>Liabilities secured by mortgage</b>	<b>362 532</b>	<b>439 830</b>
<b>Balance sheet value of assets placed as security:</b>				
3 090	12 015	Trade receivables	675 138	332 016
0	0	Inventory and proprietary projects	1 004	347
8 970	19 099	Other receivables, incl. Receivables in group	31 400	220 321
0	0	Work in progress, not invoiced production	276 506	33 721
0	0	Fixed assets	202 019	267 528
0	235	Bank deposits	16 127	4 459
1 095	796	Bank deposits, blocked amount	4 662	4 676
<b>13 155</b>	<b>32 145</b>	<b>Total</b>	<b>1 206 856</b>	<b>863 068</b>
<b>The assets are pledged as collateral for the following:</b>				
14 167	5 801	Bank overdraft	76 743	57 411
<b>14 167</b>	<b>5 801</b>	<b>Total</b>	<b>76 743</b>	<b>57 411</b>
<b>Off balance sheet commitments</b>				
0	0	Contractual guarantees	112 821	79 715
183 493	198 243	Loan guarantees to group companies	0	0
<b>183 493</b>	<b>198 243</b>	<b>Total</b>	<b>112 821</b>	<b>79 715</b>

Assets in Jacobsen Elektro Holding AS are pledged as security for liabilities in Jacobsen Elektro AS. Liabilities in subsidiaries (Jacobsen Elektro AS, Jarlsø AS, JTS Tanzania Ltd, JTS DCR Ltd and Jelcem Ghana Ltd) are secured by an corporate guarantees from Jacobsen Elektro Holding AS with a total of TNOK 183 492.

**Reclaimable Value Added Tax**

Included in Other receivable is a receivable for Value Added tax of TNOK 194.722

This receivable is related to previous years invoiced amounts to The Uganda Electricity Company Ltd.

The company also has a VAT payable to the Ugandan Revenue Authority which relates to the same invoices.

This amount is included in Public duties payable.



Jacobsen Elektro Holding AS

Notes to the accounts for 2016

**Note 10 Restricted bank deposits**

Parent		Restricted bank deposits	Group	
2016	2015		2016	2015
1 095	796	Withheld employee taxes	4 852	4 898
0	0	Other restricted cash	1 076	1 784
<b>1 095</b>	<b>796</b>	<b>Total</b>	<b>5 928</b>	<b>6 682</b>
<b>Overdraft facilities granted</b>				
833	9 199	Unused bank overdraft	7 060	14 988
0	0	Unused loan facility CRDB Bank (facility 15 mUSD)	15 316	167
<b>833</b>	<b>9 199</b>	<b>Total</b>	<b>22 376</b>	<b>15 156</b>

**Note 11 Balance with group companies**

Parent

	Trade receivables		Short term receivables	
	2016	2015	2016	2015
Group companies	3 090	12 015	7 936	18 384
	Long term receivables		Trade creditors	
	2016	2015	2016	2015
Group companies	0	0	0	0
	Short term creditors		Long term creditors	
	2016	2015	2016	2015
Group companies	27 536	6 300	5 733	21 243

In 2016 Jacobsen Elektro AS wrote down receivables to group companies with TNOK 29 315. The loss is recognized as other operating expenses.

Group

	Trade receivables		Other short term receivables	
	2016	2015	2016	2015
Svetek Holding AS	0	0	9 258	7 010
	Other long term receivables		Trade creditors	
	2016	2015	2016	2015
Svetek Holding AS	0	0	0	0
	Other short term creditors		Other long term creditors	
	2016	2015	2016	2015
Svetek Holding AS	0	2 500	0	0



## Jacobsen Elektro Holding AS

## Notes to the accounts for 2016

### Note 12 Shareholders Equity

#### Parent

Equity changes in the year	Share capital	Share premium	Othe paid-in equity	Other equity	Total
Equity 01.01.	200	39 900	93	13 385	53 578
Profit for the year	0	-12 943	-93	-13 385	-26 421
<b>Equity 31.12.</b>	<b>200</b>	<b>26 957</b>	<b>0</b>	<b>0</b>	<b>27 157</b>

#### Group

Equity changes in the year	Share capital	Share premium and other paid in equity	Other equity	Minority interests	Total
Equity 01.01.	200	39 993	28 971	-12 530	56 635
Profit for the year	0	-13 036	-5 388	769	-17 655
Remission of debt	0	0	7 615	897	8 512
Change of minority	0	0	124	-124	0
Exchange differences subsidiaries	0	0	4 432	1 361	5 793
<b>Equity 31.12.</b>	<b>200</b>	<b>26 957</b>	<b>35 754</b>	<b>-9 627</b>	<b>53 284</b>

### Note 13 Share capital and shareholder information

#### Parent

The share capital of NOK 200 000 consists of 200 shares with nominal value of NOK 1.000 each.

Shares are owned by Svetek Holding AS with 995 (99,5 %) shares and by Varnamoss AS with 5 (0,5 %) shares

The parent company Svetek Holding AS has its registered offices in Ringeriksveien 16, 3414 Lierstranda, where the consolidated accounts which include the company can be obtained.

The Chairman of the Board of Directors, Johan Svendsen with family, owns all the shares in Svetek Holding AS

### Note 14 Covenants

As of 31.12.2016 the group was in breach of its loan terms with Swedbank. During 2017, the company has negotiated with the bank and a new loan agreement has been established.



Jacobsen Elektro Holding AS

Notes to the accounts for 2016

**Note 15 Pensions**

A number of group companies are required to provide an occupational pension scheme according to the Norwegian Mandatory Occupational Pension Act for activities that involve Norway. Pension schemes within these group companies are contribution-based schemes and satisfy all legal requirements. Pension costs for the year were TNOK 3.121. One company in the group also has a Contractual Pension (CP) arrangement, see below.

**CP**

The Company participates in an LO/NHO arrangement that results in that all employees can choose to take early retirement from the age of 62. It was ruled that this arrangement would be discontinued in February 2010 and that it was only possible to take early retirement under the previous arrangement up to 31.12.2010. On the discontinuation of the old arrangement it transpired that there was a considerable funding deficit. The deficit must be covered by the member companies continuing to make payments to the arrangement for five years after discontinuation. The Company's share of the deficit is estimated to be TNOK 35 and this has been allocated in the accounts. The Company had no active retirees under the old plan per 31.12.2016.

The previous CP arrangement was replaced by a new CP arrangement. The new CP is, as opposed to the previous arrangement, not a early retirement arrangement, but an arrangement that provides a life-long addition to the ordinary pension. Employees can choose to take out the new CP arrangement fn reaching 62 years, including while remaining in employment, which will provide further accrual until the age of 67. The new CP arrangement is a contribution-based multi-company arrangement and is financed through premiums calculated As a percentage of wages. The arrangement is dealt with in the accounts as a contribution-based pension scheme where the premium is recognised as incurred and no provisions are made in the accounts.

Annual premium fees for the new and old CP arrangements total TNOK 692.



## Jacobsen Elektro Holding AS

## Notes to the accounts for 2016

### Note 16 Tax

#### Calculation of deferred tax/deferred tax benefit

Parent			Group	
2016	2015	Temporary differences	2016	2015
-42	206	Operating equipment, incl goodwill	-1 837	-21 101
0	0	Construction contracts work in progress	231 901	144 537
0	0	Long term assets	2 393	11 449
0	0	Current assets	60 443	66 428
0	0	Capitalised net pension commitments	0	0
0	0	Provisions	-8 409	-1 936
0	0	Other	-228	-1 682
-42	206	Net temporary differences	284 263	197 695
0	-648	Tax losses carried forward	-131 398	-83 863
-42	-442	Basis for deferred tax	152 865	113 832
-10	-110	Deferred tax rate 25 % - Norway	24 431	15 250
	0	Deferred tax rate - other tax rate	9 440	15 717
0	162	Deferred tax benefit not shown in the balance sheet	8 652	6 123
-10	52	<b>Deferred tax in the balance sheet</b>	<b>42 523</b>	<b>37 090</b>
		<b>The balance sheet consists of</b>		
0	0	Incurred withholding tax	-567	-567
-10	52	Deferred tax (liability)	42 523	37 090

#### Basis for income tax expense, changes in deferred tax and tax payable

-24 750	-937	Result before taxes	-8 822	-52 992
32 079	174	Permanent differences	35 891	46 403
0	0	This year's income - Togo	7 251	11 490
0	0	Reduction result before taxes - Togo	8 426	13 200
7 329	-763	Basis for the tax expense for the year	42 746	18 101
0	0	Exch differences	0	0
248	115	Change in temporary differences	-86 568	37 647
7 577	-648	<b>Basis for payable taxes in the income statement</b>	<b>-43 822</b>	<b>55 748</b>
-6 930	0	+/- Group contributions received/given	0	0
-648	648	Change in loss carryforward	47 535	-45 428
0	0	<b>Taxable income (basis for payable taxes in the balance sheet)</b>	<b>3 713</b>	<b>10 320</b>



Jacobsen Elektro Holding AS

Notes to the accounts for 2016

Note 16 Tax - continuance

Parent			Group	
2016	2015	Components of the income tax expense	2016	2015
1 732	0	Payable tax on this year's result	3 799	3 464
0	0	Payable tax on this years income - Togo	73	123
0	0	Adjustment in respect of priors	10	-697
1 732	0	<b>Total payable tax</b>	<b>3 882</b>	<b>2 890</b>
-61	-31	Change in deferred tax based on original tax rate	6 796	5 787
0	-4	Change in deferred tax due to change in tax rate	-1 363	-2 092
0	0	Source tax	-316	2 528
0	0	Currency effect deferred tax	-167	-348
<b>1 671</b>	<b>-35</b>	<b>Tax expense</b>	<b>8 832</b>	<b>8 765</b>
<b>Reconciliation of the tax expense</b>				
-24 750	-937	Result before taxes (unless Togo)	-396	-39 792
-6 188	-253	Calculated tax 25 %	-107	-10 744
1 671	-35	Tax expense	8 832	8 765
7 858	218	Difference	-8 939	-19 509
The difference consist of:				
8 020	47	25% of permanent differences	9 691	1 039
0	-4	Change in deferred tax due to change in tax rate	-1 363	-2 092
0	0	Source tax	-316	2 528
-162	175	Deferred tax benefit not shown in the balance sheet	5 656	5 656
0	0	Other differences	-22 607	-26 640
7 858	218	Sum explained differences	-8 939	-19 509
<b>Payable taxes in the balance sheet</b>				
1 732	0	Payable tax in the tax charge	1114	3096
-1 732	0	Tax effect of group contribution	0	0
0	0	Advance tax payment (Uganda)	-195	-536
<b>0</b>	<b>0</b>	<b>Payable tax in the balance sheet</b>	<b>919</b>	<b>2 560</b>

Tax rates:

35 % - Democratic Republic of the Congo

30 % - Uganda, Kenya and Tanzania

25 % - Norway (24 % on deferred tax)

25 % - Ghana and China

Tax calculation in Togo are based on 1 % of this year's income.



Jacobsen Elektro Holding AS

Notes to the accounts for 2016

Note 17 Operating income

Parent			Group	
2016	2015		2016	2015
0	0	Sales income	1 266 440	705 919
46 981	42 014	Other operational income	296	17 376
<b>46 981</b>	<b>42 014</b>	<b>Total</b>	<b>1 266 736</b>	<b>723 296</b>
<b>Activity distribution</b>				
<b>2016</b>	<b>2015</b>		<b>2016</b>	<b>2015</b>
0	0	Building contracts	1 022 103	437 811
0	0	Revenue of electricity	35 930	48 132
0	0	Sales of goods	105 634	127 780
0	0	Services	93 013	92 197
0	0	Gains from sale of land	0	17 103
46 981	42 014	Other operating income	10 057	273
<b>46 981</b>	<b>42 014</b>	<b>Total</b>	<b>1 266 736</b>	<b>723 296</b>
<b>Geographical distribution</b>				
<b>2016</b>	<b>2015</b>		<b>2016</b>	<b>2015</b>
<b>Europe</b>				
46 981	42 014	Norway	119 580	187 129
0	0	Sweden	9 979	3 342
<b>Africa</b>				
0	0	Uganda	41 827	50 503
0	0	Tanzania	914 138	263 000
0	0	Ghana	85 210	108 396
0	0	Mozambique	0	4 611
0	0	Democratic Republic of the Congo	29 787	19 918
0	0	Gabon	0	19
0	0	Gambia	0	1 080
0	0	Sierra Leone	0	0
0	0	Zambia	193	1 322
0	0	Zimbabwe	317	24 380
0	0	Cameroon	0	1 864
0	0	Benin	0	3 915
0	0	Kenya	0	0
0	0	Togo	7 251	11 490
0	0	Liberia	37 283	16 802
0	0	Rwanda	3 574	0
<b>Asia</b>				
0	0	China	17 310	25 514
0	0	Saudi Arabia	0	11
0	0	Kuwait	287	0
<b>46 981</b>	<b>42 014</b>	<b>Total</b>	<b>1 266 736</b>	<b>723 285</b>



Jacobsen Elektro Holding AS

Notes to the accounts for 2016

**Note 18 Project costs**

Group

Project costs consist of the following costs:	2016	2015
Cost of goods	815 464	170 034
Write-down projects/contractcost	3 331	1 780
Labour cost	62 528	58 707
Depreciation	142	203
Other operating cost	106 931	247 716
Interest expenses	0	8 543
<b>Total</b>	<b>988 396</b>	<b>486 984</b>

**Note 19 Payroll expenses, number of employees, remunerations, loans to employees, etc**

Parent			Group	
2016	2015	Payroll expenses	2016	2015
14 933	15 158	Salaries/wages	104 364	108 369
2 526	2 533	Social security fees	13 302	14 350
597	643	Pension expenses	4 839	4 878
1 085	3 490	Other remuneration	2 426	6 364
0	0	Activated sales cost	-4 572	-5 690
0	0	Payroll expenses classified as project cost	-58 540	-57 818
<b>19 141</b>	<b>21 824</b>	<b>Sum</b>	<b>61 819</b>	<b>70 454</b>

11	11	Average number of employees	263	233
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Remuneration to executives	Managing director	The Board of Directors
Salaries/board of directors fee	2 885	1 488
Pension expenses	25	0
Other remuneration	198	0

The managing director is a part of the Company's ordinary pension arrangements. The Managing Director has a bonus agreement for the achievement of results over budget, upwardly limited to 6-months' salary. The Managing director has been paid a bonus of NOK 250.000 for the accounting year 2016. The Managing Director has a period of notice of 6 months and an agreement of severance pay for 6 months in addition to the period of notice if notice is invoked by the Company. In addition the Managing director has a stay-on bonus agreement.

No loans/sureties have been granted to the general manager, the Chairman of the Board of Directors or other related parties.

Expensed audit fee	Parent	Group
Statutory audit (incl. technical assistance with financial statements)	291	1 544
Other assurance services	0	0
Tax advisory fee (incl. technical assistance with tax return)	15	144
Other assistance	0	0
<b>Total audit fees</b>	<b>306</b>	<b>1 688</b>



## Jacobsen Elektro Holding AS

## Notes to the accounts for 2016

### Note 20 Related party transactions

Related-party transactions:	Parent	Group
a) Sales of goods and services		
Sales of services:		
- Component	46 981	0
b) Purchases of goods and services		
Purchases of services		
- Component	891	0

### Note 21 Specification of financial income and expenses

Financial income	Parent	Group
Foreign exchange gains	1 377	10 116
Other financial income	0	40
<b>Total financial income</b>	<b>1 377</b>	<b>10 156</b>
<b>Financial expenses</b>	<b>Parent</b>	<b>Group</b>
Foreign exchange losses	1 342	12 418
Other financial expenses	909	2 860
<b>Total financial expenses</b>	<b>2 251</b>	<b>15 278</b>

### Note 22 Subsequent Events

The group signed a contract with the state owned utility in Indonesia (PLN) for building a 40 MW Power Plant. The Company's portion of the contract (as a consortium member) is appr 40 MUSD.

The group was awarded an EPC contract for a substation by the Norwegian utility Statnett. The total Contract value including the part of the Frame agreement (control and protection) for the Company is appr 153 MNOK

In the period January-July 2017, the Company has been awarded call offs under the Frame Agreement with Statnett for control and protection systems with a value of appr 100 MNOK.

The development of the project Power Plant Ghana is in its final stage and has been reconfirmed by the new Government of Ghana. We have signed a Term Sheet with an international reputable investor and developer to jointly develop the project up till financial closure. Payment has been made under this Term Sheet and main principle of the ownership has been defined. A Share Holder Agreement will be signed based upon the Term Sheet. The EPC contract under this IPP project has a value of approximately 550MUSD.

The pilot project for 'Digital Substation' with Statnett has been delivered according to the customers expectations and schedule.

As a part of the sale of Jelcem Togo, Jacobsen Elektro Holding AS will take over Jelcem Togo's debt to Eco bank of 1 641,8 MEUR.

As a consequence of low sales volumes and margins in Togo, the Board of Directors decided to sell the operations in Togo to an external party (as from Jan 2017) and to close down the management function in Norway (as from July 2017)



To the General Meeting of Jacobsen Elektro Holding AS

## *Independent Auditor's Report*

### *Report on the Audit of the Financial Statements*

#### *Opinion*

We have audited the financial statements of Jacobsen Elektro Holding AS showing a loss of NOK 26 421 000 in the financial statements of the parent company and loss of NOK 17 655 000 in the financial statements of the group. The financial statements comprise:

- The financial statements of the parent company, which comprise the balance sheet as at 31 December 2016, and the income statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- The financial statements of the group, which comprise the balance sheet as at 31 December 2016, and the income statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion:

- The financial statements are prepared in accordance with the law and regulations.
- The accompanying financial statements give a true and fair view of the financial position of the parent company as at 31 December 2016, and its financial performance for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.
- The accompanying financial statements give a true and fair view of the financial position of the group as at 31 December 2016, and its financial performance for the year then ended in accordance with Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

#### *Basis for Opinion*

We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing (ISAs). Our responsibilities under those standards 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 and the Group as required by laws and regulations, 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.

PricewaterhouseCoopers AS, Postboks 748 Sentrum, NO-0106 Oslo

T: 02316, org.no.: 987 009 713 VAT, [www.pwc.no](http://www.pwc.no)

State authorised public accountants, members of The Norwegian Institute of Public Accountants, and authorised accounting firm



Independent Auditor's Report - Jacobsen Elektro Holding AS

#### *Other information*

Management is responsible for the other information. The other information comprises the Board of Directors' report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information 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 the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### *Responsibilities of the Board of Directors and the Managing Director for the Financial Statements*

The Board of Directors and the Managing Director (management) are responsible for the preparation in accordance with law and regulations, including fair presentation of the financial statements in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, 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 and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations.

#### *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 laws, regulations, and auditing standards and practices generally accepted in Norway, including ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in 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 in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing (ISAs), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We 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

(2)



Independent Auditor's Report - Jacobsen Elektro Holding AS

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 and the Group'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 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 and the Group'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 and the Group to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- 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 the Board of Directors 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.

### *Report on Other Legal and Regulatory Requirements*

#### *Opinion on the Board of Directors' report*

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors' report concerning the financial statements, the going concern assumption, and the proposal for the coverage of the loss is consistent with the financial statements and complies with the law and regulations.

#### *Opinion on Registration and Documentation*

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements (ISAE) 3000, *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*, it is our opinion that management has fulfilled its duty to produce a proper and clearly set out registration and documentation of the Company and the Group's accounting information in accordance with the law and bookkeeping standards and practices generally accepted in Norway.

(3)



Independent Auditor's Report - Jacobsen Elektro Holding AS

*Other Matters*

The company's financial statements have been submitted after the expiry of the statutory time limit for preparation of financial statements.

This audit report replaces our previous audit report as of 30.06.2017, which was issued at the statutory deadline for holding the annual shareholders meeting. Complete annual financial statements and Board of Directors report were at this point in time not submitted by the Board of Directors and Managing Director.

Oslo, 12 October 2017

**PricewaterhouseCoopers AS**

Bjørn Rydland  
State Authorised Public Accountant



21 MARS 2014



Skattedirektoratet

Saksbehandler  
Rune Tystad

Deres dato  
13.03.2014

Vår dato  
19.03.2014

Telefon  
977 59 464

Deres referanse  
SBR

Vår referanse  
2014/179175

ADVOKATFIRMAET PRICEWATERHOUSECOOPERS AS  
Postboks 748 Sentrum  
0106 OSLO

## Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk språk for Jacobsen Elektro Holding AS med datterselskaper

Vi viser til deres brev av 13. mars 2014 hvor dere søker om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk for

Jacobsen Elektro Holding AS,	org.nr. 935 374 324
Jacobsen Elektro AS,	org.nr. 942 542 887
Jelcem AS,	org.nr. 997 761 391
Jarlsø AS,	org.nr. 996 804 623
Jelco AS,	org.nr. 973 194 607
JEL Oil & Gas AS,	org.nr. 989 127 829
JJG Holding AS,	org.nr. 912 748 529.

Skattedirektoratet gir på bakgrunn av en konkret helhetsvurdering de ovennevnte selskapene tillatelse til å utarbeide årsregnskap og årsberetning på engelsk språk, jf. regnskapsloven § 3-4 tredje ledd. Dispensasjonen forutsetter at opplysningene som vedtaket baserer seg på ikke endres vesentlig.

Kopi av dette brevet må sendes Regnskapsregisteret i Brønnøysund sammen med årsregnskapet. Det påligger den regnskapspliktige å dokumentere ved dette brev at tillatelsen er gitt.

### Bakgrunn

Jacobsen Elektro Holding AS med datterselskaper (heretter Jacobsen Elektro) er et norskeiet konsern med fem forretningsområder organisert som datterselskaper: Jacobsen Elektro AS, Jelcem AS, Jarlsø AS, Jelco AS, med datterselskapet JJG Holding AS, og JEL Oil & Gas AS. Jacobsen Elektro Holding AS er eiet med 99,5 % av Svetek Holding AS. Konsernets hovedaktivitet er leveranse av nøkkelferdige elektrotekniske løsninger, herunder transformator- og kraftstasjoner. Selskapets forretningsidé er å levere løsningene i utviklingsland som har et stort behov for elektroteknisk infrastruktur. I dag er 90 % av selskapets kunder utenlandske - primært afrikanske private- og offentlige aktører. Selskapets leveranser, herunder oppføringen av kraftstasjoner og transformatorer, skjer således primært til- og i utlandet. Ettersom selskapet i hovedsak opererer i utlandet, er 95 % av selskapets leverandører også utenlandske. Utenlandske finansieringsinstitusjoner finansierer mesteparten av konsernets prosjekter i utlandet. Av selskapets 140 ansatte er 70 utenlandske. For øvrig leies det også inn lokal arbeidskraft der de tekniske anleggene bygges. Ettersom Jacobsen Elektro i hovedsak driver virksomhet i utlandet, og de aller fleste regnskapsbrukerne ikke snakker eller leser norsk, må selskapet i tillegg til de norske-, utarbeide engelske versjoner av årsregnskapet og årsberetningen.

Postadresse  
Postboks 9200 Grønland  
0134 Oslo

Besøksadresse: Sentralbord  
Se [www.skatteetaten.no](http://www.skatteetaten.no) 800 80 000  
Org.nr. 996250318 Telefaks  
E-post: [skatteetaten.no/sendepost](mailto:skatteetaten.no/sendepost) 22 17 08 60



### Skattedirektoratets vurdering

Etter regnskapsloven § 3-4 tredje ledd skal årsregnskapet og årsberetningen være på norsk. Departementet kan ved enkeltvedtak bestemme at årsregnskapet og/eller årsberetningen kan være på et annet språk.

I Ot. prp. nr. 42 (1997-1998) Om lov om årsregnskap m.v., er det uttalt følgende om regnskapslovens formål, jf. pkt. 1.1:

*Regjeringen har som siktemål at regnskapsloven skal bidra til informative regnskaper for ulike grupper av regnskapsbrukere. Regnskapsbrukerne er dels investorer og kreditorer som tilfører kapital til foretakene, og dels andre grupper som har interesse av å vite hvordan foretaket drives, f.eks. de ansatte og lokalsamfunnet. Informasjonen til kapitalmarkedet skal gi grunnlag for riktig prising av finansielle objekter. Riktig prisdannelse på aksjer er en forutsetning for at ressursbruken i samfunnsøkonomien skal bli best mulig. Gode regnskaper vil også gjøre det vanskeligere for markedsdeltakere å ta ut spekulasjonsgevinster med basis i skjevt fordelt informasjon.*

Det fremgår således at et av hovedformålene med regnskapsloven er å bidra til "informative regnskaper for ulike grupper av regnskapsbrukere". Regnskapsbrukere vil omfatte, jf. uttalelsen i proposisjonen, blant andre investorer, kreditorer, ansatte og lokalsamfunnet.

Det er etter Skattedirektoratets vurdering derfor avgjørende ved vurdering av om dispensasjon fra kravet til å utarbeide årsregnskap og/eller årsberetning på norsk kan gis, at det ikke foreligger mulige brukere av regnskapsinformasjon som blir vesentlig berørt negativt ved en eventuell dispensasjon.

Som nevnt ovenfor er det særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I denne vurderingen har Skattedirektoratet lagt vekt på at konsernet er eiet med 99,5 % av et annet norsk selskap og at eierkretsen dermed er begrenset. Videre er det vektlagt at 90 % av selskapets kunder er utenlandske og at selskapet i hovedsak opererer i utlandet.

Vennligst oppgi vår referanse ved henvendelser i saken.

Med hilsen

Torstein Kinden Helleland  
seniorrådgiver  
Rettsavdelingen, foretaksskatt  
Skattedirektoratet

Rune Tystad



## Jacobsen Elektro Holding AS

## BALANCE SHEET AT 31.12.2016

(Amounts in NOK 1000)

Parent				Group	
2016	2015	EQUITY AND LIABILITIES	Note	2016	2015
200	200	Share capital	12,13	200	200
26 957	39 900	Share premium	12	26 957	39 900
0	93	Other paid in equity	12	0	93
<b>27 157</b>	<b>40 193</b>	<b>Total paid-in equity</b>		<b>27 157</b>	<b>40 193</b>
0	13 385	Retained earnings	12	35 754	28 971
<b>0</b>	<b>13 385</b>	<b>Total retained earnings</b>		<b>35 754</b>	<b>28 971</b>
		<b>Minority interests</b>	12	<b>-9 627</b>	<b>-12 530</b>
<b>27 157</b>	<b>53 578</b>	<b>TOTAL EQUITY</b>	12	<b>53 284</b>	<b>56 635</b>
0	0	Pension liabilities	15	0	0
0	52	Deferred tax	16	42 523	37 090
<b>0</b>	<b>52</b>	<b>Total provisions</b>		<b>42 523</b>	<b>37 090</b>
0	0	Liabilities to financial institutions	9	242 498	307 780
5 733	21 243	Other long-term liabilities group companies	11	0	0
0	0	Other long-term liabilities		533	10 266
<b>5 733</b>	<b>21 243</b>	<b>Other long term liabilities</b>		<b>243 031</b>	<b>318 046</b>
14 562	6 384	Liabilities to financial institutions	9,10	190 727	189 382
3 870	3 944	Trade creditors	11	553 249	245 103
0	0	Tax payable	16	919	2 560
1 847	1 453	Public duties payable	9	155 422	166 348
0	0	Dividends		0	0
27 536	6 301	Short term liabilities to group companies	11	0	2 500
0	0	Invoiced, work in progress	8	13 090	30 968
3 170	4 251	Short term liabilities	8	346 049	88 504
<b>50 984</b>	<b>22 332</b>	<b>Other short term liabilities</b>		<b>1 259 456</b>	<b>725 365</b>
<b>56 716</b>	<b>43 627</b>	<b>TOTAL LIABILITIES</b>		<b>1 545 010</b>	<b>1 080 501</b>
<b>83 872</b>	<b>97 204</b>	<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1 598 295</b>	<b>1 137 136</b>

Lierstranda, 12 October 2017  
The Board of DirectorsJohan Svendsen  
Chairman of the BoardClas-Erik Strand  
Member of the BoardKarl Johan Svendsen  
Member of the BoardGeir Gjersdal  
Managing director