Ea Energianalyse A/S

Frederiksholms Kanal 4, 3. th., 1220 København K, Denmark

CVR no. 28 98 58 27

Annual report 2017

Approved at the Company's annual general meeting on 1 June 2018

Chairman:

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Chairman, Attorney Aage Krogh

Contents

Statement by the Board of Directors and the Executive Board

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of Ea Energianalyse A/S for the financial year 1 January - 31 December 2017.

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

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

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the annual general meeting.

Copenhagen, 1 June 2018
Executive Board:

Mikael Togeby

Board of Directors:

Hans Henrik Lindboe Chairman	Jesper Troelsgaard Werling	Mikael Togeby
Lars Møllenbach Bregnbæk	Anders Kofoed-Wiuff	Janos Hethey
Katja Buhrkal Jensen		

Independent auditor's report

To the shareholders of Ea Energianalyse A/S

Opinion

We have audited the financial statements of Ea Energianalyse A/S for the financial year 1 January - 31 December 2017, which comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

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

Basis for opinion

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

Independence

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements.

Management's responsibilities for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

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

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement 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, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

Independent auditor's report

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

Statement on the Management's review

Management is responsible for the Management's review.

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

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

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

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

Copenhagen, 1 June 2018
ERNST & YOUNG
Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Kim Thomsen
State Authorised Public Accountant
MNE no.: mne26736

Jesper Bo Pedersen
State Authorised Public Accountant
MNE no.: mne42778

Management's review

Company details

Name	Ea Energianalyse A/S
Address, Postal code, City	Frederiksholms Kanal 4, 3. th., 1220 København K, Denmark
CVR no.	28 98 58 27
Established	7 September 2005
Registered office	Copenhagen, Denmark
Financial year	1 January - 31 December
Board of Directors	Hans Henrik Lindboe, Chairman Jesper Troelsgaard Werling Mikael Togeby Lars Møllenbach Bregnbæk Anders Kofoed-Wiuff Janos Hethey Katja Buhrkal Jensen
Executive Board	Mikael Togeby
Auditors	Ernst & Young Godkendt Revisionspartnerselskab Osvald Helmuths Vej 4, P.O. Box 250, 2000 Frederiksberg, Denmark

Management commentary

Business review

The Company's objective is to carry on business in the form of analyses and consultancy and other advisory services regarding the development of new energy systems that safeguard the economy, supply stability and the environment.

The Company can, directly and indirectly, carry on other businesses which, in the opinion of the Board of Directors, are related to the Company's principal activities.

Unusual matters having affected the financial statements

In connection with the annual generel meeting on 21 April 2017, the Supervisory Board decided to change the proposed dividend from 553 TDKK to 1,102 TDKK. According to the Danish Company Act, a new changed annual report for 2016 should have been prepared accordingly. Due to a misunderstanding, the final proposed and approved dividend, was not adjusted before the annual report for 2016 was submitted to the Danish Business Authorities. The proposed and approved dividend for 2016 of 1,102 tDKK has been adjusted in the comparative figures for 2016.

Financial review

In 2017, the Company's revenue amounted to DKK 17,547,842 against DKK 17,737,622 last year. The income statement for 2017 shows a profit of DKK 229,833 against a profit of DKK 474,228 last year, and the balance sheet at 31 December 2017 shows equity of DKK 3,082,302.

The profit for the year is not satisfactory due to a loss on operating activities, but the fair value adjustments have been one of the main reasons for the positive effect on the profit for the year. The plans for investments in financial instruments in the future are limited to 5 MW.

Outlook

The Company's expectations for 2018 are above the 2017 level.

Financial statements 1 January - 31 December

Income statement

Note	DKK	2017	2016
	Revenue	17,547,842	17,737,622
10	Production costs	-7,947,581	-7,917,618
	Gross margin	9,600,261	9,820,004
10	Administrative expenses	-10,115,523	-9,994,450
	Operating profit/loss	-515,262	-174,446
3	Financial income	865,101	826,873
	Financial expenses	-28,418	-22,879
	Profit before tax	321,421	629,548
4	Tax for the year	-91,588	-155,320
	Profit for the year	229,833	474,228
	Recommended appropriation of profit		
	Proposed dividend recognised under equity	0	1,101,565
	Retained earnings/accumulated loss	229,833	-627,337
		229,833	474,228

Financial statements 1 January - 31 December

Balance sheet

Note	DKK	2017	2016
	ASSETS		
	Non-current assets		
5	**Property, plant and equipment**		
	Other fixtures and fittings, tools and equipment	186,091	88,183
	Leasehold improvements	104,119	37,121
		290,210	125,304
	Total non-current assets	290,210	125,304
	Current assets		
	Receivables		
	Trade receivables	3,723,179	5,437,931
6	Work in progress for third parties	3,237,552	2,438,326
	Income taxes receivable	124,000	0
7	Other receivables	2,456,956	1,335,683
	Prepayments	133,289	171,887
		9,674,976	9,383,827
	Cash	0	363
	Total current assets	9,674,976	9,384,190
	TOTAL ASSETS	9,965,186	9,509,494
	EQUITY AND LIABILITIES		
	Equity		
8	Share capital	875,000	875,000
	Retained earnings	2,207,302	2,221,305
	Dividend proposed for the year	0	553,282
	Total equity	3,082,302	3,649,587
	Non-current liabilities		
	Deferred tax	986,123	953,481
	Total non-current liabilities	986,123	953,481
	Current liabilities		
	Bank debt	1,316,851	542,283
6	Prepayments on work in progress	836,136	743,255
	Trade payables	169,344	958,011
	Income taxes payable	0	280,925
	Payables to shareholders and Management	855,855	0
	Other payables	2,718,575	2,381,952
	Total current liabilities	5,896,761	4,906,426
	Total liabilities	6,882,884	5,859,907
	TOTAL EQUITY AND LIABILITIES	9,965,186	9,509,494

1 Accounting policies
2 Special items
11 Contractual obligations and contingencies, etc.
12 Collateral

Financial statements 1 January - 31 December

Statement of changes in equity

DKK	Share capital	Retained earnings	Dividend proposed for the year	Total
Equity at 1 January 2017	875,000	2,221,305	553,282	3,649,587
Transfer	0	-548,283	548,283	0
Adjusted equity at 1 January 2017	875,000	1,673,022	1,101,565	3,649,587
Capital increase	246,500	648,295	0	894,795
Capital reduction	-246,500	-191,400	0	-437,900
Expenses, capital transactions	0	-267,938	0	-267,938
Transfer through appropriation of profit	0	229,833	0	229,833
Tax on items recognised directly in equity	0	58,946	0	58,946
Purchase of treasury shares	0	-127,050	0	-127,050
Dividend	0	0	-1,101,565	-1,101,565
Dividend, treasury shares	0	183,594	0	183,594
Equity at 31 December 2017	875,000	2,207,302	0	3,082,302

In connection with the annual generel meeting on 21 April 2017, the Supervisory Board decided to change the proposed dividend from 553 TDKK to 1,102 TDKK. According to the Danish Company Act, a new changed annual report for 2016 should have been prepared accordingly. Due to a misunderstanding, the final proposed and approved dividend, was not adjusted before the annual report for 2016 was submitted to the Danish Business Authorities. The proposed and approved dividend for 2016 of 1,102 tDKK has been adjusted in the comparative figures for 2016.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of Ea Energianalyse A/S for 2017 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class B entities and elective choice of certain provisions applying to reporting class C entities.

In connection with the annual generel meeting on 21 April 2017, the Supervisory Board decided to change the proposed dividend from 553 TDKK to 1,102 TDKK. According to the Danish Company Act, a new changed annual report for 2016 should have been prepared accordingly. Due to a misunderstanding, the final proposed and approved dividend, was not adjusted before the annual report for 2016 was submitted to the Danish Business Authorities. The proposed and approved dividend for 2016 of 1,102 tDKK has been adjusted in the comparative figures for 2016.

The accounting policies applied by the Company are consistent with those of last year.

Reporting currency

The financial statements are presented in Danish kroner (DKK).

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

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

Derivative financial instruments

On initial recognition, derivative financial instruments are recognised at cost in the balance sheet and are subsequently measured at fair value. Positive and negative fair values of derivative financial instruments are included in "Other receivables" and "Other payables", respectively.

Fair value adjustments of derivative financial instruments designated as and qualifying for hedging of future assets or liabilities are recognised in other receivables or other payables, respectively, and in equity. If the hedged forecast transaction results in the recognition of assets or liabilities, amounts previously recognised in equity are transferred to the cost of the asset or liability, respectively. If the hedged forecast transaction results in income or expenses, amounts previously deferred in equity are transferred to the income statement in the period in which the hedged item affects the profit/loss for the year.

Fair value adjustments of derivative financial instruments that do not qualify for hedge accounting are recognised in the income statement on a current basis.

Income statement

Revenue

Revenue from the sale of the Company's services and products is recognised in the income statement provided that delivery and transfer of risk have taken place before year end.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Contract work in progress is recognised as the services are provided. Accordingly, revenue corresponds to the selling price of work performed during the year (percentage of completion method). This method is used when total income and expenses relating to the consultancy contract and the stage of completion at the balance sheet date can be reliably measured, and when it is probable that future economic benefits, including payments, will flow to the Company.

Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts and rebates granted are recognised in revenue.

Production costs

The item comprises attributable calculated cost of projects in connection with the use of staff resources and other directly attributable costs.

Administrative expenses

Administrative expenses include expenses incurred in the year for purposes of managing and administering the Company, including expenses relating to administrative staff, Management, office premises/expenses as well as amortisation/depreciation of assets used for administrative purposes.

Depreciation

The item comprises depreciation and impairment of property, plant and equipment.

The basis of depreciation, which is calculated as cost less any residual value, is depreciated on a straight line basis over the expected useful life. The expected useful lives of the assets are as follows:

Other fixtures and fittings, tools and equipment	3-5 years
Leasehold improvements	5 years

The residual value is determined at the time of acquisition and are reassessed every year. Where the residual value exceeds the carrying amount of the asset, no further depreciation charges are recognised. In case of changes in the residual value, the effect on the depreciation charges is recognised prospectively as a change in accounting estimates.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts that relate to the financial reporting period. The items comprise interest income and realised and unrealised capital gains and losses relating to other securities and investments, exchange gains and losses.

Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Balance sheet

Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use.

Gains or losses are calculated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses from the disposal of property, plant and equipment are recognised in the income statement as other operating income or other operating expenses.

Impairment of non-current assets

The carrying amount of plant and equipment is assessed for impairment on an annual basis.

Impairment tests are conducted on assets or groups of assets when there is evidence of impairment. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable amount).

The recoverable amount is the higher of the net selling price of an asset and its value in use. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the group of assets and the expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognised impairment losses are reversed when the reason for recognition no longer exists. Impairment losses on goodwill are not reversed.

Receivables

Receivables are measured at amortised cost, which is usually equivalent to the nominal value. An impairment loss is recognised based on an objective evidence that a receivable or a group of receivables is impaired. Impairment write-down is made to the lower of net realisable value and the carrying amount.

Work in progress for third parties

Contract work in progress is measured at the selling price of the work performed calculated on the basis of the stage of completion. The stage of completion is determined as the share of the expenses incurred relative to the expected expenses for the contract. When it is probable that the total project costs will exceed total income from a contract, the expected loss is recognised in the income statement.

When the selling price cannot be determined reliably, the selling price is measured at the lower of costs incurred and net realisable value.

Progress billing and invoicing in advance are deducted from the selling price. The individual contracts are classified as receivables when the net value is positive and as a liability when the net value is negative.

Selling costs and costs incurred in securing contracts are recognised in the income statement as incurred.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Prepayments

Prepayments recognised under "Assets" comprise prepaid expenses regarding subsequent financial reporting years.

Cash

Cash comprise cash and short term securities which are readily convertible into cash and subject only to minor risks of changes in value.

Equity

Treasury shares

Purchases and sales of treasury shares are taken directly to equity under "Retained earnings".

Proposed dividends

Dividend proposed for the year is recognised as a liability once adopted at the annual general meeting (declaration date). Dividends expected to be distributed for the financial year are presented as a separate item under "Equity".

Income taxes

Current tax payables and receivables are recognised in the balance sheet as the estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

Deferred tax is measured according to the liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax assets are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

Liabilities

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. On subsequent recognition, financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan. Financial liabilities also include the capitalised residual lease liability in respect of finance leases.

Other liabilities are measured at net realisable value.

Financial statements 1 January - 31 December

Notes to the financial statements

2 **Special items**

Special items for the year are specified in note 3, Fair value adjustments of financial instruments DKK 851,959 (2016: 809,710). Fair value adjustments of financial instruments are not normal transactions for the company. The plans for investments in financial instruments in the future are limited to 5 MW.

	DKK	2017	2016
3	**Financial income**		
	Fair value adjustments of financial instruments	851,959	809,710
	Other financial income	13,142	17,163
		865,101	826,873
4	**Tax for the year**		
	Estimated tax charge for the year	0	302,925
	Deferred tax adjustments in the year	91,588	-147,605
		91,588	155,320

Tax on equity items amounts to income of DKK 58,946 in 2017.

5 **Property, plant and equipment**

DKK	Other fixtures and fittings, tools and equipment	Leasehold improvements	Total
Cost at 1 January 2017	587,666	186,263	773,929
Additions in the year	189,445	93,443	282,888
Cost at 31 December 2017	777,111	279,706	1,056,817
Impairment losses and depreciation at 1 January 2017	499,483	149,142	648,625
Depreciation in the year	91,537	26,445	117,982
Impairment losses and depreciation at 31 December 2017	591,020	175,587	766,607
Carrying amount at 31 December 2017	186,091	104,119	290,210
Depreciated over	3-5 years	5 years	

	DKK	2017	2016
6	**Work in progress for third parties**		
	Selling price of work performed	14,790,316	10,074,952
	Progress billings	-12,388,900	-8,379,881
		2,401,416	1,695,071
	recognised as follows:		
	Work in progress for third parties (assets)	3,237,552	2,438,326
	Work in progress for third parties (liabilities)	-836,136	-743,255
		2,401,416	1,695,071

Financial statements 1 January - 31 December

Notes to the financial statements

	DKK	2017	2016
7	**Other receivables**		
	Financial instruments	0	482,456
	Financial instruments (realised)	1,661,669	327,254
	Other receivables	795,287	525,973
		2,456,956	1,335,683

The financial instruments have a due periode of between 1-5 years.

8 **Share capital**

Analysis of changes in the share capital over the past 5 years:

DKK	2017	2016	2015	2014	2013
Opening balance	875,000	875,000	875,000	875,000	875,000
Capital increase	246,500	0	0	0	0
Capital reduction	-246,500	0	0	0	0
	875,000	875,000	875,000	875,000	875,000

In connection with the formation / capital increase, the Company incurred expenses totalling DKK 267,938 before tax.

9 **Treasury shares**

	Number	Nominal value	Share of capital	Purchase/ sales sum
		DKK		DKK
Balance at 1 January 2017	1,458	145,833	16.67%	
Purchased in the year	350	35,000	4.00%	127,051
Capital reduction	-1,458	-145,833	-16.67%	
Balance at 31 December 2017	350	35,000	4.00%	

At 31 December 2017, the Company's portfolio of treasury shares amounted to 350 shares at a nominal value of DKK 35,000, which represents 4,00% of the Company's total capital. The portfolio of treasury shares is attributable to the retirement of one employee.

	DKK	2017	2016
10	**Staff costs**		
	Staff costs are recognised as follows in the financial statements:		
	Production	7,947,581	7,917,618
	Administration	6,266,799	6,209,817
		14,214,380	14,127,435
	Average number of full-time employees	25	26

Financial statements 1 January - 31 December

Notes to the financial statements

11 Contractual obligations and contingencies, etc.

Other financial obligations

Other rent and lease liabilities:

DKK	2017	2016
Rent and lease liabilities	569,351	550,925

12 Collateral

The Company has provided security to its bank in the form of a company charge on the Company's receivables. The company charge amounts to DKK 1,000,000.