

<b>MANAGEMENT REPORT FOR THE FINANCIAL YEAR ENDING 30 JUNE 2017</b>
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Pursuant to article 95 of the Companies Code, herewith our management report for the first financial year closing 30 June 2017.

## 1. BUSINESS ACTIVITIES FOR THE YEAR

### 1.1 Company performance

#### 1.1.1 Presentation

Stage one of the company's existence was its foundation within European Cooperative Society law. CLEAN POWER is the first European Cooperative Society for sustainable projects established on the principle of male/female equilibrium among its stakeholders. Its philosophy is one of responsibility and respect.

This first year was marked by a capital subscription of € 857,000.

Concurrent with this, CLEAN POWER EUROPE received a Director's Advance of € 500,000, enabling us to participate in the capitalisation of SCRL ENERGIE 2030 to the tune of € 1,200,000. This influx enabled CPE to ensure the distribution of dividends from the 1<sup>st</sup> January 2017.

Our sole investment in this financial year went to cover incorporation expenses at a 20% linear rate of depreciation.

The company has bought shares in the following 3 companies for the sums listed:

- SCRL ENERGIE 2030 for € 1,200,000;
- SA AGENCE ENERGIE 2030 for € 28,000; which participation has since been reduced to € 27,062 to reflect its true value;
- SCRL FÄRM Louvain la Neuve for € 5,000.

Other receivables correspond to an interest-accruing advance of € 3,500 to a director, which is the object of a purchased product agreement entered in the record on 30<sup>th</sup> June 2017.

Other loans include an advance of € 500,000 from a director, subject to agreed rate of interest. This loan was notably to enable our capital subscription share in SCRL ENERGIE 2030.

Invoices due and yet to be entered comprise the sum of recruitment of new member costs for the period ending 30<sup>th</sup> June 2017.

Other debts include that owed to a third party who advanced our incorporation costs.

Charges accrued include interest payments on loans, an advance provision for our annual account filing on 30<sup>th</sup> June 2017 and accountants fees.

#### 1.1.2 Key indicators of financial performance

##### Liquidity ratio

###### Sensu lato

*Numerator: Stocks and outstanding orders + receivables to one or more + cash investments + disposable assets + accruals*

*Denominator: Debts to one or more + accruals*

###### Sensu stricto

*Numerator: Receivables to one or more + cash investments + disposable assets*

*Denominator: Debts to one or more*

The liquidity ratio in sensu lato is 22.81% compared with 22.94% in sensu stricto. This short-term insufficiency in current assets over liabilities can be explained by the company's acquisition strategy.

##### Solvency ratio

*Numerator: Capital + share premium + re-evaluation surplus + reserves + deferred profit or loss + capital subsidies*

*Denominator: Total liabilities*

The solvency ratio at 61.75% is significantly superior to the norm.

Profitability ratios, such as gross margin of total revenue, operating profit, EBITDA or cash flow are not pertinent here, given that this is our first year of activity.

#### 1.1.3 Key non-financial performance indicators

CLEAN POWER EUROPE made a capital investment of €1,200,000 in the cooperative ENERGIE 2030 because its renewable energy production in Belgium and Germany, whether wind, solar, biogas or

hydroelectric, is an integral part of CLEAN POWER EUROPE's projects. But this capital injection also served to already ensure dividend payments to our members from the 1<sup>st</sup> January 2017.

These two co-operative societies will invest together in their first joint renewable energy production project: the new wind park at Gesves/Ohey in Belgium. One of six wind turbines planned will be citizen financed via the two cooperatives. The park will produce electricity for circa 12,000 households. A down payment for the purchase of the turbine will be made shortly.

CLEAN POWER EUROPE offers advantages to those of its members who have signed an electricity supply agreement with ENERGIE 2030 AGENCE SA. They benefit from full dispensation on their fixed charge, thus saving € 100 per annum.

CLEAN POWER EUROPE acquired a stake in the cooperative FÄRM from Louvain-la-Neuve and Brussels. The aim of this cooperative is to place cooperation at the heart of all relationships from producer to consumer. By promoting sustainable consumption, FÄRM supports the development of biological cultivation and agricultural transition. FÄRM shops are motors of this transition, as it is thanks to this concept of "consum'action" that farmers advance their engagement in 'beyond bio' agriculture.

FÄRM has also acquired shares in the capital of CLEAN POWER EUROPE.

CLEAN POWER EUROPE gave a micro-credit to launch a socio-cultural women's project in Brussels. This project offers a variety of activities, free of charge, exclusively to women from diverse backgrounds: building percussion instruments, music lessons, Brazilian songs and rhythms, dance and choreography.

The project is realised in partnership with the non-profits Viv Timoun, Art N'Ativa and the centre Alle du Kaai (Bruxelles environnement / Asbl Toestand).

#### 1.1.4 Information on environmental issues

All our projects have a positive impact, either directly or indirectly, on the environment and human values.

#### 1.1.5 Information on staff issues

Non-applicable

### 1.2 Description of the principle risks and uncertainties facing the company

Our investment in our partner cooperative ENERGIE 2030 SCRL which represents 97% of our current portfolio, is proportionally very high. However, this cooperative has consistently guaranteed a dividend for more than 15 years.

The remaining 3% of our investments represent only a small part of any potential risk, one that can be assumed within our 2017 operating profit, even in the event of the complete loss of these investments.

## 2. IMPORTANT EVENTS THAT HAVE OCCURRED SINCE THE CLOSE OF THE FINANCIAL YEAR

CPE SCE's capital was € 1,139,000 on the 19/10/2017.

In the coming months, the cooperative ENERGIE 2030 will develop and install the Gesves wind park project, specifically funded by a capital injection from Clean Power Europe SCE. Other investment projects, such as a wind park in Germany and a solar-thermal project in Armenia and Georgia, which we have aided through the creation of a mother-cooperative for renewable energy production, are on the horizon. CLEAN POWER EUROPE SCE's principle collaboration tool in Eastern Europe is our know-how.

## 3. CIRCUMSTANCES THAT MAY SIGNIFICANTLY AFFECT THE DEVELOPMENT OF THE COMPANY

The wind park project in Gesves will bring with it many new members as well as new capital over the coming months.

## 4. R&D ACTIVITIES

Non-applicable

## 5. MATTERS RELATIVE TO COMPANY SUBSIDIARIES OR BRANCHES

Non-applicable

## 6. PROOF THAT RULES OF GOOD ACCOUNTANCY PRACTISE ARE BEING APPLIED (art 96, 6°)

The accounts from 30<sup>th</sup> June 2017 present a loss of € 40,529.91.

This loss is explained: by the booking of a decline in value of € 27,062 on our participation in SA ENERGIE 2030 AGENCE to ensure the supply of green energy to cooperative members, by the fact that this is our first year of activity and by the fact that the acquired shares have not yet paid out a dividend within this period.

However, with our cost-reductive structure: an absence of personnel, a low rate of depreciation and control of running costs – these being limited to the recruitment of new members, the organization of seminars and accountant fees – as well as with the expectation of dividends due in the coming financial year, the Board is reassured that its rules for evaluation and continuity are setting a sustainable course.

## 7. DISCRETIONARY REFERENCES

Non-applicable

## 8. USE OF FINANCIAL INSTRUMENTS

Non-applicable

Brussels, 22<sup>nd</sup> October 2017

### **The Board of Directors:**

Madame Katharina HABERSBRUNNER

Madame Stéphanie GALLAND

Madame Marie BONTEMPS

Madame Dominique NYSSSEN

Monsieur Patrick KELLETER