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Havneholmen 29
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CVR no. 20 22 26 70

KINECT ENERGY DENMARK A/S

STRØMMEN 6, 9400 NØRRESUNDBY

ANNUAL REPORT

1 JANUARY - 31 DECEMBER 2018

The Annual Report has been presented and adopted at the Company's Annual General Meeting on 11 July 2019

Terence Patrick Cogan

The English part of this document is an unofficial translation of the original Danish text, and in case of any discrepancy between the Danish text and the English translation, the Danish text shall prevail.

CVR NO. 25 14 57 04

CONTENTS

	Page
Company Details	
Company Details	3
Statement and Report	
Statement by Board of Directors and Board of Executives	4
Independent Auditor's Report	5-6
Management's Review	
Management's Review	7
Financial Statements 1 January - 31 December	
Income Statement	8
Balance Sheet	9-10
Notes	11
Accounting Policies	12-13

COMPANY DETAILS

Company	Kinect Energy Denmark A/S Strømmen 6 9400 Nørresundby	
	CVR No.:	25 14 57 04
	Established:	5 December 1999
	Registered Office:	Aalborg
	Financial Year:	1 January - 31 December
Board of Directors	Paul Thomas Vian, chairman Terence Patrick Cogan Michael Joseph Crosby	
Board of Executives	Terence Patrick Cogan	
Auditor	BDO Statsautoriseret revisionsaktieselskab Havneholmen 29 1561 Copenhagen V	

STATEMENT BY BOARD OF DIRECTORS AND BOARD OF EXECUTIVES

The Executive Board has today considered and adopted the Annual report of Kinect Energy Denmark A/S for the financial year 1 January - 31 December 2018.

The Annual Report is presented in accordance with the Danish Financial Statements Act.

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

The Management's Review includes in our opinion a fair presentation of the matters dealt with in the Review.

We recommend the Annual Report be approved at the Annual General Meeting.

Aalborg, 11 July 2019

Board of Executives

Terence Patrick Cogan

Board of Directors

Paul Thomas Vian Chairman	Terence Patrick Cogan	Michael Joseph Crosby

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Kinect Energy Denmark A/S

AUDITORS OPINION ON THE FINANCIAL STATEMENTS

Opinion
We have audited the Financial Statements of Kinect Energy Denmark A/S for the financial year 1 January - 31 December 2018, which comprise income statement, balance sheet, notes and a summary of significant 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 assets, liabilities and financial position of the Company at 31 December 2018 and of the results of the Company's operations for the financial year 1 January - 31 December 2018 in accordance with the Danish Financial Statements Act.

Basis for Opinion
We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

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

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

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

INDEPENDENT AUDITOR'S REPORT

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

Statement on Management's Review
Management is responsible for Management's Review.

Our opinion on the Financial Statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

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

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Violation of the Deadline stated in the Danish Financial Statements Act Relating to Submission of the Financial Statements
In our opinion, the Company has not complied with the provisions of the Danish Financial Statements Act to submit the Financial Statements to the Danish Business Authority within the deadline of five months specified in the Danish Financial Statements Act, and the Company's Management may incur liability in this respect.

Copenhagen, 11 July 2019

BDO Statsautoriseret revisionsaktieselskab
CVR no. 20 22 26 70

Iben Larsen
State Authorised Public Accountant
MNE no. mne34474

MANAGEMENT'S REVIEW

Principal activities
The objects of the company are to provide consultancy within the energy sector regarding physical supplies, market analysis, renewable energy and related activities.

INCOME STATEMENT 1 JANUARY - 31 DECEMBER

	Note	2018 DKK	2017 DKK
GROSS PROFIT		**2,044,396**	**3,620,713**
Staff costs	1	-2,678,992	-2,721,095
Depreciation, amortisation and impairment losses		-1,261	-17,216
OPERATING LOSS		**-635,857**	**882,402**
Other financial income		7	8
Other financial expenses	2	-14,779	-31,196
LOSS BEFORE TAX		**-650,629**	**851,214**
Tax on profit/loss for the year	3	-597,673	737,785
LOSS FOR THE YEAR		**-1,248,302**	**1,588,999**

PROPOSED DISTRIBUTION OF DIVIDEND

Retained earnings		-1,248,302	1,588,999
TOTAL		**-1,248,302**	**1,588,999**

BALANCE SHEET AT 31 DECEMBER

ASSETS	Note	2018 DKK	2017 DKK
Leasehold improvements		0	1,261
Tangible fixed assets		**0**	**1,261**
FIXED ASSETS		**0**	**1,261**
Trade receivables		10,941,466	1,195,019
Receivables from group enterprises		0	3,484,404
Deferred tax assets		0	66,213
Other receivables		3,079,225	124,564
Corporation tax receivable		170,039	0
Prepayments and accrued income		4,365,344	10,601
Receivables		**18,556,074**	**4,880,801**
Cash and cash equivalents		**11,430,173**	**3,853,063**
CURRENT ASSETS		**29,986,247**	**8,733,864**
ASSETS		**29,986,247**	**8,735,125**

BALANCE SHEET AT 31 DECEMBER

EQUITY AND LIABILITIES	Note	2018 DKK	2017 DKK
Share capital		502,000	502,000
Retained earnings		5,448,353	6,696,655
EQUITY	4	**5,950,353**	**7,198,655**
Provision for deferred tax		33,498	0
Other provisions for liabilities		4,954,365	0
PROVISION FOR LIABILITIES		**4,987,863**	**0**
Prepayments received from customers		1,540,603	57,035
Trade payables		10,428,134	71,088
Payables to group enterprises		4,996,557	603,681
Corporation tax		0	14,414
Other liabilities		2,082,737	790,252
Current liabilities		**19,048,031**	**1,536,470**
LIABILITIES		**19,048,031**	**1,536,470**
EQUITY AND LIABILITIES		**29,986,247**	**8,735,125**

Contingencies etc. 5

NOTES

	2018 DKK	2017 DKK	Note
Staff costs			1
Average number of employees			
4 (2017: 4)			
Wages and salaries	2,186,216	1,939,935	
Pensions	462,000	719,000	
Social security costs	32,198	34,963	
Other staff costs	-1,422	27,197	
	2,678,992	**2,721,095**	
Other financial expenses			2
Other financial expenses	14,779	31,196	
	14,779	**31,196**	
Tax on profit/loss for the year			3
Calculated tax on taxable income of the year	-170,039	50,414	
Adjustment of tax in previous years	668,001	-721,986	
Adjustment of deferred tax	99,711	-66,213	
	597,673	**-737,785**	

Equity 4

	Share capital	Retained earnings	Total
Equity at 1 January 2018	502,000	6,696,655	7,198,655
Proposed distribution of profit		-1,248,302	-1,248,302
Equity at 31 December 2018	**502,000**	**5,448,353**	**5,950,353**

Contingencies etc. 5

Contingent liabilities
The Company has rental liabilities for which the outstanding liability is DKK (‘000) 65 at 31 December 2018.

Joint liabilities
The Company is jointly and severally liable together with the Parent Company and the other Group companies in the joint taxable Group for tax on the group’s joint taxable income and for certain possible withholding taxes, such as dividend tax, etc.

Tax payable on the Group’s joint taxable income is stated in the annual report of WFS Danish Holdin Company I ApS, which serves as management company for the joint taxation.

ACCOUNTING POLICIES

The Annual Report of Kinect Energy Denmark A/S for 2018 has been presented in accordance with the provisions of the Danish Financial Statements Act for enterprises in reporting class B and certain provisions applying to reporting class C.

The Annual Report is prepared consistently with the accounting policies applied last year.

INCOME STATEMENT

Net revenue
Net revenue from sale of merchandise and finished goods is recognised in the income statement if supply and risk transfer to purchaser has taken place before the end of the year and if the income can be measured reliably and is expected to be received. Net revenue is recognised exclusive of VAT, duties and less discounts related to the sale.

Cost of sales
Staff costs comprise wages and salaries, including holiday pay and pensions and other costs for social security for the Company's employees.

Other external expenses
Other external expenses include cost of sales, advertising, administration and buildings.

Staff costs
Staff costs comprise wages and salaries, including holiday pay and pensions and other costs for social security, etc. for the company's employees. Repayments from public authorities are deducted from staff costs.

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

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

BALANCE SHEET

Tangible fixed assets
Leasehold improvements are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

The depreciation base is cost less estimated residual value after end of useful life.

Straight-line depreciation is provided on the basis of an assessment of the expected useful lives of the assets and their residual value:

	Useful life	Residual value
Leasehold improvements	10 years	0 %

Profit or loss on disposal of tangible fixed assets is stated as the difference between the sales price less selling costs and the carrying amount at the time of sale. Profit or loss is recognised in the income statement as other operating income or other operating expenses.

Impairment of fixed assets
The carrying amount of tangible assets are evaluated on an annual basis for indications of impairment.

In the event impairment indicators are identified, an impairment test is performed at the asset group level. If the recoverable amount for any asset group is lower than its carrying amount, the asset group is written down to its carrying amount.

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

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

Other provisions for liabilities
Other provisions for liabilities include the expected cost regarding the current financial year.

Tax payable and deferred tax
Current tax liabilities and receivables are recognised in the balance sheet as the calculated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and taxes paid on account.

The Company is jointly taxed with wholly owned Danish subsidiaries. The current corporation tax is distributed among the joint taxable companies in proportion to their taxable income and with full allocation and refund related to tax losses. The joint taxable companies are included in the tax-on-account scheme. Joint taxation contributions receivable and payable are recognised in the balance sheet under current assets and liabilities, respectively.

Deferred income tax is measured using the balance sheet liability method in respect to temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax assets, including the tax value of tax loss carry-forwards, are measured at the expected realisable value of the asset, either by set-off against tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that under the legislation in force on the balance sheet date will be applicable when the deferred tax is expected to crystallise as current tax. Any changes in the deferred tax resulting from changes in tax rates, are recognised in the income statement, except from items recognised directly in equity.

Liabilities
Current liabilities are measured at net realisable value.