

Frontier Investment Management ApS

Fredericiagade 27, 4, 1310 Copenhagen K, Denmark

CVR no. 33 36 55 86



Annual report 2015

Approved at the annual general meeting of shareholders on 27 May 2016

Chairman:

.....
Anders Michael Hauch



Contents

Statement by the Board of Directors and the Executive Board	2
Independent auditors' report	3
Management's review	4
Company details	4
Operating review	5
Financial statements for the period 1 January - 31 December	6
Income statement	6
Balance sheet	7
Statement of changes in equity	8
Notes to the financial statements	9

Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of Frontier Investment Management ApS for the financial year 1 January - 31 December 2015.

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

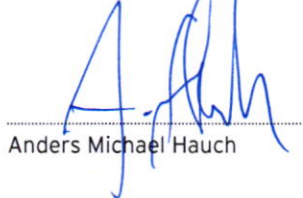
In our opinion, the financial statements give a true and fair view of the Company's financial position at 31 December 2015 and of the results of the Company's operations for the financial year 1 January - 31 December 2015.

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, 27 May 2016

Executive Board:



Anders Michael Hauch



Kim Gredsted



Gert Heinholt Skov

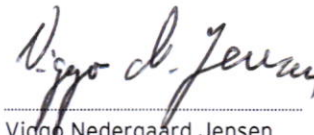


Daniel Schleyer Schultz

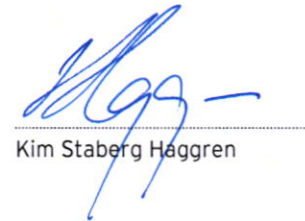
Board of Directors:



Jens Christian Hesse
Rasmussen
Chairman



Viggo Nedergaard Jensen



Kim Staberg Haggren

Independent auditors' report

To the shareholders of Frontier Investment Management ApS

Independent auditors' report on the financial statements

We have audited the financial statements of Frontier Investment Management ApS for the financial year 1 January - 31 December 2015, which comprise an income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

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 that Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulations. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation of financial statements that give a true and fair view 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our audit has not resulted in any qualification.

Opinion

In our opinion, the financial statements give a true and fair view of the Company's financial position at 31 December 2015 and of the results of its operations for the financial year 1 January - 31 December 2015 in accordance with the Danish Financial Statements Act.


Statement on the Management's review

Pursuant to the Danish Financial Statements Act, we have read the Management's review. We have not performed any other procedures in addition to the audit of the financial statements. On this basis, it is our opinion that the information provided in the Management's review is consistent with the financial statements.

Copenhagen, 27 May 2016
ERNST & YOUNG
Godkendt Revisionspartnerselskab
CVR No. 30 70 02 28



Torben Bender
State Authorised Public Accountant



Jens Thordahl Nøhr
State Authorised Public Accountant



Management's review

Company details

Name	Frontier Investment Management ApS
Address, Postal code, City	Fredericiagade 27, 4, 1310 Copenhagen K, Denmark
CVR No.	33 36 55 86
Registered office	Copenhagen
Financial year	1 January - 31 December
Board of Directors	Jens Christian Hesse Rasmussen, Chairman Viggo Nedergaard Jensen Kim Staberg Haggren
Executive Board	Anders Michael Hauch Kim Gredsted Gert Heinholt Skov Daniel Schleyer Schultz
Auditors	Ernst & Young Godkendt Revisionspartnerselskab Osvald Helmuhs Vej 4, P O Box 250, 2000 Frederiksberg, Denmark



Management's review

Operating review

The Company's business review

The objective of the Company is to be investment manager for DI Frontier Market Energy & Carbon Fund K/S.

DI Frontier Market Energy & Carbon Fund K/S is a private equity limited partnership which was established in the summer of 2011.

Frontier Investment Management ApS is advisor to and administration company for DI Frontier Market Energy & Carbon Fund K/S. Furthermore, Frontier Investment Management ApS is the parent company of DI Frontier Market Energy & Carbon GP Holding ApS, which owns DI Frontier Market Energy & Carbon Fund GP ApS, which is the general partner of DI Frontier Market Energy & Carbon Fund K/S.

Further, the Company is parent company of Frontier Investment Management Africa Limited, Kenya, based in Nairobi, from where it provides the Company with a variety of services, especially in East Africa.

Financial review

In 2015, Frontier Investment Management ApS realised a profit of DKK 176 thousand (2014: DKK 382 thousand), which is as expected.

At 31 December 2015, the equity amounted to DKK 1,486 thousand (31 December 2014: DKK 1,310 thousand) of total assets of DKK 3,570 thousand (31 December 2014: DKK 3,909 thousand), and the Company's equity ratio thus amounted to 42% (31 December 2014: 34%).

The capital resources are considered adequate based on the available operating budget for 2016.

Post balance sheet events

No events have occurred after the balance sheet date that may materially affect the assessment of the annual report.

Outlook

The Company expects through the management agreement with DI Frontier Market Energy & Carbon Fund K/S to realise positive operating results for 2016.



Financial statements for the period 1 January - 31 December

Income statement

Note	DKK	2015	2014
	Revenue	9,010,207	9,000,205
	Other operating income	1,655,652	1,140,955
	Other external expenses	-6,271,899	-6,306,740
	Gross profit	4,393,960	3,834,420
2	Staff costs	-4,001,223	-3,398,161
	Depreciation of property, plant and equipment	-75,250	-66,392
	Operating profit	317,487	369,867
	Income from investments in group entities	143,769	148,681
	Financial income	19,078	0
	Financial expenses	-288,828	-37,724
	Profit before tax	191,506	480,824
3	Tax for the year	-15,510	-98,917
	Profit for the year	175,996	381,907
	Proposed profit appropriation		
	Net revaluation reserve according to the equity method	143,582	148,450
	Retained earnings	32,414	233,457
		175,996	381,907

Financial statements for the period 1 January - 31 December

Balance sheet

Note	DKK	2015	2014
	ASSETS		
	Non-current assets		
4	Property, plant and equipment		
	Other fixtures and fittings, tools and equipment	59,077	66,393
		<u>59,077</u>	<u>66,393</u>
5	Investments		
	Investments in group entities, net asset value	488,349	344,944
	Other receivables	48,427	48,427
		<u>536,776</u>	<u>393,371</u>
	Total non-current assets	<u>595,853</u>	<u>459,764</u>
	Current assets		
	Receivables		
	Receivables from group entities	226,465	1,731
	Deferred tax assets	22,515	20,225
	Income taxes receivable	23,331	0
	Other receivables	974,829	366,882
6	Prepayments	182,384	206,448
		<u>1,429,524</u>	<u>595,286</u>
	Cash	<u>1,545,068</u>	<u>2,853,561</u>
	Total current assets	<u>2,974,592</u>	<u>3,448,847</u>
	TOTAL ASSETS	<u>3,570,445</u>	<u>3,908,611</u>
	EQUITY AND LIABILITIES		
	Equity		
7	Share capital	80,000	80,000
	Net revaluation reserve according to the equity method	429,851	286,633
	Retained earnings	976,009	943,595
	Total equity	<u>1,485,860</u>	<u>1,310,228</u>
	Liabilities other than provisions		
	Current liabilities other than provisions		
	Trade payables	595,083	188,165
	Payables to group entities	0	44,328
	Income taxes payable	0	18,943
8	Other payables	1,489,502	2,346,947
		<u>2,084,585</u>	<u>2,598,383</u>
	Total liabilities other than provisions	<u>2,084,585</u>	<u>2,598,383</u>
	TOTAL EQUITY AND LIABILITIES	<u>3,570,445</u>	<u>3,908,611</u>

1 Accounting policies

9 Contractual obligations and contingencies, etc.

Financial statements for the period 1 January - 31 December

Statement of changes in equity

DKK	Share capital	Net revaluation reserve according to the equity method	Retained earnings	Total
Equity at 1 January 2014	80,000	126,183	710,138	916,321
Profit/loss for the year	0	148,450	233,457	381,907
Exchange adjustment	0	12,000	0	12,000
Equity at 1 January 2015	80,000	286,633	943,595	1,310,228
Profit/loss for the year	0	143,582	32,414	175,996
Exchange adjustment	0	-364	0	-364
Equity at 31 December 2015	80,000	429,851	976,009	1,485,860

Financial statements for the period 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of Frontier Investment Management ApS for 2015 has been prepared in accordance with the provisions applying to reporting class B enterprises under the Danish Financial Statements Act.

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

Consolidated financial statements

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

Reporting currency

The financial statements are presented in Danish kroner. The functional currency of the Company is DKK.

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at 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 rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and at the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Income statement

Revenue

Revenue is measured net of all types of discounts/rebates granted. Also, revenue is measured net of VAT and other indirect taxes charged on behalf of third parties.

Revenue includes management fee income which is accrued over the earnings period and fees for advisory and transaction services, etc. Prepaid management fee is recognised as deferred income.

Other operating income

Other operating income includes received donations and subsidies as the right for these are achieved, which typically coincides with the payment of the costs to which the donation or subsidy has been granted. Prepaid donations and subsidies are recognised as deferred income.

Depreciation of property, plant and equipment

The item comprises depreciation 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 are as follows:

Other fixtures and fittings, tools and equipment	2 years
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Income from investments in group entities

The proportionate share of the subsidiary's profit/loss after tax is recognised in accordance with the equity method.

Financial statements for the period 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Financial income and expenses

Financial income and expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest income and expenses as well as allowances and surcharges under the advance-payment-of-tax scheme, etc.

Tax

The parent company is covered by the Danish rules on compulsory joint taxation of the Group's Danish subsidiaries. Subsidiaries are included in the joint taxation arrangement from the date at which they are included in the consolidated financial statements and up to the date when they are excluded from the consolidation.

The parent company is the management company for the joint taxation and consequently settles all corporation tax payments with the tax authorities.

Tax for the year comprises current corporation tax, joint taxation contributions for the year and changes in deferred tax for the year - including changes resulting from changes in the tax rate. The tax expense relating to the profit/loss for the year is recognised in the income statement, and the tax expense relating to amounts directly recognised in equity is recognised directly in equity.

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.

Investments in group entities

Investments in subsidiaries are measured, using the equity method, at the parent's proportionate share of such entities' equity.

Net revaluation of investments in subsidiaries is recognised in equity within the reserve for net revaluation according to the equity method to the extent that the carrying amount exceeds cost.

Receivables

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective indication that a receivable or a group of receivables is impaired. If there is objective indication that an individual receivable has been impaired, write-down is made on an individual basis.

Prepayments

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

Financial statements for the period 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Cash at hand and in bank

Cash at hand and in bank comprise cash and short-term marketable securities which are subject to an insignificant risk of changes in value.

Equity

Reserve for net revaluation according to the equity method

The reserve comprises net revaluations of investments in subsidiaries compared to the cost price.

Corporation tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value 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.

As management company for all the entities in the joint taxation arrangement, the parent is liable for the subsidiaries' income taxes vis-à-vis the tax authorities as the subsidiaries pay their joint taxation contributions.

Other payables

Other payables are measured at net realisable value.

Deferred income

Deferred income recognised as a liability comprises payments received concerning income in subsequent financial years.

Financial statements for the period 1 January - 31 December

Notes to the financial statements

DKK	<u>2015</u>	<u>2014</u>
2 Staff costs		
Wages/salaries	3,471,894	2,970,647
Other social security costs	16,632	16,121
Other staff costs	<u>512,697</u>	<u>411,393</u>
	<u>4,001,223</u>	<u>3,398,161</u>

Members of the Executive Board do not earn the right to paid holiday.

3 Tax for the year		
Estimated tax charge for the year	17,800	92,820
Deferred tax adjustments in the year	-2,290	-4,324
Tax adjustments, prior years	<u>0</u>	<u>10,421</u>
	<u>15,510</u>	<u>98,917</u>

4 Property, plant and equipment

DKK	<u>Other fixtures and fittings, tools and equipment</u>
Cost at 1 January 2015	132,784
Additions in the year	<u>67,935</u>
Cost at 31 December 2015	200,719
Impairment losses and depreciation at 1 January 2015	66,391
Depreciation in the year	<u>75,251</u>
Impairment losses and depreciation at 31 December 2015	141,642
Carrying amount at 31 December 2015	<u>59,077</u>

Financial statements for the period 1 January - 31 December

Notes to the financial statements

5 Investments

DKK	Investments in group entities, net asset value	Other receivables	I alt
Cost at 1 January 2015	58,498	48,427	106,925
Cost at 31 December 2015	58,498	48,427	106,925
Value adjustments at 1 January 2015	286,446	0	286,446
Exchange adjustment	-364	0	-364
Share of the profit/loss for the year	143,769	0	143,769
Value adjustments at 31 December 2015	429,851	0	429,851
Carrying amount at 31 December 2015	488,349	48,427	536,776

The Company has entered into a service agreement with its subsidiary, Frontier Investment Management Africa Limited in which services provided by Frontier Investment Management Africa Limited to Frontier Investment Management ApS are settled based on costs incurred plus mark-up. Total advisory fees for 2015 amount to DKK 4,018 thousand (2014: DKK 4,323 thousand), which are recognised in the income statement under other external expenses.

Further, the Company has entered into an agreement with the minority shareholder of DI Frontier Market Energy & Carbon GP Holding ApS on the acquisition under certain circumstances of the minority shareholder's shares. Under the agreement, the Company may also be obligated to make such acquisition on demand.

Due to DI Frontier Market Energy & Carbon GP Holding ApS' articles of association and participation in special investment agreements, the Company is subject to a number of restrictions and obligations in relation to distribution of dividend, etc.

DKK	Domicile	Interest	Equity	Profit/loss
Subsidiaries				
DI Frontier Market Energy & Carbon GP Holding ApS	Copenhagen, Denmark	64.50 %	76	-1
Frontier Investment Management Africa Limited	Nairobi, Republic of Kenya	99.00 %	439	145

6 Prepayments

Prepayments include accrual of expenses relating to subsequent financial years, including insurance premiums etc.

7 Share capital

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

DKK	2015	2014	2013	2012	2011
Opening balance	80,000	80,000	80,000	80,000	80,000
	80,000	80,000	80,000	80,000	80,000

Financial statements for the period 1 January - 31 December

Notes to the financial statements

DKK	2015	2014
8 Other payables		
VAT and other indirect taxes	130,779	13,556
Wages/salaries, salary taxes, social security contributions, etc.	62,394	38,702
Other accrued expenses	1,296,329	2,294,689
	<u>1,489,502</u>	<u>2,346,947</u>

Other accrued expenses include payables of DKK 419 thousand (31 December 2014: receivable of DKK 2,111 thousand) to DI Frontier Market Energy & Carbon Fund K/S, to which Frontier Investment Management ApS provides advisory and administration services.

9 Contractual obligations and contingencies, etc.

Other contingent liabilities

The Company has entered into a service contract with the subsidiary, Frontier Investment Management Africa Limited which provides consulting services to Frontier Investment Management ApS. If Frontier Investment Management ApS terminates the contract, it might be liable to cover the subsidiary's consequential costs to a reasonable extent.

Further, the Company has entered into specific agreements regarding funding of specific activities relating to donations and subsidies received. The agreements have different specific terms and conditions involving compliance with the agreed terms. If the agreed terms are not complied with, the Company might be liable for full or partial repayment of the received subsidies and donations.

As management company, the Company is jointly taxed with other Danish group entities and is jointly and severally liable with other jointly taxed group entities for payment of corporation taxes as well as withholding taxes on interest, royalties and dividends.

Other financial obligations

Other rent and lease liabilities:

DKK	2015	2014
Rent and lease liabilities	105	191