

# DI Frontier Market Energy & Carbon GP Holding ApS

c/o Bech-Bruun, Langelinie Allé 35, 2100 Copenhagen Ø

CVR no. 33 77 07 23

## Annual report 2019

Approved at the Company's annual general meeting on 27 May 2020

Chairman:

  
.....  
Anders Michael Hauch

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## 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 DI Frontier Market Energy & Carbon GP Holding ApS for the financial year 1 January - 31 December 2019.

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 2019 and of the results of the Company's operations for the financial year 1 January - 31 December 2019.

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 2020  
Executive Board:

  
.....  
Kim Gredsted

Board of Directors:

  
.....  
Jens Christian Hesse  
Rasmussen  
Chairman  
.....  
Viggo Nedergaard Jensen  
.....  
Kim Staberg Haggren

## Independent auditor's report

To the shareholders of DI Frontier Market Energy & Carbon GP Holding ApS

### Opinion

We have audited the financial statements of DI Frontier Market Energy & Carbon GP Holding ApS for the financial year 1 January - 31 December 2019, 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 2019 and of the results of the Company's operations for the financial year 1 January - 31 December 2019 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, 27 May 2020

ERNST & YOUNG

Godkendt Revisionspartnerselskab

CVR no. 30 70 02 28



Jens Thordahl Nøhr  
State Authorised Public Accountant  
mne32212



Kristian Bjerger  
State Authorised Public Accountant  
mne40740

## Management's review

### Company details

|                            |                                                                                                                       |
|----------------------------|-----------------------------------------------------------------------------------------------------------------------|
| Name                       | DI Frontier Market Energy & Carbon GP Holding ApS                                                                     |
| Address, Postal code, City | c/o Bech-Bruun, Langelinie Allé 35, 2100 Copenhagen Ø                                                                 |
| CVR no.                    | 33 77 07 23                                                                                                           |
| Established                | 28 June 2011                                                                                                          |
| Registered office          | Copenhagen                                                                                                            |
| Financial year             | 1 January - 31 December                                                                                               |
| Board of Directors         | Jens Christian Hesse Rasmussen, Chairman<br>Viggo Nedergaard Jensen<br>Kim Staberg Haggren                            |
| Executive Board            | Kim Gredsted                                                                                                          |
| Auditors                   | Ernst & Young Godkendt Revisionspartnerselskab<br>Dirch Passers Allé 36, P.O. Box 250, 2000 Frederiksberg,<br>Denmark |

## Management's review

### Business review

DI Frontier Market Energy & Carbon GP Holding ApS' principal activity is to act as holding company for DI Frontier Market Energy & Carbon GP ApS which is the general partner in 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.

### Financial review

In 2019, DI Frontier Market Energy & Carbon GP Holding ApS realised a loss of EUR 218.

### Events after the balance sheet date

No events materially affecting the Company's financial position have occurred subsequent to the financial year-end.

### Outlook

The Company's future results are significantly influenced by the results of its subsidiary DI Frontier Market Energy & Carbon GP ApS and thereby DI Frontier Market Energy & Carbon Fund K/S' potential future return on investments.

## Financial statements 1 January - 31 December

### Income statement

| Note | EUR                                       | 2019        | 2018        |
|------|-------------------------------------------|-------------|-------------|
|      | Income from investments in group entities | -105        | -105        |
| 2    | Financial expenses                        | -144        | -134        |
|      | Profit/loss before tax                    | -249        | -239        |
| 3    | Tax for the year                          | 31          | 29          |
|      | Profit/loss for the year                  | <u>-218</u> | <u>-210</u> |
|      | Recommended appropriation of profit/loss  |             |             |
|      | Retained earnings/accumulated loss        | <u>-218</u> | <u>-210</u> |



## Financial statements 1 January - 31 December

### Balance sheet

| Note | EUR                                            | <u>2019</u>   | <u>2018</u>   |
|------|------------------------------------------------|---------------|---------------|
|      | <b>ASSETS</b>                                  |               |               |
|      | Fixed assets                                   |               |               |
| 4    | Investments                                    |               |               |
|      | Investments in group entities, net asset value | 10,045        | 10,150        |
|      |                                                | <u>10,045</u> | <u>10,150</u> |
|      | Total fixed assets                             | <u>10,045</u> | <u>10,150</u> |
|      | Non-fixed assets                               |               |               |
|      | Receivables                                    |               |               |
|      | Joint taxation contribution receivable         | 89            | 58            |
|      |                                                | <u>89</u>     | <u>58</u>     |
|      | Cash                                           | 0             | 70            |
|      | Total non-fixed assets                         | <u>89</u>     | <u>128</u>    |
|      | <b>TOTAL ASSETS</b>                            | <u>10,134</u> | <u>10,278</u> |
|      | <b>EQUITY AND LIABILITIES</b>                  |               |               |
|      | Equity                                         |               |               |
|      | Share capital                                  | 10,767        | 10,767        |
|      | Retained earnings                              | -1,375        | -1,157        |
|      | Total equity                                   | <u>9,392</u>  | <u>9,610</u>  |
|      | Liabilities other than provisions              |               |               |
|      | Current liabilities other than provisions      |               |               |
|      | Bank debt                                      | 74            | 0             |
|      | Payables to group entities                     | 668           | 668           |
|      |                                                | <u>742</u>    | <u>668</u>    |
|      | Total liabilities other than provisions        | <u>742</u>    | <u>668</u>    |
|      | <b>TOTAL EQUITY AND LIABILITIES</b>            | <u>10,134</u> | <u>10,278</u> |

- 1 Accounting policies
- 5 Contractual obligations and contingencies, etc.
- 6 Related parties

## Financial statements 1 January - 31 December

### Statement of changes in equity

| EUR                                    | Share capital | Retained earnings | Total |
|----------------------------------------|---------------|-------------------|-------|
| Equity at 1 January 2018               | 10,767        | -947              | 9,820 |
| Transfer through appropriation of loss | 0             | -210              | -210  |
| Equity at 1 January 2019               | 10,767        | -1,157            | 9,610 |
| Transfer through appropriation of loss | 0             | -218              | -218  |
| Equity at 31 December 2019             | 10,767        | -1,375            | 9,392 |

The share capital consist of shares of DKK 1 each. The share capital has been unchanged since the date of establishment.

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies

The annual report of DI Frontier Market Energy & Carbon GP Holding ApS for 2019 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 accordance with section 110(1) of the Danish Financial Statements Act, the Company has not prepared consolidated financial statements.

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

#### Reporting currency

The financial statements are presented in euros (EUR), as the Company's most significant transactions are settled in EUR.

#### Foreign currency translation

Transactions denominated in foreign currencies are translated into EUR at the exchange rate at the date of the transaction.

Receivables, payables and other monetary items denominated in foreign currencies are translated into EUR at the exchange rate at the balance sheet date. Realised and unrealised exchange gains and losses are recognised in the income statement as financial income/expenses.

#### Income statement

##### Profit/loss from investments in subsidiaries

The item includes the entity's proportionate share of the profit/loss for the year in the subsidiary.

##### Financial expenses

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

##### 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.

The entity is jointly taxed with other group entities. The total Danish income tax charge is allocated between profit/loss-making Danish entities in proportion to their taxable income (full absorption).

Jointly taxed entities entitled to a tax refund are reimbursed by the management company based on the rates applicable to interest allowances, and jointly taxed entities which have paid too little tax pay a surcharge according to the rates applicable to interest surcharges to the management company.

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Balance sheet

##### Investments in subsidiaries

Investment in the subsidiary is measured according to the equity method.

Net revaluation of the investment in the subsidiary is recognised in the reserve for net revaluation according to the equity method under equity to the extent that the carrying amount exceeds cost.

Investment in a subsidiary with negative equity value is recognised at nil. A provision is only recognised if the Company has a legal or constructive liability to cover the concerned subsidiary's liabilities.

Identified increases in value and goodwill, if any, compared to the underlying entity's net asset value are amortised in accordance with the accounting policies for the assets and liabilities to which they can be attributed. Negative goodwill is recognised in the income statement.

Dividend received is deduced from the carrying amount.

Equity investments in subsidiaries measured at net asset value are subject to impairment test requirements if there is any indication of impairment.

##### 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.

Provisions for deferred tax are calculated, based on the liability method, of all temporary differences between carrying amounts and tax values, with the exception of temporary differences occurring at the time of acquisition of assets and liabilities neither affecting the results of operations nor the taxable income.

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.

| EUR                               | 2019       | 2018       |
|-----------------------------------|------------|------------|
| 2 Financial expenses              | <u>144</u> | <u>134</u> |
| Other financial expenses          | <u>144</u> | <u>134</u> |
| 3 Tax for the year                | <u>-31</u> | <u>-29</u> |
| Estimated tax charge for the year | <u>-31</u> | <u>-29</u> |

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 4 Investments

| EUR                                   | Investments in<br>group entities,<br>net asset value |
|---------------------------------------|------------------------------------------------------|
| Cost at 1 January 2019                | 10,767                                               |
| Cost at 31 December 2019              | 10,767                                               |
| Value adjustments at 1 January 2019   | -617                                                 |
| Share of the profit/loss for the year | -105                                                 |
| Value adjustments at 31 December 2019 | -722                                                 |
| Carrying amount at 31 December 2019   | 10,045                                               |

| Name                                         | Domicile   | Interest | Equity<br>EUR | Profit/loss<br>EUR |
|----------------------------------------------|------------|----------|---------------|--------------------|
| Subsidiaries                                 |            |          |               |                    |
| DI Frontier Market Energy &<br>Carbon GP ApS | Copenhagen | 100.00%  | 10,045        | -105               |

#### 5 Contractual obligations and contingencies, etc.

##### Other contingent liabilities

The Company is jointly taxed with the other Danish Frontier Investment Management ApS group companies. As a jointly taxed, but not wholly owned company, the Company has limited and secondary liability for Danish corporation tax and withholding tax on dividends, interest and royalties within the joint taxation group.

#### 6 Related parties

##### Ownership

The following shareholders are registered in the Company's register of shareholders as holding minimum 5% of the share capital:

| Name                               | Domicile            |
|------------------------------------|---------------------|
| DIBD A/S                           | Copenhagen, Denmark |
| Frontier Investment Management ApS | Copenhagen, Denmark |