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**ITM POWER ApS**  
**Central Business Registration No**  
**35235477**  
**H.C. Andersens Boulevard 12**  
**1553 København V**

**Annual report 2015/16**

The Annual General Meeting adopted the annual report on 27.10.2016

## **Chairman of the General Meeting**

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Name: Simon Bourne

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## **Entity details**

### **Entity**

ITM POWER ApS

H.C. Andersens Boulevard 12

1553 København V

Central Business Registration No: 35235477

Registered in: København

Financial year: 01.05.2015 - 30.04.2016

### **Executive Board**

Simon James Bourne

Graham Edward Cooley

### **Auditors**

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

Postboks 1600

0900 København C

## **Statement by Management on the annual report**

The Executive Board have today considered and approved the annual report of ITM POWER ApS for the financial year 01.05.2015 - 30.04.2016.

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 Entity's financial position at 30.04.2016 and of the results of its operations for the financial year 01.05.2015 - 30.04.2016.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

København, 27.10.2016

### **Executive Board**

Simon James Bourne

Graham Edward Cooley

## **Independent auditor's reports**

### **To the owner of ITM POWER ApS**

#### **Report on the financial statements**

We have audited the financial statements of ITM POWER ApS for the financial year 01.05.2015 - 30.04.2016, which comprise the accounting policies, income statement, balance sheet, statement of changes in equity and notes. 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 as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

#### **Auditor's 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 regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about 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 auditor's judgment, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Entity'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 Entity'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 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 audit 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 30.04.2016 and of the results of its operations for the financial year 01.05.2015 - 30.04.2016 in accordance with the Danish Financial Statements Act.

#### **Emphasis of matter affecting the financial statements**

Without qualifying our auditor's opinion, we refer to Management's mention of capital loss and the letter of comfort issued by ITM Power Plc.

#### **Statement on the management commentary**

Pursuant to the Danish Financial Statements Act, we have read the management commentary. We have not performed any further procedures in addition to the audit of the financial statements.

On this basis, it is our opinion that the information provided in the management commentary is consistent with the financial statements.

## **Independent auditor's reports**

København, 27.10.2016

### **Deloitte**

Statsautoriseret Revisionspartnerselskab

Flemming Larsen

State Authorised Public Accountant

CVR-nr. 33963556

## **Management commentary**

### **Primary activities**

The Company has no activity at the moment.

### **Development in activities and finances**

The result for the period is in line with expectations.

Management does not expect that the Company will commence a commercial activity in 2016/17. Therefore Management expects a minor loss in 2016/17.

Due to the year's financial developments, the Company has lost more than half the subscribed contributed capital. For this reason, the Company falls within the provisions of section 119 of the Danish Companies Act governing loss of capital. The ultimate Parent, ITM Power Plc, has issued a strong letter of support. Therefore, Management finds it appropriate to present the 2015/16 financial statements on a going concern basis.

### **Events after the balance sheet date**

No events have occurred after the balance sheet date to this date which would influence the evaluation of this annual report.

## **Accounting policies**

### **Reporting class**

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises.

### **Recognition and measurement**

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

### **Foreign currency translation**

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the one in effect at the payment date, or the rate at the balance sheet date are recognised in the income statement as financial income or financial expenses.

### **Income statement**

#### **Other external expenses**

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for the audit of the statutory financial statement.

#### **Other financial income**

Other financial income comprises interest income, including interest income on receivables from group enterprises, net capital gains on transactions in foreign currencies, amortisation of financial assets as well as tax relief under the Danish Tax Prepayment Scheme etc.



## **Accounting policies**

### **Other financial expenses**

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital losses on transactions in foreign currencies as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

### **Balance sheet**

#### **Cash**

Cash comprises cash in hand and bank deposits.

#### **Other financial liabilities**

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

**Income statement for 2015/16**

|   | <u>Notes</u> | <u>2015/16<br/>DKK</u> | <u>2014/15<br/>DKK</u> |
|---|--------------|------------------------|------------------------|
| Other external expenses                     |              | (35.625)               | (25.000)               |
| <b>Operating profit/loss</b>                |              | <b>(35.625)</b>        | <b>(25.000)</b>        |
| Other financial income                      | 2            | 0                      | 6.089                  |
| Other financial expenses                    | 3            | (7.360)                | 0                      |
| <b>Profit/loss for the year</b>             |              | <b><u>(42.985)</u></b> | <b><u>(18.911)</u></b> |
| <b>Proposed distribution of profit/loss</b> |              |                        |                        |
| Retained earnings                           |              | (42.985)               | (18.911)               |
|   |              | <b><u>(42.985)</u></b> | <b><u>(18.911)</u></b> |

**Balance sheet at 30.04.2016**

|                       | <u>Notes</u> | <u>2015/16<br/>DKK</u> | <u>2014/15<br/>DKK</u> |
|-----------------------|--------------|------------------------|------------------------|
| Cash                  |              | <u>79.660</u>          | <u>86.089</u>          |
| <b>Current assets</b> |              | <u>79.660</u>          | <u>86.089</u>          |
| <b>Assets</b>         |              | <u><u>79.660</u></u>   | <u><u>86.089</u></u>   |

**Balance sheet at 30.04.2016**

|  | <u>Notes</u> | <u>2015/16<br/>DKK</u>      | <u>2014/15<br/>DKK</u>      |
|--|--------------|-----------------------------|-----------------------------|
| Contributed capital                              | 4            | 80.000                      | 80.000                      |
| Retained earnings                                |              | <u>(86.896)</u>             | <u>(43.911)</u>             |
| <b>Equity</b>                                    |              | <u><b>(6.896)</b></u>       | <u><b>36.089</b></u>        |
| Debt to group enterprises                        |              | 58.431                      | 25.000                      |
| Other payables                                   |              | <u>28.125</u>               | <u>25.000</u>               |
| <b>Current liabilities other than provisions</b> |              | <u><b>86.556</b></u>        | <u><b>50.000</b></u>        |
| <b>Liabilities other than provisions</b>         |              | <u><b>86.556</b></u>        | <u><b>50.000</b></u>        |
| <b>Equity and liabilities</b>                    |              | <u><u><b>79.660</b></u></u> | <u><u><b>86.089</b></u></u> |
| Going concern                                    | 1            |                             |                             |
| Related parties with control                     | 5            |                             |                             |
| Consolidation                                    | 6            |                             |                             |

**Statement of changes in equity for 2015/16**

|                           | <b>Contributed<br/>capital<br/>DKK</b> | <b>Retained<br/>earnings<br/>DKK</b> | <b>Total<br/>DKK</b> |
|---------------------------|--|--------------------------------------|----------------------|
| Equity beginning of year  | 80.000                                 | (43.911)                             | 36.089               |
| Profit/loss for the year  | 0                                      | (42.985)                             | (42.985)             |
| <b>Equity end of year</b> | <b>80.000</b>                          | <b>(86.896)</b>                      | <b>(6.896)</b>       |

## Notes

### 1. Going concern

Due to the year's financial developments, the Company has lost more than half the subscribed contributed capital. For this reason, the Company falls within the provisions of section 119 of the Danish Companies Act governing loss of capital. The ultimate Parent, ITM Power Plc, has issued a strong letter of support. Therefore, Management finds it appropriate to present the 2015/16 financial statements on a going concern basis.

|                                  | <u>2015/16</u><br><u>DKK</u> | <u>2014/15</u><br><u>DKK</u> |
|----------------------------------|------------------------------|------------------------------|
| <b>2. Other financial income</b> |                              |                              |
| Exchange rate adjustments        | 0                            | 6.089                        |
|                                  | <u>0</u>                     | <u>6.089</u>                 |

|   | <u>2015/16</u><br><u>DKK</u> | <u>2014/15</u><br><u>DKK</u> |
|---|------------------------------|------------------------------|
| <b>3. Other financial expenses</b>        |                              |                              |
| Financial expenses from group enterprises | 931                          | 0                            |
| Exchange rate adjustments                 | 6.114                        | 0                            |
| Other financial expenses                  | 315                          | 0                            |
|   | <u>7.360</u>                 | <u>0</u>                     |

|                               | <u>Number</u> | <u>Par value</u><br><u>DKK</u> | <u>Nominal</u><br><u>value</u><br><u>DKK</u> |
|-------------------------------|---------------|--------------------------------|--|
| <b>4. Contributed capital</b> |               |                                |  |
| Shares                        | 80.000        | 1,00                           | 80.000                                       |
|                               | <u>80.000</u> |                                | <u>80.000</u>                                |

### 5. Related parties with control

Related parties with a controlling interest in ITM Power ApS:

ITM POWER Trading Ltd., 22 Atlas Way, Sheffield, S4 7QQ, United Kingdom

## Notes

### 6. Consolidation

Name and registered office of the Parent preparing consolidated financial statements for the largest group:

ITM POWER PLC, 22 Atlas Way, Sheffield, S4 7QQ, United Kingdom

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:

ITM POWER PLC, 22 Atlas Way, Sheffield, S4 7QQ, United Kingdom

The consolidated financial statements are available at the above address upon request.