

ITM POWER ApS (under compulsory dissolution)

H.C. Andersens Boulevard 12

1553 København V

CVR No. 35235477

Annual Report 2016/17

The Annual Report was presented and
adopted at the Extraordinary General Meeting of
the Company on 31 January 2018

Simon Bourne
Chairman

ITM POWER ApS (under compulsory dissolution)

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ITM POWER ApS (under compulsory dissolution)

Management's Statement

Today, Management has considered and adopted the Annual Report of ITM POWER ApS (under compulsory dissolution) for the financial year 1 May 2016 - 30 April 2017.

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 assets, liabilities and financial position of the Company at 30 April 2017 and of the results of the Company's operations for the financial year 1 May 2016 - 30 April 2017.

In our opinion, the Management's Review includes a true and fair account of the matters addressed in the review.

Management propose not to have the financial statements for 1 May 2017 to 30 April 2018 (and onwards) audited. We consider the preconditions for not auditing the financial statements for the financial year 2017/18 as complied with.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Copenhagen, 31 January 2018

Supervisory Board

Simon James Bourne

Graham Edward Cooley

Independent Auditor's Report

To the shareholders of ITM POWER ApS (under compulsory dissolution)

Opinion

We have audited the financial statements of ITM POWER ApS (under compulsory dissolution) for the financial year 1 May 2016 - 30 April 2017, which comprise an income statement, balance sheet and notes. 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 Entity's financial position at 30 April 2017 and of the results of its operations for the financial year 1 May 2016 - 30 April 2017 in accordance with the Danish Financial Statements Act.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibility under those standards and requirements are further described in the *Auditors' responsibility for the audit of the financial statements* section of this auditor's report. We are independent of the Entity 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 audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter regarding circumstances in the financial statements

Without modifying our auditor's opinion, we refer to note disclosure 1 "Uncertainties". The company is currently being under compulsory liquidation, due to the late filing of the financial statements. At the extraordinary general meeting held 31 January 2018, where the financial statements will be approved, the supervisory board will propose to resume business.

The company is in a capital loss situation pursuant to the Danish companies Act section 119. At the extraordinary general meeting held 31 January 2018, where the financial statements will be approved, the supervisory board will propose that the company capital be re-established by means of a debt conversion of DKK 124,056 and a cash contribution of DKK 35,000.

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 Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to either liquidate the Entity or 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 auditors' 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 additional requirements applicable in Denmark will always detect material misstatements 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.

Independent Auditor's Report

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

- * Identify and assess the risk of material misstatements in 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 Entity'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 Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- * Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures in the notes, 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 which we identify during our audit.

Statement on management commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, 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 commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary meets the disclosure requirements in the Danish Financial Statements Act.

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

Independent Auditor's Report

Violation of legislation on financial reporting and similar

Pursuant to section 138 of the Danish Financial Statements Act, the Company has not presented the annual report for the period 1 May 2016 - 30 April 2017 on a timely basis for which reason Management may be held liable.

Copenhagen, 31 January 2018

Deloitte

Statsautoriseret Revisionspartnerselskab

CVR-no. 33963556

Flemming Larsen

State Authorised Public Accountant

mne27790

ITM POWER ApS (under compulsory dissolution)

Company details

Company	ITM POWER ApS (under compulsory dissolution) H.C. Andersens Boulevard 12 1553 København V
CVR No.	35235477
Registered office	København
Financial year	1 May 2016 - 30 April 2017
Supervisory Board	Simon James Bourne Graham Edward Cooley
Auditors	Deloitte Statsautoriseret Revisionspartnerselskab Weidekampsgade 6 Postboks 1600 0900 København K CVR-no.: 33963556

Management's Review

The Company's principal activities

The Company's has no activity at the moment.

Development in activities and financial matters

The result for the financial year is a loss of DKK 87.914 which is impacted by costs associated with the compulsory liquidation of the Company, does not meet management's expectations. All anticipated costs associated with the compulsory liquidation of the Company has been accrued by the Company as at 30 April 2017. The Company has lost more than 50% of its contributed capital. As a result, the Company falls within the provisions of section 119 of the Danish Companies Act governing loss of capital. At the Extraordinary General Meeting 31 January 2018, the supervisory board will propose that the company capital will be re-established by means of a debt conversion of DKK 124.056 and a cash contribution of DKK 35.000 in total a capital increase of DKK 159.056.

The Company has not filed its audited financial statements for the period 1 May 2016 to 30 April 2017 on time. Therefore, the Danish Business Authority has asked the Copenhagen Commercial and Maritime Court (Sø- og Handelsretten) to commence a compulsory liquidation (tvangsopløsning). The Copenhagen Commercial and Maritime Court commenced the winding up process on 7 December 2017.

At the Extraordinary General Meeting 31 January 2018, the following proposals will be made:

- To decrease the company current contributed capital to nominal nil to cover the loss
- To increase the company contributed capital from nil to nominal DKK 50.000 by means of a debt conversion of DKK 124.056 and a cash contribution of DKK 35.000
- To resume the company's activity (to ask the Copenhagen Commercial and Maritime Court to end the compulsory liquidation)
- Approve the annual report

Subsequent to the Extraordinary General Meeting 31 January 2018, the total equity of the Company amounts to DKK 60.963

	Contributed capital	Retained earnings	Total equity
Equity as at 30 April 2017, per the audited financial statements of the Company	80.000	(174.810)	(94.810)
Decrease of the company current contributed capital to nominal nil to cover the loss, 31 January 2018	(80.000)	80.000	0
Estimated foreign exchange losses	0	(3.283)	(3.283)
Increase of the Company's contributed capital from nil to nominal DKK 50.000 by means of a debt conversion of DKK 124.056 and a cash contribution of DKK 35.000, 31 January 2018	50.000	109.056	159.056
Equity 31 January 2018	50.000	10.963	60.963

Management's Review

Post financial year events

Except for the items mentioned in note disclosure 1 "Uncertainties", no significant events have occurred after the balance sheet date which would influence the evaluation of the Company's financial position as at the balance sheet date.

ITM POWER ApS (under compulsory dissolution)

Accounting Policies

Reporting Class

The Annual Report of ITM POWER ApS (under compulsory dissolution) for 2016/17 has been presented in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B.

The accounting policies applied remain unchanged from last year.

Reporting currency

The Annual Report is presented in Danish kroner.

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.

General Information

Basis of recognition and measurement

Income is recognised in the Income Statement as it is earned, whereas costs are recognised by the amounts attributable to this financial year.

Assets are recognised in the Balance Sheet when it is probable that future economic benefits attributable to the asset will accrue to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the Balance Sheet when it is probable that future economic benefits attributable to the asset will flow out of the Company, and the value of the liability can be measured reliably.

At initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

In connection with recognition and measurement, consideration is given to predictable losses and risks occurring prior to the presentation of the Annual Report, i.e. losses and risks which prove or disprove matters which exist at the balance sheet date.

Income Statement

Other external expenses

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

Financial income and expenses

Financial income and expenses are recognised in the Income Statement with the amounts that concern the financial year. Financial income and expenses include interest income and expenses, realised and unrealised capital gains and losses regarding foreign currency transactions, amortisation of financial assets and liabilities as well as surcharges and allowances under the tax repayment scheme.

Balance Sheet

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand.

ITM POWER ApS (under compulsory dissolution)

Accounting Policies

Financial liabilities

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

ITM POWER ApS (under compulsory dissolution)

Income Statement

	Note	2016/17 kr.	2015/16 kr.
Gross profit		-82.032	-35.625
Profit from ordinary operating activities		<u>-82.032</u>	<u>-35.625</u>
Finance expences	2	<u>-5.882</u>	<u>-7.360</u>
Profit from ordinary activities before tax		<u>-87.914</u>	<u>-42.985</u>
Profit		<u>-87.914</u>	<u>-42.985</u>
Proposed distribution of results			
Retained earnings		<u>-87.914</u>	<u>-42.985</u>
Distribution of profit		<u>-87.914</u>	<u>-42.985</u>

ITM POWER ApS (under compulsory dissolution)

Balance Sheet as of 30 April

	Note	2017 kr.	2016 kr.
Assets			
Cash and cash equivalents		<u>73.778</u>	<u>79.660</u>
Current assets		<u>73.778</u>	<u>79.660</u>
Assets		<u>73.778</u>	<u>79.660</u>

ITM POWER ApS (under compulsory dissolution)

Balance Sheet as of 30 April

	Note	2017 kr.	2016 kr.
Liabilities and equity			
Contributed capital		80.000	80.000
Retained earnings		-174.810	-86.896
Equity		-94.810	-6.896
Payables to group enterprises		114.681	58.431
Other payables		53.907	28.125
Short-term liabilities other than provisions		168.588	86.556
Liabilities other than provisions within the business		168.588	86.556
Liabilities and equity		73.778	79.660
Ownership	3		
Related parties	4		

ITM POWER ApS (under compulsory dissolution)

Statement of changes in Equity

	Contributed capital	Retained earnings	Total
Equity 1 May 2016	80.000	-86.896	-6.896
Profit (loss)	<u>0</u>	<u>-87.914</u>	<u>-87.914</u>
Equity 30 April 2017	<u>80.000</u>	<u>-174.810</u>	<u>-94.810</u>

The share capital has remained unchanged for the last 5 years.

Notes

1. Uncertainties

The result for the financial year is a loss of DKK 87.914 which is impacted by costs associated with the compulsory liquidation of the Company, does not meet management's expectations. All anticipated costs associated with the compulsory liquidation of the Company has been accrued by the Company as at 30 April 2017. The Company has lost more than 50% of its contributed capital. As a result, the Company falls within the provisions of section 119 of the Danish Companies Act governing loss of capital. At the Extraordinary General Meeting held 31 January 2018, the supervisory board will propose that the company capital will be re-established by means of a debt conversion of DKK 124.056 and a cash contribution of DKK 35.000 in total a capital increase of DKK 159.026.

The Company has not filed its audited financial statements for the period 1 May 2016 to 30 April 2017 on time. Therefore, the Danish Business Authority has asked the Copenhagen Commercial and Maritime Court (Sø- og Handelsretten) to commence a compulsory liquidation (tvangsopløsning). The Copenhagen Commercial and Maritime Court commenced the winding up process on 7 December 2017.

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- Approve the annual report

Subsequent to the Extraordinary General Meeting 31 January 2018, the total equity of the Company amounts to DKK 60.963

Total equity subsequent to the Extraordinary General Meeting 31 January 2018

	Contributed capital	Retained earnings	Total equity
Equity as at 30 April 2017, per the audited financial statements of the Company	80.000	(174.810)	(94.810)
Decrease of the company current contributed capital to nominal nil to cover the loss, 31 January 2018	(80.000)	80.000	0
Estimated foreign exchange losses	0	(3.283)	(3.283)
Increase of the Company's contributed capital from nil to nominal DKK 50.000 by means of a debt conversion of DKK 124.056 and a cash contribution of DKK 35.000, 31 January 2018	50.000	109.056	159.056
Equity 31 January 2018	50.000	10.963	60.963

ITM POWER ApS (under compulsory dissolution)

Notes

2. Finance expenses

	2016/17	2015/16
Finance expenses arising from group enterprises	0	931
Other finance expenses	5.882	6.429
	<u>5.882</u>	<u>7.360</u>

3. 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

4. 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.