

# **PKA TeesREP Holding ApS**

1 January – 31 December 2020

Approved at the company's general meeting, 16 April 2021

**Secretary**

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Klaus Risager

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## Company Information

### Company

PKA TeesREP Holding ApS

Rosenborggade 1B

1130 Copenhagen

CVR-nr.: 37 86 08 08

Accounting period: 1 January – 31 December

Registered in: Copenhagen

### Executive Board

David Jensen

Kasper Hansen

### Auditors

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

Strandvejen 44

2900 Hellerup

## Management review

### Primary activities

The principal activities of the Company in the period under review were to own 100% shares of PKA TeesREP Holding (UK) Ltd., which owns 50% of the MGT Teeside LTD in the United Kingdom. MGT Teeside LTD build a biomass power plant.

### Development in activities and finances

The Company's Income Statement of the Financial year 1 January 2020 – 31 December 2020 shows a result of GBP -107k which is in line with the management's expectations.

### Principal risks and uncertainties

The management does not see any special risks to the company in connection with the ownership of the shares in PKA TeesREP (UK) Ltd project in addition to the commonly occurring risks within the company industry.

### Changes to principal accounting policies

Reporting currency changed from DKK to GBP.

### Subsequent Events

No subsequent events have occurred after the balance sheet date that required adjustment to or disclosure in the financial statements.

## Management's statement

The Executive Board has considered and approved the annual report of PKA TeesREP Holding ApS for the financial year 1 January – 31 December 2020.

The annual report is presented in accordance with the Danish Financial Statements Acts.

In our opinion, the financial statements give a true and fair view of assets, liabilities, and financial position of the Company on 31 December 2020 and of the results of the Company's operations for the financial year 2020.

In our opinion, the Management review includes a true and fair account of the matter addressed in the review.

We recommend that the annual report be adopted at the Annual General Meeting.

Copenhagen, 16 April 2021

Executive Board:

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David Jensen

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Kasper Hansen

## Independent Auditor's Report

To the Shareholder of PKA TeesREP Holding ApS

### Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2020, and of the results of the Company's operations for the financial year 2020 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of PKA TeesREP Holding ApS for the financial year 2020, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("financial statements").

### 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 audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### 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, in our view, 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 in Management's Review.

### 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 about whether the financial statements 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 based on these financial statements.

## Annual Report 2020

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 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 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.

Hellerup, 16 April 2021

**PricewaterhouseCoopers**

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Per Rolf Larssen

State Authorised Public Accountant

Mne24822

**Income statement**

(All amounts in thousands of GBP)

	Notes	<u>2020</u>	<u>2019</u>
<b>Gross loss</b>		<b>- 19</b>	<b>- 40</b>
Financial expenses		0	- 11
<b>Profit before income taxes</b>		<b>-19</b>	<b>-52</b>
Income taxes	3	-88	11
<b>Net profit</b>		<b>-107</b>	<b>-40</b>
<u>Proposed distribution of profit:</u>			
Retained earnings		- 107	-40
		<b>-107</b>	<b>-40</b>



**Balance sheet**

At 31 December (in thousands GBP)

<b>Assets</b>	<b>Notes</b>	<b>2020</b>	<b>2019</b>
<b>Non-current assets</b>			
<b>Investment assets</b>			
Investments in associated companies	4	100,486	92,893
<b>Total investment assets</b>		<b>100,486</b>	<b>92,893</b>
<b>Total non-current assets</b>		<b>100,486</b>	<b>92,893</b>
<b>Current assets</b>			
<b>Receivables</b>			
Receivables from associated companies		89	44
Other receivables		0	88
<b>Total receivables</b>		<b>89</b>	<b>133</b>
<b>Cash and cash equivalents</b>		<b>111</b>	<b>199</b>
<b>Total current assets</b>		<b>200</b>	<b>332</b>
<b>Total assets</b>		<b>100,686</b>	<b>93,225</b>

**Balance sheet**

At 31 December (in thousands GBP)

<b>Equity and liabilities</b>	<b>Notes</b>	<b>2020</b>	<b>2019</b>
<b>Equity</b>			
Share capital		12	12
Retained earnings		100,235	92,750
<b>Total equity</b>		<b>100,247</b>	<b>92,762</b>
<b>Current liabilities</b>			
Trade payables		7	31
Other payables, including tax and contributions payable to social security		432	432
Total current liabilities		439	463
<b>Total equity and liabilities</b>		<b>100,686</b>	<b>93,225</b>
Principal accounting policies	1		
Employees	2		
Contingent liabilities	5		
Group and ownership relations	6		

## Annual Report 2020

<b>Changes in Equity</b>	<b>Share capital</b>	<b>Retained earnings</b>	<b>Total</b>
Equity at 1 January	12	92,750	92,762
Capital increase	0	7,592	7,592
Proposed distribution of profit	-	- 107	- 107
<b>Equity at 31 December</b>	<b>12</b>	<b>100,235</b>	<b>100,247</b>

## Notes

### Note 1

#### Accounting policies

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of a few elements from reporting class C enterprises. Consolidated financial statements are not prepared in accordance with §110 of the Danish Financial Statements Act.

#### Changes to principal accounting policies

The currency used in the annual report has been changed from Danish Krone (DKK) to Pound Sterling (GBP). The restatement of 2019 for comparison purpose result in overall changes to the Income statement and Balance Sheet due to the foreign exchange rate changes.

No other changes to the principal accounting policies are applied in 2020.

#### Presentation currency

The reporting currency is Pound sterling. All amounts are in thousands of GBP. The exchange rate per 31 December of 823.78 (2019: 881.89) was used where translation from DKK to GBP was needed.

#### Recognition and measurement

In general, the accounting policies for the annual report presentation currency changes from DKK to GBP has resulted in a reversal of previous years' foreign exchange rate adjustments via equity. Comparative figures for 2019 have been adjusted, with which the effect of changes in accounting policies is recognized as a primary adjustment in retained earnings from 1 January 2019.

Revenue is recognized in the income statement as it is earned, including value adjustments of financial assets and liabilities measured at fair value or amortized costs.

In addition, expenses incurred to achieve the year's earnings are recognized, including depreciation, write-downs, provisions, and reversals because of changed accounting estimates of amounts previously recognized in the income statement.

Assets are recognized in the balance sheet when it is probable because of a prior event that future economic benefits will flow to the company, and the value of the asset can be measured reliably. Liabilities are recognized in the balance sheet when the company has a legal or constructive obligation because of a prior event, and it is probable that future economic benefits will flow out of the company, and the value of the liabilities can be measured.

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

Recognition and measurements consider the gains, losses and risks that arise before the annual report is presented and which corroborates or invalidates conditions that existed at the balance sheet date.

#### Foreign currency translation

Foreign currency transactions are translated at the exchange rate at the transaction date. Exchange rate differences arising between the exchange rate at the transaction date and the rate at the payment date are recognized in the income statement as a financial item.

Receivables, payables, and other monetary items in foreign currencies that have not been settled on the balance sheet date are translated at the exchange rate at the balance sheet date. The difference between the exchange rate at the balance sheet date and the exchange rate at the transaction date is recognized in the income statement as a financial item.

#### Income statement

##### Gross loss

Gross loss is calculated with reference to §32 of the Danish Financial Statements Act as a summary of other external costs.

**Other external costs**

Other external costs include costs for administration, etc.

**Financial items**

Financial income and expenses include interest income and expenses, realized and unrealized gains and losses on debt and transactions in foreign currencies.

**Tax**

Income taxes for the year, is recognized in the income statement with the part that can be attributed to the profit for the year.

**Balance sheet**

***Investments in associated companies***

Investments in associates are recognized and measured at cost. If there is an indication of a need for impairment, an impairment test is performed. Where the carrying amount exceeds the recoverable amount it is written down to this lower value.

***Receivables***

Receivables are recognised in the balance sheet at amortised cost, which substantially corresponds to nominal value. Provisions for estimated bad debts are made.

***Cash and cash equivalents***

Cash comprises cash in bank deposits.

***Equity***

Dividend distributions proposed by the management for the financial year are shown as a separate item under equity.

***Other Liabilities***

Expenses with reference to the fiscal year are accrued for. Debts are measured at amortised cost, substantially corresponding to nominal value.

**Note 2  
Employees**

	<b>2020</b>	<b>2019</b>
Average number of employees	0	0

**Note 3  
Taxes**

	<b>2020</b>	<b>2019</b>
Income taxes	-88	11
<b>Total income taxes</b>	<b>-88</b>	<b>11</b>

**Note 4**

**Investments in associated companies**

	<b>2020</b>	<b>2019</b>
Cost at 1 January	92,893	87,934
Additions in year	7,593	4,959
Cost at 31 December	100,486	92,893
<b>Total investments in associated companies</b>	<b>100,486</b>	<b>92,893</b>

The company has investment in associated companies listed below:  
100% ownership of PKA TeesREP Holding (UK) Limited, located in England.

**Note 5**

**Contingent liabilities**

The company has no contingent liabilities apart from the liabilities already recognized in the balance sheet.

**Note 6**

**Group and ownership relations**

The company is 100% owned by PKA Direct II K/S.