

MPNM Byggeri ApS

Det Italienske Handelskammer
H.C. Andersens Boulevard 37, 5, th,
1553 København V

CVR No. 39062488

Annual Report 2020/21

4. financial year

The Annual Report was presented and
adopted at the Annual General Meeting of
the Company on 28 April 2022

Cesare Pedercini
Chairman

Medlem af:

Allinial GLOBAL.
An association of legally independent firms

RGD REVISORGRUPPEN DANMARK

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Management's Statement

Today, Management has considered and adopted the Annual Report of MPNM Byggeri ApS for the financial year 1 October 2020 - 30 September 2021.

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 September 2021 and of the results of the Company's operations for the financial year 1 October 2020 - 30 September 2021.

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

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

København V, 28 April 2022

Executive Board

Cesare Pedercini
Manager

Independent Auditors' Report

To the shareholders of MPNM Byggeri ApS

Report on Other Legal and Regulatory Requirements

Opinion

We have audited the financial statements of MPNM Byggeri ApS for the financial year 1 October 2020 - 30 September 2021, which comprise an income statement, balance sheet, statement of changes in equity 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 Company's financial position at 30 September 2021 and of the results of its operations for the financial year 1 October 2020 - 30 September 2021 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 our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statement in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material going concern uncertainty

We point out that there is significant uncertainty that may raise significant doubts about the company's ability to continue operations. We refer to note 2 in the accounts, which shows that the company's equity is negative by DKK -604,536, and the company's capital is lost. The company's management and owners expect to re-establish the company's capital by debt conversion in the coming year.

The management expects that the company will be liquidated after the agreement is finally completed, as a result of the 2 arbitration cases being decided, presumably within the next 1-2 years.

Emphasis of matter in the financial statements

We refer to Note 3 in the annual accounts regarding Significant uncertainty regarding valuation of assets and liabilities shows that the company has undergone a reorganization hearing at the Maritime and Commercial Court, with a deadline of 29 January 2020. The reorganization has been completed and the result of the reorganization was an agreement of the company's debt, where dividends are distributed according to a model where the size of the dividend is determined by the outcome of the arbitration proceedings. The most probable outcome of the cases is included in the accounts, according to the assessment of management and the lawyer. It is not possible at present to determine how the disputes end, and thus there is uncertainty in the recognition and measurement of the company's receivables in connection with the cases, and corresponding debts that are interdependent, the dividend being adjusted in relation to the value of it. possible outcome of the cases.

We agree with the management's choice of accounting principle, and assessment of the valuation of the pending cases and corresponding debt in the agreed agreement.

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 considers 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 either liquidate the Company or suspend operations, or has no realistic alternative but to do so.

Independent Auditors' Report

The auditor's responsibility for the audit of the financial statements

Our responsibility is to obtain reasonable assurance as to whether the financial statements 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 no guarantee that an audit conducted in accordance with ISAs and additional requirements applicable in Denmark will always detect material misstatements. Misstatements can arise from fraud or error and can be considered material if it would be reasonable to expect that these - either individually or collectively - could influence the economic decisions taken by the users of financial statements on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and additional requirements applicable in Denmark, we exercise professional judgement and maintain an attitude of 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 a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or 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 Company's internal control.
- * Evaluate whether the accounting policies used are appropriate and whether the accounting estimates and the related disclosures made by Management are reasonable.
- * Conclude on whether Management's use of the going concern basis of accounting in preparing the financial statements is appropriate and, based on the audit evidence obtained, conclude on whether a material uncertainty exists relating to events or conditions, which could 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 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 imply that the Company can no longer remain a going concern.
- * Evaluate the overall presentation, structure and contents of the financial statements, including note disclosures, and whether the financial statements reflect 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'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 opinion providing assurance regarding the Management's review.

Our responsibility in connection with our audit of the financial statements 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 with the knowledge we have gained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review meets the disclosure requirements in the Danish Financial Statements Act.

Independent Auditors' Report

Based on our procedures, we are of the opinion that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements in the Danish Financial Statements Act. In our opinion, the Management's review is not materially misstated.

Emphasis of matter regarding other matters

Violation of the Danish Bookkeeping Act

The company has not complied with the rules in the Accounting Act, as the management has not made sure to organize and perform bookkeeping in accordance with good accounting practice. Management can take responsibility.

Violation of reporting rules

The company's management has not complied with the Danish Financial Statements Act submission deadline for submission of the annual report. Management can take responsibility.

Risskov, 28 April 2022

Kovsted & Skovgård Statsautoriseret Revisionspartnerselskab

CVR-no. 38751646

Tonny Løbner

State Authorised Public Accountant

mne28824

Company details

Company	MPNM Byggeri ApS Det Italienske Handelskammer H.C. Andersens Boulevard 37, 5, th, 1553 København V
email	lbj@horten.dk
CVR No.	39062488
Date of formation	1 November 2017
Registered office	København
 Executive Board	 Cesare Pedercini, Manager
 Auditors	 Kovsted & Skovgård Statsautoriseret Revisionspartnerselskab Brunbjergvej 3 8240 Risskov CVR-no.: 38751646

Management's Review

The Company's principal activities

The company's purpose has been to provide services in accordance with a construction contract, in connection with a major construction in Copenhagen. The construction contract has unfortunately been terminated due to delay in default, which has caused the company significant losses.

Development in activities and the financial situation

The Company's Income Statement of the financial year 1 October 2020 - 30 September 2021 shows a result of DKK -1.389.059 and the Balance Sheet at 30 September 2021 a balance sheet total of DKK 31.401.093 and an equity of DKK -604.536.

The company's purpose has been to provide services in accordance with a construction contract, in connection with a major construction in Copenhagen. The construction contract has unfortunately been terminated due to delay in default, which has caused the company significant losses.

The parties disagree on the financial settlement regarding the construction contract, and an arbitration case is conducted with an opinion and assessment.

In addition, an arbitration case is pending regarding terminated agreements with a subcontractor, due to breach of the terminated subcontractor contract. The disagreements relate to several issues, including employee relations, safety, deficiencies and delays in relation to agreed milestones.

Pursuant to the adopted reorganization plan, the pending arbitration proceedings are continued and the result thereof is used for dividends in the agreed settlement.

The company's management expects a positive outcome of the pending cases, so that the agreed agreement can be implemented as planned. The management expects the company to be liquidated solvent after the end of the agreement and therefore presents the accounts according to a realization principle.

Accounting policies have thus been changed from the going concern principle to the realization principle. The change has led to a change in the valuation and valuation of assets and liabilities, which are valued according to the management's and the lawyer's expectations of the outcome of the pending cases, and thus the dividend calculated therefrom, according to the arrangement plan.

There is a risk that the valuation of capitalized receivables cannot be realized as expected and that the liabilities have not been calculated correctly. The deviations can be significant. However, the change in valuation of the capitalised receivables will, under the above agreement, be equal to the change in the obligations and therefore have no impact on the company's equity.

Deferred receivable tax has not been capitalized, as the asset is not expected to be realized, as the company is expected to be liquidated after the end of the agreement.

The result for the year is negative by DKK -1,389,059. and the company's equity is negative by DKK -604,536.

The company's equity is lost. The company's management has planned a debt conversion so that the company's equity will be re-established.

Accounting Policies

Reporting Class

The Annual Report of MPNM Byggeri ApS for 2020/21 has been presented in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B, with the adoption of individual rules from class C.

The accounting policies applied remain unchanged from last year.

Reporting currency

The Annual Report is presented in Danish kroner.

General Information

Basis of recognition and measurement

The financial statement have been prepared under the historical cost principle.

Income is recognised in the Income Statement as it is earned, including value adjustments of financial assets and liabilities that are measured at fair value or amortised cost. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the Income Statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the Income Statement.

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.

Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of a constant effective interest rate over the term. Amortised cost is calculated as original cost less repayments and with the addition/deduction of the accumulated amortisation of the difference between the cost and the nominal amount. This way, exchange losses and gains are allocated over the term.

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

Gross profit/loss

The Company has decided to aggregate certain items of the Income Statement in accordance with the provisions of Section 32 of the Danish Financial Statements Act.

Gross profit is a combination of the items of revenue, change in inventories of finished goods, work in progress and goods for resale, other operation income, cost of raw and consumables and other external expenses.

Revenue from construction contracts are recognised as revenue as production is carried out, whereby net revenue corresponds to the selling price of the work performed for the year. When the outcome of a contractual contact can be estimated reliably, revenue is recognized only in relation to the costs incurred, onsofar as it is likely that they will be recycled.

Accounting Policies

The completion rate for measuring the output of the production is calculated on the basis of the costs consumed in relation to the latest cost estimate.

Other operating income

Other operating income comprises items of a secondary nature to the activities of the enterprises, including profits on sale of intangible and tangible assets.

Costs for raw materials and consumables comprise the cost of goods purchased less discounts, costs subcontractors and change in inventories for the year.

Other external expenses

Other external costs include costs for distribution, sales, administration, premises. loss of debtors, operating leasing costs etc.

Staff expenses

Staff expenses comprise wages, salaries and other pay-related costs, such as sickness benefits for enterprise employees less wage/salary reimbursement, pensions and social security costs.

Other operating expenses

Other operating expenses include items relating to activities secondary to the main activity of the enterprises.

Financial income and expenses

Financial income and expenses are recognised in the Income Statement based on the amounts that concern the financial year. Financial income and expenses include interest revenue and expenses, financial expenses of finance leases, realised and unrealised capital gains and losses regarding securities, accounts payable and transactions in foreign currencies, repayment on mortgage loans, and surcharges and allowances under the tax prepayment scheme.

Dividends equity investments are recognised as income in the financial year in which the dividends are declared.

Tax on net profit for the year

Tax on net profit/loss for the year comprises current tax on expected taxable income of the year and the year's adjustment of deferred tax less the part of the tax of the year that relates to changes in equity. Current and deferred tax regarding changes in equity is recognised directly in equity.

Balance Sheet

Receivables

Receivables are measured at amortised cost which usually corresponds to the nominal value. The value is reduced by write-downs for expected bad debts.

Impairment of accounts receivables past due is established on individual assessment of receivables.

Construction contracts

Construction contracts in progress are measured at the selling price of the work performed. The selling price is measured on the basis of the stage of completion at the balance sheet date and the estimated total income from the individual work in progress. The stage of completion is determined on the basis of costs incurred in relation to expected total costs.

Deduction for loss is determined as the total expected contract loss, irrespective of the share actually performed.

The value of the individual supplies in progress less invoicing on account is classified as receivables if the amounts are positive and as payables if the amounts are negative.

Accounting Policies

Other receivables

Other receivables consist of receivables from VAT.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand as well as short-term securities with a term of less than three months which can be converted directly into cash at bank and in hand and involve only an insignificant risk of value changes.

Equity

Equity comprises the working capital and a number of equity items that may be statutory or stipulated in the articles of association.

Current tax liabilities

Current tax liabilities and current tax receivables are recognised in the Balance Sheet as calculated tax on the expected taxable income for the year, adjusted for tax on taxable income for previous years as well as for tax prepaid.

Other payables

Other payables are measured at amortised cost, which usually corresponds to the nominal value

Contingent assets and liabilities

Contingent assets and liabilities are not recognised in the Balance Sheet but appear only in the notes.

Income Statement

	Note	2020/21 kr.	2019/20 kr.
Gross profit		-1.075.309	58.028.360
Employee benefits expense	1	0	-1.220.525
Other operating expenses		-302.704	-200.454.039
Profit from ordinary operating activities		-1.378.013	-143.646.204
Other finance income		0	699
Finance expences		-11.046	-145.724
Profit from ordinary activities before tax		-1.389.059	-143.791.229
Profit		-1.389.059	-143.791.229
Proposed distribution of results			
Retained earnings		-1.389.059	-143.791.229
Distribution of profit		-1.389.059	-143.791.229

Balance Sheet as of 30 September

	Note	2020/21 kr.	2019/20 kr.
Assets			
Short-term trade receivables		31.234.752	103.496.473
Other short-term receivables		166.341	16.225
Receivables		<u>31.401.093</u>	<u>103.512.698</u>
Cash and cash equivalents		<u>0</u>	<u>9.711</u>
Current assets		<u>31.401.093</u>	<u>103.522.409</u>
Assets		<u>31.401.093</u>	<u>103.522.409</u>

Balance Sheet as of 30 September

	Note	2020/21 kr.	2019/20 kr.
Liabilities and equity			
Contributed capital		500.000	500.000
Retained earnings		-1.104.536	-188.830.434
Equity		-604.536	-188.330.434
Payables to associates		2.517.209	79.115.567
Long-term liabilities other than provisions		2.517.209	79.115.567
Trade payables		28.620.267	206.357.362
Other payables		868.153	6.379.914
Short-term liabilities other than provisions		29.488.420	212.737.276
Liabilities other than provisions within the business		32.005.629	291.852.843
Liabilities and equity		31.401.093	103.522.409
Uncertainties relating to going concern	2		
Significant uncertainty regarding valuation of assets and liabilities	3		
Contingent liabilities	4		
Collaterals and assets pledges as security	5		

Statement of changes in Equity

	Contributed capital	Retained earnings	Total
Equity 1 October 2020	500.000	-188.830.435	-188.330.435
Other adjustments of equity		189.114.958	189.114.958
Profit (loss)		-1.389.059	-1.389.059
Equity 30 September 2021	500.000	-1.104.536	-604.536

Notes

	2020/21	2019/20
1. Employee benefits expense		
Wages and salaries	0	1.183.136
Post-employment benefit expense	0	9.075
Social security contributions	0	28.314
	<u>0</u>	<u>1.220.525</u>
Average number of employees	<u>0</u>	<u>1</u>

2. Uncertainties relating to going concern

There is significant uncertainty about the company's ability to continue operations. The company's equity is negative by DKK -604,536, and the company's capital is thus lost. The company's management and owners have proposed that the company's capital be re-established by debt conversion in the coming financial year.

The management expects that the company will be liquidated after the agreed agreement is finally completed, as a result of the 2 arbitration cases being decided, presumably within the next 1-2 years.

3. Significant uncertainty regarding valuation of assets and liabilities

The company has been undergoing reorganization proceedings at the Maritime and Commercial Court, with a deadline of 29 January 2020. In accordance with the adopted reorganization plan, the pending arbitration cases will be continued, and the result will be used for dividends in the agreed agreement.

The agreed chord has the following content:

- Preferred claims are paid in advance.
- Dividends are paid for simple unsecured claims.
- Payment of privileged claims, including costs incurred for reconstruction and continuation of the pending cases.
- Simple creditors receive 70% in composition dividends.
- Shareholders receive 30% in composition dividends.

The probate court has upheld the proposed reconstruction proposal, which can only be finally implemented when the Arbitration Board for Construction has issued an order. The final payment of the settlement takes place when the arbitration proceedings have been settled. The content of the agreement means that if the cases do not end as expected, the difference will be adjusted in the dividend, both positively and negatively. The company's equity is thus not affected by the outcome of the cases.

As there is a significant risk that the arbitration proceedings as described above will not be realized as expected, there is a risk that the valuation of capitalized receivables will not be realized as expected and that the obligations have not been calculated correctly. The deviations can be significant. However, the change in valuation of the capitalised receivables will, under the above agreement, be equal to the change in the obligations and therefore have no impact on the company's equity

4. Contingent liabilities

No contingent liabilities exist at the balance sheet date.

5. Collaterals and securities

No securities or mortgages exist at the balance sheet date, beside securities counted in the Balance Sheet.

Notes

	2020/21	2019/20
6. Other disclosures		
Extraordinary claims against customers and suppliers	0	70.102.494
Extraordinary claims received from customers and suppliers	-302.704	-200.454.039
	<u>-302.704</u>	<u>-130.351.545</u>

Other disclosures consist of extraordinary posts, which relates to activities secondary to the main activity of the enterprises.