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Brunbjergvej 3
Risskov

Østeralle 8
Ebeltoft

MPNM Byggeri ApS

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

CVR No. 39062488

Annual Report 2018/19

2. financial year

The Annual Report was presented and
adopted at the Annual General Meeting of
the Company on 19 January 2021

Nicolai Thornemann
Chairman

Medlem af:

 REVISORGRUPPEN DANMARK

Statsautoriseret
revisionspartnerselskab

CVR 38 75 16 46

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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 2018 - 30 September 2019.

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 2019 and of the results of the Company's operations for the financial year 1 October 2018 - 30 September 2019.

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

København V, 14 January 2021

Executive Board

Francesco Papis
Manager

Independent Auditors' Report

To the shareholders of MPNM Byggeri ApS

Adverse opinion

We have audited the financial statements of MPNM Byggeri ApS for the financial year 1 October 2018 - 30 September 2019, which comprise a summary of significant 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.

In our opinion, due to the significance of the matter described in the "Basis-of-adverse-opinion" paragraph, the Financial Statements do not give a true and fair view of Company's financial position at 30 September 2019 and of the results of its operations for the financial year 1 October 2018 - 30 September 2019 in accordance with the Danish Financial Statements Act.

Basis of adverse opinion

Management has presented the financial statements on condition of continued operation. Note 1 in the annual accounts of subsequent events states that, after the balance sheet date, the company has been reorganized by the Maritime and Commercial Court, with a deadline of 29 January 2020. As stated, the final reorganization of the company's equity depends on whether the pending arbitration proceedings decided in favor of the company. It is not possible at present to determine how the disputes end, and thus it is not possible to measure or value the company's assets and liabilities.

The financial statements should have been prepared in accordance with the Danish Financial Statements Act, taking into account the pending cases, and the recognition and measurement of the company's assets and liabilities should have been amended accordingly. It has not been possible to calculate the impact of the pending cases on the annual accounts.

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 our auditors' report under "Auditors' responsibility for the audit of the financial statements". As required by the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and additional requirements applicable in Denmark, we are independent of the Company, 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.

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 report.

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

On this basis, it is our opinion that the information provided in the Management's review is consistent with the financial statements. However, as appears from the Disclaimer-of-opinion paragraph, it is our opinion that the financial statements give a true and fair view of the Company's financial position at 30. September and of the results of its operations and cash flows for the financial year 2019, 1. October 2018 - 30. September 2019.

Risskov, 14 January 2021

**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	fr@kgr-services.dk
CVR No.	39062488
Date of formation	1 November 2017
Registered office	København
Executive Board	Francesco Papis, 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 financial matters

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.

The company's management continues the pending cases, and expects the cases to be closed in favor of the company.

The result for the year is negative by DKK 40.7 million and the company's equity is negative by DKK 44.5 million.

The company's management expects a positive outcome of the pending cases, so that the adopted reconstruction plan, cf. below, can be implemented and therefore presents the accounts with continued operations in mind.

There is a significant risk that the arbitration proceedings will not be realized as expected, and the business basis for the company will lapse. Thus, there is a significant risk to the company's continued operations.

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.

Deferred receivable tax is expensed during the year, as the asset is not expected to be realized within 3-5 years.

Post financial year events

The company after the status day has been taken under reorganization proceedings at the Maritime and Commercial Court, with a deadline of 29 January 2020.

A reorganization proposal has been prepared, which can only be fully implemented if the pending cases are won as expected.

The reconstruction proposal 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 confirmed the proposed reconstruction proposal, which can only be implemented when the Arbitration Board for Construction has issued a ruling, payment in accordance with the decision has been received, or a time-satisfactory settlement has been entered into.

The final restructuring of the company's equity thus depends on whether the pending arbitration proceedings are decided in the company's favor.

The result for the year is negative by DKK 40.7 million. DKK and equity negative by DKK 44.5 million. The company's equity has thus been lost and the company insolvent if the approved restructuring plan is not implemented as planned.

Accounting Policies

Reporting Class

The Annual Report of MPNM Byggeri ApS for 2018/19 has been presented in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B.

The Annual Report 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.

As the financial year 2018/19 is the Company's first financial year, the Financial Statements with associated notes have been prepared without comparative figures from the previous 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 princip.

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.

Accounting Policies

Revenue

Revenue is recognised in the income statement if the goods have been delivered and the risk has passed to the buyer before year-end and if the revenue can be reliably calculated and expected to be received. Revenue is recognised exclusive of VAT and net of sales discounts.

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 contract can be estimated reliably, revenue is recognized only in relation to the costs incurred, insofar as it is likely that they will be recycled.

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.

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 and other staff expenses.

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, realised and unrealised capital gains and losses regarding accounts payable and transactions in foreign currencies and surcharges and allowances under the tax prepayment scheme.

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

Supply of services in progress

Contract work in progress is measured at the selling price of the work performed. The selling price is measured by reference to the stage of completion at the reporting date and total expected income from the work in progress

Where it is difficult to determine a reliable selling price, the selling price is measured at the lower of costs incurred and the net realisable value.

Work in progress is recognised in the balance sheet under receivables or payables depending on the net value of the selling price less invoicing on account.

Prepayments from customers are recognised under liabilities.

Advertising from promotional costs and costs of negotiating contracts are expensed incurred.

Accounting Policies

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.

Accrued income, assets

Accrued income recognised in assets comprises prepaid costs regarding subsequent financial years.

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	2018/19 kr.	2017/18 kr.
Gross profit		-34.813.948	-2.901.969
Employee benefits expense	4	-4.435.643	-2.467.099
Profit from ordinary operating activities		-39.249.591	-5.369.068
Other finance income	5	74.714	47.774
Finance expences	6	-345.023	-198.011
Profit from ordinary activities before tax		-39.519.900	-5.519.305
Tax expense on ordinary activities		-1.209.699	1.209.699
Profit		-40.729.599	-4.309.606
Proposed distribution of results			
Retained earnings		-40.729.599	-4.309.606
Distribution of profit		-40.729.599	-4.309.606

Balance Sheet as of 30 September

	Note	2018/19 kr.	2017/18 kr.
Assets			
Short-term trade receivables		33.433.132	29.828.638
Contract work in progress	7	0	6.699.096
Current deferred tax		0	1.209.699
Deferred income		236.118	139.874
Receivables		33.669.250	37.877.307
Cash and cash equivalents		2.800.655	1.008.838
Current assets		36.469.905	38.886.145
Assets		36.469.905	38.886.145

Balance Sheet as of 30 September

	Note	2018/19 kr.	2017/18 kr.
Liabilities and equity			
Contributed capital		500.000	500.000
Retained earnings		-45.039.205	-4.309.606
Equity		-44.539.205	-3.809.606
Payables to associates		50.391.663	23.142.999
Long-term liabilities other than provisions		50.391.663	23.142.999
Trade payables		23.223.922	19.457.083
Other payables		7.393.525	95.669
Short-term liabilities other than provisions		30.617.447	19.552.752
Liabilities other than provisions within the business		81.009.110	42.695.751
Liabilities and equity		36.469.905	38.886.145
Collaterals and assets pledges as security	8		

MPNM Byggeri ApS

Statement of changes in Equity

	Contributed capital	Retained earnings	Total
Equity 1 October 2018	500.000	-4.309.606	-3.809.606
Profit (loss)		-40.729.599	-40.729.599
Equity 30 September 2019	500.000	-45.039.205	-44.539.205

Notes

2018/19

2017/18

1. Significant events occurring after end of reporting period

The company after the status day has been taken under reorganization proceedings at the Maritime and Commercial Court, with a deadline of 29 January 2020.

The reason for the company's difficulties is due to a terminated construction contract at the end of October 2019, with reference to delay default.

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.

The company's management continues the pending cases, and expects the cases to be closed in favor of the company.

On this background, a reconstruction proposal has been prepared, which can only be fully implemented if the pending cases are won as expected.

The reconstruction proposal 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 confirmed the proposed reconstruction proposal, which can only be implemented when the Arbitration Board for Construction has issued a ruling, payment in accordance with the decision has been received, or a time-satisfactory settlement has been entered into.

The final restructuring of the company's equity thus depends on whether the pending arbitration proceedings are decided in the company's favor.

The result for the year is negative by DKK 40.7 million. DKK and equity negative by DKK 44.5 million. The company's equity has thus been lost and the company insolvent if the approved restructuring plan is not implemented as planned.

2. Uncertainties relating to going concern

The company's management expects a positive outcome of the pending cases, and presents the accounts with continued operations in mind.

There is a significant risk that the arbitration proceedings will not be realized as expected, and the business basis for the company will lapse. Thus, there is a significant risk to the company's continued operations.

3. Uncertainty connected with valuation of asset

As there is a significant risk that the negotiations for increasing the compensation as described in note 1 are not realized as expected, there is a risk that the valuation of deferred tax and construction contract cannot be realized as expected.

Notes

	2018/19	2017/18
4. Employee benefits expense		
Wages and salaries	4.251.449	2.348.160
Post-employment benefit expense	112.298	43.739
Social security contributions	71.896	75.200
	4.435.643	2.467.099
Average number of employees	6	4
5. Other finance income		
Exchange rate, debtors	74.714	23.577
Exchange rate, creditors	0	24.197
	74.714	47.774
6. Finance expenses		
Interest, bank	8.531	11.517
Interest expenses, creditors	195	27.400
Interest, tax	34.586	0
Exchange rate, debtors	41.241	8.564
Exchange rate, creditors	236.763	150.530
Exchange rate, creditors	23.707	0
	345.023	198.011
7. Contract work in progress		
Sales value of work	0	6.699.096
Net value of contract work	0	6.699.096
8. Collaterals and securities		
No securities or mortgages exist at the balance sheet date.		