

MFT Energy 4 ApS
Margrethepladsen 4 3., 8000 Aarhus

Annual report

2019

Company reg. no. 40 15 13 46

The annual report was submitted and approved by the general meeting on the 29 April 2020.

Lars Kristensen
Chairman of the meeting

Contents

Page

Reports

- 1 Management's report
- 2 Independent auditor's report

Management commentary

- 5 Company information
- 6 Management commentary

Financial statements 3 January - 31 December 2019

- 7 Accounting policies
- 9 Income statement
- 10 Statement of financial position
- 11 Statement of changes in equity
- 12 Notes

Notes:

- To ensure the greatest possible applicability of this document, IAS/IFRS British English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.

Management's report

Today, the board of directors and the managing director have presented the annual report of MFT Energy 4 ApS for the financial year 2019 of MFT Energy 4 ApS.

The annual report has been presented in accordance with the Danish Financial Statements Act.

We consider the accounting policies appropriate and, in our opinion, the financial statements provide a fair presentation of the company's assets, equity and liabilities, and financial position at 31 December 2019 and of the company's results of activities in the financial year 3 January - 31 December 2019.

We are of the opinion that the management commentary presents a fair account of the issues dealt with.

We recommend that the annual report be approved by the general meeting.

Aarhus, 23 April 2020

Managing Director

Jens Ragnar Nordberg

Board of directors

Jens Ragnar Nordberg

Lars Kristensen

Cagdas Ozan Ates

Independent auditor's report

To the shareholders of MFT Energy 4 ApS

Opinion

We have audited the financial statements of MFT Energy 4 ApS for the financial year 3 January - 31 December 2019, which comprise accounting policies, income statement, statement of financial position, statement of changes in equity and notes. The financial statements have been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements present a fair view of the company's assets, equity and liabilities, and financial position at 31 December 2019 and of the results of the company's activities for the financial year 3 January - 31 December 2019 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with international standards on auditing and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the section "Auditor's responsibilities for the audit of the financial statements". We are independent of the company in accordance with international ethical requirements for auditors (IESBA's Code of Ethics), 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.

Material uncertainties concerning the company's ability to continue as a going concern

We refer to the financial statements, note 1 stating that the company has entered into an Investment Agreement with parent company MFT Energy A/S to finance the company's operations. The management has therefore chosen to present the financial statement according to the principle of going concern.

Our conclusion is not modified as a result of this relationship.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation of financial statements that provide a fair view in accordance with the Danish Financial Statements Act. Management is also responsible for such internal control as the 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 unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Independent auditor's report

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 auditor's report including an opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with international standards on auditing, 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 on the basis of these financial statements.

As part of an audit conducted in accordance with international standards on auditing, and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional scepticism 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 the 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 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 preparation of the financial statements using the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists arising from 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 disclosures in notes, and whether the financial statements reflect the underlying transactions and events in a manner that presents a fair view.

Independent auditor's report

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 the internal control that we identify during our audit.

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on and the financial statements does not cover the management commentary, and we express no assurance opinion thereon.

In connection with our audit of the financial statements, it is our responsibility to read the management commentary and to consider whether the management commentary is materially inconsistent with the financial statements or the evidence obtained during the audit, or whether it otherwise appears to contain material misstatement.

Furthermore, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we believe that management commentary is consistent with the financial statements and that it has been prepared in accordance with the provisions of the Danish Financial Statement Act. We did not discover any material misstatement in the management commentary.

Copenhagen, 23 April 2020

Martinsen

State Authorised Public Accountants
Company reg. no. 32 28 52 01

Leif Tomasson

State Authorised Public Accountant
mne25346

Company information

The company	MFT Energy 4 ApS Margrethepladsen 4 3. 8000 Aarhus
	Company reg. no. 40 15 13 46 Established: 3 January 2019 Financial year: 3 January 2019 - 31 December 2019 1st financial year
Board of directors	Jens Ragnar Nordberg Lars Kristensen Cagdas Ozan Ates
Managing Director	Jens Ragnar Nordberg
Auditors	Martinsen Statsautoriseret Revisionspartnerselskab Øster Allé 42 2100 København Ø
Parent company	MFT Energy A/S

Management commentary

The principal activities of the company

The principal activities are trading with energy.

Development in activities and financial matters

The gross loss for the year totals DKK -2.043.485. Income or loss from ordinary activities after tax totals DKK -1.827.440. Management considers the results for the year unsatisfactory.

Accounting policies

The annual report for MFT Energy 4 ApS has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class B enterprises. Furthermore, the company has decided to comply with certain rules applying to reporting class C enterprises.

The annual report is presented in DKK. The annual report comprises the first financial year and hence comparative figures are not available.

Income statement

Gross loss

Gross loss comprises the revenue, cost of sales, and external costs.

Revenue from the sale of electricity is recognised in the income statement if delivery and passing of risk to the buyer have taken place before the end of the year and if the income can be determined reliably and inflow is anticipated. Recognition of revenue is exclusive of VAT and taxes and less any discounts relating directly to sales.

Cost of sales comprises purchases of goods for resale and transportation of these incurred to achieve revenue for the year.

Other external costs comprise costs incurred for administration.

Staff costs

Staff costs include salaries and wages, including holiday allowances, pensions, and other social security costs, etc., for staff members. Staff costs are less government reimbursements.

Financial income and expenses

Financial income and expenses comprise interest, realised and unrealised capital gains and losses concerning financial assets and liabilities, amortisation of financial assets and liabilities, additions and reimbursements under the Danish tax prepayment scheme, etc. Financial income and expenses are recognised in the income statement with the amounts concerning the financial year.

Interest and other costs concerning loans to finance the production of intangible assets and property, plant, and equipment, and relating to production periods are not recognised in the cost of non-current assets.

Tax on net profit or loss for the year

Tax for the year comprises the current income tax for the year and changes in deferred tax and is recognised in the income statement with the share attributable to the net profit or loss for the year and directly in equity with the share attributable to entries directly in equity.

The company is subject to Danish rules on compulsory joint taxation of Danish group enterprises.

Accounting policies

The current Danish income tax is allocated among the jointly taxed companies proportional to their respective taxable income (full allocation with reimbursement of tax losses).

Statement of financial position

Receivables

Receivables are measured at amortised cost which usually corresponds to face value. In order to meet expected losses, they are written down for impairment to the net realisable value.

Cash on hand and demand deposits

Cash on hand and demand deposits comprise cash at bank and on hand.

Income tax and deferred tax

Current tax receivables and tax liabilities are recognised in the statement of financial position with the amount calculated on the basis of the expected taxable income for the year adjusted for tax on previous years' taxable income and prepaid taxes. Tax receivables and tax liabilities are offset to the extent that a legal right of set-off exists and the items are expected to be settled net or simultaneously.

According to the rules of joint taxation, MFT Energy 4 ApS is proportionally liable to pay the Danish tax authorities the total income tax, including withholding tax on interest, royalties, and dividends, arising from the jointly taxed group of companies.

Deferred tax is tax on all temporary differences in the carrying amount and tax base of assets and liabilities measured on the basis of the planned application of the asset and disposal of the liability, respectively.

Deferred tax assets, including the tax value of tax losses eligible for carryforward, are recognised at their expected realisable value, either by settlement against tax of future earnings or by setoff in deferred tax liabilities within the same legal tax unit. Any deferred net tax assets are measured at net realisation value.

Deferred tax is measured on the basis of the tax rules and tax rates of applicable legislation at the reporting date and prevailing when the deferred tax is expected to be released as current tax.

Liabilities other than provisions

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

Income statement

All amounts in DKK.

<u>Note</u>	3/1 2019 - 31/12 2019
Gross loss	-2.043.485
2 Staff costs	-298.034
Operating profit	-2.341.519
3 Other financial costs	-21
Pre-tax net profit or loss	-2.341.540
Tax on net profit or loss for the year	514.100
Net profit or loss for the year	-1.827.440
 Proposed appropriation of net profit:	
Allocated from retained earnings	-1.827.440
Total allocations and transfers	-1.827.440

Statement of financial position

All amounts in DKK.

<u>Note</u>	<u>31/12 2019</u>
Assets	
Current assets	
Income tax receivables	514.100
Other receivables	1.946
Total receivables	<u>516.046</u>
Cash on hand and demand deposits	<u>41.929</u>
Total current assets	<u>557.975</u>
Total assets	<u>557.975</u>
Equity and liabilities	
Equity	
Contributed capital	50.000
Retained earnings	-1.827.440
Total equity	<u>-1.777.440</u>
Liabilities other than provisions	
4 Other payables	15.000
Debt to shareholders and management	<u>450.000</u>
5 Total long term liabilities other than provisions	<u>465.000</u>
Trade payables	10.000
Payables to group enterprises	1.828.917
Other payables	<u>31.498</u>
Total short term liabilities other than provisions	<u>1.870.415</u>
Total liabilities other than provisions	<u>2.335.415</u>
Total equity and liabilities	<u>557.975</u>
1 Uncertainties concerning the enterprise's ability to continue as a going concern	
6 Contingencies	
7 Related parties	

Statement of changes in equity

All amounts in DKK.

	<u>Contributed capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity 3 January 2019	50.000	0	50.000
Profit or loss for the year brought forward	<u>0</u>	<u>-1.827.440</u>	<u>-1.827.440</u>
	<u>50.000</u>	<u>-1.827.440</u>	<u>-1.777.440</u>

Notes

All amounts in DKK.

1. Uncertainties concerning the enterprise's ability to continue as a going concern

The company has entered into an investment agreement with MFT Energy A/S to finance the company's operations.

	3/1 2019 - 31/12 2019
2. Staff costs	
Salaries and wages	284.342
Pension costs	10.852
Other costs for social security	2.840
	<u>298.034</u>
 Average number of employees	 <u>1</u>
 3. Other financial costs	
Other financial costs	21
	<u>21</u>
 4. Other payables	
Total other payables	<u>15.000</u>
 Share of liabilities due after 5 years	 <u>15.000</u>

5. Liabilities other than provision

	Total payables 31 Dec 2019	Current portion of long term payables	Long term payables 31 Dec 2019	Outstanding payables after 5 years
Other payables	15.000	0	15.000	15.000
Debt to shareholders and management	450.000	0	450.000	450.000
	<u>465.000</u>	<u>0</u>	<u>465.000</u>	<u>465.000</u>

Notes

All amounts in DKK.

6. Contingencies

Joint taxation

With ARK Holding ApS, company reg. no 39632462 as administration company, the company is subject to the Danish scheme of joint taxation and is proportionally liable for tax claims within the joint taxation scheme.

The liabilities amount to a maximum amount corresponding to the share of the company capital, which is owned directly or indirectly by the ultimate parent company.

The total tax payable under the joint taxation scheme totals 3.636 TDKK.

7. Related parties

Consolidated financial statements

The company is included in the consolidated financial statements of ARK Holding ApS located in Aarhus, Denmark.