
MFT Energy 1 ApS

Margrethepladsen, 4, 3., DK-8000 Aarhus C

Annual Report for 2023

CVR No. 40 21 30 66

The Annual Report was
presented and adopted
at the Annual General
Meeting of the
company
on 2/4 2024

Tore Høffner Andersen
Chairman of the
general meeting



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Management's statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of MFT Energy 1 ApS for the financial year 1 January - 31 December 2023.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In our opinion the Financial Statements give a true and fair view of the financial position at 31 December 2023 of the Company and of the results of the Company operations for 2023.

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

Aarhus C, 18 March 2024

Executive Board

Bo Palmgren
CEO

Board of Directors

Simon Fisker Rathjen
Chairman

Mehmet Kuyucuoglu

Bo Palmgren

Daniel Henrik Thiesen Vibe

Jonas Bejer Kristoffersen

Independent Auditor's report

To the shareholder of MFT Energy 1 ApS

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2023 and of the results of the Company's operations for the financial year 1 January - 31 December 2023 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of MFT Energy 1 ApS for the financial year 1 January - 31 December 2023, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("the 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' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable 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.

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.

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 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 on the basis of these Financial Statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement 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 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 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.

Trekantområdet, 18 March 2024

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Lasse Berg

State Authorised Public Accountant

mne35811

Company information

The Company	MFT Energy 1 ApS Margrethepladsen, 4, 3. DK-8000 Aarhus C CVR No: 40 21 30 66 Financial period: 1 January - 31 December Municipality of reg. office: Aarhus C
Board of Directors	Simon Fisker Rathjen, chairman Mehmet Kuyucuoglu Bo Palmgren Daniel Henrik Thiesen Vibe Jonas Bejer Kristoffersen
Executive Board	Bo Palmgren
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Herredsvej 32 DK-7100 Vejle

Financial Highlights

Seen over a 5-year period, the development of the Company is described by the following financial highlights:

	2023	2022	2021	2020	2019
	TEUR 12 months	TEUR 12 months	TEUR 12 months	TEUR 12 months	TEUR 11 months
Key figures					
Profit/loss					
Profit/loss of primary operations	27,330	66,203	25,464	5,429	1,705
Profit/loss of financial income and expenses	-806	-144	-99	0	0
Net profit/loss for the year	20,546	51,524	19,784	4,235	1,330
Balance sheet					
Balance sheet total	55,866	99,861	46,002	15,343	9,145
Equity	46,217	72,671	31,143	11,252	6,952
Number of employees	16	16	15	10	5
Ratios					
Return on assets	48.9%	66.3%	55.4%	35.4%	18.6%
Solvency ratio	82.7%	72.8%	67.7%	73.3%	76.0%
Return on equity	34.6%	99.3%	93.3%	46.5%	38.3%

Management's review

Key activities

The principal activity of the company is trading with commodities on behalf of other entities.

Development in the year

The income statement of the Company for 2023 shows a profit of TEUR 20,546, and at 31 December 2023 the balance sheet of the Company shows a positive equity of TEUR 46,217.

The past year and follow-up on development expectations from last year

Considering the lower volatility in 2023 than expected, we are satisfied with the operating profit (EBIT) of EUR 27.3m achieved in 2023, despite expectations of EUR 30m. The target was prepared based on assumptions of higher level of volatility, but the conditions in the energy markets during the year resulted in a fairly low volatility level throughout 2023 as the need for moving energy across Europe was lower than anticipated. This implied more limited trading opportunities, which were significantly fewer than in 2022.

Targets and expectations for the year ahead

Looking ahead towards 2024, uncertainties will persist for the Company. Geopolitical tensions, changing regulatory environments, and the ongoing shift towards sustainable energy sources present a dual challenge and opportunity for the Company. Despite these uncertainties, we remain focused on adapting swiftly and strategically to the evolving landscape, ensuring that we are well-positioned to seize opportunities and overcome challenges as they arise.

We expect that the general market conditions and volatility in 2024 will remain at a similar level to 2023. As a result, we expect an EBIT level between EUR 13m and EUR 25m.

Uncertainty relating to recognition and measurement

There has been no uncertainty regarding recognition and measurement in the Annual Report.

Unusual events

The financial position at 31 December 2023 of the Company and the results of the activities and cash flows of the Company for the financial year for 2023 have not been affected by any unusual events.

Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

Income statement 1 January - 31 December

	Note	2023	2022
		TEUR	TEUR
Gross profit		33,881	80,851
Staff expenses	1	-5,832	-13,929
Amortisation and impairment losses of intangible assets		-719	-719
Profit/loss before financial income and expenses		27,330	66,203
Financial income	2	1,423	680
Financial expenses	3	-2,229	-824
Profit/loss before tax		26,524	66,059
Tax on profit/loss for the year	4	-5,978	-14,535
Net profit/loss for the year	5	20,546	51,524

Balance sheet 31 December

Assets

	Note	2023	2022
		TEUR	TEUR
Goodwill		3,653	4,372
Intangible assets	6	3,653	4,372
Receivables from group enterprises	7	52,203	95,469
Fixed asset investments		52,203	95,469
Fixed assets		55,856	99,841
Other receivables		3	2
Receivables		3	2
Cash at bank and in hand		7	18
Current assets		10	20
Assets		55,866	99,861

Balance sheet 31 December

Liabilities and equity

	Note	2023	2022
		TEUR	TEUR
Share capital	8	7	7
Retained earnings		46,210	72,664
Equity		46,217	72,671
Provision for deferred tax	9	804	962
Provisions		804	962
Trade payables		1	0
Payables to group enterprises		153	3,150
Corporation tax		6,136	14,694
Other payables		2,555	8,384
Short-term debt		8,845	26,228
Debt		8,845	26,228
Liabilities and equity		55,866	99,861
Contingent assets, liabilities and other financial obligations	10		
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Statement of changes in equity

	Share capital	Retained earnings	Total
	TEUR	TEUR	TEUR
Equity at 1 January	7	72,664	72,671
Extraordinary dividend paid	0	-47,000	-47,000
Net profit/loss for the year	0	20,546	20,546
Equity at 31 December	7	46,210	46,217

Notes to the Financial Statements

	<u>2023</u>	<u>2022</u>
	TEUR	TEUR
1. Staff Expenses		
Wages and salaries	5,786	13,887
Pensions	26	25
Other social security expenses	20	17
	<u>5,832</u>	<u>13,929</u>
Including remuneration to the Executive Board and Board of Directors		
	<u>39</u>	<u>0</u>
Average number of employees	<u>16</u>	<u>16</u>

Remuneration to the Executive Board has not been disclosed in 2022 in accordance with section 98 B(3) of the Danish Financial Statements Act.

	<u>2023</u>	<u>2022</u>
	TEUR	TEUR
2. Financial income		
Interest received from group enterprises	1,423	666
Other financial income	0	14
	<u>1,423</u>	<u>680</u>

	<u>2023</u>	<u>2022</u>
	TEUR	TEUR
3. Financial expenses		
Interest paid to group enterprises	1,576	809
Other financial expenses	653	15
	<u>2,229</u>	<u>824</u>

Notes to the Financial Statements

	2023	2022
	TEUR	TEUR
4. Income tax expense		
Current tax for the year	6,136	14,694
Deferred tax for the year	-158	-158
Adjustment of tax concerning previous years	0	-1
	<u>5,978</u>	<u>14,535</u>

	2023	2022
	TEUR	TEUR
5. Profit allocation		
Extraordinary dividend paid	47,000	9,996
Retained earnings	-26,454	41,528
	<u>20,546</u>	<u>51,524</u>

6. Intangible fixed assets

	Goodwill
	TEUR
Cost at 1 January	<u>7,190</u>
Cost at 31 December	<u>7,190</u>
Impairment losses and depreciation at 1 January	2,818
Depreciation for the year	719
Impairment losses and depreciation at 31 December	<u>3,537</u>
Carrying amount at 31 December	<u>3,653</u>
Amortised over	<u>10 years</u>

Notes to the Financial Statements

7. Other fixed asset investments

	Receivables from group enterprises
	TEUR
Cost at 1 January	95,469
Disposals for the year	-43,266
Cost at 31 December	<u>52,203</u>
Carrying amount at 31 December	<u>52,203</u>

8. Share capital

The share capital consists of 55,626 shares of a nominal value of TEUR 7. No shares carry any special rights.

	2023	2022
	TEUR	TEUR
9. Provision for deferred tax		
Deferred tax liabilities at 1 January	962	1,120
Amounts recognised in the income statement for the year	-158	-158
Deferred tax liabilities at 31 December	<u>804</u>	<u>962</u>

10. Contingent assets, liabilities and other financial obligations

Other contingent liabilities

The group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. The total amount of corporation tax payable is disclosed in the Annual Report of MFT Energy Holding ApS, which is the management company of the joint taxation purposes. Moreover, the group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

The group companies are jointly and severally liable for VAT on the joint registration of VAT. MFT Energy A/S is the management company of the joint VAT purposes.

Notes to the Financial Statements

11. Related parties and disclosure of consolidated financial statements

	<u>Basis</u>
Controlling interest	
MFT Energy A/S	Principal shareholder

Transactions

The Company has chosen only to disclose transactions which have not been made on an arm's length basis in accordance with section 98(c)(7) of the Danish Financial Statements Act.

Consolidated Financial Statements

The Company is included in the Group Annual Report of the Parent Company of the largest and smallest group:

<u>Name</u>	<u>Place of registered office</u>
MFT Energy Holding ApS	Margrethepladsen 4, 3. 8000 Aarhus C
MFT Energy A/S	Margrethepladsen 4, 3. 8000 Aarhus C

Notes to the Financial Statements

12. Accounting policies

The Annual Report of MFT Energy 1 ApS for 2023 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to medium-sized enterprises of reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2023 are presented in TEUR.

Cash flow statement

With reference to section 86(4) of the Danish Financial Statements Act and to the cash flow statement included in the consolidated financial statements of MFT Energy A/S, the Company has not prepared a cash flow statement.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. 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 flow 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 will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Income statement

Revenue

Revenue from the sale of commodities on behalf of entities is recognised in the income statement if delivery and passing of risk on the underlying commodity to the buyer has 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.

Expenses for raw materials and consumables

Expenses for raw materials and consumables comprise the raw materials and consumables consumed to achieve revenue for the year.

Other external expenses

Other external expenses comprise expenses for premises, sales as well as office expenses, etc.

Gross profit/loss

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of revenue, expenses for raw materials and consumables and other external expenses.

Staff expenses

Staff costs include wages and salaries including compensated absence and pensions as well as other social security contributions etc. made to the entity's employees.

Notes to the Financial Statements

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise amortisation and impairment of intangible assets.

Financial income and expenses

Financial income and expenses comprise interest, financial expenses in respect of finance leases, realised and unrealised exchange adjustments, price adjustment of securities, amortisation of mortgage loans as well as extra payments and repayment under the on-account taxation scheme.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

The Company is jointly taxed with Danish group companies. The tax effect of the joint taxation is allocated to Danish enterprises in proportion to their taxable incomes.

Balance sheet

Intangible fixed assets

Goodwill

Goodwill acquired is measured at cost less accumulated amortisation. Goodwill is amortised on a straight-line basis over its useful life, which is assessed at 10 years.

The period of amortisation of goodwill is longest for enterprises acquired for strategic purposes with a strong market position and a long earnings profile.

Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

If so, the asset is written down to its lower recoverable amount.

Other fixed asset investments

Fixed asset investments consist of loans to group enterprises.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

Deferred tax assets and liabilities

Deferred tax is recognised in respect of all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised in respect of temporary differences concerning goodwill not deductible for tax purposes and other items - apart from business acquisitions - where temporary differences have arisen at the time of acquisition without affecting the profit for the year or the taxable income.

Notes to the Financial Statements

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. In cases where the computation of the tax base may be made according to alternative tax rules, deferred tax is measured on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carry-forwards, are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities.

Deferred tax assets and liabilities are offset within the same legal tax entity.

Current tax receivables and liabilities

Current tax receivables and liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on taxable incomes for prior years. Tax receivables and liabilities are offset if there is a legally enforceable right of set-off and an intention to settle on a net basis or simultaneously.

Financial liabilities

Debts are measured at amortised cost, substantially corresponding to nominal value.

Financial Highlights

Explanation of financial ratios

Return on assets	$\text{Profit/loss of ordinary primary operations} \times 100 / \text{Total assets at year end}$
Solvency ratio	$\text{Equity at year end} \times 100 / \text{Total assets at year end}$
Return on equity	$\text{Net profit for the year} \times 100 / \text{Average equity}$