
MFT Energy 6 ApS

Margrethepladsen 4, 3., DK-8000 Aarhus C

Annual Report for 2022

CVR No. 40 81 62 91

The Annual Report was
presented and adopted
at the Annual General
Meeting of the
company
on 19/6 2023

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 Interim Balance Sheet of MFT Energy 6 ApS at 31 December 2022. The Interim Balance Sheet has been prepared for the purpose of, together with other information, forming the basis of a decision on distribution of extraordinary dividend of maximum TEUR 150,000.

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 2022 of the Company and of the results of the Company operations for 2022.

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

We recommend that the Financial Statements be adopted at the Annual General Meeting.

Aarhus C, 25 May 2023

Executive Board

David Edward Harry Carter
CEO

Board of Directors

Bo Palmgren
Chairman

David Edward Harry Carter

Jacob Vald Guldborg

Independent Auditor's report

To the shareholder of MFT Energy 6 ApS

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2022 and of the results of the Company's operations for the financial year 1 January - 31 December 2022 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of MFT Energy 6 ApS for the financial year 1 January - 31 December 2022, 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, 25 May 2023

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Lasse Berg

State Authorised Public Accountant

mne35811

Company information

The Company	MFT Energy 6 ApS Margrethepladsen 4, 3. DK-8000 Aarhus C CVR No: 40 81 62 91 Financial period: 1 January - 31 December Municipality of reg. office: Aarhus
Board of Directors	Bo Palmgren, chairman David Edward Harry Carter Jacob Vald Guldborg
Executive Board	David Edward Harry Carter
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Herredsvej 32 7100 Vejle

Financial Highlights

Seen over a 4-year period, the development of the Company is described by the following financial highlights:

	2022	2021	2020	2019
	TEUR	TEUR	TEUR	TEUR 3 months
Key figures				
Profit/loss				
Profit/loss of ordinary primary operations	466,893	24,058	749	-67
Profit/loss of financial income and expenses	-446	-522	-51	0
Net profit/loss	363,828	18,358	544	-52
Balance sheet				
Balance sheet total	493,690	25,414	983	28
Equity	368,691	18,857	499	-45
Number of employees	16	11	5	1
Ratios				
Return on assets	94.6%	94.7%	76.2%	-239.3%
Solvency ratio	74.7%	74.2%	50.8%	-160.7%
Return on equity	187.8%	189.7%	239.6%	231.1%

Management's review

Key activities

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

Development in the year

The income statement of the Company for 2022 shows a profit of TEUR 363,828, and at 31 December 2022 the balance sheet of the Company shows positive equity of TEUR 368,691.

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

In 2021, management expected the volatile trends in the market to continue into 2022. A volatile market is characterized by significant fluctuations in the prices of the products and markets traded. This trend endured well into 2022 and surged to an unprecedented level thus it has opened a range of opportunities for the company. The result for 2022 ends at a level higher than expected and is satisfactory for the management.

Targets and expectations for the year ahead

The volatile tendencies witnessed in the markets and products have been gradually decreasing towards the end of 2022 and have continued to do so at the beginning of 2023. While this situation may impact the opportunities to realize a result as good as 2022, it does not necessarily mean that the company cannot achieve a satisfactory result in 2023.

The company's activity is based in Europe, where there is a significant focus on renewables and the energy produced. This is where the company's core activity is utilized - we move commodities from areas with a surplus of energy to areas with a deficit of energy. As we look towards 2023, we remain optimistic that the company can maintain the performance and achieve an EBIT level of mEUR 80.

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 2022 of the Company and the results of the activities and cash flows of the Company for the financial year for 2022 have not been affected by any unusual events.

Subsequent events

The Company has distributed an extraordinary dividend of TEUR 150,000 between the year end date and the date of approval.

Income statement 1 January - 31 December

	Note	2022	2021
		TEUR	TEUR
Gross profit		497,175	26,328
Staff expenses	1	-30,282	-2,270
Profit/loss before financial income and expenses		466,893	24,058
Financial income	2	1,809	0
Financial expenses		-2,255	-522
Profit/loss before tax		466,447	23,536
Tax on profit/loss for the year	3	-102,619	-5,178
Net profit/loss for the year	4	363,828	18,358

Balance sheet 31 December

Assets

	Note	2022 TEUR	2021 TEUR
Receivables from group enterprises	5	493,642	25,397
Fixed asset investments		493,642	25,397
Fixed assets		493,642	25,397
Receivables from group enterprises		36	0
Other receivables		5	3
Receivables		41	3
Cash at bank and in hand		7	14
Current assets		48	17
Assets		493,690	25,414

Balance sheet 31 December

Liabilities and equity

	Note	2022	2021
		TEUR	TEUR
Share capital		7	7
Retained earnings		368,684	18,850
Equity		368,691	18,857
Trade payables		0	1
Payables to group enterprises		43	139
Corporation tax		102,619	5,178
Other payables	6	22,337	1,239
Short-term debt		124,999	6,557
Debt		124,999	6,557
Liabilities and equity		493,690	25,414
Contingent assets, liabilities and other financial obligations	7		
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Statement of changes in equity

	Share capital	Retained earnings	Total
	TEUR	TEUR	TEUR
Equity at 1 January	7	18,850	18,857
Extraordinary dividend paid	0	-13,994	-13,994
Net profit/loss for the year	0	363,828	363,828
Equity at 31 December	7	368,684	368,691

Notes to the Financial Statements

	<u>2022</u>	<u>2021</u>
	TEUR	TEUR
1. Staff Expenses		
Wages and salaries	30,241	2,245
Pensions	25	16
Other social security expenses	16	5
Other staff expenses	0	4
	<u>30,282</u>	<u>2,270</u>

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

Average number of employees	<u>16</u>	<u>11</u>
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2. Financial income

	<u>2022</u>	<u>2021</u>
	TEUR	TEUR
Interest received from group enterprises	1,797	0
Other financial income	12	0
	<u>1,809</u>	<u>0</u>

3. Income tax expense

	<u>2022</u>	<u>2021</u>
	TEUR	TEUR
Current tax for the year	102,619	5,178
	<u>102,619</u>	<u>5,178</u>

4. Profit allocation

	<u>2022</u>	<u>2021</u>
	TEUR	TEUR
Extraordinary dividend paid	13,994	0
Retained earnings	349,834	18,358
	<u>363,828</u>	<u>18,358</u>

Extraordinary dividend after year end	<u>150,000</u>	<u>0</u>
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Notes to the Financial Statements

5. Other fixed asset investments

	Receivables from group enterprises
	TEUR
Cost at 1 January	25,397
Additions for the year	468,245
Cost at 31 December	<u>493,642</u>
Carrying amount at 31 December	<u>493,642</u>

6. Derivative financial instruments

The company enters into a number of derivative contracts related to commodities. As of 31 December 2022, some contracts are still open, awaiting the delivery date. These contracts are fair value adjusted on a daily basis, but due to an internal allocation agreement, the change in fair value is settled by the end of 31 December 2022. Therefore, no value is recognized on the balance sheet.

The derivative contracts have an open volume of 1.083 MWh and the latest delivery period is 30 April 2024. The fair value is recognized as EUR 0.

7. Contingent assets, liabilities and other financial obligations

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

8. 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

9. Accounting policies

The Annual Report of MFT Energy 6 ApS for 2022 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to medium-sized enterprises of reporting class C.

During 2022, the Company's accounting policies were changed to be covered by the provisions of the Danish Financial Statements Act applying to medium-sized enterprises of reporting class C. The change has only resulted in additional information in the annual report.

The Financial Statements for 2022 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 , 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.

Derivative financial instruments

Derivative financial instruments are initially recognised in the balance sheet at cost and are subsequently remeasured at their fair values. Positive and negative fair values of derivative financial instruments are classified as "Other receivables" and "Other payables", respectively.

Changes in the fair values of derivative financial instruments are recognised in the income statement unless the derivative financial instrument is designated and qualify as hedge accounting.

Income statement

Net sales

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 indirect production costs and expenses for premises, sales and distribution as well as office expenses, etc.

Notes to the Financial Statements

Gross profit

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. The item is net of refunds made by public authorities.

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 enterprises in proportion to their taxable incomes.

Balance sheet

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.

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Financial debts

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

Financial Highlights

Explanation of financial ratios

Return on assets	$\text{Profit before financials} \times 100 / \text{Total assets at year end}$
Solvency ratio	$\text{Equity at year end} \times 100 / \text{Total assets at year end}$
Return on equity	$\text{Net profit for the year} \times 100 / \text{Average equity}$