

# **Annual Report for 2018**

**Ramboll Oil & Gas Middle East A/S  
Hannemanns Allé 53  
2300 Copenhagen S**

**CVR No 25799151**

**The Annual Report was presented and approved at the annual general meeting on 20.06.2019**

**Date: 20.06.2019**



**Erik Simonsen**

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**Management's Statement**

The Executive and Supervisory Boards have today considered and adopted the Annual Report of Ramboll Oil & Gas Middle East A/S for the financial year 1 January – 31 December 2018.

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

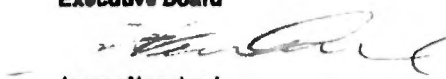
In our opinion, the Financial Statements give a true and fair view of the financial position at 31 December 2018 of the Company and of the results of the Company operations for 2018.

In our opinion, 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.

Copenhagen, 20 June 2019

**Executive Board**

  
Jesper Nørrelund

**Supervisory Board**

  
John Sørensen

  
Erik Simonsen

  
Jens Rebsboell Gregersen

## **Independent Auditor's Report**

To the Shareholders of Ramboll Oil & Gas Middle East A/S

### **Opinion**

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2018, and of the results of the Company's operations for the financial year 1 January - 31 December 2018 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Ramboll Oil & Gas Middle East A/S for the financial year 1 January - 31 December 2018, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("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' Code of Ethics for Professional Accountants (IESBA Code) 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.

### **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.

### **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.

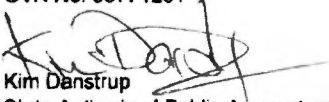
As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- 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.

Copenhagen, 20 June 2019

PricewaterhouseCoopers  
Statsautoriseret Revisionspartnerselskab  
CVR No. 33771231

  
Kim Danstrup  
State Authorised Public Accountant  
mne32201

## **Company Information**

<b>The Company:</b>	Ramboll Oil & Gas Middle East A/S Hannemanns Allé 53 2300 Copenhagen S  Cvr-no: 25799151 Municipality: Copenhagen
<b>Supervisory Board:</b>	Erik Simonsen John Sørensen Jens Rebsdorf-Gregersen
<b>Executive Board:</b>	Jesper Nørrelund
<b>Attorneys:</b>	Bech Bruun
<b>Auditors:</b>	Pricewaterhousecoopers statsautoriseret Revisionspartnerselskab Strandvejen 44 DK-2900 Hellerup
<b>Ownership:</b>	The Company is wholly owned by Rambøll Danmark A/S, Cvr-no. 35128417
<b>Consolidated financial statements:</b>	Parent Companies preparing consolidated financial statements  Rambøll Gruppen A/S, The direct parent company Rambøll Danmark A/S does not prepare consolidated financial statements

### **Management's Review**

Ramboll Oil & Gas Middle East A/S (ROGME) was established as a wholly owned subsidiary of Ramboll Danmark A/S on January 1<sup>st</sup>, 2002.

The Company operates within the business segment: Consulting Engineering and Secondment in Abu Dhabi. The main focus areas are the countries surrounding the Arabian Gulf. The Company carries out activities mainly in Abu Dhabi.

Main activities in 2018:

The activities in ROGME in 2018 have been impacted by a number of projects being cancelled/suspended by clients and consequently a lack of payment from said projects. Preparations for legal actions against these clients have taken place.

Due to the GCC crisis cooperation with the office in Qatar it has been complicated and distribution of work has suffered.

Furthermore, it has not been possible to secure a sustainable amount of work and consequently a stepwise downsizing of the activities in Abu Dhabi has taken place. The final aim is to have only Scanning activities represented fully in Abu Dhabi from Energy Field Development and opportunistic Business Development activities from other spearheads going forward.

The Country Management Director for REN ME Tommy Amstrup Laursen was replaced by Jesper Nørrelund, who resides in Qatar and John G Wyles has been appointed the local Country Manager for Abu Dhabi.

Until 2017 Ramboll Oil & Gas Middle East A/S has recognised the Ramboll activities from Qatar and Abu Dhabi which was included in the annual report as branches, where the Company was the Head Office. In 2018 the Management became acquainted of the Qatar Branch originally was established as a separate legal entity according to the law of Qatar, owned directly by Rambøll Danmark A/S (parent company of the Ramboll Oil and Gas Middle East A/S). Hence, Ramboll Oil & Gas Middle East A/S activity solely relates to Abu Dhabi branch activities. The changes affect all of the comparative figures in the financial statement lines in the annual report hence the balance sheet and income statement are corrected accordingly. The total effect on balance sheet, equity, revenue and result is as follows:

<b>QAR '000</b>	<b>Reported</b>	<b>Adjusted</b>	<b>Change</b>
Revenue 2017:	66,870	-53,945	12,925
Net profit for the year 2017:	-789	-1,470	-2,259
Balance sheet 2017:	51,454	-40,538	10,916
Equity at the beginning of 2017:	28,974	-29,741	-767
Equity at the end of 2018:	4,451		

### **Obtained results**

The financial result for 2018 was below expectation for Ramboll Oil & Gas Middle East A/S with an operating loss (EBITA) of -5.5MQAR.

The profit margin for 2018 was -25.2%.

The market conditions have tightened even further with fierce price competition and ADNOC announcing that they will do majority of engineering inhouse and only award the large FEEDs to the major engineering companies, of which Ramboll is not part of.

The result in 2018 was severely impacted by the above and the fact that some projects were stopped by the clients during 2018 and also by the fact that no larger jobs were secured.

This resulted in the need for downsize the organisation, which was done through a step wise plan also continuing into 2019.

At the end of 2018 the company had 58 permanent employees.

**The Coming Year**

During Q1 of 2019 the adjustment plan is expected to be fully implemented, with all activities but scanning and secondments terminated. The remaining administrative activities of downsizing the ROGME activities are expected to be completed by the end of Q2, resulting in a merge of ROGME activities under the RME license.

A review of the remaining activities in Abu Dhabi will take place and any loss making activities will be terminated and it is expected that the continuing activities for REN in Abu Dhabi will be profitable by the end of 2019.



## Accounting Policies

### Basis of Preparation

The Annual Report of Ramboll Oil & Gas Middle East A/S for 2017 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B enterprises and the wordings presented in QAR 1,000.

The functional currency of the Company is Qatar Riyals (QAR). Exchange rate for QAR against DKK is 0.555 (2018) 0.580 (2017) 0.514 (2016) 0.53 (2015) and 0.6 (2014).

Until 2017 Ramboll Oil & Gas Middle East A/S has recognised the Ramboll activities from Qatar and Abu Dhabi which was included in the annual report as branches, where the Company was the Head Office. In 2018 the Management became acquainted of the Qatar Branch originally was established as a separate legal entity according to the law of Qatar, owned directly by Rambøll Danmark A/S (parent company of the Ramboll Oil and Gas Middle East A/S). Hence, Ramboll Oil & Gas Middle East A/S activity solely relates to Abu Dhabi branch activities. The changes affect all of the comparative figures in the financial statement lines in the annual report hence the balance sheet and income statement are corrected accordingly. The total effect on balance sheet, equity, revenue and result is as follows:

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The accounting policies applied remain unchanged from last year. Due to the separation of the activities the reporting class has changed from a medium sized class C to a class B.

### Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Gains and losses arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in the financial income and expense in the income statement.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the transaction date rates are recognised in financial income and expenses in the income statement.

### Recognition and Measurement

#### Income Statement

##### Revenue

Fee income is recognised as production is performed (percentage of completion method), according to which the revenue corresponds to the selling price of the work performed for the year including a calculated Profit. Fee income therefore reflect the scope of the activity for the year. This method is applied when total income and expenses in respect of a contract and the stage completion at the balance sheet date can be measured reliably, and it is probable that the future economic benefits, including payments, will accrue to the Company. Revenue is recognised exclusive of VAT and net discounts relating to sales.

##### Project costs

Project costs consist of costs directly to projects, such as travel and accommodation, consulting assistance, project insurance, IT expenses as well as provisions and losses realised on the projects.

**External costs**

External costs consist of expenses which are not project related, such as costs relating to premises, office supplies, IT expenses, travel and transportation, management fee, facility service, insurance and other administrative expenses.

**Staff costs**

Staff costs comprise wages and salaries, holiday pay and social security costs etc.

**Financial income and expenses**

Financial income and expenses consist of interest income and expenses, foreign exchange gain or loss (realised and unrealised) and other financial income and expenses

**Other operating income**

Other operating income or loss comprise items of a secondary nature to the core activities of the enterprises including gains and losses on the sale of activities, intangible assets and fixed assets.

**Property, plant and equipment**

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses or at a lower recoverable amount.

Depreciation is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Plant and machinery	3 years
Cars	5 Years

**Receivables**

Receivables are recognised in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts. Provisions for bad debts are determined on the basis of an individual assessment of each receivable.

**Contract work In progress**

Contract work in progress is measured at the selling price of the work performed based on an individual assessment of the stage of completion.

Payments received on account are offset against contract work in progress. Prepayments received in excess of the completed part of contracts are stated separately for each contract and recognised as prepayments received from customers in short-term debt.

**Cash and equivalents**

Cash and cash equivalents include cash in hand and deposits held with banks with original maturities of three months or less.

**Trade and other payables**

Trade and other payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade and other payables are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

**Equity**

Dividend distribution proposed by Management will be disclosed as a separate equity item.

Notes	Income Statement	2018	2017
		QAR' 000	Restated QAR' 000
1	<b>Revenue</b>	21,631	12,925
	<i>Project costs</i>	-1,682	-521
	<b>Gross profit</b>	<b>19,949</b>	<b>12,404</b>
	<i>External expenses</i>	-5,528	-3,156
2	<i>Staff expenses</i>	-19,879	-11,453
3	<i>Depreciation and amortisation</i>	-35	-31
	<b>Profit before financial income and expenses</b>	<b>-5,493</b>	<b>-2,236</b>
	Other operating income	41	
	<b>Operating Profit</b>	<b>-5,452</b>	<b>-2,236</b>
4	<i>Financial income</i>	1	26
4	<i>Financial expenses</i>	-105	-49
	<b>Profit before tax</b>	<b>-5,556</b>	<b>-2,259</b>
	<b>Net profit for the year</b>	<b>-5,556</b>	<b>-2,259</b>

	<b>Proposed distribution of profit for the year:</b>		
	<b>Proposed dividend</b>	-	-
	<b>Retained earnings</b>	-5,556	-2,259

Notes	Balance Sheet	2018	2017 Restated
		QAR' 000	QAR' 000
	<b>Assets</b>		
5	<i>Property, plant and equipment</i>	259	26
	<i>Deposits</i>	306	204
	<b>Fixed asset investments</b>	<b>306</b>	<b>204</b>
	<b>Fixed assets</b>	<b>565</b>	<b>230</b>
	<i>Trade receivables</i>	3,075	3,289
	<i>Amount owed by group companies</i>	53	4,840
6	<i>Contract work in progress</i>	1,178	140
	<i>Disbursements and other receivables</i>	70	67
7	<i>Prepayments and accrued income</i>	31	191
	<b>Receivables</b>	<b>4,407</b>	<b>8,527</b>
	<i>Cash at bank and in hand</i>	2,596	2,159
	<b>Current assets</b>	<b>7,003</b>	<b>10,686</b>
	<b>Assets</b>	<b>7,568</b>	<b>10,916</b>
	<b>Liabilities and equity</b>		
8	<i>Share capital</i>	5,167	4,580
	<i>Retained earnings</i>	-716	3,016
	<b>Equity</b>	<b>4,451</b>	<b>7,596</b>
	<i>Trade payables</i>	24	1,213
	<i>Amount due to group companies</i>	409	300
9	<i>Other payables</i>	2,684	1,807
	<b>Short-term debt</b>	<b>3,117</b>	<b>3,320</b>
	<b>Debt</b>	<b>3,117</b>	<b>3,320</b>
	<b>Liabilities and equity</b>	<b>7,568</b>	<b>10,916</b>

				QAR '000
<b>Equity</b>				
	<i>Share capital</i>	<i>Retained earnings</i>	<i>Proposed dividend</i>	<i>Total</i>
<b>Equity at 1 January 2017</b>	<b>3,993</b>	<b>24,981</b>	<b>0</b>	<b>28,974</b>
<b>Adjustment due to legal set up*</b>	<b>0</b>	<b>-29,741</b>	<b>0</b>	<b>-29,741</b>
<b>Equity at 1 January 2017 after adjustment</b>	<b>3,993</b>	<b>-4,760</b>	<b>0</b>	<b>-767</b>
<i>Share Premium</i>	587	10,035	0	10,622
<i>Dividend paid</i>	0	0	0	0
<i>Profit for 2017</i>	0	-2,259	0	-2,259
<b>Equity at 31 December 2017</b>	<b>4,580</b>	<b>3,016</b>	<b>0</b>	<b>7,596</b>
<i>Dividend paid</i>	0	0	0	0
<i>Share Premium</i>	587	1,825	0	2,412
<i>Profit for 2018</i>	0	-5,556	0	-5,556
<b>Equity at 31 December 2018</b>	<b>5,167</b>	<b>-716</b>	<b>0</b>	<b>4,451</b>

\*The adjustment due to changes in legal set up are further described in the accounting policies. Please refer to section *Basis for preparation*.

	Notes	2018	2017 Restated
		<b>QAR'000</b>	<b>QAR'000</b>
<b>1</b>	<b>Revenue</b>		
	<i>The Company is engaged in consultancy within oil &amp; gas</i>	<b>21,631</b>	<b>12,925</b>
		<b>21,631</b>	<b>12,925</b>
<b>2</b>	<b>Staff expenses</b>		
	<i>Employees:</i>		
	<i>Wages and salaries</i>	<b>19,837</b>	<b>11,085</b>
	<i>Pension expenses</i>	<b>42</b>	<b>388</b>
	<i>Social security expenses</i>	<b>-</b>	<b>-</b>
	<b>Total staff expenses</b>	<b>19,879</b>	<b>11,483</b>
	<i>Average number of employees</i>	<b>65</b>	<b>39</b>
	<i>Number of permanent employees at year end</i>	<b>58</b>	<b>39</b>
	<i>Payment to executive board:</i>		
<b>3</b>	<b>Depreciation and amortisation</b>		
	<i>Plant, tools and equipment</i>	<b>-35</b>	<b>-31</b>
	<b>Total depreciation</b>	<b>-35</b>	<b>-31</b>
<b>4</b>	<b>Financial Income</b>		
	<i>Foreign Exchange gain</i>	<b>1</b>	<b>26</b>
	<b>Total</b>	<b>1</b>	<b>26</b>
	<b>Financial expenses</b>		
	<i>Exchange losses</i>	<b>-105</b>	<b>-49</b>
	<b>Total</b>	<b>-105</b>	<b>-49</b>

	<b>Notes</b>	<b>2018</b>
		<b>QAR '000</b>
<b>5</b>	<b>Property, plant and equipment</b>	
		<b>Plant, Machinery &amp; Equipment</b>
	<i>Costs, beginning of year</i>	<b>246</b>
	<i>Additions</i>	<b>268</b>
	<i>Disposals</i>	<b>(180)</b>
	<b>Costs, end of year</b>	<b>334</b>
	<i>Depreciation, beginning of year</i>	<b>219</b>
	<i>Depreciation for the year</i>	<b>35</b>
	<i>Depreciation, disposals</i>	<b>(180)</b>
	<i>Depreciation, end of year</i>	<b>75</b>
	<i>Carrying amount, end of year</i>	<b>259</b>
	<i>Depreciated over</i>	<b>3 years</b>

	Notes	2018	2017
		QAR' 000	Restated QAR' 000
6	<b>Contract work in progress</b>		
	<i>Selling price of work completed</i>	1,178	140
	<i>Progress billing</i>	0	0
	<i>Contract work in progress, net</i>	1,178	140
	<i>Contract work in progress</i>	1,178	140
	<i>Prepayment from customers</i>	0	0
	<b>Work in progress, net</b>	<b>1,178</b>	<b>140</b>
7	<b>Prepayments</b>		
	<i>Prepaid schooling fee and others</i>	31	191
	<b>Total</b>	<b>31</b>	<b>191</b>
8	<b>Share capital</b>		
	<i>The share capital of DKK 8,000k consists of 8000 shares of a nominal value of DKK 1,000k</i>		
	<i>No shares carry any special rights.</i>		
	<i>Changes in the share capital in the past five financial years in DKK</i>		
	<i>Share capital 2013:</i>	6,000,000	
	<i>Share capital 2014:</i>	6,000,000	
	<i>Share capital 2015:</i>	6,000,000	
	<i>Share capital 2016:</i>	6,000,000	
	<i>Share capital 2017:</i>	7,000,000	
	<i>Share capital 2018:</i>	8,000,000	



<b>Notes</b>		<b>2018</b>	<b>2017</b>
		<b>QAR' 000</b>	<b>Restated QAR' 000</b>
<b>9</b>	<b>Other payables</b>		
	<i>Accrued salaries, time off in lieu</i>	146	120
	<i>Accrued bonuses</i>	319	110
	<i>Accrued salaries</i>	1,463	1,226
	<i>Accrued expenses</i>	766	351
	<b>Total other payables</b>	<b>2,694</b>	<b>1,807</b>
<b>11</b>	<b>Contingent liabilities:</b>		
	<i>Warranties</i>	1,145	1,422
	<i>Rental Obligations:</i>		
	<i>Falling Due within 1 year</i>	0,1	0,1
		<b>1,145</b>	<b>1,422</b>
<b>12</b>	<b>Related parties</b>		
	<b>controlling interest</b>		
	Rambøll Danmark A/S, Hannemanns Allé 53 2300 København S, 100% owned		<i>Controlling shareholder</i>
	Rambøll Fonden, Hannemanns Allé 53 2300 København S		<i>Ultimate parent company</i>
	<b>Transactions</b>		
	<i>During the year all transactions with related parties are done on arm length basis.</i>		
	<b>Post-balance events</b>		
	<i>Post-balance events</i>		
	<i>No critical events that are rated to be of significant impact to the evaluation of the Annual Report have taken place after the balance sheet day.</i>		

