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CVR no. 20 22 26 70

**CGH-NORDIC A/S**  
**JERNBANEGADE 8 1., 7160 TØRRING**  
**ANNUAL REPORT**  
**1 JANUARY - 31 DECEMBER 2018**

**The Annual Report has been presented and  
adopted at the Company's Annual General  
Meeting on 25 April 2019**

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**Chris D'Hondt**

*The English part of this document is an unofficial translation of the original Danish text, and in case of any discrepancy between the Danish text and the English translation, the Danish text shall prevail.*

**CVR NO. 27 96 54 90**

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**COMPANY DETAILS**

<b>Company</b>	CGH-Nordic A/S Jernbanegade 8 1. 7160 Tørring  CVR No.: 27 96 54 90 Established: 24 March 2006 Registered Office: Tørring Financial Year: 1 January - 31 December
<b>Board of Directors</b>	Chris D´Hondt, chairman Morten Fonnesbæk Nielsen Krzysztof Janczak
<b>Board of Executives</b>	Morten Fonnesbæk Nielsen
<b>Auditor</b>	BDO Statsautoriseret revisionsaktieselskab Roms Hule 4, 1. sal 7100 Vejle

## STATEMENT BY BOARD OF DIRECTORS AND BOARD OF EXECUTIVES

Today the Board of Directors and Board of Executives have discussed and approved the Annual Report of CGH-Nordic A/S for the financial year 1 January - 31 December 2018.

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 Company's financial position at 31 December 2018 and of the results of the Company's operations for the financial year 1 January - 31 December 2018.

The Management's Review includes in our opinion a fair presentation of the matters dealt with in the Review.

We recommend the Annual Report be approved at the Annual General Meeting.

Tørring, 29 March 2019

Board of Executives

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Morten Fonnesbæk Nielsen

Board of Directors

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Chris D' Hondt  
Chairman

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Morten Fonnesbæk Nielsen

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Krzysztof Janczak

## INDEPENDENT AUDITOR'S REPORT

### To the Shareholders of CGH-Nordic A/S

#### Opinion

We have audited the Financial Statements of CGH-Nordic A/S for the financial year 1 January - 31 December 2018, which comprise income statement, balance sheet, notes and a summary of significant accounting policies. The Financial Statements are prepared 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's 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.

#### 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 evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

#### 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 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.

## INDEPENDENT AUDITOR'S REPORT

- 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.

### 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, we conclude that 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 of Management's Review.

Vejle, 29 March 2019

BDO Statsautoriseret revisionsaktieselskab  
CVR no. 20 22 26 70

Kristian Frost Vingum  
State Authorised Public Accountant  
MNE no. mne36183

## MANAGEMENT'S REVIEW

### **Principal activities**

The main business of the Company is to carry on business with production, trade and development of energy supply systems including tanks and ancillary equipment.

### **Development in activities and financial position**

The Company's income statement for the year ended 31 December 2018 shows a net profit of DKK 2,872,468 and the balance sheet at 31 December 2018 shows equity of DKK 3,372,468 .

### **Significant events after the end of the financial year**

No events have occurred after the financial year-end, which could significantly affect the company's financial position.

## INCOME STATEMENT 1 JANUARY - 31 DECEMBER

	Note	2018 DKK	2017 DKK
<b>GROSS PROFIT</b> .....		<b>7.702.961</b>	<b>9.063.499</b>
Staff costs.....	1	-3.936.696	-4.062.647
Depreciation, amortisation and impairment.....		-12.506	-74.924
<b>OPERATING PROFIT</b> .....		<b>3.753.759</b>	<b>4.925.928</b>
Other financial income.....	2	134	3.464
Other financial expenses.....	3	-55.987	-55.048
<b>PROFIT BEFORE TAX</b> .....		<b>3.697.906</b>	<b>4.874.344</b>
Tax on profit.....	4	-825.438	-1.081.573
<b>PROFIT FOR THE YEAR</b> .....		<b>2.872.468</b>	<b>3.792.771</b>
<b>PROPOSED DISTRIBUTION OF DIVIDEND</b>			
Proposed dividend for the year.....		2.872.468	3.792.771
<b>TOTAL</b> .....		<b>2.872.468</b>	<b>3.792.771</b>



## BALANCE SHEET AT 31 DECEMBER

ASSETS	Note	2018 DKK	2017 DKK
Intangible fixed assets acquired.....		11.894	0
<b>Intangible fixed assets</b> .....	5	<b>11.894</b>	<b>0</b>
Other plants, machinery, tools and equipment.....		24.244	7.521
<b>Tangible fixed assets</b> .....	6	<b>24.244</b>	<b>7.521</b>
Rent deposit and other receivables.....		35.651	35.661
<b>Fixed asset investments</b> .....	7	<b>35.651</b>	<b>35.661</b>
<b>FIXED ASSETS</b> .....		<b>71.789</b>	<b>43.182</b>
Raw materials and consumables.....		73.203	46.876
Finished goods and goods for resale.....		0	96.497
<b>Inventories</b> .....		<b>73.203</b>	<b>143.373</b>
Trade receivables.....		4.106.670	9.862.138
Deferred tax assets.....		757	0
Prepayments and accrued income.....		47.444	96.338
<b>Receivables</b> .....		<b>4.154.871</b>	<b>9.958.476</b>
<b>Cash and cash equivalents</b> .....		<b>10.889.902</b>	<b>6.451.137</b>
<b>CURRENT ASSETS</b> .....		<b>15.117.976</b>	<b>16.552.986</b>
<b>ASSETS</b> .....		<b>15.189.765</b>	<b>16.596.168</b>

## BALANCE SHEET AT 31 DECEMBER

EQUITY AND LIABILITIES	Note	2018 DKK	2017 DKK
Share capital.....		500.000	500.000
Proposed dividend for the year.....		2.872.468	3.792.771
<b>EQUITY.....</b>	<b>8</b>	<b>3.372.468</b>	<b>4.292.771</b>
Deferred tax assets.....		0	520
<b>PROVISION FOR LIABILITIES.....</b>		<b>0</b>	<b>520</b>
Prepayments received from customers.....		3.636.867	1.554.165
Trade payables.....		1.341.509	852.535
Payables to group enterprises.....		3.169.884	4.452.613
Corporation tax.....		100.088	78.250
Other liabilities.....		3.568.949	5.365.314
<b>Current liabilities.....</b>		<b>11.817.297</b>	<b>12.302.877</b>
<b>LIABILITIES.....</b>		<b>11.817.297</b>	<b>12.302.877</b>
<b>EQUITY AND LIABILITIES.....</b>		<b>15.189.765</b>	<b>16.596.168</b>
 Contingencies etc.	 9		
Charges and securities	10		

## NOTES

	2018 DKK	2017 DKK	Note
<b>Staff costs</b>			<b>1</b>
Average number of employees 5 (2017: 5)			
Wages and salaries.....	3.627.778	3.744.382	
Pensions.....	273.941	270.088	
Social security costs.....	25.029	22.693	
Other staff costs.....	9.948	25.484	
	<b>3.936.696</b>	<b>4.062.647</b>	
<b>Other financial income</b>			<b>2</b>
Other interest income.....	134	3.464	
	<b>134</b>	<b>3.464</b>	
<b>Other financial expenses</b>			<b>3</b>
Other interest expenses.....	55.987	55.048	
	<b>55.987</b>	<b>55.048</b>	
<b>Tax on profit</b>			<b>4</b>
Calculated tax on taxable income of the year.....	826.715	1.076.185	
Adjustment of deferred tax.....	-1.277	5.388	
	<b>825.438</b>	<b>1.081.573</b>	
<b>Intangible fixed assets</b>			<b>5</b>
		Intangible fixed assets acquired	
Cost at 1 January 2018.....		35.568	
Additions.....		12.096	
Disposals.....		-35.568	
<b>Cost at 31 December 2018.....</b>		<b>12.096</b>	
Amortisation at 1 January 2018.....		35.568	
Reversal of amortisation of assets disposed of .....		-35.568	
Depreciation for the year.....		202	
<b>Depreciation at 31 December 2018.....</b>		<b>202</b>	
<b>Carrying amount at 31 December 2018.....</b>		<b>11.894</b>	

## NOTES

		Note		
<b>Tangible fixed assets</b>		<b>6</b>		
	Other plants, machinery, tools and equipment			
Cost at 1 January 2018.....	27.154			
Additions.....	29.027			
Disposals.....	-9.593			
<b>Cost at 31 December 2018.....</b>	<b>46.588</b>			
Depreciation and impairment losses at 1 January 2018.....	19.633			
Reversal of depreciation of assets disposed of.....	-9.593			
Depreciation for the year.....	12.304			
<b>Depreciation and impairment losses at 31 December 2018.....</b>	<b>22.344</b>			
<b>Carrying amount at 31 December 2018.....</b>	<b>24.244</b>			
 <b>Fixed asset investments</b>		 <b>7</b>		
	Rent deposit and other receivables			
Cost at 1 January 2018.....	35.661			
Disposals.....	-10			
<b>Cost at 31 December 2018.....</b>	<b>35.651</b>			
<b>Carrying amount at 31 December 2018.....</b>	<b>35.651</b>			
 <b>Equity</b>		 <b>8</b>		
	Share capital			
	Retained profit			
	Dividend			
	Total			
Equity at 1 January 2018.....	500.000	0	3.792.771	4.292.771
Dividend paid.....			-3.792.771	-3.792.771
Proposed distribution of profit.....			2.872.468	2.872.468
<b>Equity at 31 December 2018.....</b>	<b>500.000</b>	<b>0</b>	<b>2.872.468</b>	<b>3.372.468</b>
 <b>Contingencies etc.</b>				 <b>9</b>
<b>Contingent liabilities</b>			<b>2018</b>	<b>2017</b>
			DKK	DKK
The company has following contingent liabilities				
Rent payments concerning contract, 6 month.....			39.602	40.026
Payments under operating leases regarding cars, 22 month.....			255.738	499.480
Security for guarantee repairs.....			165.000	268.353

## NOTES

			<b>Note</b>
<b>Charges and securities</b>			<b>10</b>
The Company has following securities			
	2018	2017	
	DKK	DKK	
The Company has following securities:			
Deposit accounts as security for guarantee repairs.....	46.442	125.367	

## ACCOUNTING POLICIES

The Annual Report of CGH-Nordic A/S for 2018 has been presented in accordance with the provisions of the Danish Financial Statements Act for enterprises in reporting class B and certain provisions applying to reporting class C.

The Annual Report is prepared consistently with the accounting principles applied last year.

## INCOME STATEMENT

### Net revenue

Net revenue from sale of merchandise and finished goods is recognised in the Income Statement if supply and risk transfer to purchaser has taken place before the end of the year. Net revenue is recognised exclusive of VAT, duties and less discounts related to the sale.

### Other operating income

Other operating income includes items of a secondary nature in relation to the enterprises' principal activities, including profit from sale of intangible and tangible fixed assets.

### Cost of sales

Cost of sales comprise costs incurred to achieve the net revenue for the year, including direct and indirect costs of raw materials and consumables.

### Other external expenses

Other external expenses include cost of sales, advertising, administration, buildings, bad debts, operational lease expenses, etc.

### Staff costs

Staff costs comprise wages and salaries, including holiday pay and pensions and other costs for social security etc. for the company's employees. Repayments from public authorities are deducted from staff costs.

### Financial income and expenses

Financial income and expenses include interest income and expenses, realised and unrealised gains and losses arising from investments in financial assets, debt and transactions in foreign currencies as well as charges and allowances under the tax-on-account scheme etc. Financial income and expenses are recognised in the income statement by the amounts that relate to the financial year.

### Tax

The tax for the year, which consists of the current tax for the year and changes in deferred tax, is recognised in the income statement by the portion that may be attributed to the profit for the year, and is recognised directly in the equity by the portion that may be attributed to entries directly to the equity.

## BALANCE SHEET

### Intangible fixed assets

Intangible assets comprise software licences and type approvals.

Intangible assets are measured at cost less accumulated amortisation and write-downs.

The amortisation period is 5 years.

**ACCOUNTING POLICIES**

**Tangible fixed assets**

Other plants, fixtures and equipment are measured at cost less accumulated depreciation and write-downs.

The depreciation base is cost less estimated residual value after end of useful life.

Straight-line depreciation is provided on the basis of an assessment of the expected useful lives of the assets and their residual value:

	Useful life	Residual value
Other plant, fixtures and equipment.....	2 - 3 years	0 %

Profit or loss on disposal of tangible fixed assets is stated as the difference between the sales price less selling costs and the carrying amount at the time of sale. Profit or loss is recognised in the income statement as other operating income or other operating expenses.

**Fixed asset investments**

Deposits include rental deposits which are recognised and measured at amortised cost. Deposits are not depreciated.

**Impairment of fixed assets**

The carrying amount of intangible and tangible fixed assets together with investments, which are not measured at fair value, are valued on an annual basis for indications of impairment other than that reflected by amortisation and depreciation.

In the event of impairment indications, an impairment test is made for each asset or group of assets, respectively. If the net realisable value is lower than the carrying amount, write-down is provided to the lower value.

The recoverable amount is calculated at the higher of net selling price and capital value. The capital value is determined as the fair value of the expected net cash flows from the use of the asset or group of assets and the expected net cash flows from sale of the asset or group of assets after the end of its useful life.

**Inventories**

Inventories are measured at cost using the FIFO-principle. If the net realisable value is lower than cost, write-down is provided to the lower value.

The cost of merchandise as well as raw materials and consumables is calculated at acquisition price with addition of transportation and similar costs.

The net realisable value of inventories is stated at sales price less completion costs and costs incurred to execute the sale and is determined with due regard to marketability, obsolescence and development in expected sales price.

**Receivables**

Receivables are measured at amortised cost which usually corresponds to nominal value. The value is reduced by write-down to meet expected losses.

**Accruals, assets**

Accruals recognised as assets include costs incurred relating to the subsequent financial year.

## ACCOUNTING POLICIES

### **Tax payable and deferred tax**

Current tax liabilities and receivable current tax are recognised in the balance sheet as the calculated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and taxes paid on account.

Deferred tax is measured on the temporary differences between the carrying amount and the tax value of assets and liabilities.

Deferred tax assets, including the tax value of tax loss carry-forwards, are measured at the expected realisable value of the asset, either by set-off against tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that under the legislation in force on the balance sheet date would be applicable when the deferred tax is expected to crystallise as current tax. Any changes in the deferred tax resulting from changes in tax rates, are recognised in the income statement, except from items recognised directly in equity.

### **Liabilities**

Financial liabilities are recognised at the time of borrowing by the amount of proceeds received less borrowing costs. In subsequent periods, the financial liabilities are measured at amortised cost equal to the capitalised value when using the effective interest, the difference between the proceeds and the nominal value being recognised in the income statement over the term of loan.

Amortised cost of current liabilities usually corresponds to nominal value.

### **Foreign currency translation**

Transactions in foreign currencies are translated at the rate of exchange on the transaction date. Exchange differences arising between the rate on the transaction date and the rate on the payment date are recognised in the income statement as cost of sales.