GOLDER ASSOCIATES A/S

Maglebjergvej 6, 1.
2800 Kongens Lyngby
Business Registration No
29624224

Annual report 2018

The Annual General Meeting adopted the annual report on 6/5 - 2019

Chairman of the Annual General Meeting

Name: Anna-Lena Kristina Öberg-Högsta

Contents

Entity details

Entity

GOLDER ASSOCIATES A/S
Maglebjergvej 6, 1.
2800 Kongens Lyngby

Central Business Registration No (CVR): 29624224
Registered in: Lyngby-Taarbæk
Financial year: 01.01.2018 - 31.12.2018

Phone: 70274757
Website: www.golder.com

Board of Directors

Anna-Lena Kristina Öberg-Högsta
Marlene Christina Thorman
Niels Valdemar Trap Christensen

Executive Board

Marlene Christina Thorman

Entity auditors

PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab
Strandvejen 44
2900 Hellerup

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of GOLDER ASSOCIATES A/S for the financial year 01.01.2018 - 31.12.2018.

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 Entity's financial position at 31.12.2018 and of the results of its operations for the financial year 01.01.2018 - 31.12.2018.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Kongens Lyngby, 05.04.2019

Executive Board

Marlene Christina Thorman

Board of Directors

Anna-Lena Kristina Öberg-Högsta

Marlene Christina Thorman

Niels Valdemar Trap Christensen

Independent Auditor's Report

To the Shareholders of Golder Associates 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 Golder Associates 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.

Independent Auditor's Report

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.

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 internal control that we identify during our audit.

Hellerup, 05.04.2019

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Ferass Hamade
State Authorised Public Accountant
mne35441

Management commentary

Primary activities
The Company's activities consist in providing eco-technological as well as construction process consultancy services and other related activities.

Development in activities and finances
Management considers profit for the year to be satisfactory – roughly corresponding to the expectations set at the beginning of the year.

The results are characterised by a stable focus on core services, business development and an extensive Nordic engagement, which have led to a broader business foundation and strength.

Management expects 2019 to be a year of growth with focus on business development, an increased volume of orders as well as a stable, project-oriented staff. Also, Management will continue to focus on project development in Greenland and the collaboration between the other offices in the Nordic countries.

Events after the balance sheet date
No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

Income statement for 2018

	Notes	2018 DKK	2017 DKK
Revenue		17.745.157	17.101.253
Cost of sales		(3.220.448)	(2.700.597)
Other external expenses		(4.838.724)	(4.554.786)
Gross profit/loss		**9.685.985**	**9.845.870**
Staff costs	1	(9.210.569)	(8.567.056)
Depreciation, amortisation and impairment losses	2	(101.695)	(97.477)
Operating profit/loss		**373.721**	**1.181.337**
Other financial income		9.338	8.518
Other financial expenses	3	(71.264)	(88.174)
Profit/loss before tax		**311.795**	**1.101.681**
Tax on profit/loss for the year		0	0
Profit/loss for the year		**311.795**	**1.101.681**
Proposed distribution of profit/loss			
Retained earnings		311.795	1.101.681
		311.795	**1.101.681**

Balance sheet at 31.12.2018

	Notes	2018 DKK	2017 DKK
Acquired intangible assets		34.654	129.849
Intangible assets	4	**34.654**	**129.849**
Other fixtures and fittings, tools and equipment		16.523	11.411
Property, plant and equipment	5	**16.523**	**11.411**
Other receivables		231.127	231.009
Fixed asset investments		**231.127**	**231.009**
Fixed assets		**282.304**	**372.269**
Trade receivables		3.186.877	2.173.783
Contract work in progress		1.827.138	1.426.513
Receivables from group enterprises		2.024.400	2.431.902
Deferred tax		25.200	25.200
Income tax receivable		0	52.001
Prepayments		123.665	190.918
Receivables		**7.187.280**	**6.300.317**
Cash		**973.468**	**283.977**
Current assets		**8.160.748**	**6.584.294**
Assets		**8.443.052**	**6.956.563**

Balance sheet at 31.12.2018

	Notes	2018 DKK	2017 DKK
Contributed capital	6	500.000	500.000
Retained earnings		2.753.463	2.441.668
Equity		**3.253.463**	**2.941.668**
Prepayments received from customers		977.714	359.903
Trade payables		523.276	339.024
Payables to group enterprises		963.115	782.528
Other payables		2.725.484	2.533.440
Current liabilities other than provisions		**5.189.589**	**4.014.895**
Liabilities other than provisions		**5.189.589**	**4.014.895**
Equity and liabilities		**8.443.052**	**6.956.563**
Unrecognised rental and lease commitments	7		
Group relations	8		

Statement of changes in equity for 2018

	Contributed capital DKK	Retained earnings DKK	Total DKK
Equity beginning of year	500.000	2.441.668	2.941.668
Profit/loss for the year	0	311.795	311.795
Equity end of year	**500.000**	**2.753.463**	**3.253.463**

Notes

	2018 DKK	2017 DKK
1. Staff costs		
Wages and salaries	8.565.876	7.956.813
Pension costs	515.982	492.410
Other social security costs	128.711	117.833
	9.210.569	**8.567.056**
Average number of employees	**15**	**15**

	2018 DKK	2017 DKK
2. Depreciation, amortisation and impairment losses		
Amortisation of intangible assets	95.195	95.195
Depreciation of property, plant and equipment	6.500	2.282
	101.695	**97.477**

	2018 DKK	2017 DKK
3. Other financial expenses		
Financial expenses from group enterprises	56.381	61.956
Other interest expenses	8.147	9.044
Exchange rate adjustments	6.736	17.174
	71.264	**88.174**

	Acquired intangible assets DKK
4. Intangible assets	
Cost beginning of year	475.974
Cost end of year	**475.974**
Amortisation and impairment losses beginning of year	(346.125)
Impairment losses for the year	(95.195)
Amortisation and impairment losses end of year	**(441.320)**
Carrying amount end of year	**34.654**

Notes

	Other fixtures and fittings, tools and equipment DKK
5. Property, plant and equipment	
Cost beginning of year	506.946
Additions	11.612
Cost end of year	**518.558**
Depreciation and impairment losses beginning of year	(495.535)
Depreciation for the year	(6.500)
Depreciation and impairment losses end of year	**(502.035)**
Carrying amount end of year	**16.523**

	Number	Nominal value DKK
6. Contributed capital		
Ordinary shares	500	500.000
	500	**500.000**

7. Unrecognised rental and lease commitments

The Company's lease of premises is interminable until 31 December 2019. At 31 December 2018, the total lease obligation amounted to DKK 583 thousand.

Moreover, the Company has concluded operating lease contracts on cars and a copier for the period ending 30 June 2020. At 31 December 2018, the total lease commitment amounted to DKK 363 thousand.

Notes

8. Group relations

Name and registered office of the Parent preparing consolidated financial statements for the largest group:

Enterra Holdings Ltd., Canada

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:

Enterra Holdings Ltd., Canada

The foreign consolidated financial statements may be requested from Golder Associates A/S, Maglebjergvej 6, 1., 2800 Kongens Lyngby or Enterra Holding Ltd., 6925 Century Avenue, Suite #100, Mississauga, Ontario, Canada L5N 7K2.

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of certain provisions for reporting class C.

The accounting policies applied to these financial statements are consistent with those applied last year.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date, are recognised in the income statement as financial income or financial expenses. Property, plant and equipment, intangible assets, inventories and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

Income statement

Revenue

Revenue from the sale of services is recognised in the income statement when delivery is made to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Contract work in progress is included in revenue based on the stage of completion so that revenue corresponds to the selling price of the work performed in the financial year (the percentage-of-completion method).

Accounting policies

Cost of sales
Cost of sales comprises goods consumed in the financial year measured at cost.

Other external expenses
Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

Staff costs
Staff costs comprise salaries and wages as well as social security contributions, pension contributions, etc for entity staff.

Depreciation, amortisation and impairment losses
Depreciation, amortisation and impairment losses relating to property, plant and equipment and intangible assets comprise depreciation, amortisation and impairment losses for the financial year, as well as gains and losses from the sale of intangible assets as well as property, plant and equipment.

Other financial income
Other financial income comprises interest income, net capital or exchange gains on securities, payables and transactions in foreign currencies as well as tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses
Other financial expenses comprise interest expenses, net capital or exchange losses on securities, payables and transactions in foreign currencies as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

Tax on profit/loss for the year
Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

Balance sheet
Intellectual property rights etc
Intellectual property rights etc comprise software.

Intellectual property rights acquired are measured at cost less accumulated amortisation. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Intellectual property rights	5 years

Intellectual property rights etc are written down to the lower of recoverable amount and carrying amount.

Accounting policies

Property, plant and equipment
Other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Other fixtures and fittings, tools and equipment	3 years

Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Receivables
Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

Contract work in progress
Contract work in progress is measured at the selling price of the work carried out at the balance sheet date.

The selling price is measured based on the stage of completion and the total estimated income from the individual contracts in progress. Usually, the stage of completion is determined as the ratio of actual to total budgeted consumption of resources.

If the selling price of a project in progress cannot be made up reliably, it is measured at the lower of costs incurred and net realisable value.

Each contract in progress is recognised in the balance sheet under receivables or liabilities other than provisions, depending on whether the net value, calculated as the selling price less prepayments received, is positive or negative.

Costs of sales work and of securing contracts as well as finance costs are recognised in the income statement as incurred.

Deferred tax
Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset.

Accounting policies

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Income tax payable or receivable
Current tax payable or receivable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.

Prepayments
Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash
Cash comprises cash in hand and bank deposits.

Other financial liabilities
Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

Prepayments received from customers
Prepayments received from customers comprise amounts received from customers prior to delivery of the goods agreed or completion of the service agreed.