Makeen Energy A/S

Alsvej 21
DK-8940 Randers SV

CVR no 36 71 84 63

Annual Report for 2018

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

Chairman Anders C. Anderson

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Management's Statement on the Annual Report

The Executive and Supervisory Boards have today considered and adopted the Annual Report of Makeen Energy A/S for the financial year 1 January 2018 – 31 December 2018.

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

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

Randers SV, 25 April 2019

Executive Board

Anders C. Anderson
CEO

Supervisory Board

Abdulkareem Hamad Al-Ayuni Chairman	Adel Abdullah Alhamzah	Abdulaziz Sulaiman M Alhedithy

Independent Auditors' report

To the Shareholder of Makeen Energy A/S

Opinion

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

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of C-Group 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, for both the Group and the Parent Company, as well as consolidated statement of cash flows ("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 Group 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 Financials Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Consolidated Financial Statements and the Parent Company Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statement 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 Consolidated Financial Statements and Parent Company 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 Auditors' report

In preparing the financial statements, Management is responsible for assessing the Group's and the Parent 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 Group or the Parent 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 Group's and the Parent 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 Group's and the Parent 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 Group and the Parent 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 Auditors' report

• Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

Randers SV, 25 April 2019

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR no 33 77 12 31

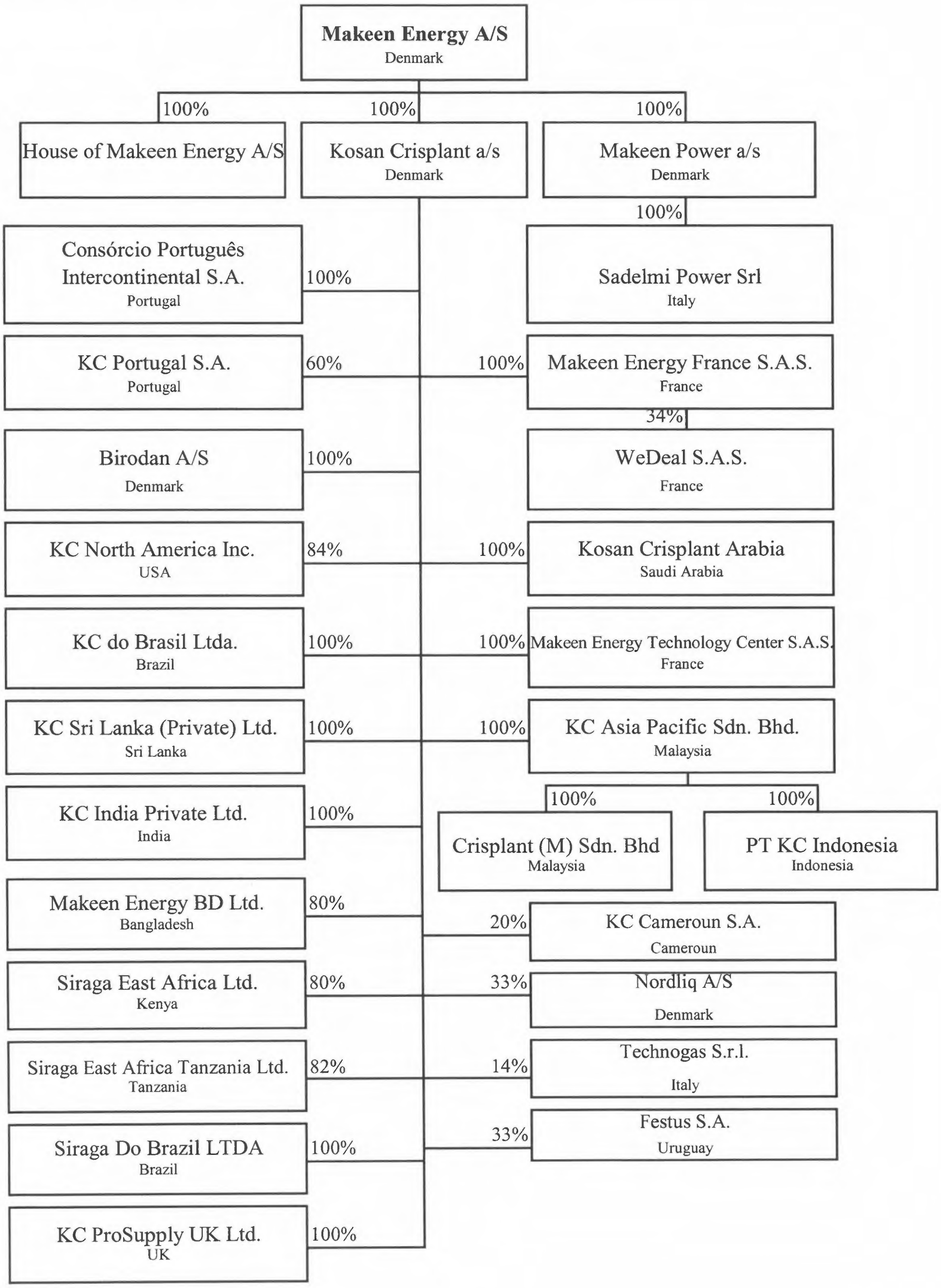
Claus Lindholm Jacobsen
State Authorised Public Accountant
mne23328

Thyge Belter
State Authorised Public Accountant
mne30222

Company information

The Company	Makeen Energy A/S Alsvej 21 DK-8940 Randers SV CVR no 36 71 84 63 Financial period: 1 January - 31 December Financial year: 4 Municipality of reg. office: Randers
Supervisory Board	Abdulkareem Hamad A Alayuni (chairman) Abdulaziz Sulaiman M Alhedithy Adel Abdullah Alhamzah
Executive Board	Anders C. Anderson
Auditors	PricewaterhouseCoopers Nobelparken Jens Chr. Skous Vej 1 DK-8000 Aarhus C

Group Overview



Financial Highlights

	Group			
	2018	2017	2016	2015
	DKK mio.	DKK mio.	DKK mio.	DKK mio. (9 months)
Key figures				
Profit/loss				
Revenue	963,3	1.011,1	732,9	167,1
Gross profit/loss	230,7	235,4	198,9	43,5
EBITDA	69,7	83,7	64,5	8,0
EBITA	54,1	63,0	47,8	3,3
Profit/loss before financial income and expenses	34,5	41,7	24,0	-6,1
Net financials	-14,8	-18,8	-13,1	-3,6
Net profit/loss for the year after minority interests	0,2	6,7	-0,2	-11,1
Balance sheet				
Balance sheet total	900,4	898,7	880,2	761,7
Investment in property, plant and equipment	76,7	19,8	23,7	7,7
Equity allocated to shareholders of the parent company	184,7	182,1	159,1	101,3
Number of employees in Denmark	110	99,0	91	42
Number of employees outside Denmark	864	839,0	738	289
Ratios				
Ratios				
Gross margin	24,0%	23,3%	27,1%	26,1%
EBITDA margin	7,2%	8,3%	8,8%	4,8%
EBITA margin	5,6%	6,2%	6,5%	2,0%
Profit margin	3,6%	4,1%	3,3%	-3,6%
Return on assets	3,8%	4,6%	2,7%	-0,8%
Solvency ratio	20,5%	20,3%	18,1%	13,3%
Return on equity	0,1%	3,9%	-0,2%	-10,9%

The ratios have been prepared in accordance with the definitions stated in the section accounting policies.

Management's Review

Main activities

Makeen Energy A/S is through the ownership of Kosan Crisplant A/S the world's leading global supplier of systems, products and services for filling and maintenance of LPG cylinders. Moreover, other requirements within the LPG- and LNG business and technical gasses are covered where there is a related business or strategic gain. Power-generation is also a part of the portfolio through the ownership of Makeen Power A/S and its subsidiary Sadelmi Power Srl.

Development during the Year

The result for the year is a profit of DKK 2.3 million versus a profit of DKK 8.4 million in 2017. The result is negatively affected by lower activity and turnover compared to 2017 which is partly offset by higher contribution margin and cost savings. The result is lower than expected at the beginning of the year.

The financial year of 2018 started at a high level executing orders received in previous years. In the second half of 2018 the order intake has stabilized slightly lower than the same period of 2017, however; the current order pipeline indicates that order intake will remain at high level throughout 2019 and thus provide a good starting point for the Group's activities in the coming year.

The sale of the Group's other products continued to develop positively throughout 2018 showing an even better potential for the years to come. The result is achieved based on continuous focus on acquisition of relevant activities, development of strategic business segments, cost price reductions, improvement of product mix, introduction of new products and a generally improved productivity.

During the financial year the Group has continued its investments in new business segments, in particular ProSupply (component trading), facility management, product development and infrastructure. A number of the subsidiaries established during recent years have contributed significantly to the turnover and the result for the year. This infrastructure, combined with new products and concepts, ensures the Group a strong position to continuously benefit from the improvement of the market situation, which is expected to continue in the coming year.

Special Risks

Macro-economic and Political Conditions

The Group sells products and services world-wide. The geographical distribution ensures a considerable diversification of risks, but also implies that the Group's sales often are influenced positively or negatively by macro-economical or political conditions on specific markets.

Credit and Liquidity Risks

The Group's activities on a large number of markets involve a certain exposure to deferred payments and non-payments from customers. Such risks are met by strict management of payment conditions and use of normal payment instruments.

Management's Review

Foreign Exchange Risks

As the major part of the Group's revenue is generated abroad, results and equity are affected by the development in exchange rates in respect of a number of currencies. However, the risk is limited by a material part of revenue being settled in Euro. It is Group policy to hedge against commercial foreign exchange exposure through forward exchange contracts. The Company does not enter into foreign exchange positions for speculative purposes.

Statutory statement on CSR according to section 99a of the Danish Financial Act

The Group runs its business in an economically and socially responsible way to the benefit of all its stakeholders, i.e. shareholders, employees, customers, suppliers and other stakeholders. The business model is a combination of unique equipment, own manufactured parts and extensive services as well as third party components using the core competences of all employees for the benifit of our customers.

The Group has joined the UN Global Compact in January 2018 and submitted its first Communication on Progress in January 2019, covering the financial year 2018. The 2018 report describes the Groups policies for environmental impact, labour- and human rights and anti corruption as well as actions taken during the last year and goals for the coming year.

The statutory statement on CSR according to section 99a of the Danish Financial Act is available at: http://www.makeenenergy.com/home/about/statutory-statement-99a/

Composition of genders in management

The Company's highest level of management, the Board of Directors, is currently consisting solely of males. Members of the Board of Directors elected on the General Meeting are elected according to qualifcations. The target of the Board of Directors is that females shall be represented by minimum 20% of the members elected by on the General Meeting. It is the Company's policy that new members are elected based on qualifications and not gender or similar. The target shall be achieved in 2022.

The composition of genders in the Board of Directors is unchanged in 2018 as the number of changes has not provided the basis for an improvement.

As the management levels below the Board of Directors consist solely of the Chief Executive Officer, no target has been defined for the gender composition in other management levels.

Management's Review

Subsidiaries and Local Offices

A material element in the Group strategy and growth plans is to establish and develop, or acquire local sales and service enterprises. In the LPG division the Group acquired Siraga S.A.S in 2016 and during 2017 the integration of Siraga was completed by merging Siraga S.A.S. and Makeen Energy France S.A.S. In 2018, to simplify the supply chain setup, a part of Makeen Energy France S.A.S. has been transfered to a new entity, Makeen Energy Technology Center S.A.S. The new entity is part of the global supply chain, while the commercial activities in the EMA-region are combined in Makeen Energy France S.A.S.

In the Power division the Group has acquired the Power activities from the Italian Company Sadelmi Srl., forming the basis for the new established Company Sadelmi Power Srl. Sadelmi Power Srl. is wholly owned by Makeen Power A/S.

The Group's existing subsidiaries continue to develop positively: the sale and service subsidiaries are developing very positively, particularly in after-sales, service and facility management.

Expectations for the Year Ahead

For the financial year 2019 the Group expects to improve the operating profit.

Development

This financial year, the Group has incurred expenses for development totalling DKK 4.1 million. DKK 0.3 million out of this amount have been charged as production costs as the Group assesses that these costs do not meet the criteria for recognition in the balance sheet. The remaining amount of DKK 3.8 million have been capitalised as development projects.
Development projects mainly consists of development of components, systems and software within the area of LPG filling plants.

The new components and systems leads to competitive advantage and thus directly influence the activity and future financial performance of the Group.

Intellectual Capital Resources

The Group gives priority to continuing training of employees in Kosan Crisplant and the subsidiaries abroad. Training in sales management, project management, project training and general leadership has been carried through during the year. Similar training will continue in the coming year.

Ownership

The Company's share capital of DKK 75,000k at 31 December 2017 is wholly owned by Makeen International, S.a.r.l, 6 Rue Eugéne Ruppert, L-2453, Luxembourg.

Accounting Policies

Basis of Preparation

The Annual Report of Makeen Energy A/S for 2018 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C and current Danish Accounting Standards.

The financial statements are presented in TDKK.

Change in accounting policies

The accounting policy for measuring inventory has changed from the FIFO method to weighted average cost in 2018 and have an insignificant impact on the financial statement.

Apart from the above mentioned change there have been no change in the accounting policies compared to previous years.

Recognition and measurement

The financial statements have been prepared under the historical cost method.

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised costs 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.

Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of a constant effective interest rate over the maturity period. Amortised cost is calculated as original cost less any repayments and with addition/deduction of the cumulative amortisation of any difference between cost and the nominal amount. In this way, capital losses and gains are allocated over the maturity period.

Recognition and measurement take into account predictable losses and risks occurring before the presentation of the Annual Report which confirm or invalidate affairs and conditions existing at the balance sheet date.

Danish kroner is used as the measurement currency. All other currencies are regarded as foreign currencies.

Accounting Policies

Basis of consolidation

The Consolidated Financial Statements comprise the Parent Company, Makeen Energy A/S, and enterprises in which the Parent Company directly or indirectly holds more than 50% of the votes or in which the Parent Company, through share ownership or otherwise, exercises control.

On consolidation, items of a uniform nature are combined. Elimination is made of intercompany income and expenses, shareholdings, dividends and accounts as well as of realised and unrealised profits and losses on transactions between the consolidated enterprises.

The Parent Company's investments in the consolidated subsidiaries are set off against the Parent Company's share of the net asset value of subsidiaries stated at the time of consolidation.

On acquisition of subsidiaries, the difference between cost of acquisition and net asset value of the enterprise acquired is determined at the date of acquisition after the individual assets and liabilities having been adjusted to fair value (the purchase method). In this connection any restructuring provisions decided concerning the acquired enterprise are deducted. Any remaining positive differences are recognised in "Investments in subsidiaries" and are amortised on a straight-line basis over the estimated useful life, but not exceeding 20 years.

Due to change in recognition and measurement of net assets, differences from acquired enterprises may be adjusted until the end of the financial year following the year of acquisition. These adjustments are at the same time reflected in the value of goodwill, including amortisation already made.

Amortisation of goodwill is recognised in the line goodwill amortisation.

Minority interests

On statement of Group results and Group equity, the shares of results and equity of subsidiaries attributable to minority interests are recognised as separate items in the income statement and the balance sheet. Minority interests are recognised on the basis of a re-measurement of acquired assets and liabilities to fair value at the time of acquisition of subsidiaries. At subsequent changes in minority interests the changed share of results is recognised from the time of the change.

Leases

All of the Group's leases are classified as either operating or finance leases. Payments concerning operating leases are recognised in the income statement on a straight-line basis over the leasing period. The payments concerning finance leases are divided between financial expenses and repayments on the leasing debt to obtain a constant interest rate for the remaining leasing debt.

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 financial income and expenses in the income statement.

Accounting Policies

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; however, see the section on hedge accounting.

Income statements of foreign subsidiaries are translated at transaction date rates or approximated average exchange rates. Balance sheet items are translated at the exchange rates at the balance sheet date. Exchange adjustments arising on the translation of the opening equity and exchange adjustments arising from the translation of the income statements at the exchange rates at the balance sheet date are recognised directly in equity.

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, see below.

Hedge accounting

Changes in the fair values of financial instruments that are designated and qualify as fair value hedges of a recognised asset or a recognised liability are recognised in the income statement as are any changes in the fair value of the hedged asset or the hedged liability related to the hedged risk.

Changes in the fair values of derivative financial instruments that are designated and qualify as hedges of expected future transactions are recognised in retained earnings under equity as regards the effective portion of the hedge. The ineffective portion is recognised in the income statement. If the hedged transaction results in an asset or a liability, the amount deferred in equity is transferred from equity and recognised in the cost of the asset or the liability, respectively. If the hedged transaction results in an income or an expense, the amount deferred in equity is transferred from equity to the income statement in the period in which the hedged transaction is recognised. The amount is recognised in the same item as the hedged transaction.

Changes in the fair values of financial instruments that are designated and qualify as hedges of net investments in independent foreign subsidiaries or associates are recognised directly in equity as regards the effective portion of the hedge, whereas the ineffective portion is recognised in the income statement.

Accounting Policies

Income Statement

Revenue

Revenue from the sale of goods for resale and finished goods is recognised in the income statement when the sale is considered effected based on the following criteria:

- delivery has been made before year end;
- a binding sales agreement has been made;
- the sales price has been determined; and payment has been received or may with reasonable certainty be expected to be received.

Contract work in progress is recognised at the rate of completion of the projects, which means that revenue equals the selling price of the work completed for the year (percentage-of-completion method). This method is applied when total revenues and expenses in respect of the project and the stage of completion at the balance sheet date can be measured reliably, and it is probable that the economic benefits, including payments, will flow to the Company. Contract work in progress includes agreements of delivery of projects with a high level of individual customization.

Cost of sales

Cost of sales comprises costs incurred to achieve revenue for the year. Cost comprises purchases for projects, raw materials, consumables, direct labour costs and indirect production costs such as maintenance and depreciation, etc, as well as operation, administration and management of factories.

Cost of sales also includes development costs that do not qualify for capitalisation.

Distribution expenses

Distribution expenses comprise costs in the form of salaries to sales and distribution staff, advertising, marketing and exhibition expenses as well as operation of motor vehicles, depreciation, etc.

Administrative expenses

Administrative expenses comprise expenses for Management, administrative staff, office expenses, depreciation, etc.

Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the core activities of the enterprises, including gains and losses on the sale of intangible assets and property, plant and equipment.

Income from investments in subsidiaries

The item "Income from investments in subsidiaries" in the income statement includes the proportionate share of the profit for the year after tax.

Accounting Policies

Income from investments in associates

The item "Income from investments in associates" in the income statement includes the proportionate share of the profit for the year after tax.

Financial income and expenses

Financial income and expenses comprise interest, realised and unrealised exchange adjustments, price adjustment of securities 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 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 assesses for Danish tax purposes jointly with the Danish consolidated company. Foreign subsidiaries are not part of the joint taxation.

The effect of the joint taxation is divided among the involved companies according to the taxable profit or loss of each company. The companies that are part of the joint taxation are entered into the tax prepayment scheme.

Balance Sheet

Intangible assets

Goodwill

Goodwill is amortised on a straight-line basis over the estimated useful life determined on the basis of Management's experience with the individual business areas. The maximum amortisation period is 20 years, the longest period applying to enterprises acquired for strategic purposes with a strong market position and a long earnings profile.

Development projects

Costs of development projects comprise salaries, amortisation and other expenses directly or indirectly attributable to the Company's development activities.

Development projects that are clearly defined and identifiable and in respect of which technical feasibility, sufficient resources and a potential future market or development opportunity in the enterprise can be demonstrated, and where it is the intention to manufacture, market or use the project, are recognised as intangible assets. This applies if sufficient certainty exists that the value in use of future earnings can cover cost of sales, distribution and administrative expenses involved as well as the development costs.

Accounting Policies

Development projects that do not meet the criteria for recognition in the balance sheet are recognised as expenses in the income statement as incurred.

Capitalised development costs are measured at cost less accumulated amortisation and impairment losses or at a lower recoverable amount. An amount equal to the recognised development projects are reserved in "Reserve according to development costs" under equity. The reserve comprises development costs recognised on 1 January 2016 or later. The reserve is reduced by amortisation and impairment losses on development projects.

As of the date of completion, capitalised development costs are amortised on a straight-line basis over the period of the expected economic benefit from the development work, but not exceeding 5 years.

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use. In the case of assets of own construction, cost comprises direct and indirect expenses for labour, materials, components and sub-suppliers.

Interest expenses on loans raised directly for financing the construction of property, plant and equipment are recognised in cost over the period of construction. All indirectly attributable borrowing expenses are recognised in the income statement.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Land and buildings	20 years
Plant and machinery	2-10 years
Other fixtures and fittings, tools and equipment	2-10 years
Leasehold improvements	5-12 years

Assets costing less than DKK 20,000 are expensed in the year of acquisition.

Impairment of fixed assets

The carrying amounts of 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, an impairment test is carried out to determine whether the recoverable amount is lower than the carrying amount, and the asset is written down to its lower recoverable amount.

Accounting Policies

The recoverable amount of the asset is calculated as the higher of net selling price and value in use. Where a recoverable amount cannot be determined for the individual asset, the assets are assessed in the smallest group of assets for which a reliable recoverable amount can be determined based on a total assessment.

Assets for which a separate value in use cannot be determined as the asset does not on an individual basis generate future cash flows are reviewed for impairment together with the Group of assets to which they are attributable.

Investments in subsidiaries

Investments in subsidiaries are recognised and measured under the equity method.

The items "Investments in subsidiaries" in the balance sheet include the proportionate ownership share of the net asset value of the enterprises calculated on the basis of the fair values of identifiable net assets at the time of acquisition with deduction or addition of unrealised intercompany profits or losses and with addition of any remaining value of positive differences (goodwill).

The total net revaluation of investments in subsidiaries is transferred upon distribution of profit to "Reserve for net revaluation under the equity method" under equity. The reserve is reduced by dividend distributed to the Parent Company and adjusted for other equity movements in subsidiaries.

Deposits

Deposits compromise prepaid deposits concerning rental agreements.

Inventories

Inventories are measured at the lower of cost under the weighted average method and net realisable value. The net realisable value of inventories is calculated at the amount expected to be generated by sale in the process of normal operations with deduction of selling expenses and costs of completion. The net realisable value is determined with consideration for the marketability, obsolescence and development in expected sales sum.

The cost of goods for resale, raw materials and consumables equals landed cost.

The cost of finished goods, semi-finished goods and work in progress comprises the cost of raw materials, consumables and direct labour with addition of indirect production costs. Indirect production costs comprise the cost of indirect materials and labour as well as maintenance and depreciation of the machinery, factory buildings and equipment used in the manufacturing process as well as costs of factory administration and management.

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. Provisions for bad debts are determined on the basis of an individual assessment of each receivable, and in respect of trade receivables, a general provision is also made based on the Company's experience from previous years.

Accounting Policies

Contract work in progress

Contract work in progress is measured at the selling price of the work performed calculated on the basis of the stage of completion. The stage of completion is measured by the proportion that the contract expenses incurred to date bear to the estimated total contract expenses. Contract work in progress includes agreements of delivery of projects with a high level of individual customization. Where it is probable that total contract expenses will exceed total revenues from a contract, the expected loss is recognised as an expense in the income statement.

Where the selling price cannot be measured reliably, the selling price is measured at the lower of expenses incurred and net realisable value.

Prepayments and payments received on account are set off against the selling price. The individual contracts are classified as receivables when the net selling price is positive and as liabilities when the net selling price is negative.

Expenses relating to sales work and the winning of contracts are recognised in the income statement as incurred.

Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

Equity

Dividend

Dividend distribution proposed by Management for the year is disclosed as a separate equity item.

Provisions

Provisions are recognised when - in consequence of an event occurred before or on the balance sheet date - the Company has a legal or constructive obligation and it is probable that economic benefits must be given up to settle the obligation.

Provisions are made for warranty obligations in respect of repair work within the warranty period of 1 year. Provisions are measured and recognised based on experience with guarantee work.

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.

Accounting Policies

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 jurisdiction.

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 debts

Fixed-interest loans, such as loans from credit institutions, are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost; the difference between the proceeds and the nominal value is recognised as an interest expense in the income statement over the loan period.

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

Deferred income

Deferred income comprises amount received for goods or services which have not yet been delivered.

Cash Flow Statement

The cash flow statement shows the Group's cash flow for the year broken down by operating, investing and financing activities, changes for the year in cash and cash equivalents as well as the Group's cash and cash equivalents at the beginning and end of the year.

No cash flow statement has been prepared for the Parent Company as the Parent Company cash flows are included in the Consolidated Cash Flow Statement.

Cash flows from operating activities

Cash flows from operating activities are calculated as the net profit/loss for the year adjusted for changes in working capital and non-cash operating items such as depreciation, amortisation and impairment losses, and provisions. Working capital comprises current assets less short-term debt excluding items included in cash and cash equivalents.

Accounting Policies

Cash flows from investing activities

Cash flows from investing activities comprise cash flows from acquisitions and disposals of intangible assets, property, plant and equipment as well as fixed asset investments.

Cash flows from financing activities

Cash flows from financing activities comprise cash flows from the raising and repayment of long-term debt as well as payments to and from shareholders.

Cash and cash equivalents

Cash and cash equivalents comprise "Cash at bank and in hand" and "Credit institutions".
The cash flow statement cannot be immediately derived from the published financial records.

Explanation of financial ratios

Gross margin	$\dfrac{\textit{Gross profit} \times 100}{\textit{Revenue}}$
EBITDA margin	$\dfrac{\textit{EBITDA} \times 100}{\textit{Revenue}}$
EBITA margin	$\dfrac{\textit{EBITA} \times 100}{\textit{Revenue}}$
Profit margin	$\dfrac{\textit{Profit before financials} \times 100}{\textit{Revenue}}$
Return on assets	$\dfrac{\textit{Profit before financials} \times 100}{\textit{Total assets}}$
Solvency ratio	$\dfrac{\textit{Equity at year end} \times 100}{\textit{Total assets}}$
Return on equity	$\dfrac{\textit{Net profit for the year} \times 100}{\textit{Average equity}}$

Income Statement 1 January 2018 - 31 December 2018

	Note	Group 2018	Group 2017	Parent Company 2018	Parent Company 2017
		DKK '000	DKK '000	DKK '000	DKK '000
Revenue	1	**963.339**	**1.011.135**	**3.598**	**1.723**
Cost of sales	3	-732.606	-775.775	0	0
Gross profit/loss		**230.733**	**235.360**	**3.598**	**1.723**
Distribution expenses	3	-100.456	-97.161	0	0
Administrative expenses	2, 3	-78.396	-76.564	-5.026	-4.210
Operating profit/loss		**51.881**	**61.635**	**-1.428**	**-2.487**
Other operating income		2.268	1.351	0	0
EBITA		**54.149**	**62.986**	**-1.428**	**-2.487**
Goodwill amortisation		-19.638	-21.327	0	0
Profit/loss before financial income and expenses		**34.511**	**41.659**	**-1.428**	**-2.487**
Income from investments in subsidiaries after tax	4	0	0	10.460	17.241
Income from investments in associates after tax		-678	-318	0	0
Financial income	5	5.552	3.279	413	608
Financial expenses	6	-19.661	-21.739	-9.864	-9.216
Profit/loss before tax		**19.724**	**22.881**	**-419**	**6.146**
Tax on profit/loss for the year	7	-17.464	-14.510	616	562
Net profit/loss for the year		**2.260**	**8.371**	**197**	**6.708**
Distribution of profit	8				

Balance Sheet 31 December 2018

Assets	Note	Group 2018	Group 2017	Parent Company 2018	Parent Company 2017
		DKK '000	DKK '000	DKK '000	DKK '000
Goodwill		302.843	322.821	0	0
Completed development projects		3.814	7.723	0	0
Development projects in progress		2.992	1.370	0	0
Intangible assets	9	**309.649**	**331.914**	**0**	**0**
Land and buildings		71.705	7.899	0	0
Plant and machinery		15.712	41.552	0	0
Other fixtures and fittings, tools and		15.304	17.671	0	0
Leasehold improvements		2.351	2.885	0	0
Property, plant and equipment	10	**105.072**	**70.007**	**0**	**0**
Investments in subsidiaries		0	0	460.522	455.286
Investments in associates		140	203	0	0
Other investments		0	84	0	0
Deposits		920	3.667	0	0
Fixed asset investments	11	**1.060**	**3.954**	**460.522**	**455.286**
Fixed assets		**415.781**	**405.875**	**460.522**	**455.286**
Inventories	12	**119.680**	**111.569**	**0**	**0**
Trade receivables		176.458	192.816	0	0
Contract work in progress	13	76.257	98.657	0	0
Receivables from group enterprises		49	5.028	3.806	6.436
Other receivables		19.684	21.237	0	0
Corporation tax		0	0	0	952
Deferred tax asset	14	9.983	5.076	3.909	1.767
Prepayments	15	3.720	5.559	0	0
Receivables		**286.151**	**328.373**	**7.715**	**9.155**
Cash at bank and in hand		**78.820**	**52.886**	**96**	**137**
Current assets		**484.651**	**492.828**	**7.811**	**9.292**
Assets		**900.432**	**898.703**	**468.333**	**464.578**

Balance Sheet 31 December 2018

Liabilities and equity

	Note	Group 2018 DKK '000	Group 2017 DKK '000	Parent Company 2018 DKK '000	Parent Company 2017 DKK '000
Share capital		75.000	75.000	75.000	75.000
Net revaluation according to the equity method		0	0	31.755	26.919
Retained earnings		109.746	107.113	77.991	80.194
Equity allocated to shareholders of the parent company		**184.746**	**182.113**	**184.746**	**182.113**
Minority interests		4.934	5.690	0	0
Equity	16	**189.680**	**187.803**	**184.746**	**182.113**
Deficit, associates companies		467	0	0	0
Warranty obligations	17	4.760	6.436	0	0
Provision for deferred tax	14	39.590	34.083	0	0
Other provisions	18	21.469	30.358	0	0
Provisions		**66.286**	**70.877**	**0**	**0**
Credit institutions	19	4.897	7.640	0	0
Loans from group enterprises	19	263.869	263.077	263.869	263.077
Other payables	19	350	12.259	0	0
Long-term debt		**269.116**	**282.976**	**263.869**	**263.077**
Current portion of long-term debt	19	6.196	3.389	0	0
Credit institutions		64.946	21.902	0	0
Prepayments received from customers	13	116.668	110.491	0	0
Trade payables		102.187	140.762	0	0
Payables to group enterprises		173	4.862	16.620	18.879
Deferred income		5.398	1.689	0	0
Corporation tax		6.251	4.086	1.526	0
Other payables		73.531	69.866	1.572	509
Short-term debt		**375.350**	**357.047**	**19.718**	**19.388**
Debt		**644.466**	**640.023**	**283.587**	**282.465**
Liabilities and equity		**900.432**	**898.703**	**468.333**	**464.578**

Balance Sheet 31 December 2018

	Note
Fee to auditors appointed at the general meeting	2
Contingent assets, liabilities and other financial obligations	20
Related parties and Group Annual Report	21
Derivative financial instruments	22
Subsequent events	23

Statement of changes in equity

Group	Share capital	Retained earnings	Parent company shareholders share of equity	Minority interests	Total
	DKK '000	DKK '000	DKK '000	DKK '000	DKK '000
Equity at 1 January 2018	75.000	107.113	182.113	5.690	187.803
Exchange adjustments	0	-2.026	-2.026	-272	-2.298
Fair value adjustment of hedging instruments	0	-1.145	-1.145	0	-1.145
Tax on equity adjustments	0	252	252	0	252
Other adjustments	0	5.355	5.355	-964	4.391
Dividend paid	0	0	0	-1.583	-1.583
Net profit/loss for the year	0	197	197	2.063	2.260
Equity at 31 December 2018	**75.000**	**109.746**	**184.746**	**4.934**	**189.680**

Parent Company	Share capital	Reserve according to the equity method	Retained earnings	Total
	DKK '000	DKK '000	DKK '000	DKK '000
Equity at 1 January 2018	75.000	26.919	80.194	182.113
Adjustments in subsidiaries	0	0	-5.625	-5.625
Contribution from parent company	0	0	8.061	8.061
Net profit/loss for the year	0	4.836	-4.639	197
Equity at 31 December 2018	**75.000**	**31.755**	**77.991**	**184.746**

Cash Flow Statement 1 January 2018 - 31 December 2018

	Note	Group 2018	Group 2017
		DKK '000	DKK '000
Net profit/loss for the year		2.260	8.371
Adjustments	24	80.212	98.672
Change in working capital	25	8.762	-48.812
Cash flows from operating activities before financial income and expenses		**91.234**	**58.231**
Financial income		5.552	3.279
Financial expenses		-19.661	-21.739
Cash flows from ordinary activities		**77.125**	**38.108**
Corporation tax paid		-15.047	-20.518
Cash flows from operating activities		**62.078**	**17.590**
Purchase of intangible assets		-3.812	-1.656
Purchase of property, plant and equipment		-76.748	-19.762
Fixed asset investments made		-4.625	-462
Sale of intangible assets		840	0
Sale of property, plant and equipment		2.874	6.014
Sale of fixed asset investments		4.218	468
Cash flows from investing activities		**-77.253**	**-15.398**
Raising of long-term debt		0	8.168
Repayment of long-term debt		-1.934	-367
Cash flows from financing activities		**-1.934**	**7.801**
Change in cash and cash equivalents		**-17.110**	**9.993**
Cash and cash equivalents at 1 January 2018		30.984	20.991
Cash and cash equivalents at 31 December 2018		**13.874**	**30.984**
Cash and cash equivalents are specified as follows:			
Cash at bank and in hand		78.820	52.886
Credit institutions		-64.946	-21.902
Cash and cash equivalents at 31 December 2018		**13.874**	**30.984**

Notes to the Annual Report

		Group		Parent Company	
		2018	2017	2018	2017
		DKK '000	DKK '000	DKK '000	DKK '000
1	**Revenue**				
	Geographical segments				
	Europe	159.306	265.971	3.598	1.723
	Outside Europe	804.033	745.164	0	0
		963.339	**1.011.135**	**3.598**	**1.723**
2	**Fee to auditors appointed at the general meeting**				
	PricewaterhouseCoopers				
	Audit fee	574	699	42	52
	Other assurance engagements	0	41	0	0
	Tax assistance	116	87	0	0
	Non-audit services	3	42	0	0
	Other audit companies				
	Audit fee and non-audit services	2.319	1.874	0	344
		3.012	**2.743**	**42**	**396**
3	**Staff**				
	Wages and salaries	181.326	175.533	2.321	
	Pensions	14.761	14.201	258	
	Other social security expenses	26.276	21.507	6	
		222.363	**211.241**	**2.585**	
	Average number of employees	**974**	**938**	**2**	**1**

Remuneration to the executive board is not stated according to ÅRL § 98b section 3 as it will explain the remuneration to a single member of the management.

		Parent Company	
		2018	2017
		DKK '000	DKK '000
4	**Income from investments in subsidiaries after tax**		
	Share of earnings of subsidiaries after tax	24.637	32.772
	Amortisation of goodwill	-14.177	-15.531
		10.460	**17.241**

Notes to the Annual Report

		Group		Parent Company	
		2018	2017	2018	2017
		DKK '000	DKK '000	DKK '000	DKK '000
5	**Financial income**				
	Interest received from group enterprises	291	181	412	181
	Exchange adjustments	3.881	1.487	1	427
	Other financial income	1.380	1.611	0	0
		5.552	**3.279**	**413**	**608**
6	**Financial expenses**				
	Interest expenses to group enterprises	8.061	8.328	8.944	8.835
	Bank charges	4.270	4.613	2	3
	Exchange adjustments	4.493	6.304	900	375
	Other financial expenses	2.837	2.494	18	3
		19.661	**21.739**	**9.864**	**9.216**
7	**Tax on profit/loss for the year**				
	Current tax for the year	16.612	21.287	1.526	886
	Deferred tax for the year	600	-855	-2.142	-1.448
	Total tax for the year	**17.212**	**20.432**	**-616**	**-562**
	which breaks down as follows:				
	Tax on profit/loss for the year	17.464	14.510	-616	-562
	Tax on changes in equity	-252	5.922	0	0
		17.212	**20.432**	**-616**	**-562**
8	**Distribution of profit**				
	Proposed distribution of profit				
	Net revaluation according to the equity method	0	0	4.836	25.267
	Minority interests' share of net profit/loss of subsidiaries	2.063	1.663	0	0
	Retained earnings	197	6.708	-4.639	-18.559
		2.260	**8.371**	**197**	**6.708**

Notes to the Annual Report

9 Intangible assets

Group	Goodwill	Develop-ment projects	Develop-ment projects in progress
	DKK '000	DKK '000	DKK '000
Cost at 1 January 2018	381.580	33.562	1.370
Exchange adjustments	0	30	0
Additions for the year	0	1.339	2.443
Transferred	0	821	-821
Disposals for the year	-606	-855	0
Cost at 31 December 2018	380.974	34.897	2.992
Amortisation at 1 January 2018	58.759	25.839	0
Exchange adjustments	0	33	0
Amortisation for the year	19.638	5.566	0
Reversal of impairment and amortisation of sold assets	-266	-355	0
Amortisation at 31 December 2018	78.131	31.083	0
Carrying amount at 31 December 2018	**302.843**	**3.814**	**2.992**
Amortised over	2-20 years	3-5 years	

Amortisation and impairment of intangible assets are recognised in the following items:

Cost of sales	5.566
Amortisation, goodwill	19.638
	25.204

Goodwill

Investment in subsidiaries are considered to be of strategic importance for the Group. In consideration of the Groups plans for development and increasing the activities in the acquired subsidiaries the useful life of goodwill is set to 20 years.

Development projects

Completed development projects comprise development and testing of components and systems within the area of gas filling plants. Completed development projects are amortized over 3-5 years.

The management has not identified any indication of impairment in relation to the carrying amount.

Development project in progress

Development projects mainly consists of development of new components, systems and software within the area of LPG filling plants. The costs mainly consists of external costs.

The new components and systems leads to competitive advantage and thus directly influence the activity and future financial performance of the Group.

Notes to the Annual Report

10 Property, plant and equipment

Group	Land and buildings	Plant and machinery	Other fixtures and fittings, tools and equipment	Leasehold improve-ments
	DKK '000	DKK '000	DKK '000	DKK '000
Cost at 1 January 2018	8.302	50.200	60.649	4.618
Adjustments	1.361	18.077	0	0
Exchange adjustments	-923	974	-346	8
Additions for the year	65.189	4.136	5.821	1.889
Disposals for the year	0	-36.878	-1.706	-3.868
Cost at 31 December 2018	73.929	36.509	64.418	2.647
Impairment losses and depreciation at 1 January 2018	403	8.648	42.978	1.733
Adjustments	1.361	18.077	0	0
Exchange adjustments	-77	440	-168	1
Depreciation for the year	537	4.639	6.499	299
Reversal of impairment and depreciation of sold assets	0	-11.007	-195	-1.737
Impairment losses and depreciation at 31 December 2018	2.224	20.797	49.114	296
Carrying amount at 31 December 2018	**71.705**	**15.712**	**15.304**	**2.351**
Depreciated over	20 years	2-10 years	2-10 years	5-12 years

Depreciation and impairment of property, plant and equipment are recognised in the following items:

	2018
	DKK '000
Cost of sales	5.037
Distribution expenses	3.902
Administrative expenses	3.035
	11.974

Notes to the Annual Report

11 Fixed assets investments

Group	Investments in associates	Other investments	Deposits
	DKK '000	DKK '000	DKK '000
Cost at 1 January 2018	3.067	68	3.667
Exchange adjustments	8	0	-18
Additions for the year	0	0	100
Transferred	2.626	0	0
Disposals for the year	0	-68	-2.829
Cost at 31 December 2018	5.701	0	920
Value adjustment at 1 January 2018	-2.864	16	0
Exchange adjustments	-7	0	0
Net profit/loss for the year	-1.083	-16	0
Transferred	-2.074	0	0
Adjustment of investments with negative net assset value	467	0	0
Value adjustments at 31 December 2018	-5.561	0	0
Carrying amount at 31 December 2018	**140**	**0**	**920**

Parent Company	Investments in subsidiaries
	DKK '000
Cost at 1 January 2018	428.367
Additions for the year	400
Cost at 31 December 2018	428.767
Value adjustment at 1 January 2018	26.919
Exchange adjustments	-1.922
Net profit/loss for the year	10.460
Other equity adjustments	-2.809
Fair value adjustment of hedging instruments, net	-893
Value adjustment at 31 December 2018	31.755
Carrying amount at 31 December 2018	**460.522**

Notes to the Annual Report

11 Fixed assets investments *(continued)*

Remaining positive difference included in the above carrying amount at 31 December 2018	268.672

Subsidiaries are recognised and measured as separate entities.

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Votes and ownership
Kosan Crisplant a/s	Denmark	kDKK 15,000	100%
Makeen Power A/S	Denmark	kDKK 500	100%
House of Makeen Energy A/S	Denmark	kDKK 400	100%

	Group		Parent Company	
	2018	2017	2018	2017
	DKK '000		DKK '000	
12 Inventories				
Raw materials and consumables	103.205	93.652	0	0
Work in progress	16.475	17.917	0	0
	119.680	**111.569**	**0**	**0**
13 Contract work in progress				
Selling price of production	1.025.090	882.559	0	0
Payments received on account	-1.065.501	-894.393	0	0
Contract work in progress, net	**-40.411**	**-11.834**	**0**	**0**
Recognised in the balance sheet as follows:				
Contract work in progress recognised in assets	76.257	98.657	0	0
Prepayments received recognised in debt	-116.668	-110.491	0	0
	-40.411	**-11.834**	**0**	**0**

Notes to the Annual Report

	Group		Parent Company	
	2018	2017	2018	2017
	DKK '000	DKK '000	DKK '000	DKK '000
14 Provision for deferred tax				
Fixed assets	14.339	11.389	0	0
Current assets	26.330	22.802	0	0
Debt	-412	-108	0	0
Tax loss carry-forward	-667	0	0	0
	39.590	**34.083**	**0**	**0**
Deferred tax asset				
Debt	1.576	739	0	0
Tax loss carry-forward	8.407	4.337	3.909	1.767
	9.983	**5.076**	**3.909**	**1.767**

Based on the budgets for the next three years, management has considered it likely that prior years tax losses and unused tax credits can be utilized within 3-5 years.

15 Prepayments

Prepayments	3.720	5.559	0	0
	3.720	**5.559**	**0**	**0**

16 Equity

The share capital consists of 750.000 shares of a nominal amount of DKK 100. No shares carry any special rights.

Share capital for the past two years is specified as follows:

	2018	2017	2016	2015
	DKK '000	DKK '000	DKK '000	DKK '000
Share capital	75.000	75.000	75.000	50.000

	Group		Parent Company	
	2018	2017	2018	2017
	DKK '000	DKK '000	DKK '000	DKK '000
17 Warranty obligations				
Within 1 year	4.760	6.436	0	0
	4.760	**6.436**	**0**	**0**

Notes to the Annual Report

18 Other provisions

Other provisions are related to retirement obligations and provision for loss-making sales projects. In 2017 also contained provision to cylinder deposits.

19 Long-term debt

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term

The debt falls due for payment as specified below:

	Group		Parent Company	
	2018	2017	2018	2017
	DKK '000	DKK '000	DKK '000	DKK '000
Credit institutions				
Between 1 and 5 years	4.897	7.640	0	0
Long-term part	4.897	7.640	0	0
	4.897	**7.640**	**0**	**0**
Payables to group enterprises				
Between 1 and 5 years	263.869	263.077	263.869	263.077
Long-term part	263.869	263.077	263.869	263.077
	263.869	**263.077**	**263.869**	**263.077**
Other payables				
After 5 years	50	0	0	0
Between 1 and 5 years	300	12.259	0	0
Long-term part	350	12.259	0	0
Within 1 year	6.196	3.389	0	0
	6.546	**15.648**	**0**	**0**

Notes to the Annual Report

	Group		Parent Company	
	2018	2017	2018	2017
	DKK '000	DKK '000	DKK '000	DKK '000
20 Contingent assets, liabilities and other financial obligations				
The future minimum lease payments under operating leases are as follows:				
No later than 1 year	6.269	10.628	0	0
Later than 1 year and no later than 5 years	7.064	27.317	0	0
Later than 5 years	4.969	20.858	0	0
	18.302	**58.803**	**0**	**0**

Group

The Group's banks have at 31 December 2018 issued bank guarantees totalling DKK 148,713k towards the Group's customers and banks. The Group has deposited EUR 396k for guarantees.

The Group is a party in a pending claim for damages related to product liability, and also a party in a mutual claim for contract breach. The outcome of these claims are expected not to constitute financial obligations on part of the Group beyond what is allocated in the Annual Report.

The Group has issued a guarantee for Makeen Energy France S.A.S.'s engagement with HSBC and BNP Paribas and for CPI S.A.'s engagement with Banco BPI for a total of EUR 4,700k. The company has issued a guarantee for Kosan Crisplant Lanka (Private) Ltd.'s engagement with Sampath Bank for total EUR 1,850k.

The Group has issued a mortgage bond with security in land and buildings for a total of DKK 69,000k.

All business assets in the subsidiary in USA have been provided as security to credit institutions for a loan with a booked value at 91kUSD.

Parent Company

The Company has issued a surety guarantee for Makeen Energy A/S, Makeen Power A/S and Kosan Crisplant A/S' engagement with Nordea Bank for a total of DKK 185,000k. The Company has also issued a guarantee for House of Makeen Energy A/S with the engagement with Nordea Bank for a total of DKK 65,000k.

The Danish companies in the Group are subject to mandatory Danish national joint taxation. The jointly taxed companies share the liability for the Danish income tax etc.

The parent company has issued a limited parent guarantee to Makeen Power A/S and House of Makeen Energy A/S which expire at the next annual general meeting.

Notes to the Annual Report

21 Related parties and Group Annual Report

Transactions

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

The Company has received subsidies from Al Ayuni Contracting & Investment Company for DKK 8,061k. Besides the received subsidies from Al Ayuni Contracting & Investment Company all transactions with related parties are on arm's length basis.

Group Annual Report

The Company is included in the Group Annual Report for the Ultimate parent company Al Ayuni Investment & Contracting Company.

The Group Annual Report can be obtained from the following address:

Al Ayuni Investment & Contracting Company
That Alsawari, Al
Wurud
12251 Riyadh
Saudi Arabia

Notes to the Annual Report

22 Derivative financial instruments

It is group policy to hedge material expected currency cash flows in currencies not closesely correlated to EUR.

Fair value of derivatives recognised in the balance sheets as of 31 December:

	Group		Parent Company	
	2018	2017	2018	2017
	DKK '000	DKK '000	DKK '000	DKK '000
Forward exchange contracts, EUR/USD	0	0	0	0
Forward exchange contracts, DKK/USD	-833	479	0	0
	-833	**479**	**0**	**0**
Cash flow hedges	-947	94	0	0
Fair value hedges	114	385	0	0
	-833	**479**	**0**	**0**
Assets	0	479	0	0
Liabilities	-833	0	0	0
	-833	**479**	**0**	**0**

Gains and losses recognised in equity forward exchange contracts as of 31 December 2018 will be recognised in profit and loss in the periods during which the hedged forecasted transactions takes place (0-3 years).

23 Subsequent events

No events materially affecting the assessment of the financial position of the Company by 31 December 2018 have occurred after the balance sheet date.

Notes to the Annual Report

	Group 2018	Group 2017
	DKK '000	DKK '000
24 Cash flow statement - adjustments		
Financial income	-5.552	-3.279
Financial expenses	19.661	21.739
Income from investments in associates before tax	678	318
Income from other investments	16	0
Depreciation of property, plant and machinery	12.170	12.677
Amortisation of intangible assets	25.237	29.068
Tax on profit/loss for the year	17.464	14.510
Adjustments deferred tax	600	-855
Equity adjustments	4.111	20.604
Change in minority interests' share of equity	-756	-1.960
Change in other provisions	6.582	4.187
	80.212	**97.009**
25 Cash Flow Statement - change in working capital		
Change in inventories	-8.111	-25.762
Change in receivables	15.110	-10.184
Change in contract work in progress	22.400	7.119
Change in other receivables	-67	-4.798
Change in prepayments (assets)	1.839	2.195
Change in prepayments from customers	6.177	17.012
Change in trade payables etc.	-37.381	-5.208
Change in receivables from group enterprices, net	290	-5.080
Change in other debt	4.796	-22.464
Change in deferred income	3.709	-1.642
	8.762	**-48.812**