Makeen Energy A/S

P.O. Pedersens Vej 22
DK-8200 Aarhus N

CVR no 36 71 84 63

Annual Report for 2016

The Annual Report has been presented and adopted at the Annual General Meeting of the Company on 12 April 2017

Chairman

Table of contents

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 2016 – 31 December 2016.

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 2016 of the Company and the Group and of the results of the Company and Group operations and consolidated cash flows for 2016.

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.

Aarhus, 12 April 2017

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 Shareholders 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 2016, 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 2016 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 2016, 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.

Aarhus, 12 April 2017

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR no 33 77 12 31

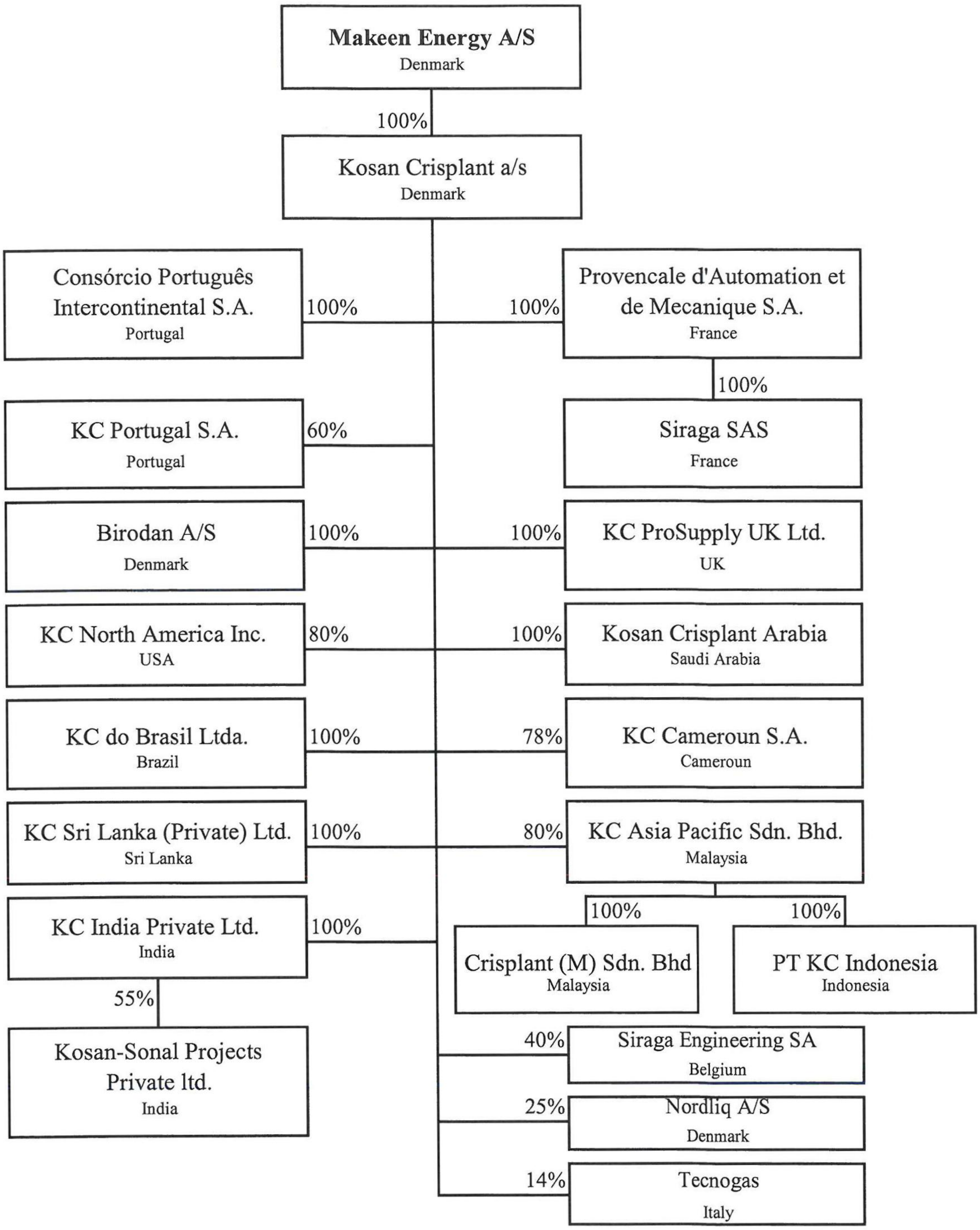
Claus Lindholm Jacobsen
State Authorised Public Accountant

Thyge Belter
State Authorised Public Accountant

Company information

The Company	Makeen Energy A/S P.O. Pedersens Vej 22 DK-8200 Aarhus N CVR no 36 71 84 63 Financial period: 1 January - 31 December Financial year: 2 Municipality of reg. office: Aarhus
Supervisory Board	Abdulkareem Hamad A Alayuni (chairman) Adel Abdullah Alhamzah Abdulaziz Sulaiman M Alhedithy
Executive Board	Anders C. Anderson
Auditors	PricewaterhouseCoopers Nobelparken Jens Chr. Skous Vej 1 DK-8000 Aarhus C

Group Overview



Financial Highlights

	Group	
	2016	2015
	DKK mio.	DKK mio. (9 months)
Key figures		
Profit/loss		
Revenue	732,9	167,1
Gross profit/loss	198,9	43,5
EBITDA	64,5	8,0
EBITA	47,8	3,3
Profit/loss before financial income and expenses	24,0	-6,1
Net financials	-13,1	-3,6
Net profit/loss for the year after minority interests	-0,2	-11,1
Balance sheet		
Balance sheet total	880,2	761,7
Investment in property, plant and equipment	23,7	7,7
Equity allocated to shareholders of the parent company	159,1	101,3
Number of employees in Denmark	91	42
Number of employees outside Denmark	738	289
Ratios		
Ratios		
Gross margin	27,1%	26,1%
EBITDA margin	8,8%	4,8%
EBITA margin	6,5%	2,0%
Profit margin	3,3%	-3,6%
Return on assets	2,7%	-0,8%
Solvency ratio	18,1%	13,3%
Return on equity	-0,2%	-10,9%

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

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 business, as well as within LNG and technical gasses, are covered where there is a related business or strategic gain.

Development during the Year

The result for the year is a loss of DKK 0.2 million versus a loss of DKK 11.1 million in 2015.

The year 2016 was influenced by the acquisition and integration of Siraga S.A.S., a French competitor suppling systems and products for filling and maintanence of LPG cylinders. The acquisition was completed on 9 June 2016 and has had a positive impact on the Group's Turnover by DKK 136.0 million, Operating profit (EBITDA) by DKK 6.3 million and Net profit by DKK 0.8 million. As of 31 December 2016 total assets increased by DKK 123.4 million as a direct result of the acquisition.

Excluding the impact from the acquisition of Siraga S.A.S. turnover in Kosan Crisplant has increased from DKK 350.4 million in 2015 (9 months) to DKK 596.9 million in 2016, corresponding to an increase of 28% annualised. Operating profit in Kosan Crisplant (EBITDA) has improved from DKK 4.2 million in 2015 (9 months) to DKK 60.3 million in 2016, corresponding to an improvement of DKK 56.1 million.

Operating profit (EBITDA) in Makeen Energy has improved from DKK 8.0 million in 2015 DKK 64.5 million in 2016, corresponding to an improvement of DKK 56.5 million.

The beginning of 2016 was affected by the continued global recession, political unrest in parts of Northern Africa and the Middle East and, on important markets, the decline in the crude oil price. In the second half of 2016 the tendency has changed to the better: order intake of new LPG projects has improved significantly and the order backlog by the end of the year is record high and thus 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 2016 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) and 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.

Review

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.

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.

Corporate Social Responsibility

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 Group consents with the UN Global Compact Principles in its daily business and as a minimum obey the legislation in the countries and regional communities in which it has its activities, in particular labour rights, human rights, anti-corruption laws and environmental requirements, but has no formal policy in that respect. The code of conduct for employees and cooperation partners is defined on the basis of the Group's formulated values.

The Group's operations are carried out in an environmentally sound manner, which forms a natural part of the Group in respect of product quality and conditions of production. The primary activities are in the area of less poluting and green energy, developing new tecnologies to minimize the environmental impact from households, industries and transportation. Internally it is continuously assessed how processes, including manufacturing and product development, can be optimized to reduce resource consumption and environmental impact.

The Group takes responsibility for the working environment and focus on improving health and safety for all employees. The working environment complies with the highest national standards and the Group continuesly focuses on improving the safety for the well-being of our employees. As part of the efforts to ensure a good working environment the Group carries out staff satisfaction and work place surveys at regular intervals.

Review

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. The target shall be achived if the most qualified candidate at the next change in the Board of Directors is female.

The composition of genders in the Board of Directors is unchanged in 2016 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.

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. As mentioned above, the Group has acquired Siraga S.A.S. in France. In addition, Siraga owns subsidiaries in Algeria, Brazil, Kenya and Tanzania. The subsidiaries in Brazil and Algeria strenghten our existing subsidiaries and the subsidiaries in Kenya and Tanzania provides the Group a strategic access to the East-african markets. The new subsidiaries will all contribute to form an even stronger base for the continuous development of sales activities around the world.

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. Further, in 2016 the Group has started building a new production facility in Sri Lanka, which will increase production capacity significantly when completed during spring 2017.

Expectations for the Year Ahead

For the financial year 2017 the Group expects to improve the operating profit.

Subsequent Events

No events materially affecting the assessment of the financial position of the Company by 31 December 2016 have occurred after the balance sheet date.

Development

This financial year, the Group has incurred expenses for development totalling DKK 6.0 million. DKK 0.7 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 5.3 million have been capitalised as development projects.

Development projects mainly consists of development of new components and systems within the area of LPG filling plants and liquification of natural gas (LNG).

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

Review

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 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 50,000k at 31 December 2016 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 2016 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.

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.

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.

Accounting Policies

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 item amortisation, goodwill.

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.

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.

Accounting Policies

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.

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.

Accounting Policies

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.

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.

Accounting Policies

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 and licences

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.

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.

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.

Software licenses are amortised over the agreement period, however maximum 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.

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.

Accounting Policies

Inventories

Inventories are measured at the lower of cost under the FIFO 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 allowing for 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.

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.

Accounting Policies

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 1-2 years. 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.

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.

Accounting Policies

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.

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.

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.

Accounting Policies

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 2016 - 31 December 2016

		Group		Parent Company	
	Note	2016	2015	2016	2015
		DKK '000	DKK '000	DKK '000	DKK '000
Revenue	1	**732.948**	**167.096**	**1.625**	**500**
Cost of sales	3	-534.062	-123.549	0	0
Gross profit/loss		**198.886**	**43.547**	**1.625**	**500**
Distribution expenses	3	-82.525	-20.128	0	0
Administrative expenses	2, 3	-70.378	-21.806	-3.558	-2.840
Operating profit/loss		**45.983**	**1.613**	**-1.933**	**-2.340**
Other operating income		1.814	1.693	-240	0
EBITA		**47.797**	**3.306**	**-2.173**	**-2.340**
Income negative goodwill		4.266	0	0	0
Goodwill amotisation		-28.073	-9.358	0	0
Profit/loss before financial income and expenses		**23.990**	**-6.052**	**-2.173**	**-2.340**
Income from investments in subsidiaries after tax	4	0	0	12.410	-8.879
Income from investments in associates after tax		-590	0	0	0
Financial income	5	6.253	1.708	0	0
Financial expenses	6	-18.761	-5.344	-10.895	-130
Profit/loss before tax		**10.892**	**-9.688**	**-658**	**-11.349**
Tax on profit/loss for the year	7	-8.895	-1.949	425	292
Net profit/loss for the year		**1.997**	**-11.637**	**-233**	**-11.057**

Distribution of profit

Proposed distribution of profit				
Net revaluation according to the equity method	0	0	1.652	0
Minority interests' share of net profit/loss of subsidiaries	2.230	-580	0	0
Retained earnings	-233	-11.057	-1.885	-11.057
	1.997	**-11.637**	**-233**	**-11.057**

Balance Sheet 31 December 2016

Assets	Note	Group 2016	Group 2015	Parent Company 2016	Parent Company 2015
		DKK '000	DKK '000	DKK '000	DKK '000
Goodwill		344.149	372.222	0	0
Completed development projects		9.463	6.228	0	0
Development projects in progress		5.714	2.479	0	0
Intangible assets	8	**359.326**	**380.929**	**0**	**0**
Land and buildings		756	822	0	0
Plant and machinery		43.209	39.216	0	0
Other fixtures and fittings, tools and		22.285	13.626	0	0
Leasehold improvements		2.686	3.081	0	0
Property, plant and equipment	9	**68.936**	**56.745**	**0**	**0**
Investments in subsidiaries		0	0	429.528	419.324
Investments in associates		452	0	0	0
Other investments		173	155	0	0
Deposits		3.653	3.976	0	0
Fixed asset investments	10	**4.278**	**4.131**	**429.528**	**419.324**
Fixed assets		**432.540**	**441.805**	**429.528**	**419.324**
Inventories	11	**85.807**	**64.540**	**0**	**0**
Trade receivables		182.632	91.649	0	0
Contract work in progress	12	105.776	110.866	0	0
Receivables from group enterprises		0	0	438	1.094
Other receivables		16.439	14.312	230	292
Deferred tax asset	13	8.187	7.126	319	0
Prepayments	14	7.754	4.673	0	0
Receivables		**320.788**	**228.626**	**987**	**1.386**
Cash at bank and in hand		**41.074**	**26.738**	**91**	**187**
Current assets		**447.669**	**319.904**	**1.078**	**1.573**
Assets		**880.209**	**761.709**	**430.606**	**420.897**

Balance Sheet 31 December 2016

Liabilities and equity

	Note	Group 2016	Group 2015	Parent Company 2016	Parent Company 2015
		DKK '000	DKK '000	DKK '000	DKK '000
Share capital		75.000	50.000	75.000	50.000
Net revaluation according to the equity method		0	0	1.652	0
Retained earnings		84.060	51.279	82.408	51.279
Equity allocated to shareholders of the parent company		**159.060**	**101.279**	**159.060**	**101.279**
Minority interests		7.650	8.011	0	0
Equity	15	**166.710**	**109.290**	**159.060**	**101.279**
Warranty obligations	16	4.723	3.404	0	0
Provision for deferred tax	13	38.049	42.961	0	0
Other provisions	17	27.884	17.808	0	0
Provisions		**70.656**	**64.173**	**0**	**0**
Credit institutions		3.308	3.558	0	0
Loans from group enterprises		262.706	312.347	262.706	312.347
Other payables		12.252	9.951	0	0
Long-term debt	18	**278.266**	**325.856**	**262.706**	**312.347**
Current portion of long-term debt	18	298	7.301	0	0
Credit institutions		20.083	23.845	0	0
Prepayments received from customers	12	93.479	49.730	0	0
Trade payables		145.970	107.552	0	0
Payables to group enterprises		4.914	0	8.074	2.358
Deferred income		3.331	1.526	0	375
Corporation tax		4.172	13.684	0	0
Other payables		92.330	58.752	766	4.538
Short-term debt		**364.577**	**262.390**	**8.840**	**7.271**
Debt		**642.843**	**588.246**	**271.546**	**319.618**
Liabilities and equity		**880.209**	**761.709**	**430.606**	**420.897**

Balance Sheet 31 December 2016

	Note
Contingent assets, liabilities and other financial obligations	19
Related parties and ownership	20
Derivative financial instruments	21

Cash Flow Statement 1 January 2016 - 31 December 2016

	Note	Group 2016 DKK '000	Group 2015 DKK '000
Net profit/loss for the year after minority interests		-233	-11.057
Adjustments	22	52.799	4.633
Change in working capital	23	48.309	3.161
Cash flows from operating activities before financial income and expenses		**100.875**	**-3.263**
Financial income		6.253	1.708
Financial expenses		-8.540	-5.344
Cash flows from ordinary activities		**98.588**	**-6.899**
Corporation tax paid		-18.625	6.623
Cash flows from operating activities		**79.963**	**-276**
Acquisition of subsidiaries		-28.482	-416.701
Purchase of intangible assets		-5.240	-2.375
Purchase of property, plant and equipment		-23.668	-7.724
Fixed asset investments made		-1.399	-775
Sale of property, plant and equipment		691	1.137
Sale of fixed asset investments		826	9
Cash flows from investing activities		**-57.272**	**-426.429**
Raising/repayment of long-term debt		-54.593	317.598
Paid in share capital		50.000	112.000
Dividend paid to shareholders		0	0
Cash flows from financing activities		**-4.593**	**429.598**
Change in cash and cash equivalents		**18.098**	**2.893**
Cash and cash equivalents at 1 January 2016		2.893	0
Cash and cash equivalents at 31 December 2016		**20.991**	**2.893**
Cash and cash equivalents are specified as follows:			
Cash at bank and in hand		41.074	26.738
Credit institutions		-20.083	-23.845
Cash and cash equivalents at 31 December 2016		**20.991**	**2.893**

Notes to the Annual Report

	Group		Parent Company	
	2016	2015	2016	2015
	DKK '000	DKK '000	DKK '000	DKK '000
1 Revenue				
Geographical segments				
Europe	218.191	60.697	1.625	500
Outside Europe	514.757	106.399	0	0
	732.948	**167.096**	**1.625**	**500**
2 Fee to auditors appointed at the general meeting				
PricewaterhouseCoopers				
Audit fee	764	304	55	50
Other assurance engagements	122	25	40	25
Tax assistance	186	32	26	0
Non-audit services	102	76	0	76
Other audit companies				
Audit fee and non-audit services	1.463	417	62	0
	2.637	**854**	**183**	**151**
3 Staff				
Wages and salaries	147.244	49.603	775	112
Pensions	6.823	1.963	175	0
Other social security expenses	14.486	3.036	4	0
	168.553	**54.602**	**954**	**112**
Remuneration to the Executive and Supervisory Boards amounts to:				
Executive Board	2.454	625	954	112
Supervisory Board	0	0	0	0
	2.454	**625**	**954**	**112**
Average number of employees	**829**	**331**	**1**	**0**

Notes to the Annual Report

		2016	2015
		DKK '000	DKK '000
4	**Income from investments in subsidiaries after tax**		
	Share of earnings of subsidiaries after tax	33.114	-589
	Amortisation of goodwill	-20.704	-8.290
		12.410	**-8.879**

		Group		Parent Company	
		2016	2015	2016	2015
		DKK '000	DKK '000	DKK '000	DKK '000
5	**Financial income**				
	Exchange adjustments	5.825	173	0	0
	Other financial income	428	1.535	0	0
		6.253	**1.708**	**0**	**0**
6	**Financial expenses**				
	Interest expenses to group enterprises	10.221	0	10.395	16
	Bank charges	2.136	1.011	1	1
	Exchange adjustments	1.038	3.066	455	105
	Other financial expenses	5.366	1.267	44	8
		18.761	**5.344**	**10.895**	**130**
7	**Tax on profit/loss for the year**				
	Current tax for the year	14.999	13.985	-106	-292
	Adjustment of tax percentage	0	-738	0	0
	Deferred tax for the year	-5.973	-9.915	-319	0
	Total tax for the year	**9.026**	**3.332**	**-425**	**-292**
	which breaks down as follows:				
	Tax on profit/loss for the year	8.895	1.949	-425	-292
	Tax on changes in equity	131	1.383	0	0
		9.026	**3.332**	**-425**	**-292**

Notes to the Annual Report

8 Intangible assets

Group	Goodwill	Development projects	Development projects in progress
	DKK '000	DKK '000	DKK '000
Cost at 1 January 2016	381.580	20.248	2.479
Additions for the year	0	7.149	3.400
Transferred	0	165	-165
Cost at 31 December 2016	381.580	27.562	5.714
Amortisation at 1 January 2016	9.358	14.020	0
Amortisation for the year	28.073	4.079	0
Amortisation at 31 December 2016	37.431	18.099	0
Carrying amount at 31 December 2016	**344.149**	**9.463**	**5.714**
Amortised over	2-20 years	3-5 years	

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

Cost of sales	4.079
Amortisation, goodwill	28.073
	32.152

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 and systems within the area of LPG filling plants and liquification of natural gas (LNG). 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

9 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 2016	971	52.544	55.852	4.522
Exchange adjustments	-116	31	-46	-12
Additions for the year	138	10.446	15.180	4
Disposals for the year	0	-592	-99	0
Cost at 31 December 2016	993	62.429	70.887	4.514
Impairment losses and depreciation at 1 January 2016	149	13.328	42.226	1.441
Exchange adjustments	-5	133	-11	0
Depreciation for the year	93	5.759	6.387	387
Impairment losses and depreciation at 31 December 2016	237	19.220	48.602	1.828
Carrying amount at 31 December 2016	**756**	**43.209**	**22.285**	**2.686**
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:

	2016
	DKK '000
Cost of sales	5.010
Distribution expenses	5.140
Administrative expenses	2.476
	12.626

Notes to the Annual Report

10 Fixed assets investments

Group	Investments in associates	Other investments	Deposits
	DKK '000	DKK '000	DKK '000
Cost at 1 January 2016	2.289	139	3.976
Exchange adjustments	0	0	9
Additions for the year	1.042	18	494
Disposals for the year	0	0	-826
Cost at 31 December 2016	3.331	157	3.653
Value adjustment at 1 January 2016	-2.289	16	0
Net profit/loss for the year	-590	0	0
Value adjustments at 31 December 2016	-2.879	16	0
Carrying amount at 31 December 2016	**452**	**173**	**3.653**

Parent Company	Investments in subsidiaries
	DKK '000
Cost at 1 January 2016	427.867
Cost at 31 December 2016	427.867
Value adjustment at 1 January 2016	-8.543
Exchange adjustments	-4.735
Net profit/loss for the year	12.410
Other equity adjustments	877
Fair value adjustment of hedging	1.652
Value adjustment at 31 December 2016	1.661
Carrying amount at 31 December 2016	**429.528**

10 Fixed assets investments *(continued)*

Remaining positive difference included in the above carrying amount at 31 December 2016	298.297

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%

	Group		Parent Company	
	2016	2015	2016	2015
	DKK '000		DKK '000	
11 Inventories				
Raw materials and consumables	77.542	59.415	0	0
Work in progress	8.265	5.125	0	0
	85.807	**64.540**	**0**	**0**
12 Contract work in progress				
Selling price of production for the period	795.429	724.729	0	0
Payments received on account	-783.132	-663.593	0	0
Contract work in progress, net	**12.297**	**61.136**	**0**	**0**
Recognised in the balance sheet as follows:				
Contract work in progress recognised in assets	105.776	110.866	0	0
Prepayments received recognised in debt	-93.479	-49.730	0	0
	12.297	**61.136**	**0**	**0**

Notes to the Annual Report

	Group		Parent Company	
	2016	2015	2016	2015
	DKK '000	DKK '000	DKK '000	DKK '000
13 Provision for deferred tax				
Fixed assets	19.072	21.636	0	0
Current assets	19.569	25.064	0	0
Debt	-144	-840	0	0
Tax loss carry-forward	-448	-2.899	0	0
	38.049	**42.961**	**0**	**0**
Deferred tax asset				
Debt	6.530	6.639	0	0
Tax loss carry-forward	1.657	487	319	0
	8.187	**7.126**	**319**	**0**

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.

14 Prepayments

Prepayments	7.754	4.673	0	0
	7.754	**4.673**	**0**	**0**

Notes to the Annual Report

15 Equity

Group	Share capital	Retained earnings	Parent company shareholders share of equity	Minority interests	Total
	DKK '000	DKK '000	DKK '000		
Equity at 1 January 2016	50.000	51.279	101.279	8.011	109.290
Capital increase	25.000	25.000	50.000	0	50.000
Exchange adjustments	0	-4.735	-4.735	-159	-4.894
Fair value adjustment of hedging instruments, end of year	0	2.819	2.819	0	2.819
Tax on equity adjustments	0	-691	-691	0	-691
Other adjustments	0	10.621	10.621	0	10.621
Dividend paid	0	0	0	-2.432	-2.432
Net profit/loss for the	0	-233	-233	2.230	1.997
Equity at 31 December 2016	**75.000**	**84.060**	**159.060**	**7.650**	**166.710**

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:

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

Notes to the Annual Report

15 Equity *(continued)*

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 2016	50.000	0	51.279	101.279
Capital increase	25.000	0	25.000	50.000
Adjustments in subsidiaries	0	0	-2.607	-2.607
Other adjustments	0	0	10.621	10.621
Net profit/loss for the year	0	1.652	-1.885	-233
Equity at 31 December 2016	**75.000**	**1.652**	**82.408**	159.060

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:

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

16 Warranty obligations

Within 1 year	4.723	3.404	0	0
	4.723	**3.404**	**0**	**0**

17 Other provisions

Other provisions are related to retirement obligations and provision to cylinder deposits.

Notes to the Annual Report

18 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	
	2016	2015	2016	2015
	DKK '000	DKK '000	DKK '000	DKK '000
Credit institutions				
After 5 years	0	0	0	0
Between 1 and 5 years	3.308	3.558	0	0
Long-term part	3.308	3.558	0	0
	3.308	**3.558**	**0**	**0**
Payables to group enterprises				
After 5 years	45.107	110.016	45.107	110.016
Between 1 and 5 years	217.599	202.331	217.599	202.331
Long-term part	262.706	312.347	262.706	312.347
	262.706	**312.347**	**262.706**	**312.347**
Other payables				
Between 1 and 5 years	12.252	9.951	0	0
Long-term part	12.252	9.951	0	0
Within 1 year	298	7.301	0	0
	12.550	**17.252**	**0**	**0**

Notes to the Annual Report

19 Contingent assets, liabilities and other financial obligations

Group

As per 31 December 2016 the group has an annual rent contract of DKK 7,035k with a maturity period of maximum 9,25 years. The Group's other annual operational rent and lease obligations as per 31 December 2016 amount to DKK 1,949k with a maturity period of maximum 3,6 years.

The Group's banks have at 31 December 2016 issued bank guarantees totalling DKK 239,517k towards the Group's customers and banks.

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 inventory in the subsidiary in Siraga have been provided as security to credit institutions for a loan with a booked value at 1,000kEUR.

All business assets in the subsidiary in USA have been provided as security to credit institutions for a loan with a booked value at 190kUSD.

Parent Company

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.

20 Related parties and ownership

	Basis
Controlling interest	
Makeen International, S.a.r.l, 6 Rue Eugéne Ruppert L-2453, Luxembourg	Majority shareholder
Other related parties	
Al Ayuni Investment & Contracting Company That Alsawari, Al Wurud, Riyadh 12251, Saudi Arabia	Ultimate parent company
Nørgaard Teknik A/S, Nørgaardsvej 5 DK-8963 Auning	A shareholder of the company is member of the Executive Board in subsidiary

Notes to the Annual Report

20 Related parties and ownership *(continued)*

Transactions

The Company has paid interest to Kosan Crisplant a/s on arms-length basis.

The Company has received subsidies from Al Ayuni Contracting & Investment Company for DKK 10,221k.

The Company has an loan from Al Ayuni Contracting & Investment Company for DKK 262,347k, which has accrued interests on arms-length basis.

The group has purchased goods from Nørgaard Teknik A/S for DKK 8,108k on arms-length basis.

Apart from the above, there have been no transactions with the Supervisory Board, the Executive Board, senior employees or other related parties, except for intercompany transactions and normal management remuneration.

Ownership

The following shareholders are recorded in the Company's register of shareholders as holding at least 5% of the votes or at least 5% of the share capital:

Makeen International S.a.r.l
6 Rue Eugéne Ruppert
L-2453, Luxembourg.

21 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	
	2016	2015	2016	2015
	DKK '000	DKK '000	DKK '000	DKK '000
Forward exchange contracts, USD/EUR	-17.599	-14.962	0	0
Forward exchange contracts, DKK/EUR	-4.181	-2.726	0	0
	-21.780	**-17.688**	**0**	**0**
Cash flow hedges	-19.887	-19.369	0	0
Fair value hedges	-1.893	1.681	0	0
	-21.780	**-17.688**	**0**	**0**
Assets	0	2.419	0	0
Liabilities	-21.780	-20.107	0	0
	-21.780	**-17.688**	**0**	**0**

Gains and losses recognised in equity forward exchange contracts as of 31 December 2016 will be recognised in profit and loss in the periods during which the hedged forecasted transactions takes place (0-3 years).

		Group	
		2016	2015
		DKK '000	DKK '000
22	**Cash flow statement - adjustments**		
	Financial income	-6.253	-1.708
	Financial expenses	18.761	5.344
	Income from investments in associates before tax	590	0
	Depreciation of property, plant and machinery	12.743	3.119
	Amortisation of intangible assets	27.862	10.925
	Profit on sold assets	0	-6
	Tax on profit/loss for the year	8.895	1.949
	Adjustments deferred tax	-5.973	-10.217
	Equity adjustments	-1.516	336
	Change in minority interests' share of equity	-361	-2.405
	Change in other provisions	-1.949	-2.704
		52.799	**4.633**

		2016	2015
23	**Cash Flow Statement - change in working capital**		
	Change in inventories	1.733	10.594
	Change in receivables	-56.456	-1.833
	Change in contract work in progress	45.563	-40.373
	Change in other receivables	4.490	175
	Change in prepayments (assets)	885	155
	Change in prepayments from customers	21.048	42.232
	Change in trade payables etc.	10.067	2.540
	Change in receivables from group enterprices	4.914	446
	Change in other debt	14.598	-12.292
	Change in deferred income	1.467	1.517
		48.309	**3.161**