
GE Power Denmark ApS

Park Allé 295, DK-2605 Brøndby

Annual Report for 1 January - 31 December 2019

CVR No 73 48 45 10

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company on
2 /10 2020

Alex Bollhorn
Chairman of the General
Meeting

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Management's Statement

The Executive Board has today considered and adopted the Annual Report of GE Power Denmark ApS for the financial year 1 January - 31 December 2019.

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

In my opinion the Financial Statements give a true and fair view of the financial position at 31 December 2019 of the Company and of the results of the Company operations for 2019.

Further, in my opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

I recommend that the Annual Report be adopted at the Annual General Meeting.

Brøndby, 2 October 2020

Executive Board

Alex Bollhorn
CEO

Independent Auditor's Report

To the Shareholder of GE Power Denmark ApS

Opinion

We have audited the financial statements of GE Power Denmark ApS for the financial year 1 January – 31 December 2019, comprising income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2019 and of the results of the Company's operations for the financial year 1 January – 31 December 2019 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report.

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control that Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance as to 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 in Denmark will always detect a material misstatement when it exists. Misstatements may arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic

Independent Auditor's Report

decisions of financial statement users made 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 judgement and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the company financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on Management's Review

Management is responsible for the Management's Review.

Our opinion on the financial statements does not cover the 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 the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the

Independent Auditor's Report

financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of the Management's review.

Aarhus, 2 October 2020

KPMG

Statsautoriseret Revisionspartnerselskab

CVR No 25 57 81 98

Mikkel Trabjerg Knudsen

State Authorised Public Accountant

mne34459

Company Information

The Company

GE Power Denmark ApS
Park Allé 295
DK-2605 Brøndby

CVR No: 73 48 45 10
Financial period: 1 January - 31 December
Municipality of reg. office: Brøndby

Executive Board

Alex Bollhorn

Auditors

KPMG
Statsautoriseret Revisionspartnerselskab
Bredskifte Allé 13
DK-8210 Aarhus V

Management's Review

Key activities

The Company's principal activities consist of sale of equipment and provide of services to power plants, the environmental sector and the industrial sector.

Development in the year

The income statement of the Company for 2019 shows a profit of TDKK 779, and at 31 December 2019 the balance sheet of the Company shows equity of TDKK 21,365.

Subsequent events

The COVID-19 pandemic, resulting in workforce and travel restrictions, supply chain and production disruptions and reduced demand and spending across many sectors, paired with the collapse of oil prices have significantly impacted global economies. During the latter part of the first quarter of 2020, these factors began having an adverse impact on our operations and financial performance. While the effects of these events cannot be estimated at our report release date, we anticipate many of these impacts related to demand, profitability and cash flows will continue in the foreseeable future depending on the severity and duration of the pandemic. Such effects and the required mitigating actions will continue to be monitored and evaluated by management during the 2020 financial year.

Income Statement 1 January - 31 December

	<u>Note</u>	<u>2019</u> TDKK	<u>2018</u> TDKK
Gross profit/loss		4.647	8.521
Staff expenses	2	<u>-3.962</u>	<u>-5.317</u>
Profit/loss before financial income and expenses		685	3.204
Financial income, other		96	490
Financial expenses		<u>-2</u>	<u>0</u>
Profit/loss before tax		779	3.694
Tax on profit/loss for the year	3	<u>0</u>	<u>3.603</u>
Net profit/loss for the year		<u>779</u>	<u>7.297</u>

Distribution of profit

Proposed distribution of profit

Retained earnings		<u>779</u>	<u>7.297</u>
		<u>779</u>	<u>7.297</u>

Balance Sheet 31 December

Assets

	<u>Note</u>	<u>2019</u> TDKK	<u>2018</u> TDKK
Trade receivables		8.933	19.091
Contract work in progress	4	0	396
Receivables from group enterprises		19.746	20.014
Other receivables		67	402
Corporation tax receivable from group enterprises	5	22.413	22.413
Prepayments		1.307	0
Receivables		<u>52.466</u>	<u>62.316</u>
Cash at bank and in hand		<u>1</u>	<u>0</u>
Currents assets		<u>52.467</u>	<u>62.316</u>
Assets		<u>52.467</u>	<u>62.316</u>

Balance Sheet 31 December

Liabilities and equity

	Note	2019 TDKK	2018 TDKK
Share capital		5.505	5.505
Retained earnings		15.860	15.081
Equity		21.365	20.586
Other provisions	6	3.822	4.982
Provisions		3.822	4.982
Other payables		134	0
Long-term debt	7	134	0
Trade payables		107	248
Payables to group enterprises		24.223	27.885
Other payables	7	2.816	8.615
Short-term debt		27.146	36.748
Debt		27.280	36.748
Liabilities and equity		52.467	62.316
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Statement of Changes in Equity

	<u>Share capital</u> TDKK	<u>Retained earnings</u> TDKK	<u>Total</u> TDKK
Equity at 1 January	5.505	15.081	20.586
Net profit/loss for the year	0	779	779
Equity at 31 December	5.505	15.860	21.365

The share capital consists of 5.505 shares of a nominal value of DKK 1.000. No shares carry any special rights.

The share capital has remained unchanged for the last 5 years.

Notes to the Financial Statements

1 Subsequent events

The COVID-19 pandemic, resulting in workforce and travel restrictions, supply chain and production disruptions and reduced demand and spending across many sectors, paired with the collapse of oil prices have significantly impacted global economies. During the latter part of the first quarter of 2020, these factors began having an adverse impact on our operations and financial performance. While the effects of these events cannot be estimated at our report release date, we anticipate many of these impacts related to demand, profitability and cash flows will continue in the foreseeable future depending on the severity and duration of the pandemic. Such effects and the required mitigating actions will continue to be monitored and evaluated by management during the 2020 financial year.

	<u>2019</u> TDKK	<u>2018</u> TDKK
2 Staff expenses		
Wages and salaries	3.432	4.933
Pensions	289	233
Other staff expenses	<u>241</u>	<u>151</u>
	<u>3.962</u>	<u>5.317</u>
Average number of employees	<u>4</u>	<u>8</u>

3 Tax on profit/loss for the year

Adjustment of tax concerning previous years	<u>0</u>	<u>-3.603</u>
	<u>0</u>	<u>-3.603</u>

4 Contract work in progress

Selling price of work in progress	0	48.765
Payments received on account	<u>0</u>	<u>-48.369</u>
	<u>0</u>	<u>396</u>

5 Corporation tax receivable from group enterprises

The receivable regards unsettled tax losses for the income year 2017 and previously coming from the joint taxation.

Notes to the Financial Statements

	<u>2019</u>	<u>2018</u>
	TDKK	TDKK
6 Other provisions		
<p>The Company provides warranties of 1 to 5 years on some of its products and is therefore obliged to repair or replace goods which are not satisfactory. Based on previous experience in respect of the level of repairs and returns, other provisions have been recognised for expected warranty claims.</p>		
Other provisions	3.822	4.982
	<u>3.822</u>	<u>4.982</u>

7 Long-term debt

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

The debt falls due for payment as specified below:

Other payables

Between 1 and 5 years	134	0
Long-term part	134	0
Other short-term payables	2.816	8.615
	<u>2.950</u>	<u>8.615</u>

8 Contingent assets, liabilities and other financial obligations

Rental and lease obligations

Lease obligations under operating leases. Total future lease payments:

Within 1 year	310	155
Between 1 and 5 years	274	344
	<u>584</u>	<u>499</u>

The Company is jointly taxed with the other enterprises in the group and are jointly and severally liable for the taxes that concern the joint taxation. The total amount appears from the annual report of AcceptFinans ApS/GE Global Holdings ApS which is the administration company in the joint taxation.

Guaranties amounting to EUR 531 thousand have been provided to customers.

Notes to the Financial Statements

8 Contingent assets, liabilities and other financial obligations (continued)

There are no security and contingent liabilities at 31 December 2019.

9 Related parties

Basis

Consolidated Financial Statements

The Company is part of the consolidated financial statements of:

Name

Place of registered office

Alstom BV

Ringdijk 390C NL-2983 GS Ridderkerk Holland

Notes to the Financial Statements

10 Accounting Policies

The Annual Report of GE Power Denmark ApS for 2019 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2019 are presented in TDKK.

Recognition and measurement

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

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences 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. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

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

Notes to the Financial Statements

10 Accounting Policies (continued)

the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

Income Statement

Revenue

A contract is broken down by individual transactions when the fair value of the individual sales transactions may be reliably measured, and the individual sales transactions are of separate value to the buyer. Sales transactions are deemed to be of a separate value to the buyer when the transaction is individually identifiable and usually sold individually. The contract price is broken down by the individual sales transactions in accordance with the relative current cost approach. The separate sales transactions are recognised as revenue when complying with the criteria applying to the sale of goods and services.

Revenue is recognised in the income statement from the date of delivery and when the risk has passed to the buyer if it is possible to calculate the income reliably. The revenue is calculated exclusive of VAT, charges and discounts.

Other external expenses

Other external expenses comprise expenses regarding sale and administration.

Gross profit/loss

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of revenue, other operating income, expenses for raw materials and consumables and other external expenses.

Staff expenses

Staff expenses comprise wages and salaries as well as payroll expenses.

Financial income and expenses

Financial income and expenses are recognised in the Income Statement with the amounts that concern the financial year. Financial income and expenses include interest income and expenses, debt and foreign currency transactions as well as surcharges and allowances under the tax repayment scheme.

Notes to the Financial Statements

10 Accounting Policies (continued)

Tax on profit/loss for the year

Tax on net profit/loss for the year comprises current tax on expected taxable income of the year and the year's adjustment of deferred tax less the part of the tax of the year that relates to changes in equity. Current and deferred tax regarding changes in equity is recognised directly in equity. The Company and the Danish associates are taxed jointly. The Danish income tax is distributed between profit- and loss-making Danish enterprises in relation to their taxable income (full distribution).

Balance Sheet

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.

Contract work in progress

Construction contracts are measured at the selling price of the work performed less progress billings and expected losses. The selling price is measured on the basis of the stage of completion at the balance sheet date and the projected income from the individual construction contract. The stage of completion is stated as the share of costs incurred in proportion to estimated total costs relating to the individual construction contract.

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

The individual construction contract is recognised in the balance sheet as receivables or payables, respectively. Net assets comprise the total of construction contracts where the selling price of the work performed exceeds progress billings. Net liabilities comprise the total of construction contracts where progress billings exceed the selling price.

Costs arising from sales work and contracting are recognised in the income statement as incurred.

Prepayments

Accrued income recognised in assets comprises prepaid costs regarding subsequent financial years.

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.

Other provisions include warranty obligations in respect of repair work within the warranty period of 1-5

Notes to the Financial Statements

10 Accounting Policies (continued)

years. Provisions are measured and recognised based on experience with guarantee work.

Current tax receivables and liabilities

Current tax receivables and liabilities are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Financial debts

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