
GE Power Denmark ApS

Park Allé 295, DK-2605 Brøndby

Annual Report for 1 January - 31 December 2020

CVR No 73 48 45 10

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company on
16/7 2021

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 2020.

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 2020 of the Company and of the results of the Company operations for 2020.

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, 16 July 2021

Executive Board

Alex Bollhorn
CEO

Independent Auditor's Report

To the Shareholder of GE Power Denmark ApS

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2020 and of the results of the Company's operations for the financial year 1 January - 31 December 2020 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of GE Power Denmark ApS for the financial year 1 January - 31 December 2020, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("the Financial Statements").

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the Financial Statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the Financial Statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

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

Based on the work we have performed, in our view, Management's Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

Management's responsibilities for the Financial Statements

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

Independent Auditor's Report

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

Auditor's responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

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

Independent Auditor's Report

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

Aarhus, 16 July 2021

KPMG P/S

CVR No 25 57 81 98

Mikkel Trabjerg Knudsen
State Authorised Public Accountant
mne34459

Katrine Gybel
State Authorised Public Accountant
mne45848

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 P/S
Statsautoriseret Revisionsaktieselskab
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 2020 shows a profit of TDKK 4,129, and at 31 December 2020 the balance sheet of the Company shows equity of TDKK 30,062.

Correction of material misstatement in prior year

The Company has observed that deferred revenue and costs for ongoing projects have not been recognized correctly in 2019. The correction is assessed as a fundamental error. The correction has resulted in the following:

- Profit before tax for 2019 increased by TDKK 4.568
- Total assets at 31 December 2019 increased by TDKK 9.984
- Total liabilities at 31 December 2019 increased by DKK 5.416
- Equity at 31 December 2019 increased by DKK 4.568

The comparative figures for 2019 have been restated accordingly.

Unusual events

Despite the COVID-19 pandemic, while taking all necessary precautions for our employees, we have continued to service our customers' installed base fleet where the electricity generation has remained stable. Although our ability to close transactions, particularly service parts and upgrades, has been impacted by constrained customer budgets and access to financing due to oil prices and economic slowdown, we believe the base fleet will play a critical role in the energy transition and our view of the market has not materially changed due to the pandemic, albeit timing on new orders is harder to forecast. While we do not believe the long-term outlook for power products and services has materially changed, we will continue to monitor the impact of the pandemic.

Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

Income Statement 1 January - 31 December

	<u>Note</u>	<u>2020</u> TDKK	<u>2019</u> TDKK
Gross profit		6.928	9.215
Staff expenses	1	<u>-2.529</u>	<u>-3.962</u>
Profit before financial income and expenses		4.399	5.253
Financial income		108	96
Financial expenses	2	<u>-378</u>	<u>-2</u>
Profit before tax		4.129	5.347
Tax on profit for the year		<u>0</u>	<u>0</u>
Net profit/loss for the year		<u>4.129</u>	<u>5.347</u>

Distribution of profit

Proposed distribution of profit

Retained earnings		<u>4.129</u>	<u>5.347</u>
		<u>4.129</u>	<u>5.347</u>

Balance Sheet 31 December

Assets

	<u>Note</u>	<u>2020</u> TDKK	<u>2019</u> TDKK
Trade receivables		24.239	8.933
Receivables from group enterprises		8.108	19.746
Other receivables		627	67
Corporation tax receivable from group enterprises	3	22.413	22.413
Prepayments		7.835	11.291
Receivables		<u>63.222</u>	<u>62.450</u>
Cash at bank and in hand		<u>0</u>	<u>1</u>
Currents assets		<u>63.222</u>	<u>62.451</u>
Assets		<u>63.222</u>	<u>62.451</u>

Balance Sheet 31 December

Liabilities and equity

	Note	2020 TDKK	2019 TDKK
Share capital		5.505	5.505
Retained earnings		24.557	20.428
Equity		30.062	25.933
Other provisions	4	2.949	3.822
Provisions		2.949	3.822
Other payables		0	134
Long-term debt	5	0	134
Deferred income		2.831	0
Trade payables		3.477	107
Payables to group enterprises		11.019	24.223
Other payables		12.884	8.232
Short-term debt		30.211	32.562
Debt		30.211	32.696
Liabilities and equity		63.222	62.451
Contingent assets, liabilities and other contractual obligations	6		
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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	15.860	21.365
Net effect of correction of material misstatements	0	4.568	4.568
Adjusted equity at 1 January	5.505	20.428	25.933
Net profit/loss for the year	0	4.129	4.129
Equity at 31 December	5.505	24.557	30.062

Notes to the Financial Statements

	2020	2019
	TDKK	TDKK
1 Staff expenses		
Wages and salaries	2.335	3.432
Pensions	191	289
Other staff expenses	3	241
	<u>2.529</u>	<u>3.962</u>
Average number of employees	<u>2</u>	<u>4</u>
2 Financial expenses		
Interest paid to group enterprises	7	2
Exchange adjustments	371	0
	<u>378</u>	<u>2</u>
3 Corporation tax receivable from group enterprises		
<p>The receivable comprise tax losses utilised in the joint taxation under Acceptfinans ApS for the income years 2017 and previously.</p> <p>The income years to which the tax receivable relates is currently under tax investigation. The matter is further described in note 6 to which is referred.</p>		
4 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>		
Warranties	2.949	3.822
	<u>2.949</u>	<u>3.822</u>

Notes to the Financial Statements

5 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	0	134
Long-term part	0	134
Other short-term payables	12.884	8.232
	12.884	8.366

Notes to the Financial Statements

	2020 TDKK	2019 TDKK
6 Contingent assets, liabilities and other contractual obligations		
Rental and lease obligations		
Lease obligations under operating leases. Total future lease payments:		
Within 1 year	297	310
Between 1 and 5 years	93	274
	390	584

Other contingent liabilities

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/LM Group Holding A/S which is the administration company in the joint taxation.

Guaranties amounting to TEUR 257 have been provided to customers.

The Company is subject to a tax investigation relating to income years 2015 – 2018.

It is Management's assessment, that the conclusion of the investigation will not lead to any material tax liability. However, at this stage of the investigation it is not possible to conclude on the outcome or level of adjustment, if any.

The Company has recognized a tax receivable from joint taxation in prior years, that could possibly be affected by the result of the tax investigation. The matter is described in note 3 to which we refer.

Based on this, Management did not recognize any tax liability relating to the investigation as of 31 December 2020.

7 Related parties

The Company is part of the consolidated financial statements of:

Name	Place of registered office
GE Power Global BV	Bergschot 69-2, PA 4817 Breda, Netherlands

Notes to the Financial Statements

8 Accounting Policies

The Annual Report of GE Power Denmark ApS for 2020 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 2020 are presented in TDKK.

Correction of material misstatements

The Company has observed that deferred revenue and costs for ongoing projects have not been recognized correctly in 2019.

The correction is assessed as a fundamental error. The correction has resulted in the following:

- Profit before tax for 2019 increased by TDKK 4.568
- Total assets at 31 December 2019 increased by TDKK 9.984
- Total liabilities at 31 December 2019 increased by DKK 5.416
- Equity at 31 December 2019 increased by DKK 4.568

The comparative figures for 2019 have been restated accordingly.

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.

Notes to the Financial Statements

8 Accounting Policies (continued)

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 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

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

Notes to the Financial Statements

8 Accounting Policies (continued)

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.

Tax on profit 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.

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 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.

Notes to the Financial Statements

8 Accounting Policies (continued)

Financial debts

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