

GE Power Denmark A/S

Park Allé 295

2605 Brøndby

CVR No. 73484510

Annual Report 2018

The Annual Report was presented and adopted at the Annual General Meeting of the Company on 8 July 2019

Mats Andersson
Chairman

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Management's Statement

The Executive and Board of directors have today discussed and approved the annual report of GE Power Denmark A/S for the financial year 1 January 2018 - 31 December 2018.

The annual report has been prepared in accordance with the Danish Accounting Act.

It is our opinion that the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2018 and of the results of the Company's operations for the financial year 1 January 2018 - 31 December 2018.

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

We recommend that the annual report be approved at the annual general meeting.

Brøndby, 8 July 2019

Executive Board

Alex Bollhorn
Man. Director

The Board of Directors

Mats Andersson

Martin Boller

Alex Bollhorn

Independent Auditor's Report

To the shareholders of GE Power Denmark A/S

Opinion

We have audited the financial statements of GE Power Denmark A/S for the financial year 1 January 2018 - 31 December 2018, which comprising income statement, balance sheet 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 2018 and of the results of the Company's operations for the financial year 1 January 2018 - 31 December 2018 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 responsibility 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 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

Independent Auditor's Report

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 the 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 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.

Copenhagen, 8 July 2019

KPMG

Statsautoriseret Revisionspartnerselskab

CVR-no. 25578198

Michael Stenskrog

State Authorised Public Accountant

mne26819

Company details

Company	GE Power Denmark A/S Park Allé 295 2605 Brøndby
Telephone	45 4690 0100
Website	www.ge.com
CVR No.	73484510
Date of formation	20 January 1984
Registered office	Brøndby
Financial year	1 January 2018 - 31 December 2018
Board of Directors	Mats Andersson Martin Boller Alex Bollhorn
Executive Board	Alex Bollhorn, Man. Director
Auditors	KPMG Statsautoriseret Revisionspartnerselskab Dampfærgevej 28 2100 København Ø CVR-no.: 25578198
Consolidated Financial Statements	The Company is included in the consolidated financial statements of General Electric Company, 41 Farnsworth Street, Boston, Massachusetts, 02210, USA.

Management's Review

The Company's principal 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 activities and financial matters

The Company's Income Statement of the financial year 1 January 2018 - 31 December 2018 shows a result of DKK 7.296.826 and the Balance Sheet at 31 December 2018 a balance sheet total of DKK 62.315.697 and an equity of DKK 20.586.308.

The result for the financial year is considered to be satisfactory.

Uncertainty regarding recognition or measurement

The estimate of expected losses on work in progress recognized under other provisions is subject to uncertainty and the financial outcome may deviate from the expected.

Post financial year events

After the end of the financial year, no events have occurred which may change the financial position of the entity substantially.

Expectations for the future

The Company expects its operations to develop positively next year.

Income Statement

	Note	2018 tkr.	2017 tkr.
Gross profit		8.521	13.566
Employee benefits expense	2	-5.317	-13.817
Profit from ordinary operating activities		3.204	-251
Other finance income		490	283
Finance expences		0	-30
Profit from ordinary activities before tax		3.694	2
Tax expense on ordinary activities	3	3.603	11.377
Profit		7.297	11.379
Proposed distribution of results			
Retained earnings		7.297	11.379
Distribution of profit		7.297	11.379

Balance Sheet as of 31 December

	Note	2018 tkr.	2017 tkr.
Assets			
Other long-term receivables		0	2
Investments		<u>0</u>	<u>2</u>
Fixed assets		<u>0</u>	<u>2</u>
Short-term trade receivables		19.091	3.818
Contract work in progress	4	396	294
Short-term receivables from group enterprises		20.014	21.414
Short-term tax receivables from group enterprises		22.413	18.638
Other short-term receivables		402	1.503
Receivables		<u>62.316</u>	<u>45.667</u>
Cash and cash equivalents		<u>0</u>	<u>598</u>
Current assets		<u>62.316</u>	<u>46.265</u>
Assets		<u>62.316</u>	<u>46.267</u>

Balance Sheet as of 31 December

	Note	2018 tkr.	2017 tkr.
Liabilities and equity			
Contributed capital		5.505	5.505
Retained earnings		15.081	7.784
Equity		20.586	13.289
Other provisions	5	4.982	4.710
Provisions		4.982	4.710
Prepayments received for work in progress		0	5.855
Trade payables		248	8.036
Payables to group enterprises		27.885	2.336
Other payables		8.615	12.041
Short-term liabilities other than provisions		36.748	28.268
Liabilities other than provisions within the business		36.748	28.268
Liabilities and equity		62.316	46.267
Uncertainty connected with recognition or measurement	6		
Contingent liabilities	7		
Collaterals and assets pledges as security	8		
Related parties and ownership	9		
Receivables from group enterprises	10		

Statement of changes in Equity

	Share capital	Retained earnings	Total
Equity 1 January 2018	5.505	7.784	13.289
Profit (loss)		7.297	7.297
Equity 31 December 2018	<u>5.505</u>	<u>15.081</u>	<u>20.586</u>

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

1. Accounting Policies

Reporting Class

The Annual Report of GE Power Denmark A/S for 2018 has been presented in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B.

The Company has changed from class C (medium) to a class B.

The accounting policies applied remain unchanged from last year.

Reporting currency

The Annual Report is presented in Danish kroner.

General Information

Basis of recognition and measurement

Income is recognised in the Income Statement as it is earned, including value adjustments of financial assets and liabilities that are measured at fair value or amortised cost. 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 accrue 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 attributable to the asset will flow out of the Company, and the value of the liability can be measured reliably.

At initial recognition, assets and liabilities are 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 term. Amortised cost is calculated as original cost less repayments and with the addition/deduction of the accumulated amortisation of the difference between the cost and the nominal amount. This way, exchange losses and gains are allocated over the term.

In connection with recognition and measurement, consideration is given to predictable losses and risks occurring prior to the presentation of the Annual Report, i.e. losses and risks which prove or disprove matters which exist at the balance sheet date.

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.

Notes

Income from the sale of goods 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.

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, realised and unrealised capital gains and losses regarding securities, debt and foreign currency transactions, dividends received from other equity investments, amortisation of financial assets and liabilities as well as surcharges and allowances under the tax repayment scheme.

Tax on net 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

Construction contracts

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.

When the selling price of a construction contract cannot be estimated reliably, the selling price is measured at the lower of costs 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.

Receivables

Receivables are measured at amortised cost which usually corresponds to the nominal value. The value is reduced by write-downs for expected bad debts.

Accrued income, assets

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

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand as well as short-term securities with a term of less than three months which can be converted directly into cash at bank and in hand and involve only an insignificant risk of value changes.

Notes

Financial liabilities

Fixed-rate loans such as mortgage loans and loans from credit institutions are recognised initially at the proceeds received less transaction expenses incurred. In subsequent periods, loans are measured at amortised cost so that the difference between the proceeds and the nominal value is recognised in the Income Statement as an interest expense over the term of the loan.

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

Current tax liabilities

Current tax liabilities and current tax receivables are recognised in the Balance Sheet as calculated tax on the expected taxable income for the year, adjusted for tax on taxable income for previous years as well as for tax prepaid.

Contingent assets and liabilities

Contingent assets and liabilities are not recognised in the Balance Sheet but appear only in the notes.

Notes

2. Staff expenses

	2018	2017
Wages and salaries	4.933	12.939
Post-employment benefit expense	233	913
Other employee expense	151	-35
	<u>5.317</u>	<u>13.817</u>
 Average number of employees	 <u>8</u>	 <u>11</u>

The total remuneration to the Executive Board was 896 TDKK in 2018 (2017: 931 TDKK).

3. Tax on profit/loss of the year

Tax related to previous year	<u>3.602</u>	<u>11.377</u>
	<u>3.602</u>	<u>11.377</u>

The tax for previous year is related to contributions from the joint taxation.

4. Contract work in progress

Selling prices of work performed	48.765	48.071
Progress billings	<u>-48.369</u>	<u>-53.633</u>
Net value of contract work	<u>396</u>	<u>-5.562</u>

that can be specified as follows:

Work in progress (assets)	396	293
Work in progress (equity and liabilities)	<u>0</u>	<u>-5.855</u>
	<u>396</u>	<u>-5.562</u>

5. Other provisions

Provision for warranty	4.982	4.470
Accrual for contract loss	<u>0</u>	<u>240</u>
Balance at the end of the year	<u>4.982</u>	<u>4.710</u>

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. Other provisions comprise expected losses on contract work in progress.

6. Uncertainty relating to recognition and measurement

For the Financial Year 2018, GE Power Denmark A/S is expected to have a carried forward tax loss of DKK 305 thousand. These losses can be carried forward or are available to be utilised by the joint taxation group. Upon finalisation of the Financial statements, the amount to be utilised cannot be determined and is therefore not recognised.

Notes

7. Contingent assets, liabilities and other financial obligations

Rental agreements and leases

Lease obligations under operation leases, total future lease payments:

2018: 344 TDKK whereof 151 TDKK is due within one year

2017: 670 TDKK whereof 246 TDKK is due within one year

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.

8. Collaterals and securities

No securities or mortgages exist at the balance sheet date.

9. Related parties and ownership

Controlling interest: Alstom BC, Ringdijk 390 C, NL-2983 GS Ridderkerk, Holland

Ultimate parent: General Electric Company, 41 Farnsworth Street, Boston, Massachusetts, 02210, USA.

General Electric Company is registered in the state of New York with its corporate office in Boston, Massachusetts - USA, prepares consolidated financial statements for the smallest and largest group, in which GE Power Denmark AS is a subsidiary. The annual accounts of the parent company are available at www.ge.com.

10. Receivables from group enterprises

Receivables from group enterprises comprise cash lent to cash-pool, which is managed by a Group company.