

**Annual report
for the year 2018
Van Aalst Group B.V.**

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To the board of Directors
Van Aalst Group B.V.
Baanhoekweg 16
3313 LA DORDRECHT

Dordrecht, 18 July 2019

Dear Sirs,

Please find enclosed the annual report of Van Aalst Group B.V.
In this report we look back to a challenging year where the main focus of management was on organizational issues, related to the transition from a system integrator to a rental and assembly company with a lot of new employees and new functions.
We are proud to be certified by Bureau Veritas for the management systems ISO 14001 and ISO 45001 which is a milestone in our company.

Unfortunately we have to report a financial loss for the fiscal year 2018 but with a solid financial position and already three gangways under contract we are confident to turn this situation around in the year to come.

1.1 Consolidated result

Analysis of the consolidated result

	2018		2017	
	€	%	€	%
Net turnover	13.050.432	100,0	13.925.148	100,0
Cost of sales	-9.350.774	-71,7	-9.383.701	-67,4
Expenses work contracted out and other external expenses	-19.729	-0,2	-	-
Gross margin	3.679.929	28,1	4.541.447	32,6
Wages and salaries	1.254.775	9,6	866.299	6,2
Social security charges	3.089	-	-157.564	-1,1
Pension contributions	115.186	0,9	101.201	0,7
Amortisation of intangible fixed assets	396.914	3,0	136.118	1,0
Depreciation of tangible fixed assets	478.603	3,7	188.432	1,4
Other staff expenses	316.413	2,4	260.552	1,9
Housing expenses	144.995	1,1	87.331	0,6
Operating and machine expenses	1.034	-	-	-
Selling expenses	406.508	3,1	336.716	2,4
Car expenses	54.242	0,4	59.630	0,4
Office expenses	153.670	1,2	120.025	0,9
General expenses	729.456	5,6	1.092.462	7,8
Research and development	612	-	3.709	-
Total operating expenses	4.055.497	31,0	3.094.911	22,2
Operating result	-375.568	-2,9	1.446.536	10,4
Financial income	-264.533	-2,0	-197.342	-1,4
Consolidated result from operational activities before taxation	-640.101	-4,9	1.249.194	9,0
Taxation	195.068	1,5	-96.712	-0,7
	-445.033	-3,4	1.152.482	8,3
Result from participations	39.283	0,3	38.391	0,3
Consolidated result from operational activities after taxation	-405.750	-3,1	1.190.873	8,6
Minority interest	121.498	0,9	24.904	0,2
Net consolidated result after taxation	-284.252	-2,2	1.215.777	8,8

1.2 Financial position

In order to gain an understanding of the company's financial position, we have included the following overviews, which are based on the data set out in the financial statements. The following table is the summarized balance sheet as at 31 December 2018.

Financial structure

	31-12-2018		31-12-2017	
	€	%	€	%
Assets				
Intangible fixed assets	3.256.920	16,3	3.079.404	15,2
Tangible fixed assets	9.028.754	45,1	4.632.231	22,8
Financial fixed assets	736.311	3,7	496.571	2,4
Stock	1.310.785	6,5	895.320	4,4
Receivables	4.652.674	23,2	5.644.862	27,8
Cash at bank and in hand	1.047.612	5,2	5.567.393	27,4
	<u>20.033.056</u>	<u>100,0</u>	<u>20.315.781</u>	<u>100,0</u>
Liabilities				
Group equity	10.887.625	54,3	11.171.729	55,0
Minority interest	-123.004	-0,6	-72.509	-0,4
Provisions	794.968	4,0	972.999	4,8
Long-term liabilities	1.601.614	8,0	1.242.733	6,1
Short-term liabilities	6.871.853	34,3	7.000.829	34,5
	<u>20.033.056</u>	<u>100,0</u>	<u>20.315.781</u>	<u>100,0</u>

2. Executive Board's Report

General information

Van Aalst Group B.V. is a holding company with various activities in the oil & gas industry, building industry and in the market of renewables. With various companies the group services shipyards and shipping companies all over the world in the field of bulkhandling equipment and W2W solutions.

The main focus for the Board in 2018 was related to the Safeway organization. Within this legal entity the group is establishing a rental fleet of motion compensated gangway systems which differs (organization wise) from the structure of the other group companies. Within Safeway B.V. the organization shifts from a project related organization to a rental company with a specialized assembly crew. After the successful delivery of the second gangway (and the third almost ready to deliver) major steps were made in the area of QHSE, Site Management, Operations and Quality Control. The total staff grew rapidly in order to achieve the company goals of increasing the rental fleet to six units at the end of 2019.

It is clear that this focus has a negative impact on the financial results of the Group. Increasing costs and slightly lower revenue result in a negative result in 2018, the first loss in the history of our company.

However, although the financial results were negative, a lot of positive things happened in 2018. In a very tight labor market we were successful in acquiring new and very talented staff members. We made major steps forward in executing the Road Map to our strategic objectives in 2022. Production planning is in control and the efficiency in the assembly process is increasing.

Unfortunately our newly acquired subsidiary Techano AS in Kristiansand was not able to present profitable results yet but succeeded in closing a substantial amount of new orders which will result in a succesful turnaround in 2019. Together we succeeded in making a very successful entry in the Fishfarm industry and in 2019 we will deliver our joint project HavFarm 1 to our client. Based on the feedback from the market so far we are confident that this project will have a substantial spin off in the years to come.

In 2018 we reached an agreement with the 50% shareholder of Mulder Europe B.V. , resulting in closing this transaction in January 2019. After this transaction Mulder Europe B.V. will be a 100% subsidiary of Van Aalst Group B.V. By acquiring the remaining shares we will strengthen our position in the cement industry and we expect to gain efficiency advantages, especially in the assembly process of Safeway.

Unfortunately market circumstances in the oil & gas market are still challenging. We see very small signs of recovery but unfortunately these signs didn't result in new orders yet. The demand for cement carriers is still solid and we are proud to mention that we acquired two new clients in this market which proves our strong position in this market.

Our market view for the W2W market, both in renewables and oil & gas, remains very positive and promising. On this moment we have a fleet of three systems which are all rented to prominent clients. Occupancy is above target which gives management confidence to invest further in building up the rental fleet and execute the strategy we presented to our shareholders at the end of 2017.

Financial information

After the successful issue of new shares the financial position of Van Aalst Group B.V. is strong given the solvability ratio of 55% at balance sheet date.

In 2018 Safeway B.V. invested substantially in creating a rental fleet of motion compensated gangways which resulted in an increasing amount of fixed assets. However, total assets remained more or less on the same level because of the fact that the cash position was converted in those fixed assets.

In the course of 2019 Safeway numbers 3, 4, 5 and 6 will be built which will result in an increase of total assets of approximately 35%. Based on a positive result in 2019 as well as the subordinated shareholder loan the financial position will remain strong and robust, despite of the expected increase in total assets.

Analysis of the achieved results

As mentioned earlier the main focus of management was building up an organization for the rental activities of Safeway and executing the Road Map, presented in 2017. We are proud to mention that we made significant steps forward in creating a robust organization, ready to execute the planning we made and the strategy we presented to our shareholders.

A milestone for our young team and the objective proof that we are on track is the successful certification by Bureau Veritas for ISO 14001 and ISO 45001, both highly valued quality certificates. It is clear that realizing this certification took a lot of effort of management and staff but it is very helpful, both for the organization as for prospective clients.

Financially we report a revenue of 13.2 mln which is slightly lower than in 2017, caused by a delay in delivery of cement systems to clients who experienced some delay at their respective yards. Delivery has taken place now and will show up in the 2019 results. Market circumstances in the oil & gas markets are still challenging and the delivery of safeway # 2 took longer than expected, resulting in lower than expected rental revenue in 2018.

In 2017 we closed three technically challenging new orders in the cement industry market. Because of our innovative objectives we developed new technology which was implemented in these projects. These developments were challenging, unfortunately resulting in decreasing gross margin in the 2018 results.

The presented gross margin of EUR 3.8 mln was not enough to cover the increasing operational costs, resulting in a negative operating result of EUR 240.000. The increase in staff resulted in a substantial increase in wages and salaries and depreciation of intangible and tangible fixed assets increased significantly because of the major investments made earlier. Depreciation and amortization grew to an amount of EUR 876.000,--.

Our salesforce grew in 2018 in order to penetrate in the new market of W2W, resulting both in higher wages and salaries but in selling costs as well. It is clear that we have to invest in that area in order to get the market position that we are focusing on.

The combination of a decreasing revenue, a decreasing gross margin and higher operational costs is clearly resulting in a loss for the financial year 2018. It is also clear that management and staff are working hard to create a reversal of this situation and the prospects are positive that we will be successful in this effort in 2019. With currently three Safeway's under contract and numbers 4 and five available in Q3 and Q4 revenue will increase substantially.

Communication on expected business developments

Management expects that the challenging market circumstances for the oil & gas market remain unchanged. We see moderate improvements of activities and some delayed and cancelled orders from the past are looking to be restarted. For that reason the focus remains on cement carriers and the W2W market. In those markets management sees ample possibilities for both revenues and gain of marketshare.

With currently three gangways under contract and the planning of at least two additional units becoming available in Q3 and Q4 we have a positive outlook for 2019. We were able to close some interesting deals and look forward to close some additional contracts in the months to come.

Communication on expected business developments relating to investments

In 2018 Van Aalst Group invested for more than 4 mln in the development and assembly of the second motion compensated gangway bridge and the start of the third unit. The investments were mainly financed by the cash position which was the result of the sharecapital issue at the end of 2017. The investments resulted in a cash outflow of EUR 4,7 mln.

In 2019 we will invest further in building the numbers 3, 4, 5 and 6 which will result in reducing the cash levels, the usage of the credit facility at ABN.AMRO Bank and loans, issued by ABNAMRO Assetleasing.

Based on our current expectations and commitments the company is able to meet their obligations to suppliers and external stake holders.

Communication on expected business developments relating to financing

As mentioned earlier in this report Safeway invested substantially in the building of gangways number 2 and 3 for this financial year. These investments were financed by the cash position which came available after the successful sharecapital increase. Early 2019 Safeway number 3 was delivered and is currently under contract in the oil & gas market.

At the end of 2018 the cash balance was reduced to about 1 million. With the assembly of the third gangway in progress and the commitments made for the delivery of 3 additional units the company needs additional financing in 2019.

With financial institutions agreements were made to cover the necessary financial needs for 2019 which enables the Group to execute their strategy.

Other information in the management report

Summary

Management looks back on an intense and eventful fiscal 2018 in which we were confronted with the first loss in our history. The mix of the necessary transition within the organization, the delay in delivery of cement systems, the building of several motion compensated gangways and the increasing volumes in depreciation resulted in a financial loss of about EUR 240.000,-- but a positive EBITDA of about EUR 900.000,--.

It is clear that management is disappointed about this result. On the other hand we can be proud on the successes that we realized in 2018. We were able to hire highly qualified staff in a very tight labor environment and we are able to build an organization that is ready for higher demand in the W2W market. We can be proud that Bureau Veritas certified our organization for ISO 14001 and ISO 45001, a high standard in Quality and Management Systems.

Management is convinced that she will be able to convert this situation in positive results in 2019. With currently 3 gangways in operation and under contract and three additional ones available in Q3 and Q4 revenue will increase and the gross margin will be sufficient to cover the operational costs.

The oil and gas market is still down but we see small signs of improvement. The market for concrete carriers is still good and Safeway is performing beyond expectations with all units under contract.

Based on the success of the effective strategy of diversification, a good product portfolio, a strict management of costs and the number of outstanding quotations management is confident that we are going to be able to face the challenges and look ahead to a positive 2019 !!

Dordrecht, 18 July 2019

G.A.W. van Aalst
Director

Van Aalst Group B.V.

3.1 Consolidated balance sheet as at 31 December 2018

(After proposal distribution of result)

	31-12-2018		31-12-2017	
	€	€	€	€
ASSETS				
Fixed assets				
<i>Intangible fixed assets</i>				
Costs of development	2.987.673		2.862.877	
Concessions and licenses	45.000		60.000	
Goodwill	<u>224.247</u>		<u>156.527</u>	
		3.256.920		3.079.404
<i>Tangible fixed assets</i>				
Buildings and land	7.941		13.921	
Furniture, fixtures and fittings	245.933		239.593	
Vehicles	126.772		138.746	
Other fixed assets	<u>8.648.108</u>		<u>4.239.971</u>	
		9.028.754		4.632.231
<i>Financial fixed assets</i>		736.311		496.571
Current assets				
<i>Stock</i>				
Raw materials and consumables	596.806		463.170	
Prepayments on stock	<u>713.979</u>		<u>432.150</u>	
		1.310.785		895.320
<i>Receivables</i>				
Trade debtors	1.530.498		4.020.509	
Taxes and social securities	791.179		1.185.707	
Current account shareholders	38.838		8.068	
Other accounts receivable	5.912		5.698	
Accrued income and prepaid expenses	<u>2.286.247</u>		<u>424.880</u>	
		4.652.674		5.644.862
<i>Cash at bank and in hand</i>		1.047.612		5.567.393
Total assets		<u><u>20.033.056</u></u>		<u><u>20.315.781</u></u>

Van Aalst Group B.V.

	31-12-2018		31-12-2017	
	€	€	€	€
LIABILITIES				
Group equity				
Shareholders' equity	10.887.625		11.171.729	
Minority interest	<u>-123.004</u>		<u>-72.509</u>	
		10.764.621		11.099.220
Provisions				
Deferred taxes	710.718		722.499	
Other provisions	<u>84.250</u>		<u>250.500</u>	
		794.968		972.999
Long-term liabilities				
Subordinated loans	1.341.861		1.242.733	
Liabilities to other participations	58.442		-	
Other long-term liabilities	<u>201.311</u>		<u>-</u>	
		1.601.614		1.242.733
Short-term liabilities				
Amounts owed to credit institutions	152.165		-	
Trade creditors	3.681.246		5.063.210	
Liabilities to group companies	-		76.283	
Liabilities to other participations	117.607		100.008	
Taxes and social securities	73.541		-	
Accruals and deferred income	<u>2.847.294</u>		<u>1.761.328</u>	
		6.871.853		7.000.829
Total liabilities		<u>20.033.056</u>		<u>20.315.781</u>

Van Aalst Group B.V.

3.2 Consolidated profit and loss account for the year 2018

	2018		2017	
	€	€	€	€
Net turnover	13.050.432		13.925.148	
Cost of sales	-9.350.774		-9.383.701	
Expenses work contracted out and other external expenses	-19.729		-	
Gross margin		3.679.929		4.541.447
Wages and salaries	1.254.775		866.299	
Social security charges	3.089		-157.564	
Pension contributions	115.186		101.201	
Amortisation of intangible fixed assets	396.914		136.118	
Depreciation of tangible fixed assets	478.603		188.432	
Other operating expenses	1.806.930		1.960.425	
Total operating expenses		<u>4.055.497</u>		<u>3.094.911</u>
Operating result		-375.568		1.446.536
Interest and similar expenses		<u>-264.533</u>		<u>-197.342</u>
Consolidated result from operational activities before taxation		-640.101		1.249.194
Taxation		<u>195.068</u>		<u>-96.712</u>
		-445.033		1.152.482
Result from participations		<u>39.283</u>		<u>38.391</u>
Consolidated result from operational activities after taxation		-405.750		1.190.873
Minority interest		<u>121.498</u>		<u>24.904</u>
Net consolidated result after taxation		<u><u>-284.252</u></u>		<u><u>1.215.777</u></u>

Van Aalst Group B.V.

3.3 Consolidated cash flow statement for the year 2018

	2018		2017	
	€	€	€	€
Cash flow from operating activities				
Operating result		-375.568		1.446.536
<i>Adjustments for</i>				
Depreciation of intangible and tangible fixed assets	876.260		329.423	
Movements in provisions	-178.031		9.842	
Deferred tax	-180.279		1.870	
Exchange rate differences	728		-	
		518.678		341.135
<i>Movement in working capital</i>				
Inventories and work in progress	-415.465		-65.516	
Trade debtors	2.490.011		-2.060.361	
Other accounts receivable	363.544		-636.273	
Accrued income and prepaid expenses	-1.861.367		371.546	
Current liabilities (excluding banks)	-281.141		1.827.584	
		295.582		-563.020
Cash flow from investing activities		438.692		1.224.651
Dividend from participations	53.800		61.500	
Interest paid	-264.533		-197.342	
Taxation	195.068		-96.712	
		-15.665		-232.554
Cash flow from operating activities		423.027		992.097
Cash flow from operating activities				
Investments in intangible assets	-423.288		-415.294	
Investments in tangible assets	-4.889.175		-1.683.176	
Investments in financial fixed assets	-115.714		-53.157	
Disposal of tangible fixed assets	15.421		9.591	
Disposal of financial fixed assets	37.771		-	
New consolidations	-78.869		-	
Cash flow from operating activities		-5.453.854		-2.142.036
Cash flow from financing activities				
Receipts from issuance of share capital	-		9.272	
Share premium in financial year	-		5.990.728	
Increase long-term liabilities	353.124		133.150	
Decrease long-term liabilities	-50.000		-	
New consolidations	55.757		-	
Cash flow from financing activities		358.881		6.133.150

VOOR WAARMERKINGS-
DOELEINDEN

Verstegen accountants
en adviseurs

Behorend bij verklaring
afgegeven d.d. 18-09-2019

Van Aalst Group B.V.

Movements cash	<u>-4.671.946</u>	<u>4.983.211</u>
Movement cash and cash equivalents		
Balance as at beginning of financial year	5.567.393	584.182
Movements during financial year	<u>-4.671.946</u>	<u>4.983.211</u>
Balance at financial year end	<u>895.447</u>	<u>5.567.393</u>

Van Aalst Group B.V.

3.4 Notes to the financial statements of the consolidated annual report

Entity information

Registered address and registration number trade register

The registered and actual address of Van Aalst Group B.V. is Baanhoekweg 16, 3313 LA in Dordrecht. Van Aalst Group B.V. is registered at the Chamber of Commerce under number 50103539.

General notes

The most important activities of the entity

Van Aalst Group institutes around a group of independent companies that specialize in specific fields within the pneumatic cargo handling of machinery, equipment and its development, for transport and distribution to the Marine & Offshore and the Construction Industry worldwide.

In 2015 Safeway B.V. was established and within this legal entity the development of a motion compensated gangway was started. In 2017 the first Seagull Motion Compensated gangway was introduced to the market and well received, resulting in various jobs in the oil & gas market and offshore wind. With year-round workability at serious levels above seawater (> 25 meters) Safeway redefines the state of affairs in offshore access systems.

Today, the companies have established to become a reference point thanks to the short communication lines and their highly skilled enthusiastic professionals whom dedicate themselves to deliver sustainable products that meet business specific processes.

Close collaboration and decade of surround field knowledge has led to great technological advances as a result of the customer driven approach and dedication. With the core design principles being reliable, durable, efficient and safe, the companies continually delivered top quality products that reflects in the latest products, Van Aalst Group works with determination to deliver environmental friendly solutions for now and in the future.

With the recently expanded Pneumatic R&D center Van Aalst Group aims to establish the leading position in the current operating markets and to further explore new market opportunities.

The office in Dordrecht situated on the same industrial ground holds a facility of approximately 9000m² with 3000m² for offices, production, training center and research and development. The facility has easy road access and a waterfront of 150m with easy waterway access via the Rotterdam harbor to the North Sea. The waterfronts permits construction and conversions of cargo vessels up to DWT 10.000 at location.

Disclosure of estimates

In applying the principles and policies for drawing up the financial statements, the directors of Van Aalst Group B.V. make different estimates and judgments that may be essential to the amounts disclosed in the financial statements. If it is necessary in order to provide the transparency required under Book 2, article 362, paragraph 1, the nature of these estimates and judgments, including related assumptions, is disclosed in the notes to the relevant financial statement item.

Disclosure of consolidation

The consolidated financial statements of Van Aalst Group B.V. comprise the financial figures of Van Aalst Group B.V. and her subsidiaries.

Van Aalst Group B.V.

General accounting principles

The accounting standards used to prepare the financial statements

The consolidated financial statement is drawn up in accordance with the provisions of Title 9, Book 2 of the Dutch Civil Code and the firm pronouncements in the Dutch Accounting Standards, as published by the Dutch Accounting Standards Board ('Raad voor de Jaarverslaggeving').

Assets and liabilities are generally valued at historical cost, production cost or at fair value at the time of acquisition. If no specific valuation principle has been stated, valuation is at historical cost.

Conversion of amounts denominated in foreign currency

Except where otherwise stated all amounts in the report are in euro (€).

Assets and liabilities in foreign currencies are converted into euro at the spot rates of exchange prevailing at balance sheet date. Translation differences are taken to the profit and loss account

Accounting principles

Intangible assets

Intangible fixed assets are stated at historical cost less amortisation. Impairments are taken into consideration; this is relevant in the event that the carrying amount of the asset is higher than its realisable value.

Development costs

Research costs are recognised in the profit and loss account. Expenditure on development projects is capitalised as part of the production cost if it is likely from both a commercial and technical perspective that the project will be successful and the cost can be determined reliably. A legal reserve has been formed within equity with regard to the recognised development costs for the capitalised amount. The amortisation of capitalised development costs commences at the time when the commercial production starts and takes place over the expected future useful life of the asset.

Costs of goodwill acquired from third party

Goodwill is the positive difference between the acquisition price of the participations concerned and the net asset value at the time of their acquisition, less amortization. Capitalized goodwill is amortized, on a straight line basis, over a period of five years

Property, plant and equipment

Tangible fixed assets are valued at acquisition costs or production costs plus additional costs less straight-line depreciation based on the expected life, unless stated otherwise. Impairments expected on the balance sheet date are taken into account.

Inventories

Inventories of raw materials and trading goods are valued at acquisition cost. The risk of obsolescence is taken into account.

Van Aalst Group B.V.

Receivables

Receivables are initially valued at the fair value of the consideration to be received. Receivables are subsequently valued at the amortised cost price. If there is no premium or discount and there are no transaction costs, the amortised cost price equals the nominal value of the accounts receivable. If payment of the receivable is postponed under an extended payment deadline, fair value is measured on the basis of the discounted value of the expected revenues. Interest gains are recognised using the effective interest method. Provisions for bad debts are deducted from the carrying amount of the receivable.

Cash and cash equivalents

Cash at banks and in hand represent cash in hand, bank balances and deposits with terms of less than twelve months. Overdrafts at banks are recognised as part of debts to lending institutions under current liabilities. Cash at banks and in hand is valued at nominal value.

Provision for tax liabilities

Deferred tax liabilities are recognised for temporary differences between the value of the assets and liabilities under tax regulations on the one hand and the book values applied in these financial statements on the other. The computation of the deferred tax liabilities is based on the tax rates prevailing at the end of the reporting year or the rates applicable in future years, to the extent that they have already been enacted by law.

Deferred income tax is provided on temporary differences arising on investments in group companies, associates and joint ventures, except where the timing of the reversal of the temporary difference is controlled by Van Aalst Group B.V. and it is probably that the temporary difference will not reverse in the foreseeable future.

Deferred tax balances are valued at nominal value.

Warranty provision

This provision relates to costs that must be reimbursed for products that have been sold or services that have been performed, if the legal entity has an obligation because the agreed quality standards have not been met.

Other provisions

Other kinds of provision are included in accordance with the nominal value of the expenditure which is expected to be necessary to settle the obligations.

Current liabilities

On initial recognition current liabilities are recognised at fair value. After initial recognition current liabilities are recognised at the amortised cost price, being the amount received taking into account premiums or discounts and minus transaction costs. This is usually the nominal value.

Accounting principles for determining the result

The result is formed by the other operating income less expenses that can be allocated to the financial year. The expenses are based on the balance sheet valuation as stated above. Profits are recognized in the financial year in which the services to third parties are performed.

Van Aalst Group B.V.

Losses are recognized in the financial year in which they are foreseeable.

Revenue recognition

Net turnover concerns the proceeds of the goods that are delivered and/or the services that are performed during the financial year.

Other operating expenses

Costs are determined on a historical basis and are attributed to the reporting year to which they relate.

Interest expenses and related expenses

Interest expenses are recognised on a pro rata basis, taking account of the effective interest rate of the liabilities to which they relate. In accounting for interest expenses, the recognised transaction expenses for loans received are taken into consideration.

Income tax expense

Tax on the result is calculated based on the result before tax in the consolidated profit and loss account, taking account of the losses available for set-off from previous financial years (to the extent that they have not already been included in the deferred tax assets) and exempt profit components and after the addition of non-deductible costs. Due account is also taken of changes which occur in the deferred tax assets and deferred tax liabilities in respect of changes in the applicable tax rate.

In the financial statements of group companies a tax charge is calculated on the basis of the accounting result. The corporate income tax that is due by these group companies is charged into the current accounts with Van Aalst Group B.V.

Cash flow statement

The cash flow statement has been prepared using the indirect method. The cash items disclosed in the cash flow statement comprise cash at banks and in hand except for deposits with a maturity longer than three months. Cash flows denominated in foreign currencies have been translated at average estimated exchange rates. Exchange differences affecting cash items are shown separately in the cash flow statement. Interest paid and received, dividends received and income taxes are included in cash from operating activities. Dividends paid are recognised as cash used in financing activities. The purchase consideration paid for the acquired group corporation has been recognised as cash used in investing activities where it was settled in cash. Any cash at banks and in hand in the acquired group corporation have been deducted from the purchase consideration. Transactions not resulting in inflow or outflow of cash, including finance leases, are not recognised in the cash flow statement. Payments of finance lease instalments qualify as repayments of borrowings under cash used in financing activities and as interest paid under cash generated from operating activities.

Van Aalst Group B.V.

3.5 Notes to the consolidated balance sheet

Fixed assets

Intangible fixed assets

	Costs of deve- lopment	Concessions and licenses	Goodwill	Total
	€	€	€	€
Book value as at 1 January 2018	2.862.877	60.000	156.527	3.079.404
Investments	330.052	-	93.236	423.288
New consolidations	151.142	-	-	151.142
Amortisations	-356.398	-15.000	-25.516	-396.914
Book value as at 31 December 2018	<u>2.987.673</u>	<u>45.000</u>	<u>224.247</u>	<u>3.256.920</u>
Amortisation percentages	<u>20%</u>	<u>20%</u>	<u>20%</u>	

Van Aalst Group B.V.

Tangible fixed assets

	Buildings and land	Furniture, fixtures and fittings	Vehicles	Other fixed assets	Total
	€	€	€	€	€
Balance as at 1 January 2018					
Purchase value	224.593	436.092	284.936	4.402.833	5.348.454
Accumulated depreciation	-210.672	-196.499	-146.190	-162.862	-716.223
Book value as at 1 January 2018	<u>13.921</u>	<u>239.593</u>	<u>138.746</u>	<u>4.239.971</u>	<u>4.632.231</u>
<i>Movements</i>					
Acquisitions	-	6.340	51.454	4.831.381	4.889.175
New consolidations	-	2.115	-	-	2.115
Amortization	-5.980	-	-50.122	-423.244	-479.346
Disposal	-	-2.115	-47.055	-	-49.170
Disposal accumulated depreciation	-	-	33.749	-	33.749
Balance movements	<u>-5.980</u>	<u>6.340</u>	<u>-11.974</u>	<u>4.408.137</u>	<u>4.396.523</u>
Balance as at 31 December 2018					
Purchase value	224.593	442.432	289.334	9.234.214	10.190.573
Accumulated depreciation	-216.652	-196.499	-162.562	-586.106	-1.161.819
Book value as at 31 December 2018	<u>7.941</u>	<u>245.933</u>	<u>126.772</u>	<u>8.648.108</u>	<u>9.028.754</u>
Depreciation percentages	<u>20%</u>	<u>20%</u>	<u>20%</u>	<u>20%</u>	

Van Aalst Group B.V.

Financial fixed assets

	Participations in group companies	Other participations	Deferred tax assets	Other amounts receivable	Total
	€	€	€	€	€
Balance as at 1 January 2018	37.771	85.139	373.661	-	496.571
Result	-	35.318	-	-	35.318
To grant	-	-	-	115.714	115.714
Increasing	-	-	180.279	-	180.279
New consolidations	-37.771	-	-	-	-37.771
Dividend	-	-53.800	-	-	-53.800
Balance as at 31 December 2018	-	66.657	553.940	115.714	736.311

	31-12-2018	31-12-2017
	€	€
<i>Participations in group companies</i>		
Techano Group AS	-	37.771

	2018	2017
	€	€
<u>Techano Group AS</u>		
Book value as at 1 January	37.771	-
Investments in participation	-	53.158
New consolidations	-37.771	-
Profit/(Loss) of participation	-	-15.387
Book value as at 31 December	-	37.771

	31-12-2018	31-12-2017
	€	€
<i>Participations in affiliated companies</i>		
Mulder Europe B.V.	66.657	85.139

<i>Deferred tax assets</i>		
Deferred tax asset	553.940	373.661

Van Aalst Group B.V.

	<u>2018</u>	<u>2017</u>
	€	€
<u>Deferred tax asset</u>		
Balance as at 1 January	373.661	375.531
Increasing	180.279	-
Decreasing	-	-1.870
Balance as at 31 December	<u>553.940</u>	<u>373.661</u>
	<u>31-12-2018</u>	<u>31-12-2017</u>
	€	€
<i>Other amounts receivable</i>		
Mulder Europe B.V., subordinated loan	<u>115.714</u>	<u>-</u>
	<u>2018</u>	<u>2017</u>
	€	€
<u>Mulder Europe B.V., subordinated loan</u>		
Book value as at 1 January	-	-
Additions in financial year	<u>115.714</u>	<u>-</u>
Book value as at 31 December	<u>115.714</u>	<u>-</u>
<i>Current assets</i>		
Stock		
	<u>31-12-2018</u>	<u>31-12-2017</u>
	€	€
<i>Raw materials and consumables</i>		
Raw materials and consumables	<u>596.806</u>	<u>463.170</u>
Receivables		
<i>Trade debtors</i>		
Trade debtors	<u>1.530.498</u>	<u>4.020.509</u>

Van Aalst Group B.V.

	<u>31-12-2018</u>	<u>31-12-2017</u>
	€	€
<i>Taxes and social securities</i>		
Value added tax	728.442	1.149.776
Wage tax	-	33.430
Company tax	3.008	2.475
Other taxes	59.729	26
	<u>791.179</u>	<u>1.185.707</u>
<i>Current account shareholders</i>		
Geniet Beheer B.V., current account	-	4
J.R. de Boer B.V., current account	4	4
W. van Aalst, current account	38.834	8.060
	<u>38.838</u>	<u>8.068</u>
<i>Other debtors</i>		
Security deposit	800	800
Wang Yan Xian, security deposit (\$ 5.000)	4.128	4.128
Van Aalst Foundation	984	770
	<u>5.912</u>	<u>5.698</u>
<i>Accrued income and prepaid expenses</i>		
Insurance claim	3	25.237
Other amounts still to be received	580.753	28.636
Prepaid expenses projects	1.405.240	245.378
(Final) installments of projects still to be invoiced	299.715	34.001
Interest	536	-
Other amounts still to be received	-	91.628
	<u>2.286.247</u>	<u>424.880</u>
Cash at bank and in hand		
Cash	2.848	2.848
ABN-AMRO bank, current account (EUR)	-273.485	4.297.245
ABN-AMRO bank, current account (USD)	1.161.163	1.115.447
ABN-AMRO bank, current account (NOK)	157.086	142.587
Chase Bank, current account (USD)	-	9.266
	<u>1.047.612</u>	<u>5.567.393</u>

Group equity

The equity of the Company is disclosed in the company notes to the balance sheet.

Van Aalst Group B.V.

	31-12-2018	31-12-2017
	€	€
Minority interest		
Minority interest in Cargomaxx Drilling B.V.	-6.648	-6.038
Minority interest in Safeway B.V.	-39.955	-66.471
Minority interest in Techano Group AS	-76.401	-
	<u>-123.004</u>	<u>-72.509</u>

Provisions

Deferred taxes

	2018	2017
	€	€
Balance as at 1 January	722.499	627.657
Movements	-11.781	94.842
Balance as at 31 December	<u>710.718</u>	<u>722.499</u>

Other provisions

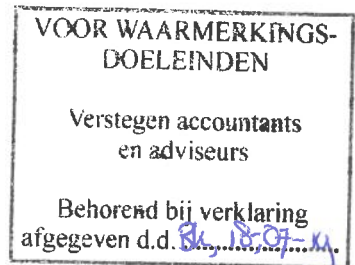
Warranty provision

Balance as at 1 January	55.500	90.500
Warranty costs charged to warranty provision	-55.500	-70.976
Additions	14.250	35.976
Balance as at 31 December	<u>14.250</u>	<u>55.500</u>

The warranty provision is calculated using the static method on the weighted average of the possible outcomes of similar obligations. The provision is based on the expected economic duration of the warranty. The warranty costs are deducted from the provision.

Provision commissioning

Balance as at 1 January	195.000	245.000
Additions	-	9.900
	<u>195.000</u>	<u>254.900</u>
Commissioning costs charged to commissioning provision	-125.000	-59.900
Balance as at 31 December	<u>70.000</u>	<u>195.000</u>



Van Aalst Group B.V.

Long-term liabilities

Disclosure of non-current liabilities

Approximately € 1.550.000 has a term of more than 5 years.

	<u>31-12-2018</u>	<u>31-12-2017</u>
	€	€
<i>Subordinated loans</i>		
Welkom Beheer B.V., loan	<u>1.341.861</u>	<u>1.242.733</u>
 <i>Liabilities to other participations</i>		
Liability to other participations	<u>58.442</u>	<u>-</u>
	<u>2018</u>	<u>2017</u>
	€	€
<u>Liability to other participations</u>		
Balance as at 1 January	-	-
Increase of liability to other participations	2.685	-
New consolidations	<u>55.757</u>	<u>-</u>
Balance as at 31 December	<u>58.442</u>	<u>-</u>
Interest percentage	6%	
Term	4-5 yrs	
	<u>31-12-2018</u>	<u>31-12-2017</u>
	€	€
<i>Other long-term liabilities</i>		
Other long-term liability	<u>201.311</u>	<u>-</u>

VOOR WAARMERKINGS-
DOELEINDEN

Verstegen accountants
en adviseurs

Behorend bij verklaring
afgegeven d.d. 18-07-14

Van Aalst Group B.V.

	2018	2017
	€	€
<u>Other long-term liability</u>		
Balance as at 1 January	-	-
Increase of other long-term liability	201.311	-
Balance as at 31 December	<u>201.311</u>	<u>-</u>
Interest percentage	4,7%	
Term	6 yrs	

Van Aalst Group B.V.

Short-term liabilities

	<u>31-12-2018</u>	<u>31-12-2017</u>
	€	€
<i>Amounts owed to credit institutions</i>		
Other banks	<u>152.165</u>	<u>-</u>
<i>Liabilities to group companies</i>		
Techano Group AS, current account	<u>-</u>	<u>76.283</u>
<i>Liabilities to other participations</i>		
Welkom Beheer B.V., current account	<u>117.607</u>	<u>100.008</u>
<i>Taxes and social securities</i>		
Wage tax	<u>54.367</u>	<u>-</u>
Social security premiums	<u>19.174</u>	<u>-</u>
	<u>73.541</u>	<u>-</u>
<i>Accruals and deferred income</i>		
Holiday allowance	90.250	43.281
Outstanding Holidays	37.328	33.588
Miscellaneous prepaid expenses	25.507	-
Miscellaneous	59.826	75.203
Accrued income	372.770	559.100
Costs still to be expected for projects	965.327	486.243
Invoices still to be received	<u>1.296.286</u>	<u>563.913</u>
	<u>2.847.294</u>	<u>1.761.328</u>

Van Aalst Group B.V.

Off-balance-sheet rights, obligations and arrangements

Disclosure of contingent arrangements

The facilities with the ABN AMRO Bank applies to Van Aalst Group B.V. and its Dutch subsidiaries. The maximum credit in current account amounts to € 1.500.000.

The facilities each have a guarantee facility of € 2.500.000.

For this facilities the following collateral has been granted:

- Possessory pledge of stocks and inventories;
- Silent pledge of accounts receivable.

Disclosure of off-balance sheet commitments

Rental obligations relate to the lease and amount to € 85.000 on an annual basis.

The off-balance sheet liabilities relating to the fiscal unity

In connection with the existence of a fiscal unity for corporate income tax as well as value added tax, the company is severally liable for the corporate income tax and value added tax liabilities of the fiscal unity in The Netherlands

Off-balance sheet commitments relating to guarantees

It is common practice to The Van Aalst Group B.V. and her subsidiaries to come to the specific payment arrangements with their clients, based on the progress of the projects. It is therefore not unusual to agree to prepayments which are backed by a prepayment guarantee from our banker.

On december 31th, 2018 ABN AMRO Bank had an outstanding amount of bank guarantees on behalf of the Van Aalst Group of € 324.830.

Van Aalst Group B.V.

3.6 Notes to the consolidated profit and loss account

	2018	2017
	€	€
Net turnover		
Rental revenues	1.684.751	839.289
Project revenues	10.514.378	12.075.823
Replacements/spareparts revenues	773.187	797.774
Miscellaneous	68.238	37.500
Engineering assistance revenues	9.878	174.762
	<u>13.050.432</u>	<u>13.925.148</u>
Cost of sales		
Project expenses	5.971.373	7.772.252
Temporary staff	968.841	443.940
Transport costs	350.676	406.002
Cost of sales miscellaneous (replacements/spareparts)	462.028	375.904
Other project costs	1.374.502	-259.086
Travel expenses	181.466	150.552
Commission	48.777	58.290
Movement in warranty provision	154.648	548.641
Exchange rate and payment differences	-41.537	10.206
Movement in commissioning provision	-120.000	-50.000
Warranty expenses	-	-73.000
	<u>9.350.774</u>	<u>9.383.701</u>
Expenses work contracted out and other external expenses		
Other external expenses		
External services and subcontractors	<u>19.729</u>	<u>-</u>
Wages and salaries		
Salaries and wages	1.324.463	927.495
Re-charged salaries and wages	<u>-69.688</u>	<u>-61.196</u>
	<u>1.254.775</u>	<u>866.299</u>

Van Aalst Group B.V.

Average number of employees

2018

Average number of employees

2017

Active within the Netherlands	Active outside the Netherlands	Total
13,00	6,00	19,00

Active within the Netherlands	Active outside the Netherlands	Total
12,00	6,00	18,00

Average number of employees

2018	2017
€	€

Social security charges

Social security charges

Wage tax refund (WBSO)

193.461	126.148
-190.372	-283.712
<u>3.089</u>	<u>-157.564</u>

Pension contributions

Other pension contributions

<u>115.186</u>	<u>101.201</u>
----------------	----------------

Amortisation of intangible fixed assets

Amortization costs of development

Amortisation costs concessions and licenses

Amortisation costs goodwill

356.398	98.724
15.000	15.000
25.516	22.394
<u>396.914</u>	<u>136.118</u>

Depreciation of tangible fixed assets

Buildings and land

Vehicles

Other fixed assets

Book profit vehicles

5.980	5.981
50.122	55.291
423.244	132.033
<u>479.346</u>	<u>193.305</u>
-743	-4.873
<u>478.603</u>	<u>188.432</u>

Van Aalst Group B.V.

	2018	2017
	€	€
<i>Other operating expenses</i>		
Other staff expenses	316.413	260.552
Housing expenses	144.995	87.331
Operating and machine expenses	1.034	-
Selling expenses	406.508	336.716
Car expenses	54.242	59.630
Office expenses	153.670	120.025
General expenses	729.456	1.092.462
Research and development	612	3.709
	<u>1.806.930</u>	<u>1.960.425</u>
<i>Other staff expenses</i>		
Canteen expenses	13.012	10.357
Recruitment expenses	67.297	6.998
Industrial cloting	133	100
Motor car allowance	457	184
Study and training expenses	13.288	1.624
Travelling and entertainment	26.533	23.497
Other allowances	-20	-550
Third party services	180.383	180.224
Other staff expenses	15.330	17.368
Reorganization expenses	-	20.750
	<u>316.413</u>	<u>260.552</u>
<i>Housing expenses</i>		
Rent	111.990	57.302
Maintenance buildings	20.255	17.537
Gas, water and electricity	12.040	11.954
Other housing expenses	710	538
	<u>144.995</u>	<u>87.331</u>
<i>Operating and machine expenses</i>		
Repair and maintenance of inventory	386	-
Small investments inventory	648	-
	<u>1.034</u>	<u>-</u>

Van Aalst Group B.V.

	2018	2017
	€	€
<i>Selling expenses</i>		
Advertising	13.748	23.136
Exhibitions and fairs	72.333	76.973
Travelling and entertainment	99.703	60.039
Freight	1.535	-
Selling expenses foreign offices	125.198	105.531
Miscellaneous	41.086	34.823
Engineering	3.251	14.540
Credit insurance	25.053	21.674
Patent expenses	24.601	-
	<u>406.508</u>	<u>336.716</u>
<i>Car expenses</i>		
Fuel	14.393	15.770
Repair and maintenance	10.491	16.241
Insurance	7.171	5.942
Road tax	4.236	4.653
Private use cars	8.754	9.525
Fines	2.148	2.416
Other car expenses	7.049	5.083
	<u>54.242</u>	<u>59.630</u>
<i>Office expenses</i>		
Office supplies	34.381	14.920
Mail and postage	98	344
Telephone, fax and internet	33.369	26.396
Printed matter	5.133	3.761
Specialist literature	52	1.212
Automation expenses	67.685	41.850
Repair and maintenance office furniture	5.085	2.208
Other office expenses	5.998	7.636
Office expenses Singapore	37	508
Foreign office expenses	1.832	21.190
	<u>153.670</u>	<u>120.025</u>

Van Aalst Group B.V.

	2018	2017
	€	€
<i>General expenses</i>		
Subscriptions	11.830	10.181
Insurance	113.573	117.934
Managementfee	300.000	310.000
Audit costs, other non-audit services	127.984	112.198
Currency translation differences	-49.245	-10.669
Miscellaneous expenses	2.582	4.482
Consultancy	178.746	503.596
Bank expenses	15.898	24.149
Other general expenses	2.799	9.341
Donations	11.250	11.250
QHSE expenses	14.039	-
	<u>729.456</u>	<u>1.092.462</u>
<i>Research and development</i>		
Research and development	<u>612</u>	<u>3.709</u>
<i>Interest and similar expenses</i>		
Interest loans contracted	149.128	133.150
Bank interest	115.405	64.192
	<u>264.533</u>	<u>197.342</u>
<i>Interest loans contracted</i>		
Welkom Beheer B.V., lening	<u>149.128</u>	<u>133.150</u>
<i>Taxation</i>		
Deferred income tax expense	11.781	-94.842
Income tax expense from current financial year	183.287	-1.870
	<u>195.068</u>	<u>-96.712</u>
<i>Result from participations</i>		
Van Aalst Houston LLC, liquidation	-6.504	-
Van Aalst Singapore Pte. Ltd., liquidation	10.468	-
Techano Group AS	-	-15.387
Mulder Europe B.V.	35.319	53.778
	<u>39.283</u>	<u>38.391</u>

Van Aalst Group B.V.

VOOR WAARMERKINGS-
DOELEINDEN
Verstegen accountants
en adviseurs
Behorend bij verklaring
afgegeven d.d. 30.09.14

Minority interest

Cargomaxx Drilling B.V.
Safeway B.V.
Techano Group AS

2018	2017
€	€
610	2.808
6.720	22.096
114.168	-
<u>121.498</u>	<u>24.904</u>

Van Aalst Group B.V.

4.1 Corporate balance sheet as at 31 December 2018*(After proposal appropriation of result)*

	31-12-2018		31-12-2017	
	€	€	€	€
ASSETS				
Fixed assets				
<i>Intangible fixed assets</i>				
Concessions and licenses	45.000		60.000	
Goodwill	<u>224.247</u>		<u>156.527</u>	
		269.247		216.527
<i>Tangible fixed assets</i>				
Furniture, fixtures and fittings		245.933		239.593
<i>Financial fixed assets</i>		3.268.830		4.585.922
Current assets				
<i>Receivables</i>				
Receivables from group companies	7.184.698		6.853.595	
Taxes and social securities	758.441		1.149.869	
Current account shareholders	38.834		8.060	
Other accounts receivable	857		770	
Accrued income and prepaid expenses	<u>506.233</u>		<u>9.413</u>	
		8.489.063		8.021.707
<i>Cash at bank and in hand</i>		551.226		-
Total assets		<u><u>12.824.299</u></u>		<u><u>13.063.749</u></u>

Van Aalst Group B.V.

	<u>31-12-2018</u>		<u>31-12-2017</u>	
	€	€	€	€
LIABILITIES				
Shareholders' equity				
Issued share capital	27.272		27.272	
Share premium reserve	7.727.479		7.727.479	
Legal and statutory reserves	2.834.197		2.862.877	
General reserve	<u>298.677</u>		<u>554.101</u>	
		10.887.625		11.171.729
Short-term liabilities				
Amounts owed to credit institutions	-		120.976	
Trade creditors	48.513		205.985	
Liabilities to group companies	1.788.153		1.465.051	
Liabilities to other participations	<u>100.008</u>		<u>100.008</u>	
		1.936.674		1.892.020
Total liabilities		<u><u>12.824.299</u></u>		<u><u>13.063.749</u></u>

VOOR WAARMERKINGS-
DOELEINDEN

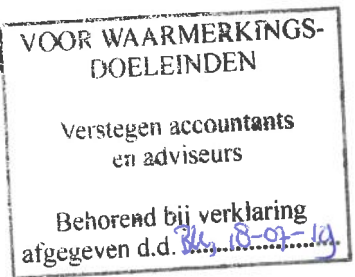
Verstegen accountants
en adviseurs

Behorend bij verklaring
afgegeven d.d. 24-12-19

Van Aalst Group B.V.

4.2 Corporate abridged statement of income and expenses for the year 2018

	2018		2017	
	€	€	€	€
Result from participations	82.622		1.779.973	
Company result after taxes	<u>-366.874</u>		<u>-564.196</u>	
Net result after taxation		<u><u>-284.252</u></u>		<u><u>1.215.777</u></u>



Van Aalst Group B.V.

4.3 Notes to the financial statements of the corporate annual report

General accounting principles

The accounting standards used to prepare the financial statements

The corporate financial statement is drawn up in accordance with the provisions of Title 9, Book 2 of the Dutch Civil Code and the firm pronouncements in the Dutch Accounting Standards, as published by the Dutch Accounting Standards Board ('Raad voor de Jaarverslaggeving').

Assets and liabilities are generally valued at historical cost, production cost or at fair value at the time of acquisition. If no specific valuation principle has been stated, valuation is at historical cost.

Conversion of amounts denominated in foreign currency

Except where otherwise stated all amounts in the report are in euro (€).

Assets and liabilities in foreign currencies are converted into euro at the spot rates of exchange prevailing at balance sheet date. Translation differences are taken to the profit and loss account

Accounting principles

Intangible assets

Intangible fixed assets are stated at historical cost less amortisation. Impairments are taken into consideration; this is relevant in the event that the carrying amount of the asset is higher than its realisable value.

Other tangible assets

Tangible fixed assets are valued at acquisition costs or production costs plus additional costs less straight-line depreciation based on the expected life, unless stated otherwise. Impairments expected on the balance sheet date are taken into account.

Financial assets

Participations, over which significant influence can be exercised, are valued according to the net asset value method. In the event that 20% or more of the voting rights can be exercised, it may be assumed that there is significant influence.

The net asset value is calculated in accordance with the accounting principles that apply for these financial statements; with regard to participations in which insufficient data is available for adopting these principles, the valuation principles of the respective participation are applied.

If the valuation of a participation based on the net asset value is negative, it will be stated at nil. If and insofar as Van Aalst Group B.V. can be held fully or partially liable for the debts of the participation, or has the firm intention of enabling the participation to settle its debts, a provision is recognised for this.

Newly acquired participations are initially recognised on the basis of the fair value of their identifiable assets and liabilities at the acquisition date. For subsequent valuations, the principles that apply for these financial statements are used, with the values upon their initial recognition as the basis.

Van Aalst Group B.V.

The amount by which the carrying amount of the participation has changed since the previous financial statements as a result of the net result achieved by the participation is recognised in the corporate profit and loss account.

Participations over which no significant influence can be exercised are valued at historical cost. The result represents the dividend declared in the reporting year, whereby dividend not distributed in cash is valued at fair value.

In the event of an impairment loss, valuation takes place at the recoverable amount; an impairment is recognised and charged to the corporate profit and loss account.

Receivables recognised under financial fixed assets are initially valued at the fair value less transaction costs. These receivables are subsequently valued at amortised cost price, which is, in general, equal to the nominal value. For determining the value, any depreciation is taken into account.

Deferred tax assets are recognised for all deductible temporary differences between the value of the assets and liabilities under tax regulations on the one hand and the accounting policies used in these financial statements on the other, on the understanding that deferred tax assets are only recognised insofar as it is probable that future taxable profits will be available to offset the temporary differences and available tax losses.

The calculation of the deferred tax assets is based on the tax rates prevailing at the end of the reporting year or the rates applicable in future years, to the extent that they have already been enacted by law.

Deferred tax assets are valued at their nominal value.

Receivables

Receivables are initially valued at the fair value of the consideration to be received. Receivables are subsequently valued at the amortised cost price. If there is no premium or discount and there are no transaction costs, the amortised cost price equals the nominal value of the accounts receivable. If payment of the receivable is postponed under an extended payment deadline, fair value is measured on the basis of the discounted value of the expected revenues. Interest gains are recognised using the effective interest method. Provisions for bad debts are deducted from the carrying amount of the receivable.

Current liabilities

On initial recognition current liabilities are recognised at fair value. After initial recognition current liabilities are recognised at the amortised cost price, being the amount received taking into account premiums or discounts and minus transaction costs. This is usually the nominal value.

Amortisation of intangible assets and depreciation of property, plant and equipment

Intangible fixed assets, including goodwill, and tangible fixed assets are depreciated or amortised from the date of initial use over the expected future economic life of the asset, while taking into account any applicable restrictions with respect to buildings, investment property, other tangible fixed assets and capitalised goodwill. Land is not depreciated.

Van Aalst Group B.V.

Future depreciation and amortisation is adjusted if there is a change in estimated future useful life.

Gains and losses from the occasional sale of property, plant or equipment are included in depreciation.

Other operating expenses

Costs are determined on a historical basis and are attributed to the reporting year to which they relate.

Interest expenses and related expenses

Interest expenses are recognised on a pro rata basis, taking account of the effective interest rate of the liabilities to which they relate. In accounting for interest expenses, the recognised transaction expenses for loans received are taken into consideration.

Income tax expense

Tax on the result is calculated based on the result before tax in the corporate profit and loss account, taking account of the losses available for set-off from previous financial years (to the extent that they have not already been included in the deferred tax assets) and exempt profit components and after the addition of non-deductible costs. Due account is also taken of changes which occur in the deferred tax assets and deferred tax liabilities in respect of changes in the applicable tax rate.

In the financial statements of group companies a tax charge is calculated on the basis of the accounting result. The corporate income tax that is due by these group companies is charged into the current accounts with Van Aalst Group B.V.

Share in results of participating interests

The result is the amount by which the carrying amount of the participation has changed since the previous financial statements as a result of the earnings achieved by the participation to the extent that this can be attributed to Van Aalst Group B.V.

Van Aalst Group B.V.

4.4 Notes to the company balance sheet

Fixed assets

Intangible fixed assets

	Concessions and licenses	Goodwill	Total
	€	€	€
Book value as at 1 January 2018	60.000	156.527	216.527
Investments	-	93.236	93.236
Amortisations	-15.000	-25.516	-40.516
Book value as at 31 December 2018	<u>45.000</u>	<u>224.247</u>	<u>269.247</u>
Amortisation percentages	<u>20%</u>	<u>20%</u>	

Tangible fixed assets

	Furniture, fixtures and fittings
	€
Balance as at 1 January 2018	
Purchase value	<u>239.593</u>
Book value as at 1 January 2018	<u>239.593</u>
<i>Movements</i>	
Acquisitions	<u>6.340</u>
Balance movements	<u>6.340</u>
Balance as at 31 December 2018	
Purchase value	<u>245.933</u>
Book value as at 31 December 2018	<u>245.933</u>

Van Aalst Group B.V.

	31-12-2018	31-12-2017
	€	€
Financial fixed assets		
Participations in group companies	2.532.519	4.127.122
Participations in affiliated companies	66.657	85.139
Deferred tax assets	553.940	373.661
Other amounts receivable	115.714	-
	<u>3.268.830</u>	<u>4.585.922</u>

List of participations

	Share in issued capital in %
Cargomaxx B.V., Dordrecht	100,00
Cargomaxx Drilling B.V., Dordrecht	96,11
Van Aalst Houston LLC, Houston	100,00
Van Aalst Marine & Offshore B.V., Dordrecht	100,00
Van Aalst Singapore Pte. Ltd., Singapore	100,00
Safeway B.V., Dordrecht	97,50
Techano Group AS, Norway	50,10
Mulder Europe B.V., Dordrecht	50,00

The participations Van Aalst Houston LLC and Van Aalst Singapore Pte. Ltd have been liquidated in financial year 2018.

	31-12-2018	31-12-2017
	€	€
<i>Participations in group companies</i>		
Cargomaxx B.V.	344.054	906.094
Cargomaxx Drilling B.V.	-164.252	-149.181
Van Aalst Houston LLC	-	-400.863
Van Aalst Marine & Offshore B.V.	3.910.965	4.913.820
Van Aalst Singapore Pte. Ltd.	-	82.426
Safeway B.V.	-1.558.248	-1.262.945
Techano Group AS	-	37.771
	<u>2.532.519</u>	<u>4.127.122</u>
<i>Participations in affiliated companies</i>		
Mulder Europe B.V.	<u>66.657</u>	<u>85.139</u>
<i>Deferred tax assets</i>		
Deferred tax asset	<u>553.940</u>	<u>373.661</u>

Van Aalst Group B.V.

	2018	2017
	€	€
<u>Deferred tax asset</u>		
Balance as at 1 January	373.661	375.531
Increasing	180.279	-
Decreasing	-	-1.870
Balance as at 31 December	<u>553.940</u>	<u>373.661</u>
	<u>31-12-2018</u>	<u>31-12-2017</u>
	€	€
<u>Other amounts receivable</u>		
Mulder Europe B.V., subordinated loan	<u>115.714</u>	<u>-</u>
	<u>2018</u>	<u>2017</u>
	€	€
<u>Mulder Europe B.V., subordinated loan</u>		
Book value as at 1 January	-	-
Additions in financial year	<u>115.714</u>	<u>-</u>
Book value as at 31 December	<u>115.714</u>	<u>-</u>
<u>Current assets</u>		
	<u>31-12-2018</u>	<u>31-12-2017</u>
	€	€
<u>Receivables from group companies</u>		
Safeway B.V., current account	6.573.580	5.745.757
Cargomaxx B.V., current account	55.065	127.574
Cargomaxx Drilling B.V., current account	481.779	572.897
Van Aalst Houston LLC, current account	-	407.367
Techano Group AS, loan	<u>74.274</u>	<u>-</u>
	<u>7.184.698</u>	<u>6.853.595</u>

On the current account 2% interest is allocated.
No repayment obligation has been agreed upon.

Van Aalst Group B.V.

	<u>31-12-2018</u>	<u>31-12-2017</u>
	€	€
<i>Taxes and social securities</i>		
Value added tax	755.433	1.149.869
Company tax	3.008	-
	<u>758.441</u>	<u>1.149.869</u>
<i>Current account shareholders</i>		
W. van Aalst, current account	<u>38.834</u>	<u>8.060</u>
<i>Other debtors</i>		
Van Aalst Foundation	<u>857</u>	<u>770</u>
<i>Accrued income and prepaid expenses</i>		
Other amounts still to be received	504.993	9.413
Miscellaneous prepaid expenses	1.240	-
	<u>506.233</u>	<u>9.413</u>
<i>Cash at bank and in hand</i>		
ABN-AMRO bank, current account (EUR)	646.586	-
ABN-AMRO bank, current account (USD)	-95.360	-
	<u>551.226</u>	<u>-</u>

Shareholders' equity

Issued share capital

Issued and fully paid up:

- 18.000 shares A of € 1. The shares are being held by Welkom Beheer B.V.
- 9.272 shares B of € 1. The shares are being held by Motus Investment B.V.

	<u>2018</u>	<u>2017</u>
	€	€
<i>Share premium reserve</i>		
Balance as at 1 January	7.727.479	1.736.751
Share premium in financial year	-	5.990.728
Balance as at 31 December	<u>7.727.479</u>	<u>7.727.479</u>

Van Aalst Group B.V.

	<u>31-12-2018</u>	<u>31-12-2017</u>
	€	€
<i>Legal and statutory reserves</i>		
Retained earnings participations	2.834.049	2.862.877
Other legal reserves	148	-
	<u>2.834.197</u>	<u>2.862.877</u>
	<u>2018</u>	<u>2017</u>
	€	€
<u>Legal reserve participation</u>		
Balance as at 1 January	2.862.877	2.708.231
Addition in financial year	-28.828	154.646
Balance as at 31 December	<u>2.834.049</u>	<u>2.862.877</u>
<u>Other legal reserves</u>		
Balance as at 1 January	-	-
Addition in financial year	-286	-
	-286	-
Currency translation differences	434	-
Balance as at 31 December	<u>148</u>	<u>-</u>
<i>General reserve</i>		
Balance as at 1 January	554.101	-507.030
Appropriation of result	-284.252	1.215.777
Addition to legal reserve	28.828	-154.646
Balance as at 31 December	<u>298.677</u>	<u>554.101</u>
<i>Short-term liabilities</i>		
	<u>31-12-2018</u>	<u>31-12-2017</u>
	€	€
<i>Amounts owed to credit institutions</i>		
ABN-AMRO bank, current account (EUR)	<u>-</u>	<u>120.976</u>

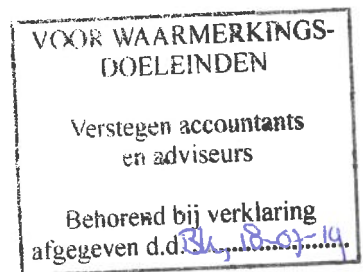
VOOR WAARMERKINGS-
DOELEINDEN

Verstegen accountants
en adviseurs

Behorend bij verklaring
afgegeven d.d. 31-12-2018

Van Aalst Group B.V.

	<u>31-12-2018</u>	<u>31-12-2017</u>
	€	€
<i>Liabilities to group companies</i>		
Van Aalst Marine & Offshore B.V., current account	1.788.153	1.246.674
Van Aalst Singapore Pte. Ltd., current account	-	142.094
Techano Group AS, current account	-	76.283
	<u>1.788.153</u>	<u>1.465.051</u>
On the current accounts 2% interest is allocated. No repayment obligation has been agreed upon.		
<i>Liabilities to other participations</i>		
Welkom Beheer B.V., current account	<u>100.008</u>	<u>100.008</u>



Van Aalst Group B.V.

Off-balance-sheet rights, obligations and arrangements

The off-balance sheet liabilities relating to the fiscal unity

In connection with the existence of a fiscal unity for corporate income tax as well as value added tax, the company is severally liable for the corporate income tax and value added tax liabilities of the fiscal unity in The Netherlands.

Appropriation of result

The management of the company proposes to appropriate the result as follows:

The loss for the year 2018 in the amount of € 284.252 will be deducted from the general reserves.

This proposal needs to be determined by the General Meeting, but has already been processed in anticipation in the annual accounts 2018 for the company.

Van Aalst Group B.V.

4.5 Notes to the corporate profit and loss account

Average number of employees

2018

Active within the Netherlands	Active outside the Netherlands	Total
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Average number of employees

2017

Active within the Netherlands	Active outside the Netherlands	Total
-------------------------------------	--------------------------------------	-------

Average number of employees

Dordrecht, 18 July 2019

Van Aalst Group B.V.

Welkom Beheer B.V.

Represented by:

G.A.W. van Aalst

Director

5 Independent auditors' report

To: The shareholders of Van Aalst Group B.V.

A. Report on the audit of the financial statements 2018

Our opinion

We have audited the financial statements 2018 of Van Aalst Group B.V., based in Dordrecht.

In our opinion the accompanying financial statements give a true and fair view of the financial position of Van Aalst Group B.V. as at 31 December 2018, and of its result for 2018 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The financial statements comprise:

1. the consolidated and company balance sheet as at 31 December 2018;
2. the consolidated and company profit and loss account for 2018; and
3. the notes comprising a summary of the accounting policies and other explanatory information.

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements' section of our report.

We are independent of Van Aalst Group B.V. in accordance with the Wet toezicht accountantsorganisaties (Wta, Audit firms supervision act), Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

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

Van Aalst Group B.V.

B. Report on the other information included in the annual report

In addition to the financial statements and our auditor's report thereon, the annual report contains other information that consists of:

- The management report;
- Other information as required by Part 9 of Book 2 of the Dutch Civil Code.

Based on the following procedures performed, we conclude that the other information:

- is consistent with the financial statements and does not contain material misstatements;
- contains the information as required by Part 9 of Book 2 of the Dutch Civil Code.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

Management is responsible for the preparation of the management report in accordance with Part 9 of Book 2 of the Dutch Civil Code and other information as required by Part 9 of Book 2 of the Dutch Civil Code.

C. Description of responsibilities regarding the financial statements

Responsibilities of the board for the financial statements

The board is responsible for the preparation and fair presentation of the financial statements in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore, the board is responsible for such internal control as the board determines is necessary to enable the preparation of the financial statements that are free from material misstatements, whether due to fraud or error.

As part of the preparation of the financial statements, the board is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting framework mentioned, the board should prepare the financial statements using the going concern basis of accounting unless the board either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Management should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

Van Aalst Group B.V.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit assignment in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

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 this financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgement and have maintained professional skepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included among others:

- Identifying and assessing the risks of material misstatements of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatements 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;
- Obtaining 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;
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board;
- Concluding on the appropriateness of the board's use of the going concern basis of accounting, 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 a company to cease to continue as a going concern;
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures; and
- Evaluating whether the financial statements represents the underlying transactions and events free from material misstatements.

Because we are ultimately responsible for the opinion, we are also responsible for directing, supervising and performing the group audit. In this respect we have determined the nature and extent of the audit

Van Aalst Group B.V.

procedures to be carried out for group entities. Decisive were the size and/or the risk profile of the group entities or operations. On this basis, we selected group entities for which an audit or review had to be carried out on the complete set of financial information or specific items.

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

Dordrecht, 18 July 2019

Verstegen accountants en adviseurs B.V.

A handwritten signature in blue ink, consisting of several loops and a long horizontal stroke, positioned over the name of the signatory.

Drs. E.D. van den Berg RA