
WSP Arctic A/S

Industrivej 31, Postboks 819, DK-3905 Nuussuaq

Annual Report for 1 January - 31 December 2021

CVR No 12 62 03 14

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company on
14/3 2022

Ingeborg Nordviken
Kristiansen
Chairman of the General
Meeting

Contents

	<u>Page</u>
Management's Statement and Auditor's Report	
Management's Statement	1
Independent Auditor's Report	2
Company Information	
Company Information	5
Management's Review	6
Financial Statements	
Income Statement 1 January - 31 December	7
Balance Sheet 31 December	8
Statement of Changes in Equity	10
Notes to the Financial Statements	11

Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of WSP Arctic A/S for the financial year 1 January - 31 December 2021.

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

In our opinion the Financial Statements give a true and fair view of the financial position at 31 December 2021 of the Company and of the results of the Company operations for 2021.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

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

Nuuk, 14 March 2022

Executive Board

Rene Moustgaard Kræmer
CEO

Board of Directors

Per Møller-Jensen
Chairman

Rene Moustgaard Kræmer

Independent Auditor's Report

To the Shareholder of WSP Arctic A/S

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2021 and of the results of the Company's operations for the financial year 1 January - 31 December 2021 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of WSP Arctic A/S for the financial year 1 January - 31 December 2021, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("the Financial Statements").

Basis for Opinion

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

Statement on Management's Review

Management is responsible for Management's Review.

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

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

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

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

Management's responsibilities for the Financial Statements

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

Independent Auditor's Report

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

Auditor's responsibilities for the audit of the Financial Statements

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

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

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

We communicate with those charged with governance regarding, among other matters, the planned

Independent Auditor's Report

scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Hellerup, 14 March 2022

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Tue Stensgård Sørensen
statsautoriseret revisor
mne32200

Thomas Lauritsen
statsautoriseret revisor
mne34342

Company Information

The Company

WSP Arctic A/S
Industrivej 31
Postboks 819
DK-3905 Nuussuaq

CVR No: 12 62 03 14

Financial period: 1 January - 31 December

Municipality of reg. office: Kommuneqarfik Sermersooq

Board of Directors

Per Møller-Jensen, Chairman
Rene Moustgaard Kræmer

Executive Board

Rene Moustgaard Kræmer

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
DK-2900 Hellerup

Bankers

Grønlandsbanken

Management's Review

Key activities

WSP Arctic A/S is a consulting engineering company with offices in Greenland. The company works with sustainable solutions for the benefit of customers and the Arctic community. A core value of WSP Arctic A/S is to develop solutions locally in cooperation with customers, colleagues and other stakeholders in the market. In this way, we create jobs and retain knowledge locally. In collaboration with the parent company and with colleagues in the industry, WSP Arctic A/S works across disciplines:

- Building and Construction
- Environment, Nature and Climate
- Software systems and Computer Science

Development in the year

The income statement of the Company for 2021 shows a loss of DKK 3,032,203, and at 31 December 2021 the balance sheet of the Company shows equity of DKK 7,939,744.

The negative result is a direct consequence of a managerial decision made in the late summer of 2021 to wind up its physical presence in Greenland and, thus, discontinue its activities in WSP Arctic A/S. This decision was made as it proved difficult to create stable operations along with growth in the market. WSP still expects to continue its activities in Greenland. When all ongoing activities have been completed, the company will enter into liquidation.

The winding up of activities in WSP Arctic A/S has proceeded as a controlled closure, where all employees have been moved to other employment and tasks have been completed or transferred to the legal entity of WSP Danmark A/S. In connection with the closure, all creditors will be paid. The company WSP Arctic A/S will, over a period of time in 2022, continue.

Uncertainty relating to recognition and measurement

Recognition and measurement in the Annual Report have not been subject to any uncertainty.

Unusual events

The company's assets, liabilities and financial position as of 31 December 2021 as well as the result of the company's activities for 2021 are affected by the closure of activities.

Subsequent events

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

Income Statement 1 January - 31 December

	Note	2021 DKK	2020 DKK
Revenue		10.429.588	19.082.748
Other operating income		477.988	482.489
Other external expenses		<u>-8.345.974</u>	<u>-9.782.016</u>
Gross profit/loss		2.561.602	9.783.221
Staff expenses	2	-6.748.112	-8.593.010
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment	3	-28.732	-66.885
Other operating expenses		<u>-13.600</u>	<u>0</u>
Profit/loss before financial income and expenses		-4.228.842	1.123.326
Financial income	4	147.387	41.059
Financial expenses	5	<u>-7.936</u>	<u>-132.555</u>
Profit/loss before tax		-4.089.391	1.031.830
Tax on profit/loss for the year	6	<u>1.057.188</u>	<u>221.835</u>
Net profit/loss for the year		<u>-3.032.203</u>	<u>1.253.665</u>

Distribution of profit

Proposed distribution of profit

Retained earnings		<u>-3.032.203</u>	<u>1.253.665</u>
		<u>-3.032.203</u>	<u>1.253.665</u>

Balance Sheet 31 December

Assets

	<u>Note</u>	<u>2021</u> DKK	<u>2020</u> DKK
Other fixtures and fittings, tools and equipment		28.697	63.712
Leasehold improvements		<u>0</u>	<u>10.600</u>
Property, plant and equipment	7	<u>28.697</u>	<u>74.312</u>
Fixed assets		<u>28.697</u>	<u>74.312</u>
Trade receivables		1.240.541	3.227.350
Contract work in progress	8	0	550.247
Receivables from group enterprises		8.743.258	10.040.984
Other receivables		8.645	152.083
Prepayments		<u>0</u>	<u>14.871</u>
Receivables		<u>9.992.444</u>	<u>13.985.535</u>
Cash at bank and in hand		<u>863.877</u>	<u>1.630.503</u>
Currents assets		<u>10.856.321</u>	<u>15.616.038</u>
Assets		<u>10.885.018</u>	<u>15.690.350</u>

Balance Sheet 31 December

Liabilities and equity

	<u>Note</u>	<u>2021</u> DKK	<u>2020</u> DKK
Share capital		700.000	700.000
Retained earnings		<u>7.239.744</u>	<u>10.271.947</u>
Equity		<u>7.939.744</u>	<u>10.971.947</u>
Provision for deferred tax		<u>945.613</u>	<u>2.751.828</u>
Provisions		<u>945.613</u>	<u>2.751.828</u>
Trade payables		184.052	391.781
Contract work in progress, liabilities	8	0	230.983
Payables to group enterprises		225.774	137.711
Corporation tax		749.027	0
Other payables		<u>840.808</u>	<u>1.206.100</u>
Short-term debt		<u>1.999.661</u>	<u>1.966.575</u>
Debt		<u>1.999.661</u>	<u>1.966.575</u>
Liabilities and equity		<u>10.885.018</u>	<u>15.690.350</u>
Subsequent events	1		
Contingent assets, liabilities and other financial obligations	9		
Related parties	10		
Accounting Policies	11		

Statement of Changes in Equity

	<u>Share capital</u> DKK	<u>Retained earnings</u> DKK	<u>Total</u> DKK
Equity at 1 January	700.000	10.271.947	10.971.947
Net profit/loss for the year	0	-3.032.203	-3.032.203
Equity at 31 December	700.000	7.239.744	7.939.744

Notes to the Financial Statements

1 Subsequent events

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

	<u>2021</u> DKK	<u>2020</u> DKK
2 Staff expenses		
Wages and salaries	6.548.637	8.196.039
Other social security expenses	74.565	144.762
Other staff expenses	124.910	252.209
	<u>6.748.112</u>	<u>8.593.010</u>
Average number of employees	<u>13</u>	<u>16</u>
3 Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		
Depreciation of property, plant and equipment	28.732	66.885
	<u>28.732</u>	<u>66.885</u>
4 Financial income		
Interest received from group enterprises	118.600	40.984
Other financial income	0	75
Exchange gains	28.787	0
	<u>147.387</u>	<u>41.059</u>
5 Financial expenses		
Other financial expenses	7.936	57.708
Exchange loss	0	74.847
	<u>7.936</u>	<u>132.555</u>

Notes to the Financial Statements

	2021 DKK	2020 DKK
6 Tax on profit/loss for the year		
Current tax for the year	749.027	0
Deferred tax for the year	-1.806.215	273.775
Adjustment of deferred tax concerning previous years	0	-495.610
	-1.057.188	-221.835

The adjustment of deferred tax concerning previous years relates to the decrease in the corporation tax percentages from 30% plus 6% in surcharge to 25% plus 6% in surcharge with effect from 1 January 2020.

7 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK	Leasehold improvements DKK
Cost at 1 January	372.737	208.940
Disposals for the year	-330.741	-208.940
Cost at 31 December	41.996	0
Impairment losses and depreciation at 1 January	309.025	198.340
Depreciation for the year	18.132	10.600
Reversal of impairment and depreciation of sold assets	-313.858	-208.940
Impairment losses and depreciation at 31 December	13.299	0
Carrying amount at 31 December	28.697	0

	2021 DKK	2020 DKK
8 Contract work in progress		
Selling price of work in progress	0	27.095.660
Payments received on account	0	-26.776.396
	0	319.264
Recognised in the balance sheet as follows:		
Contract work in progress recognised in assets	0	550.247
Prepayments received recognised in debt	0	-230.983
	0	319.264

Notes to the Financial Statements

9 Contingent assets, liabilities and other financial obligations

As of December 2021 there are no contingent liabilities and other financial obligations.

10 Related parties

Consolidated Financial Statements

The Company is included in the Group Annual Report of:

<u>Name</u>	<u>Place of registered office</u>
WSP Danmark A/S	Taastrup

Notes to the Financial Statements

11 Accounting Policies

The Annual Report of WSP Arctic A/S for 2021 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2021 are presented in DKK.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Leases

Leases in terms of which the Company assumes substantially all the risks and rewards of ownership (finance leases) are recognised in the balance sheet at the lower of the fair value of the leased asset and the net present value of the lease payments computed by applying the interest rate implicit in the lease or an alternative borrowing rate as the discount rate. Assets acquired under finance leases are depreciated and written down for impairment under the same policy as determined for the other fixed assets of the Company.

The remaining lease obligation is capitalised and recognised in the balance sheet under debt, and the interest element on the lease payments is charged over the lease term to the income statement.

All other leases are considered operating leases. Payments made under operating leases are recognised in the income statement on a straight-line basis over the lease term.

Notes to the Financial Statements

11 Accounting Policies (continued)

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

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

Income Statement

Revenue

Revenue from the sale of goods is recognised when the risks and rewards relating to the goods sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Company.

Contract work in progress (construction contracts) is recognised at the rate of completion, which means that revenue equals the selling price of the work completed for the year (percentage-of-completion method). This method is applied when total revenues and expenses in respect of the contract and the stage of completion at the balance sheet date can be measured reliably, and it is probable that the economic benefits, including payments, will flow to the Company. The stage of completion is determined on the basis of the ratio between the expenses incurred and the total expected expenses of the contract.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

Other external expenses

Other external expenses comprise indirect production costs and expenses for premises, sales and distribution as well as office expenses, etc.

Staff expenses

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

Notes to the Financial Statements

11 Accounting Policies (continued)

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Company, including gains and losses on the sale of intangible assets and property, plant and equipment.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

The Company is jointly taxed with wholly owned Danish and foreign subsidiaries. The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes.

Balance Sheet

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Other fixtures and fittings, tools and equipment	3-8	years
--	-----	-------

The fixed assets' residual values are determined at nil.

Depreciation period and residual value are reassessed annually.

Notes to the Financial Statements

11 Accounting Policies (continued)

Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

If so, the asset is written down to its lower recoverable amount.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

Contract work in progress

Contract work in progress is measured at selling price of the work performed calculated on the basis of the stage of completion. The stage of completion is measured by the proportion that the contract expenses incurred to date bear to the estimated total contract expenses. Where it is probable that total contract expenses will exceed total revenues from a contract, the expected loss is recognised as an expense in the income statement.

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

Payments received on account are set off against the selling price. The individual contracts are classified as receivables when the net selling price is positive and as liabilities when the net selling price is negative.

Expenses relating to sales work and the winning of contracts are recognised in the income statement as incurred.

Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Notes to the Financial Statements

11 Accounting Policies (continued)

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

Current tax receivables and liabilities

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

Financial debts

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