Erria A/S

Torvet 21, 1. sal., DK-4600 Køge

Annual Report for 1 January - 31 December 2020

CVR No 15 30 05 74

The Annual Report was presented and adopted at the Annual General Meeting of the Company on 8 /4 2021

Søren Storgaard
Chairman of the General Meeting

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Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Erria A/S for the financial year 1 January - 31 December 2020.

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

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.

Køge, 18 March 2021

Executive Board

Henrik Normann Andersen
Executive Officer

Board of Directors

Søren Storgaard Chairman	Peter Kristian Ellegaard Deputy Chairman	Kristian Svarrer

Independent Auditor's Report

To the Shareholders of Erria 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 2020 and of the results of the Company's operations for the financial year 1 January - 31 December 2020 in accordance with the Danish Financial Statements Act.

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

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

Other Matter
The Company has described capital resources and going concern in note 1. We refer to the description in note 1.

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.

Independent Auditor's Report

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.

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

Hellerup, 18 March 2021
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Flemming Eghoff
State Authorised Public Accountant
mne30221

Morten Jørgensen
State Authorised Public Accountant
mne32806

Company Information

The Company	Erria A/S Torvet 21, 1. sal. DK-4600 Køge Telephone: + 45 +45 3336 4400 Facsimile: + 45 +45 3336 4401 E-mail: info@erria.dk Website: www.erria.dk CVR No: 15 30 05 74 Financial period: 1 January - 31 December Municipality of reg. office: Køge
Board of Directors	Søren Storgaard, Chairman Peter Kristian Ellegaard Kristian Svarrer
Executive Board	Henrik Normann Andersen
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 DK-2900 Hellerup

Management's Review

Financial Statements of Erria A/S for 2020 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

Key activities

The company's purpose is to operate shipping companies, including technical management as well as trading and financing in Denmark and abroad, as well as holding shares in other companies.

Development in the year

The income statement of the Company for 2020 shows a profit of TDKK 611, and at 31 December 2020 the balance sheet of the Company shows negative equity of TDKK 10,182.

The past year and follow-up on development expectations from last year

Erria's revenue amounted to DKK 20.4 million in 2020 compared to a revenue of 25.4 million in 2019.

The decline in revenue is due to a customer in the ship management division having sold its ships, whereby the business no longer exists.

Erria realized an EBITDA of DKK 0.6 mio. compared to DKK -1.1 mio. in 2019.

The overall result for the year was in line with the company's expectations.

Capital resources

For information on the company's capital resources, we refer to note 1.

Targets and expectations for the year ahead

The Offshore Personnel Specialist segment (OPS) continues to develop positively. The company's 2021 focus is on growth opportunities and earnings are expected to increase as a result the growing Offshore Cable industry.

The Marine Warranty Survey segment (MWS) started in June 2020 continues to develop positively and is expected to result in more tasks during 2021.

Erria will in 2021 focus on strengthening the business segment "Erria Container Service" (ECS) but due to the uncertainty related to COVID-19 virus expects to realize an EBITDA of around DKK 0 million.

Despite uncertainty due to the COVID-19 virus, Erria A/S expects total revenue to amount to DKK 18-20 million and a EBITDA of DKK plus/minus DKK 1 million in 2021 excl. results related to ECS.

Management's Review

External environment

As far as the activities in Denmark are concerned, there are no significant environmental impacts.

In ECS, there is an ongoing focus on safety, working environment and waste management and the company is a leader within the industry in Vietnam.

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	2020 TDKK	2019 TDKK
Gross profit/loss		**17.086**	**14.146**
Staff expenses	3	-16.527	-15.274
Resultat før afskrivninger		**559**	**-1.128**
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment	4	-31	-52
Impairment of current assets		0	-503
Profit/loss before financial income and expenses		**528**	**-1.683**
Income from investments in subsidiaries		350	-380
Financial income	5	42	231
Financial expenses	6	-309	-541
Profit/loss before tax		**611**	**-2.373**
Tax on profit/loss for the year	7	0	-65
Net profit/loss for the year		**611**	**-2.438**

Distribution of profit

Proposed distribution of profit

Retained earnings	611	-2.438
	611	**-2.438**

Balance Sheet 31 December

Assets

	Note	2020	2019
		TDKK	TDKK
Other fixtures and fittings, tools and equipment		30	52
Leasehold improvements		66	76
Property, plant and equipment	8	**96**	**128**
Investments in subsidiaries	9	7.138	7.138
Receivables from group enterprises		2.000	2.000
Fixed asset investments		**9.138**	**9.138**
Fixed assets		**9.234**	**9.266**
Inventories		**0**	**100**
Trade receivables		2.764	1.116
Receivables from group enterprises		205	202
Other receivables		104	21
Prepayments		120	79
Receivables		**3.193**	**1.418**
Cash at bank and in hand		**212**	**45**
Currents assets		**3.405**	**1.563**
Assets		**12.639**	**10.829**

Balance Sheet 31 December

Liabilities and equity

	Note	2020 TDKK	2019 TDKK
Share capital		9.242	9.242
Retained earnings		-19.424	-20.034
Equity		**-10.182**	**-10.792**
Credit institutions		3.750	3.750
Convertible and profit-yielding instruments of debt		1.491	1.486
Other payables		0	104
Long-term debt	10	**5.241**	**5.340**
Credit institutions	10	12.829	13.467
Trade payables		1.878	1.673
Payables to group enterprises		0	4
Other payables	10	2.873	1.137
Short-term debt		**17.580**	**16.281**
Debt		**22.821**	**21.621**
Liabilities and equity		**12.639**	**10.829**
Going concern	1		
Subsequent events	2		
Contingent assets, liabilities and other financial obligations	11		
Accounting Policies	12		

Statement of Changes in Equity

	Share capital	Retained earnings	Total
	TDKK	TDKK	TDKK
Equity at 1 January	9.242	-20.035	-10.793
Net profit/loss for the year	0	611	611
Equity at 31 December	**9.242**	**-19.424**	**-10.182**

Notes to the Financial Statements

1 Going concern

The company has a negative equity of DKK 10.2 million and an interest-bearing debt that amounts to DKK 18.1 million at 31 December 2020 of which DKK 12.8 million is short-term debt and DKK 5.3 million is long-term debt.

The company has prepared a monthly budget for 2021 based on current customers and the existing business activities which shows a net loss of DKK 0.4 million.

The company's credit institutions have confirmed that they will maintain the existing credit facilities up to and including 31 December 2021 on the assumption that concluded/existing agreements are met, including the company’s budget for 2021 etc. Further, the company's credit institutions have indicated that they are positive about temporary short-term expansions of the company's credit facilities of up to DKK 1.0 million around month-end closings, provided that the monthly 2021-budget is met.

Based on the indications from the company's credit institutions, management has assessed the liquidity and concluded that no material uncertainty exists which may cast significant doubt on the Company’s ability to continue as a going concern in 2021.

The company has a negative equity of DKK 10.2 million at 31 December 2020. Management has ongoing discussions with the company's credit institutions regarding new activities or potential sale of assets which can ensure a reestablishment of the company's equity over a period of time.

2 Subsequent events

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

3 Staff expenses

	2020	2019
	TDKK	TDKK
Wages and salaries	15.765	14.623
Pensions	646	437
Other social security expenses	56	49
Other staff expenses	60	165
	16.527	**15.274**
Including remuneration to the Executive Board and Board of Directors of:		
Executive Board	1.602	1.964
Supervisory Board	120	606
	1.722	**2.570**
Average number of employees	**17**	**19**

Notes to the Financial Statements

		2020	2019
		TDKK	TDKK
4	**Depreciation, amortisation and impairment of intangible assets and property, plant and equipment**		
	Depreciation of property, plant and equipment	31	22
	Gain and loss on disposal	0	30
		31	**52**

5	**Financial income**		
	Other financial income	42	10
	Exchange gains	0	221
		42	**231**

6	**Financial expenses**		
	Impairment losses on financial assets	0	-1
	Other financial expenses	265	409
	Exchange loss	44	133
		309	**541**

Notes to the Financial Statements

	2020	2019
	TDKK	TDKK
7 Tax on profit/loss for the year		
Current tax for the year	0	65
	0	**65**

8 Property, plant and equipment

	Other fixtures and fittings, tools and equipment	Leasehold improvements
	TDKK	TDKK
Cost at 1 January	300	555
Cost at 31 December	300	555
Impairment losses and depreciation at 1 January	249	479
Depreciation for the year	21	10
Impairment losses and depreciation at 31 December	270	489
Carrying amount at 31 December	**30**	**66**

Notes to the Financial Statements

	2020	2019
	TDKK	TDKK
9 Investments in subsidiaries		
Cost at 1 January	7.138	7.138
Carrying amount at 31 December	**7.138**	**7.138**

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Votes and ownership
Erria Container Services Ltd.	Vietnam	100%

Notes to the Financial Statements

10 Long-term debt

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

The debt falls due for payment as specified below:

	2020	2019
	TDKK	TDKK
Credit institutions		
Between 1 and 5 years	3.750	3.750
Long-term part	3.750	3.750
Other short-term debt to credit institutions	12.829	13.467
	16.579	**17.217**
Convertible and profit-yielding instruments of debt		
Between 1 and 5 years	1.491	1.486
Long-term part	1.491	1.486
Within 1 year	0	0
	1.491	**1.486**
Other payables		
Between 1 and 5 years	0	104
Long-term part	0	104
Other short-term payables	2.873	1.137
	2.873	**1.241**

Notes to the Financial Statements

		2020	2019
		TDKK	TDKK
11	**Contingent assets, liabilities and other financial obligations**		
	Charges and security		
	The following assets have been placed as security with bankers:		
	The company has placed fixed assets investments with a total carrying value of kDKK 9,138 as security for debt to credit institutions.	9.138	9.138
	Rental and lease obligations		
	Rental obligations, uncallable for 6 months	129	125

Notes to the Financial Statements

12 Accounting Policies

The Annual Report of Erria A/S for 2020 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2020 are presented in TDKK.

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

All 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.

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.

Notes to the Financial Statements

12 Accounting Policies (continued)

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

Income Statement

Revenue

Revenue from the sale of goods and services are recognised when the risks and rewards relating to the goods and services 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.

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

Expenses for consumables

Expenses for consumables comprise the consumables consumed to achieve revenue for the year.

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.

Amortisation, depreciation and impairment losses

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

Income from investments in subsidiaries

Dividends from subsidiaries are recognised as income in the income statement when adopted at the General Meeting of the subsidiary. However, dividends relating to earnings in the subsidiary before it was acquired by the Parent Company are set off against the cost of the subsidiary.

Financial income and expenses

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

Notes to the Financial Statements

12 Accounting Policies (continued)

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.

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	4-10	years
Leasehold improvements	3-10	years

Depreciation period and residual value are reassessed annually.

Assets costing less than DKK 30,000 are expensed in the year of acquisition.

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.

Investments in subsidiaries

Investments in subsidiaries are measured at cost. Where cost exceeds the recoverable amount, write-down is made to this lower value.

Inventories

Inventories are measured at the lower of cost under the FIFO method and net realisable value.

The net realisable value of inventories is calculated at the amount expected to be generated by sale of the

Notes to the Financial Statements

12 Accounting Policies (continued)

inventories in the process of normal operations with deduction of selling expenses. The net realisable value is determined allowing for marketability, obsolescence and development in expected selling price.

The cost of raw materials and consumables equals landed cost.

Receivables

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

Prepayments

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.

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.

Notes to the Financial Statements

12 Accounting Policies (continued)

Financial debts

Loans, such as mortgage loans and loans from credit institutions, are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost; the difference between the proceeds and the nominal value is recognised as an interest expense in the income statement over the loan period.

Mortgage loans are measured at amortised cost, which for cash loans corresponds to the remaining loan. Amortised cost of debenture loans corresponds to the remaining loan calculated as the underlying cash value of the loan at the date of raising the loan adjusted for depreciation of the price adjustment of the loan made over the term of the loan at the date of raising the loan.

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