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ESBJERG MARITIME SERVICE APS
LILLEBÆLTSVEJ 37, 6715 ESBJERG N
ANNUAL REPORT
1 JUNE 2021 - 31 MAY 2022

**The Annual Report has been presented and
adopted at the Company's Annual General
Meeting on 4 October 2022**

Kenneth Sandal Hagelskjær

The English part of this document is an unofficial translation of the original Danish text, and in case of any discrepancy between the Danish text and the English translation, the Danish text shall prevail.

CVR NO. 33 38 79 97

CONTENTS

	Page
Company Details	
Company Details.....	3
Statement and Report	
Management's Statement.....	4
Independent Auditor's Report.....	5-6
Management Commentary	
Management Commentary.....	7
Financial Statements 1 June 2021 - 31 May 2022	
Income Statement.....	8
Balance Sheet.....	9-10
Equity.....	11
Notes.....	12-14
Accounting Policies.....	15-18

COMPANY DETAILS

Company	Esbjerg Maritime Service ApS Lillebæltsvej 37 6715 Esbjerg N CVR No.: 33 38 79 97 Established: 3 January 2011 Municipality: Esbjerg Financial Year: 1 June 2021 - 31 May 2022
Executive Board	Kenneth Sandal Hagelskjær
Auditor	BDO Statsautoriseret revisionsaktieselskab John Tranums Vej 23, 1. sal 6705 Esbjerg Ø
Bank	Sydbank Kongensgade Kongensgade 6701 Esbjerg Sydbank Rathausplatz 11 24937 Flensburg, Tyskland

MANAGEMENT'S STATEMENT

Today the Executive Board have discussed and approved the Annual Report of Esbjerg Maritime Service ApS for the financial year 1 June 2021 - 31 May 2022.

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

In my opinion the Financial Statements give a true and fair view of the Company's assets, liabilities and financial position at 31 May 2022 and of the results of the Company's operations for the financial year 1 June 2021 - 31 May 2022.

The Management Commentary includes in my opinion a fair presentation of the matters dealt with in the Commentary.

I recommend the Annual Report be approved at the Annual General Meeting.

Esbjerg, 4 October 2022

Executive Board

Kenneth Sandal Hagelskjær

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Esbjerg Maritime Service ApS

Opinion

We have audited the Financial Statements of Esbjerg Maritime Service ApS for the financial year 1 June 2021 - 31 May 2022, which comprise income statement, Balance Sheet, statement of changes in equity, notes and a summary of significant accounting policies. The Financial Statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the Financial Statements give a true and fair view of the assets, liabilities and financial position of the Company at 31 May 2022 and of the results of the Company's operations for the financial year 1 June 2021 - 31 May 2022 in accordance with the Danish Financial Statements Act.

Basis for Opinion

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

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 judgment and maintain professional skepticism 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.

INDEPENDENT AUDITOR'S REPORT

- 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.

Statement on Management Commentary

Management is responsible for Management Commentary.

Our opinion on the Financial Statements does not cover Management Commentary, 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 Commentary and, in doing so, consider whether Management Commentary 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 Commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that Management Commentary 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 of Management Commentary.

Esbjerg, 4 October 2022

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CVR no. 20 22 26 70

Dorte Larsen
State Authorised Public Accountant
MNE no. mne26694

MANAGEMENT COMMENTARY

Principal activities

The principal activities comprise are trading, consulting and production in the oil and gas, maritime, renewable energy and construction industries.

Significant events after the end of the financial year

No events have occurred after the end of the financial year of material importance for the Company's financial position.

INCOME STATEMENT 1 JUNE - 31 MAY

	Note	2021/22 DKK	2020/21 DKK '000
GROSS PROFIT	1	45.531.093	39.794
Staff costs.....	2	-40.518.358	-32.027
Depreciation, amortisation and impairment losses.....		-2.847.932	-2.208
OPERATING PROFIT		2.164.803	5.559
Other financial income.....	3	201.054	218
Other financial expenses.....		-292.567	-223
PROFIT BEFORE TAX		2.073.290	5.554
Tax on profit/loss for the year.....	4	-475.350	-1.244
PROFIT FOR THE YEAR		1.597.940	4.310
PROPOSED DISTRIBUTION OF PROFIT			
Proposed dividend for the year.....		0	2.800
Retained earnings.....		1.597.940	1.510
TOTAL		1.597.940	4.310

BALANCE SHEET AT 31 MAY

ASSETS	Note	2022 DKK	2021 DKK '000
Goodwill.....		0	0
Intangible assets.....	5	0	0
Other plants, machinery, tools and equipment.....		16.183.007	6.971
Leasehold improvements.....		489.731	275
Property, plant and equipment.....	6	16.672.738	7.246
Rent deposit and other receivables.....		812.314	799
Financial non-current assets.....	7	812.314	799
NON-CURRENT ASSETS.....		17.485.052	8.045
Raw materials and consumables.....		236.011	108
Inventories.....		236.011	108
Trade receivables.....		18.892.201	9.834
Contract work in progress.....	8	11.663.990	7.798
Receivables from group enterprises.....		10.880.807	11.028
Other receivables.....		56.515	1.045
Corporation tax receivable.....		427.998	0
Prepayments and accrued income.....		1.192.765	591
Receivables.....		43.114.276	30.296
Cash and cash equivalents.....		1.676	1
CURRENT ASSETS.....		43.351.963	30.405
ASSETS.....		60.837.015	38.450

BALANCE SHEET AT 31 MAY

EQUITY AND LIABILITIES	Note	2022 DKK	2021 DKK '000
Share capital.....		80.000	80
Retained earnings.....		13.848.757	12.251
Proposed dividend.....		0	2.800
EQUITY.....		13.928.757	15.131
Provision for deferred tax.....		1.566.589	663
PROVISIONS.....		1.566.589	663
Lease liabilities.....		9.780.379	3.210
Corporation tax.....		0	1.270
Holiday allowance Frozen.....		918.803	1.034
Non-current liabilities.....	9	10.699.182	5.514
Bank debt.....		10.273.576	330
Lease liabilities.....		2.232.128	850
Contract work in progress.....	8	5.434.889	1.303
Trade payables.....		5.701.654	5.130
Payables to group enterprises.....		8.398	24
Corporation tax.....		1.269.851	588
Other liabilities.....		9.721.991	8.917
Current liabilities.....		34.642.487	17.142
LIABILITIES.....		45.341.669	22.656
EQUITY AND LIABILITIES.....		60.837.015	38.450
 Contingencies etc.	 10		
Charges and securities	11		

EQUITY

	Share capital	Retained earnings	Proposed dividend	Total
Equity at 1 June 2021.....	80.000	12.250.817	2.800.000	15.130.817
Proposed profit allocation.....		1.597.940		1.597.940
Transactions with owners				
Dividend paid.....			-2.800.000	-2.800.000
Equity at 31 May 2022.....	80.000	13.848.757	0	13.928.757

NOTES

			Note
Special items			1
	2021/22 DKK	2020/21 DKK '000	
Compensation.....	439.865	0	
	439.865	0	
Staff costs			2
Average number of employees	60	49	
Wages and salaries.....	34.004.826	27.157	
Pensions.....	4.237.119	3.281	
Social security costs.....	973.786	732	
Other staff costs.....	1.302.627	857	
	40.518.358	32.027	
Other financial income			3
Group enterprises.....	197.607	214	
Other interest income.....	3.447	4	
	201.054	218	
Tax on profit/loss for the year			4
Calculated tax on taxable income of the year.....	-427.998	1.270	
Adjustment of deferred tax.....	903.348	-26	
	475.350	1.244	
Intangible assets			5
		Goodwill	
Cost at 1 June 2021.....		67.900	
Cost at 31 May 2022.....		67.900	
Amortisation at 1 June 2021.....		67.900	
Amortisation at 31 May 2022.....		67.900	
Carrying amount at 31 May 2022.....		0	

NOTES

		Note
Property, plant and equipment		6
	Other plants, machinery, tools and equipment	Leasehold improvements
Cost at 1 June 2021.....	13.036.750	867.736
Additions.....	12.978.900	356.043
Disposals.....	-1.151.198	-30.000
Cost at 31 May 2022.....	24.864.452	1.193.779
Depreciation and impairment losses at 1 June 2021.....	6.065.743	593.094
Reversal of depreciation of assets disposed of.....	-121.276	0
Depreciation for the year.....	2.736.978	110.954
Depreciation and impairment losses at 31 May 2022.....	8.681.445	704.048
Carrying amount at 31 May 2022.....	16.183.007	489.731
Finance lease assets.....	11.990.016	
Financial non-current assets		7
		Rent deposit and other receivables
Cost at 1 June 2021.....		798.676
Additions.....		13.638
Cost at 31 May 2022.....		812.314
Carrying amount at 31 May 2022.....		812.314
	2022	2021
	DKK	DKK '000
Contract work in progress		8
Sales value of completed work.....	46.242.670	21.719
Progress invoicing/advances received.....	-40.013.569	-15.224
Contract work in progress, net.....	6.229.101	6.495
Engelsk		
Contract work in progress (asset).....	11.663.990	7.798
Contract work in progress (liability).....	-5.434.889	-1.303
	6.229.101	6.495

NOTES

Note

Long-term liabilities

9

	31/5 2022 total liabilities	Repayment next year	Debt outstanding after 5 years	31/5 2021 total liabilities
Lease liabilities.....	12.012.507	2.232.128	0	4.060.547
Corporation tax.....	0	0	0	1.269.940
Holiday allowance Frozen.....	918.803	0	0	1.035.157
	12.931.310	2.232.128	0	6.365.644

Contingencies etc.

10

Contingent liabilities

The company has entered an operating lease agreement with an average annual lease payment of 553 tkr.

The leasing contract has a remaining maturity of 1-59 months with a total residual lease payment of 1.244 tkr.

The company has entered a rent obligation, which at the balance sheet date amounts to 14.216 tkr. during the noncancellation period.

The company has given the guarantee of payment for bank debts in affiliated companies. The debt to the bank amounts to 34.690 tkr. on may 31, 2022.

The company has provided work guarantees for a total of 219 tkr.

Esbjerg Maritime Service ApS is part in an ongoing lawsuit. It is after management and independent third party review and assessment, that the outcome of this lawsuit will not affect the company's financial position significantly

Joint liabilities

The Company is jointly and severally liable together with the Parent Company and the other group companies in the joint taxable group for tax on the group's joint taxable income and for certain possible withholding taxes, such as dividend tax, etc.

Tax payable on the Group's joint taxable income is stated in the annual report of K. Hagelskjær Holding ApS, which serves as management Company for the joint taxation.

Charges and securities

11

For bank debt security of 10.274 tkr. the company has placed a floating charge on 5.000 tkr. The

floating charge incorporates the following assets whose carrying amount on the balance sheet date represents:

	T.DKK
Other plants, machinery, tools and equipment.....	16.673
Inventories.....	236
Trade receivables.....	18.892

ACCOUNTING POLICIES

The Annual Report of Esbjerg Maritime Service ApS for 2021/22 has been presented in accordance with the provisions of the Danish Financial Statements Act for enterprises in reporting class B and certain provisions applying to reporting class C.

The Annual Report is prepared consistently with the accounting principles applied last year.

Changes due to changed presentation

In the annual report for 2021, income from salary refunds was offset against personnel costs, which was not in agreement with the gross principle in the Danish Financial Statements Act. Salary refunds was supposed to be included in the accounting item "Other operating income"

There is a changed presentation incorporated into the comparative figures in the annual report for 2022 and causes the accounting item "Other operating income" in the income statement to be increased by 661.000 dkk and the accounting item "personnel costs" has been increased by 661.000 dkk. The changed presentation has no effect on the results for 2021. The equity and the balance sheet total for 2021 are not affected.

INCOME STATEMENT

Net revenue

Net revenue from the sale of merchandise and finished goods is recognised in the Income Statement if supply and risk transfer to purchaser has taken place before the end of the year and if the income can be measured reliably and is expected to be received.

Where products with a high degree of individual adjustment are delivered, recognition in net revenue is made as and when the production progresses, the net revenue being equal to the sales value of the work performed for the year (the production method). This method is applied when the total income and expenses regarding the contract and the degree of completion at the Balance Sheet date can be reliably assessed, and it is likely that the financial benefits will flow to the Company.

Net revenue is recognised exclusive of VAT and less duties and discounts related to the sale.

Other operating income

Other operating income includes items of a secondary nature in relation to the enterprises' principal activities, including salary refunds. Compensations are recognised when the income is estimated to be realisable.

Cost of sales

Cost of sales comprise costs incurred to achieve the net revenue for the year, including direct and indirect costs of raw materials and consumables.

Other external expenses

Other external expenses include other production, sales, delivery and administrative costs, including costs of energy, marketing, premises, loss on bad debts, operating lease expenses, etc

Payments related to operating lease expenses and other lease agreements are recognised in the Income Statement over the contract period. The Company's total liability concerning operating and other lease agreements are stated under contingencies, etc.

Staff costs

Staff costs comprise wages and salaries, including holiday pay and pensions, and other costs of social security etc., for the Company's employees.

ACCOUNTING POLICIES

Financial income and expenses

Financial income and expenses include interest income and expenses, financial expenses of finance leases, realised and unrealised gains and losses arising from securities, debt and transactions in foreign currencies, as well as charges and allowances under the tax-on-account scheme, etc. Financial income and expenses are recognised by the amounts that relate to the financial year. Interest income and expenses are calculated on amortised cost prices.

Tax

The tax for the year, which consists of the current tax for the year and changes in deferred tax, is recognised in the Income Statement by the share that may be attributed to the profit for the year, and is recognised directly in equity by the share that may be attributed to entries directly to equity.

BALANCE SHEET

Intangible fixed assets

Acquired goodwill is measured at cost less accumulated amortisation. Goodwill is amortised on a straight-line basis over the expected useful life which is estimated to 5 years. The period of amortisation is determined based on an assessment of the acquired Company’s position in the market and earnings profile, and the industry-specific conditions.

Patents and licences are measured at the lower of cost less accumulated amortisation and the recoverable amount. Patents are amortised over the remaining patent period and licences are amortised over the period of the agreement, however, no more than 8 years.

Profit or loss from sale of intangible fixed assets is calculated at the difference between the sales price and the carrying amount at the time of the sale. Profit and loss are recognised in the Income Statement under other operating income or other operating expenses.

Tangible fixed assets

Other plant, fixtures and equipment are measured at cost less accumulated depreciation and impairment losses.

The depreciation base is cost less estimated residual value after end of useful life.

The cost includes the acquisition price and costs incurred directly in connection with the acquisition until the time when the asset is ready to be used.

Straight-line depreciation is provided on the basis of an assessment of the expected useful lives of the assets and their residual value:

	Useful life	Residual value
Other plant, fixtures and equipment.....	2-10 years	0 %
Leasehold improvements.....	1-10 years	0 %

Profit or loss on sale of tangible fixed assets is stated as the difference between the sales price less selling costs and the carrying amount at the date of sale. Profit or loss is recognised in the Income Statement as other operating income or other operating expenses.

ACCOUNTING POLICIES

Lease contracts

Lease contracts relating to tangible fixed assets for which the Company bears all material risks and benefits attached to the ownership (finance lease, see IAS 17) are recognised as assets in the Balance Sheet. The assets are at the initial recognition measured at the lower of cost stated at fair value and the and present value of the future lease payments. The internal interest rate of the lease contract, or alternatively the Company's loan interest, is used as discounting factor when calculating the present value. Finance lease assets are hereafter treated as the Group's and the Company's other similar tangible fixed assets.

The capitalised residual lease liability is recognised in the Balance Sheet as a liability and the interest portion of the lease payment is recognised in the Income Statement over the contract period.

Financial non-current assets

Deposits include rental deposits which are recognised and measured at cost. Deposits are not depreciated.

Impairment of fixed assets

The carrying amount of tangible assets together with fixed assets, which are not measured at fair value,, are assessed annually for indications of impairment other than that reflected by amortisation and depreciation.

In the event of impairment indications, an impairment test is made for each asset or group of assets, respectively. If the recoverable amount is lower than the carrying amount, the asset is written down to the recoverable amount.

The recoverable amount is calculated at the higher of the capital value and the sales value less expected costs of a sale. The capital value is determined as the Company's share in the current value of the net cash flows which the subsidiary is expected to generate through its activities and from sale of assets after the end of their useful lives. A discount rate is used which reflects the risk-free market rate and the owners' minimum return on interest requirements for similar assets. The growth rate in the terminal period is determined in accordance with the standards within the industry.

Inventories

Inventories are measured at cost using the FIFO-principle. If the net realisable amount is lower than cost, the inventories are written down to the lower amount.

The cost of merchandise as well as raw materials and consumables is calculated at acquisition price with addition of transportation and similar costs.

The net realisable value of inventories is stated at the expected sales price less direct completion costs and costs incurred to execute the sale and is determined with due regard to marketability, obsolescence and development in expected sales price of the inventories.

Receivables

Receivables are measured at amortised cost which usually corresponds to nominal value. The value is written down to meet expected losses.

Contract work in progress

Work in progress on contract is measured at the sales value of the work performed. The sales value is measured on the basis of the degree of completion on the Balance Sheet date and the total anticipated revenue related to the specific piece of work in progress.

The specific piece of work in progress is recognised in the Balance Sheet as receivables or payables, depending on the net value of the selling price less progress invoicing and progress payments.

Costs relating to sales work and obtaining of contracts are recognised in the Income Statement as and when they are incurred.

ACCOUNTING POLICIES

Accruals, assets

Accruals recognised as assets include costs incurred relating to the subsequent financial year.

Tax payable and deferred tax

Current tax liabilities and receivable current tax are recognised in the Balance Sheet as the calculated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and taxes paid on account.

The Company is subject to joint taxation with Danish Group companies. The current corporation tax is distributed among the joint taxable companies in proportion to their taxable income and with full allocation and refund related to tax losses. The joint taxable companies are included in the tax-on-account scheme. Joint taxation contributions receivable and payable are recognised in the Balance Sheet under current assets and liabilities, respectively.

Deferred tax is measured on the temporary differences between the carrying amount and the tax value of assets and liabilities.

Deferred tax assets, including the tax value of tax loss carryforwards, are measured at the amount at which the asset is expected to be used within a reasonable number of years, either by setoff against tax on future earnings or by setoff 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 under the legislation in force on the Balance Sheet date will be applicable when the deferred tax is expected to crystallise as current tax. Any changes in the deferred tax resulting from changes in tax rates, are recognised in the income statement, except from items recognised directly in equity.

Liabilities

Financial liabilities are recognised at the time of borrowing by the amount of proceeds received less transaction costs. In subsequent periods, the financial liabilities are measured at amortised cost equal to the capitalised value when using the effective interest, the difference between the proceeds and the nominal value being recognised in the Income Statement over the loan period.

The amortised cost of current liabilities corresponds usually to the nominal value.