

Inter Terminals Denmark A/S

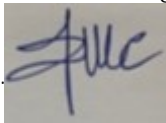
Holtengårdsvej 25, DK-4230 Skælskør

CVR no. 33 75 79 05

Annual report 2022

Approved at the Company's annual general meeting on 13 June 2023

Chair of the meeting:



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Statement by the Board of Directors and the Executive Board

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of Inter Terminals Denmark A/S for the financial year 1 January - 31 December 2022.

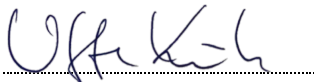
The annual report is prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2022 and of the results of the Company's operations for the financial year 1 January - 31 December 2022.

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

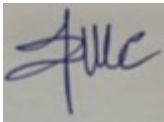
We recommend that the annual report be approved at the annual general meeting.

Copenhagen, 13 June 2023
Executive Board:



Carsten Uffe Kirk
Managing Director

Board of Directors:



Fernando Martinez Caro
Chairman



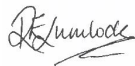
Hans Peder Krogh
Mortensen



Michael Holmstrøm
Alexandersen



Carsten Uffe Kirk



Rebecca Elizabeth Lumlock



André Franco Pena

Independent auditor's report

To the shareholder of Inter Terminals Denmark A/S

Opinion

We have audited the financial statements of Inter Terminals Denmark A/S for the financial year 1 January - 31 December 2022, which comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2022 and of the results of the Company's operations for the financial year 1 January - 31 December 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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.

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 as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements 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 the 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.

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 note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

Statement on the Management's review

Management is responsible for the Management's review.


Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

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

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

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of the Management's review.

Copenhagen, 13 June 2023
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28



Kaare K. Lendorf
State Authorised Public Accountant
mne33819

Management's review

Company details

Name	Inter Terminals Denmark A/S
Address, Postal code, City	Holtengårdsvej 25, DK-4230 Skælskør
CVR no.	33 75 79 05
Established	10 June 2011
Registered office	Slagelse
Financial year	1 January - 31 December
Website	www.interterminals.dk
E-mail	mail@interterminals.dk
Telephone	+45 24 66 43 53
Board of Directors	Fernando Martinez Caro, Chairman Hans Peder Krogh Mortensen Michael Holmstrøm Alexandersen Carsten Uffe Kirk Rebecca Elizabeth Lumlock André Franco Pena
Executive Board	Carsten Uffe Kirk, Managing Director
Auditors	EY Godkendt Revisionspartnerselskab Dirch Passers Allé 36, P.O. Box 250, 2000 Frederiksberg, Denmark

Management's review

Financial highlights

EUR'000	2022	2021	2020*	2019*	2018*
Key figures					
Revenue	33,635	45,639	46,934	29,326	22,321
Gross profit	24,087	36,287	38,209	22,296	15,415
Operating profit/loss	10,854	-122,144	20,780	-21,693	-6,210
Net financials	-1,380	-434	-8,906	-11,253	-11,100
Profit/loss for the year	7,967	-96,145	8,560	-26,727	-16,634
Balance sheet					
Total assets	188,016	213,954	328,969	322,974	361,228
Investments in property, plant and equipment	-9,631	-7,241	-7,855	-4,397	-4,421
Equity	166,733	178,766	289,911	114,651	142,330
Financial ratios					
Gross margin	71.6%	79.5%	81.4%	76.0%	69.1%
Return on assets	5.4%	-45.0%	6.4%	-6.3%	-1.7%
Return on equity	4.6%	-41.0%	4.2%	-20.8%	-11.7%
Other					
Average number of full-time employees	47	49	39	30	33

For terms and definitions, please see the accounting policies.

*The key figures for 2020, 2019, and 2018 have not been restated in accordance with the Danish Financial Statement Act and are presented under IFRS.

Management's review

Data ethics

Inter Terminals Denmark A/S has not assessed it as relevant to prepare specific policies with regards to data ethics. The Company emphasizes that the primary activities only consist of obtaining and maintaining data on a limited scale.

The Company maintains policies in regards to sensitive personal data which details what data is obtained as well as how the data is obtained, stored, utilized and shared. These policies are available at <https://interterminals.com/about-inter-terminals-tank-storage/data-protection/>

Business review

The Company's core activity is to operate an oil terminal business, including rental of tank capacity, storage and loading and unloading of products, as well as other business activity connected with this.

Unusual matters having affected the financial statements

During the year, the Company has adopted the provisions of the Danish Financial Statement Act for the presentation of the annual report. In previous year the annual reported was presented under the International Financial Reporting Standards (IFRS) as adopted by EU. The effect of this has been described in the accounting policies.

Financial review

The income statement for 2022 shows a profit of EUR 7,967 thousand against a loss of EUR 96,145 thousand last year, and the balance sheet at 31 December 2022 shows equity of EUR 166,733 thousand. Further, the Company reported a revenue of EUR 34,318 thousand. In the annual report for 2021, Management expected revenue in the range of EUR 25-30 million and an EBITDA in the range of EUR 10-15 million. The results for the year have exceeded Management's past expectation due to improved rental and product handling activity.

Statutory CSR report

At Inter Terminals Denmark A/S, we remain committed to conducting our business in a responsible and ethical manner. As part of the Inter Pipeline Group, we actively take part in the work performed by the Group to continue working towards a safe and healthy environment for all stakeholders. We refer to Inter Pipelines website for further details on Inter Pipelines work related to sustainability available at <https://interpipeline.com/sustainability/>.

Below, we have highlighted some key areas that we apply at Inter Terminals Denmark A/S. This section constitutes Inter Terminals Denmark A/S statutory statement on corporate responsibility, cf. section 99(a) of the Danish Financial Statement Act.

The business model of Inter Terminals is described above in the business review section management statement on page 7 of the annual report.

Environmental and climate impact

The Company's guiding principles in regard to the environmental impact is to strive to minimize the environmental impact of the operations and improve the efficient use of the Company's resources over time. Changes in legislation might bring significant costs or disruptions to operations if measures are not taken timely.

The Company's operations and facilities are managed in a manner that seeks to protect the health and safety of employees, contractors, the public and the environment, while complying with, and where appropriate, exceeding the applicable laws, regulations, industry standards and stakeholder expectations.

All of the Company's facilities satisfy all the requirements of the Seveso Directive, in the prevention of major accidents and should such accidents happen, to limit their consequences for human health and the environment. As an operator of Seveso sites, the Company has implemented the Seveso III requirements.

As part of the ongoing operations, the tanks and pipes are regularly inspected and tested for leakages and contaminations. Our goal is to maintain a leakage and contamination rate of 0%. In 2022 the Company unfortunately had one TIER 1 incident- loss of containment. The Company had a spill of 10 m3 fuel oil from tank F5 at the SGOT terminal and the goal was not obtained.

Management's review

Social and people

The health and safety of all individuals working at, and for, the Company is critical to the organization's success. The Company is dedicated to protecting the well-being of all its employees. An unsafe and unhealthy workplace can have a direct adverse impact on our employees, and can result in project disruptions for the Company which can increase costs or reduce performance.

In order to ensure the safety and well-being of all employees, the Company provides regular safety trainings and maintains up to date safety instructions and safety introduction videos that all employees and contractors are required to follow when being at the terminals in order to pre-emptively mitigate the risk of accidents and promote a safety culture.

The Company is subject to regular government inspections and further performs internal safety culture surveys with all employees.

In 2022, the Company were subject to 20 safety inspections and held 1 safety survey. As a result of the surveys and inspection, the Company identified areas of improvement but there were no critical matters. The Company will continue to work on improving safety regulations and safety culture going forward.

There was a total of 2 safety incidents at the terminals. None of the safety incidents were considered as lost-time incidents. The Company aims to have 0 accidents annually.

Human Rights

The Company is committed to conducting business in an ethical and responsible manner. Ethics remain important in attracting and retaining the qualified personnel to continue operations. If the Company is not operating ethically, it may adversely impact the ability to attract and retain qualified personnel.

The Company is focused to ensure that employees are working under fair working conditions with appropriate working hours. The Company maintains a code of conduct which encourages employees to operate fairly and maintain fair working conditions, including to remain aware of any colleagues which might be impacted by unfair working conditions. This is supplemented by the Company's EthicsPoint website where all violations under the whistleblower policy can be reported anonymously with complete confidentiality.

During the year, there were no reported violations of human rights or unfair working conditions. Going forward the Company will continue to maintain and improve the code of conduct.

Anti-corruption

The Company is committed to ensure compliance with all applicable laws, including anti-bribery and corruption laws. Failure to comply can have an adverse impact on the Company's reputation and may present significant fines.

Account of the gender composition of Management

The Company aims to improve the amount of women in the board to a minimum of 40% by the year 2026. Currently, the board of directors consist of six members of which one is a woman (17%). The target has not been fulfilled in the current year. The current board members are found to be the most suitable representatives based on experience and competencies. In the current financial year, only one change happened to the board and one woman was elected.

As the Company has below 50 employees, no account of the gender composition for other management levels has been prepared in accordance with section 99(b) of the Danish Financial Statement Act.

Events after the balance sheet date

No events materially affecting the Company's financial position have occurred subsequent to the financial year-end.

Outlook

The company expects revenue for 2023 at the level of EUR 35 - 38 million and the EBITDA results to be from EUR 17 - 20.5 million. As the Company operates in a storage business for oil products, spot and future oil prices are a significant factor of uncertainty each year.

Financial statements 1 January - 31 December

Income statement

Note	EUR'000	2022	2021
3	Revenue	33,635	45,639
	Other operating income	666	0
4	Other external expenses	-10,214	-9,352
	Gross profit	24,087	36,287
5	Staff costs	-5,505	-5,503
6	Amortisation/depreciation and impairment of intangible assets and property, plant and equipment	-7,063	-152,928
	Other operating expenses	-15	-668
	Profit/loss before net financials	11,504	-122,812
	Financial income	30	7
	Financial expenses	-1,410	-441
	Profit/loss before tax	10,124	-123,246
	Tax for the year	-2,157	27,101
	Profit/loss for the year	7,967	-96,145

Financial statements 1 January - 31 December

Balance sheet

Note	EUR'000	2022	2021
	ASSETS		
	Non-current assets		
7	Property, plant and equipment		
	Land and buildings	37,732	38,612
	Plant and machinery	123,764	135,003
	Fixtures and fittings, other plant and equipment	301	317
	Property, plant and equipment under construction	2,674	2,563
		<u>164,471</u>	<u>176,495</u>
8	Financial assets		
	Investments in Participating interests	82	82
12	Deferred tax assets	15,164	17,408
		<u>15,246</u>	<u>17,490</u>
	Total non-current assets	<u>179,717</u>	<u>193,985</u>
	Current assets		
9	Receivables		
	Trade receivables	4,019	5,507
10	Prepayments	935	636
		<u>4,954</u>	<u>6,143</u>
	Cash	3,345	13,826
	Total current assets	<u>8,299</u>	<u>19,969</u>
	TOTAL ASSETS	<u><u>188,016</u></u>	<u><u>213,954</u></u>

Financial statements 1 January - 31 December

Balance sheet

Note	EUR'000	2022	2021
	EQUITY AND LIABILITIES		
	Equity		
11	Share capital	67	67
	Share premium account	0	0
	Retained earnings	159,666	164,699
	Dividend proposed	7,000	14,000
	Total equity	<u>166,733</u>	<u>178,766</u>
	Liabilities		
	Non-current liabilities		
13	Other provisions	17,105	30,456
	Lease liabilities	434	426
	Other payables	357	435
	Total non-current liabilities	<u>17,896</u>	<u>31,317</u>
	Current liabilities		
	Lease liabilities	29	19
	Trade payables	1,923	2,114
	Other payables	1,435	1,738
	Total current liabilities	<u>3,387</u>	<u>3,871</u>
	Total liabilities	<u>21,283</u>	<u>35,188</u>
	TOTAL EQUITY AND LIABILITIES	<u><u>188,016</u></u>	<u><u>213,954</u></u>

- 1 Accounting policies
- 2 Events after the balance sheet date
- 14 Contractual obligations and contingencies, etc.
- 15 Related parties
- 16 Appropriation of profit/loss

Financial statements 1 January - 31 December

Statement of changes in equity

Note	EUR'000	Share capital	Share premium account	Retained earnings	Dividend proposed	Total
	Equity at 1 January 2021	67	184,100	96,744	9,000	289,911
16	Transfer, see "Appropriation of profit/loss"	0	0	-110,145	14,000	-96,145
	Transferred from share premium account	0	-184,100	184,100	0	0
	Dividend distributed	0	0	-6,000	-9,000	-15,000
	Equity at 1 January 2022	67	0	164,699	14,000	178,766
16	Transfer, see "Appropriation of profit/loss"	0	0	967	7,000	7,967
	Dividend distributed	0	0	-6,000	-14,000	-20,000
	Equity at 31 December 2022	67	0	159,666	7,000	166,733

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of Inter Terminals Denmark A/S for 2022 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to large reporting class C entities.

Changes in accounting policies

The current year is the first year for the Company to prepare the annual report in accordance with the provisions in the Danish Financial Statement Act. Previously the annual report was prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by EU.

The reason for the change is a change in the Group structure and delisting of the immediate parent, Inter Pipeline Ltd. As a result of the delisting, the Group removed the requirement for the Company to present external reporting in accordance with IFRS.

As part of the transition from IFRS to the Danish Financial Statement Act, the balances as of 31 December 2022, as well as the comparative period for the year ended 31 December 2021 has been presented in accordance with the Danish Financial Statement Act.

The Danish Financial Statement Act allows companies to apply certain exemptions in the retrospective application when transitioning from a different reporting framework. Inter Terminals Denmark A/S has elected to applied the following transitions applicable for the 5 year summary and intangible assets.

With reference to section 101(3) of the Danish Financial Statements Act, comparative figures for the years of 2018-2020 in the 5 year summary of the managements review has not been restated and are presented in accordance with the International Financial Reporting Standard (IFRS) as adopted by EU.

Furthermore, the Company applies the transition exemption with regards to determination of cost price and accumulated amortisation and impairment of intangible assets in periods prior to the transition. Accordingly, the book value of Goodwill at the date of transition corresponds to the carrying amount recognised under its previous GAAP. The Company has during 2021 under its previous GAAP recognised an impairment of remaining goodwill due to an impairment test showing a recoverable amount lower than the carrying value. In connection with the transition to the Danish Financial Statement Act an amount reflecting 1 years amortisation has been reclassified from impairment of intangible assets to amortisation of intangible asset. This reclassified of amortisation of intangible assets has been estimated based on a useful life of 10 years. The reclassification is within profit or loss, hence there is no impact of profit or loss for the year.

In connection with the adoption of the provisions of the Danish Financial Statement Act the Company changed accounting policy from presenting the statement of profit or loss based on the function of the expenses to the nature of the expenses.

Furthermore, as a result of the transition, the Company has reclassified proposed dividends to a separate category within equity to comply with the schedule requirements in the Danish Financial Statement Act.

The transition from IFRS to the Danish Financial Statement Act has not had any other impact on the profit and loss statement, balance sheet, equity or income taxes and deferred taxes for the Company.

Omission of a cash flow statement

With reference to section 86(4) of the Danish Financial Statements Act, no cash flow statement has been prepared. The Company's cash flows are reflected in the consolidated cash flow statement for the higher-ranking parent company Inter Pipeline Ltd.

Reporting currency

The financial statements are presented in euros (EUR), as the Company's most significant transactions are settled in EUR.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rate at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the most recent financial statements is recognised in the income statement as financial income or financial expenses.

Income statement

Revenue

The Company has chosen IFRS 15 and IFRS 16 as interpretation for revenue recognition.

Revenue is recognised in the statement of profit and loss when it is probable that future economic benefits will flow to the Company and the revenue can be reliably measured.

Revenue is recognised in the statement of profit and loss as services are rendered. Fixed and variable tank leases including minimum guaranteed throughputs are recognised on a straight-line basis over the term of the contract. The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at the inception date, whether fulfilment of the arrangement is dependent on the use of a specific asset and the arrangement conveys a right to use an asset. Based on that assessment all lease contracts with customers are classified as operating leases.

Revenue from excess throughputs and other services is recognised once the performance obligation occurs. If the revenue cannot be reliably measured, only the income up to the level of the expenses incurred will be recognised.

Upfront payments that are attributable to subsequent render of contractual services are recognised as prepayments from customers and will subsequently be recognised as revenue over the term when respective services are rendered.

Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts and rebates granted are recognised in revenue.

Other operating income

Other operating income comprise items of a secondary nature relative to the Company's core activities, including gains on the sale of non-current assets and insurance claims.

Other external expenses

Other external expenses comprise repair and maintenance costs, fuel and power costs and other operating expenses related to the primary nature of Company's activities.

Staff costs

Staff costs include wages and salaries, including compensated absence and pension to the Company's employees, as well as other social security contributions, etc. The item is net of refunds from public authorities.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Amortisation/depreciation and impairment

The item comprises depreciation and impairment of property, plant and equipment.

Where individual components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items, which are depreciated separately.

The basis of depreciation, which is calculated as cost less any residual value, is depreciated on a straight line basis over the expected useful life. The expected useful lives of the assets are as follows:

Buildings	20-60 years
Piers	20-50 years
Tank storage equipment	20-70 years
Plant and machinery	3-50 years
Fixtures and fittings, other plant and equipment	3-10 years

Depreciation is based on the residual value of the asset and is reduced by impairment losses, if any. The depreciation period and the residual value are determined at the acquisition date and are reassessed annually. Where the residual value exceeds the carrying amount of the asset, no further depreciation charges are recognised.

In the case of changes in the depreciation period or the residual value, the effect on the depreciation charges is recognised prospectively as a change in accounting estimates.

Land is not depreciated.

Other operating expenses

Other operating expenses comprise items of a secondary nature relative to the Company's core activities, including losses on the sale of non-current assets.

Financial income and expenses

Financial income and expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest income and expenses as well as allowances and surcharges under the advance-payment-of-tax scheme, etc.

Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

Balance sheet

Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use.

Property, plant and equipment includes capitalised asset retirement costs equal to the estimated fair value of the decommissioning obligation. Changes to the value of the obligation are recognised as additions or disposals in the cost of the asset.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Gains or losses are calculated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses from the disposal of property, plant and equipment are recognised in the income statement as other operating income or other operating expenses.

Leases

The Company has chosen IFRS 16 as interpretation for classification and recognition of leases.

On initial recognition, leases for assets that transfer substantially all the risks and rewards incident to the ownership to the Company (finance leases) are measured in the balance sheet at the lower of fair value and the present value of the future lease payments. In calculating the net present value, the interest rate implicit in the lease or the incremental borrowing rate is used as the discount factor. Assets held under finance leases are subsequently accounted for in the same way as the Company's other assets.

The capitalised residual lease liability is recognised in the balance sheet as a liability, and the interest element of the lease payment is recognised in the income statement over the term of the lease.

Investments in participating interests

Investments in group entities and associates are measured at cost, which includes the cost of acquisition calculated at fair value plus direct costs of acquisition. If there is evidence of impairment, an impairment test is conducted. Where the carrying amount exceeds the recoverable amount, a write-down is made to such lower value.

Impairment of non-current assets

The carrying amount of intangible assets, property, plant and equipment and investments in group entities and associates is assessed for impairment on an annual basis.

Impairment tests are conducted on assets or groups of assets when there is evidence of impairment. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable amount).

The recoverable amount is the higher of the net selling price of an asset and its value in use. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the group of assets and the expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognised impairment losses are reversed when the reason for recognition no longer exists. Impairment losses on goodwill are not reversed.

Receivables

The Company has chosen IAS 39 as interpretation for impairment write-down of financial receivables.

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

Receivables in respect of which there is no objective evidence of individual impairment are tested for objective evidence of impairment on a portfolio basis. The portfolios are primarily based on the debtors' domicile and credit ratings in line with the Company's risk management policy. The objective evidence applied to portfolios is determined based on historical loss experience.

Impairment losses are calculated as the difference between the carrying amount of the receivables and the present value of the expected cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Prepayments

Prepayments recognised under "Assets" comprise prepaid expenses regarding subsequent financial reporting years.

Equity

Proposed dividends

Dividend proposed for the year is recognised as a liability once adopted at the annual general meeting (declaration date). Dividends expected to be distributed for the financial year are presented as a separate item under "Equity".

Provisions

Provisions are recognised when, as a result of an event occurring before or at the balance sheet date, the Company has a legal or constructive obligation, the settlement of which is expected to result in an outflow from the Company of resources embodying economic benefits.

In measuring provisions, the costs required to settle the liability are discounted to net present value, if this has a significant effect on the measurement of the liability. A pre-tax discount rate is used that reflects the general interest-rate level in the market. The change in present values for the financial year is recognised under financial expenses.

Decommissioning obligations are legal obligations that represent the present value of the expected cost to be incurred upon the termination of operations and closure of the storage facilities. The estimated costs for asset retirement obligations include such activities as dismantling, demolition and disposal for the facilities and equipment, as well as remediation and restoration of the plant sites, but not its temporary removal from service.

The fair value of a liability for a decommissioning obligation is recognised in the period in which it is incurred if the fair value can be reasonably estimated. The liability accretes to its full value over time through charges to financial expenses or until the Company settles the obligation. In addition, the asset retirement cost, equal to the estimated fair value of the decommissioning obligation, is capitalised as part of the cost of the related property, plant and equipment and depreciated over the estimated useful life of the asset.

Lease liabilities

Lease liabilities are measured at the net present value of the remaining lease payments including any guaranteed residual value based on the interest rate implicit in the lease.

Segment information

The allocation of revenue to activities and geographical markets is disclosed where these activities and markets differ significantly in the organisation of sales of goods and services.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Financial ratios

The financial ratios stated under "Financial highlights" have been calculated as follows:

Operating profit/loss	Profit/loss before financial items adjusted for other operating income and other operating expenses
Gross margin	$\frac{\text{Gross profit/loss} \times 100}{\text{Revenue}}$
Return on assets	$\frac{\text{Profit/loss from operating activities} \times 100}{\text{Average assets}}$
Return on equity	$\frac{\text{Profit/loss after tax} \times 100}{\text{Average equity}}$

Financial statements 1 January - 31 December

Notes to the financial statements

2 Events after the balance sheet date

No events materially affecting the Company's financial position have occurred subsequent to the financial year-end.

EUR'000	<u>2022</u>	<u>2021</u>
3 Segment information		
Breakdown of revenue by business segment:		
Fixed and variable tank leases	29,756	40,970
Other Revenue	<u>3,879</u>	<u>4,669</u>
	<u>33,635</u>	<u>45,639</u>

For management purposes, the Company is organised into one business unit based on its services of bulk liquid storage and blending services for oil. The business is located in Denmark. Consistent with Management approach to monitor operating results, the Company has one reportable segment. The revenue breakdown represents the type of service which the revenue originates from.

4 Fee to the auditors appointed in general meeting

Statutory audit	81	69
Assurance engagements	17	18
Other assistance	5	10
	<u>103</u>	<u>97</u>

5 Staff costs

Wages/salaries	5,027	5,021
Pensions	<u>478</u>	<u>482</u>
	<u>5,505</u>	<u>5,503</u>
Average number of full-time employees	<u>47</u>	<u>49</u>
Number of employees at the balance sheet date	<u>46</u>	<u>49</u>

The aggregate remuneration paid to members of the Executive Board and the Board of Directors for 2022, including amounts paid by other group entities, was EUR 665 thousand (2021: EUR 605 thousand), excluding pension costs. Defined contribution totalled EUR 44 thousand (2021: EUR 41 thousand).

6 Amortisation/depreciation and impairment of intangible assets and property, plant and equipment

Amortisation of intangible assets	0	5,683
Impairment of intangible assets	0	51,147
Depreciation of property, plant and equipment	7,063	13,929
Impairment of property, plant and equipment	<u>0</u>	<u>82,169</u>
	<u>7,063</u>	<u>152,928</u>

Financial statements 1 January - 31 December

Notes to the financial statements

7 Property, plant and equipment

EUR'000	Land and buildings	Plant and machinery	Fixtures and fittings, other plant and equipment	Property, plant and equipment under construction	Total
Cost at 1 January 2022	42,654	300,923	1,575	2,563	347,715
Additions	0	6,925	101	2,605	9,631
Disposals	-737	-17,120	-10	0	-17,867
Transferred	0	2,494	0	-2,494	0
Cost at 31 December 2022	41,917	293,222	1,666	2,674	339,479
Impairment losses and depreciation at 1 January 2022	4,042	165,920	1,258	0	171,220
Depreciation	143	6,803	117	0	7,063
Reversal of accumulated depreciation and impairment of assets disposed	0	-3,265	-10	0	-3,275
Impairment losses and depreciation at 31 December 2022	4,185	169,458	1,365	0	175,008
Carrying amount at 31 December 2022	37,732	123,764	301	2,674	164,471
Property, plant and equipment include finance leases with a carrying amount totalling	404	35	0	0	439

Disposals include changes in value to the decommissioning obligation of EUR 737 thousand in Land and Buildings and EUR 13,839 thousand in Plant and Machinery.

8 Financial assets

EUR'000	Investments in Participating interests
Cost at 1 January 2022	82
Cost at 31 December 2022	82
Carrying amount at 31 December 2022	82

Participating interests

Name	Legal form	Domicile	Interest	Equity EUR'000	Profit/loss EUR'000
Stignæs Vandindvinding	I/S	Denmark	6.45%	1,571	0

The equity has been recalculated from DKK to the functional currency of EUR using an exchange rate of 7.4365.

Financial statements 1 January - 31 December

Notes to the financial statements

9 Receivables

None of the Company's trade or other receivables fall due for payment after more than one year after the balance sheet date.

10 Prepayments

Prepayments primarily comprise payments of insurance expenses pertaining to the subsequent financial year.

DKK'000	<u>2022</u>	<u>2021</u>
11 Share capital		
Analysis of the share capital:		
500,002 A shares of DKK 1.00 nominal value each	<u>500</u>	<u>500</u>
	<u>500</u>	<u>500</u>

No special rights are attached to the shares.

The Company's share capital has remained DKK 500 thousand in the past year.

12 Deferred tax

Deferred tax relates to:

Intangible assets	-6,364	-6,798
Property, plant and equipment	-287	2,049
Liabilities	-3,763	-6,700
Tax loss	<u>-4,750</u>	<u>-5,959</u>
	<u>-15,164</u>	<u>-17,408</u>

Analysis of the deferred tax

Deferred tax assets	<u>-15,164</u>	<u>-17,408</u>
	<u>-15,164</u>	<u>-17,408</u>

Financial statements 1 January - 31 December

Notes to the financial statements

EUR'000	2022	2021
13 Other provisions		
Opening balance at 1 January	30,456	25,909
Discounting of decommissioning obligation	1,225	271
Changes in value during the year due to changes to cost base, discounting and inflation rate	-14,576	4,276
Other provisions at 31 December	<u>17,105</u>	<u>30,456</u>
The provisions are expected to be payable in:		
> 5 year	<u>17,105</u>	<u>30,456</u>
	<u>17,105</u>	<u>30,456</u>

Other provisions primarily relate to decommissioning obligations representing legal obligations associated with the retirement of tangible long lived assets that derive from the acquisition, construction or development and/or the normal operations of long-lived assets. The retirement of a long-lived asset includes its sale, abandonment, recycling or disposal but not its temporary removal from service.

14 Contractual obligations and contingencies, etc.

Other contingent liabilities

The Company operates in an environment that, by nature, has an increased exposure to environmental disputes. As a result, the Company is involved in various environmental disputes. The Company engages external legal counsel and based on their advice, it is considered not probable that these disputes will result in any significant financial outflows.

15 Related parties

Inter Terminals Denmark A/S' related parties comprise the following:

Parties exercising control

Related party	Domicile	Basis for control
Brookfield Corporation	Canada	Ultimate parent
Inter Pipeline Ltd.	Canada	Parent

Information about consolidated financial statements

Parent	Domicile	Requisitioning of the parent company's consolidated financial statements
Brookfield Corporation	Canada	https://bn.brookfield.com/reports-filings/annual-reports
Inter Pipeline Ltd.	Canada	3200, 215 - 2nd Street SW Calgary, Alberta, T2P 1W4, Canada

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Notes to the financial statements

15 Related parties (continued)

Related party transactions

Inter Terminals Denmark A/S was engaged in the below related party transactions:

EUR'000	<u>2022</u>	<u>2021</u>
Dividends paid to the parent Company	-20,000	-15,000
Management fee to Inter Terminals Sweden	0	-134
16 Appropriation of profit/loss		
Recommended appropriation of profit/loss		
Proposed dividend recognised under equity	7,000	14,000
Retained earnings/accumulated loss	967	-110,145
	<u>7,967</u>	<u>-96,145</u>