



Copenhagen Offshore Partners A/S

Amerika Plads 29, st.
2100 Copenhagen
CVR No. 36914793

Annual report 2020

The Annual General Meeting adopted the
annual report on 30.06.2021

Lennart Flemming Meineche
Chairman of the General Meeting

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Entity details

Entity

Copenhagen Offshore Partners A/S

Amerika Plads 29, st.

2100 Copenhagen

CVR No.: 36914793

Registered office: Copenhagen

Financial year: 01.01.2020 - 31.12.2020

Board of Directors

Lennart Flemming Meineche, Chairman

Elisabeth Scheinemann

Rikke Stryhn Pedersen

Executive Board

Henrik Scheinemann, Director

Lars Thaaning Pedersen, Director

Thorbjørn Nordvang Mejdahl Lund-Poulsen, Director

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

2300 Copenhagen S

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of Copenhagen Offshore Partners A/S for the financial year 01.01.2020 - 31.12.2020.

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

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2020 and of the results of its operations and cash flows for the financial year 01.01.2020 - 31.12.2020.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Copenhagen, 25.06.2021

Executive Board

Henrik Scheinemann
Director

Lars Thaaning Pedersen
Director

Thorbjørn Nordvang Mejdahl Lund-Poulsen
Director

Board of Directors

Lennart Flemming Meineche
Chairman

Elisabeth Scheinemann

Rikke Stryhn Pedersen

Independent auditor's report

To the shareholders of Copenhagen Offshore Partners A/S

Opinion

We have audited the financial statements of Copenhagen Offshore Partners A/S for the financial year 01.01.2020 - 31.12.2020, which comprise the income statement, balance sheet, statement of changes in equity, cash flow statement and notes, including 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 Entity's financial position at 31.12.2020 and of the results of its operations and cash flows for the financial year 01.01.2020 - 31.12.2020 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board of 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.

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 Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity 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 Entity'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 Entity'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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, 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 commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the 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 the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the 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 the management commentary.

Copenhagen, 25.06.2021

Deloitte

Statsautoriseret Revisionspartnerselskab

CVR No. 33963556

Michael Thorø Larsen

State Authorised Public Accountant

Identification No (MNE) mne35823

Management commentary

Financial highlights

	2020 DKK'000	2019 DKK'000	2018 DKK'000	2017 DKK'000	2016 DKK'000
Key figures					
Gross profit/loss	102,245	115,023	23,342	10,090	5,319
Operating profit/loss	67,469	45,649	9,953	4,379	3,221
Net financials	(3,750)	178	(265)	(40)	(182)
Profit/loss for the year	52,204	31,944	6,783	3,373	2,368
Total assets	175,605	118,967	44,717	40,100	8,247
Equity	89,021	39,023	7,284	3,873	2,927
Ratios					
Return on equity (%)	81.54	137.97	121.59	99.21	135.74
Equity ratio (%)	50.69	32.80	16.29	9.66	35.49

Financial highlights are defined and calculated in accordance with the current version of "Recommendations & Ratios" issued by the CFA Society Denmark.

Return on equity (%):

$\frac{\text{Profit/loss for the year} * 100}{\text{Average equity}}$

Average equity

Equity ratio (%):

$\frac{\text{Equity} * 100}{\text{Total assets}}$

Total assets

Primary activities

COP A/S provides consultancy services within project management, procurement, permitting, business case evaluation and technical advisory in the development and construction of offshore wind farms.

Development in activities and finances

The result of the year was 52mDKK compared to 32 mDKK in 2019. The financial development in 2020 was satisfactory and only modestly impacted by the adverse conditions created by the COVID-19 pandemic. Despite the pandemic still posing a significant risk, business activities and projects were delivered as planned. Financial performance was in accordance with the forecast for the period and is not impacted by any regulations of assets or accounting movements not relating to COP's primary activity.

Outlook

The investment outlook in the offshore wind industry is good however competition is picking up as oil majors are entering the offshore wind industry. Growth outlook for 2021 is unchanged in and expected similar to growth in 2020.

Operationally, COVID-19 still poses a significant risk, but if the global situation keeps developing positively this will ease developing new projects.

Foreign branches

The activity in the Taiwan Branch has increased significantly as the Changfang Xidao project has commenced the construction phase. The number of employees in the branch has doubled during the year.

The UK branch of COP A/S was opened in July and the first UK based employees were hired thereafter to support further growth within COP's primary activities.

Events after the balance sheet date

No events influencing the evaluation of this annual report have occurred between the balance sheet date and today.

Income statement for 2020

	Notes	2020 DKK'000	2019 DKK'000
Gross profit/loss		102,245	115,023
Administrative expenses		(34,776)	(69,374)
Operating profit/loss		67,469	45,649
Other financial income from group enterprises		5	29
Other financial income		377	266
Other financial expenses		(4,132)	(117)
Profit/loss before tax		63,719	45,827
Tax on profit/loss for the year	3	(11,515)	(13,883)
Profit/loss for the year	4	52,204	31,944

Balance sheet at 31.12.2020

Assets

	Notes	2020 DKK'000	2019 DKK'000
Acquired intangible assets		199	0
Intangible assets	5	199	0
Other fixtures and fittings, tools and equipment		176	260
Property, plant and equipment	6	176	260
Investments in group enterprises		6,644	6,018
Receivables from group enterprises		678	743
Financial assets	7	7,322	6,761
Fixed assets		7,697	7,021
Trade receivables		36,231	53,895
Contract work in progress	8	16,350	0
Receivables from group enterprises		12,876	900
Receivables from associates		8	8
Deferred tax	9	1,427	1,171
Other receivables		21,398	17,045
Prepayments	10	0	43
Receivables		88,290	73,062
Cash		79,618	38,884
Current assets		167,908	111,946
Assets		175,605	118,967

Equity and liabilities

	Notes	2020 DKK'000	2019 DKK'000
Contributed capital		500	500
Retained earnings		27,494	38,523
Proposed dividend		61,027	0
Equity		89,021	39,023
Prepayments received from customers		7,442	0
Trade payables		1,845	10,657
Payables to group enterprises		15,078	11,375
Payables to associates		0	1,494
Payables to shareholders and management		5,512	5,250
Tax payable		12,696	14,058
Other payables		44,011	37,110
Current liabilities other than provisions		86,584	79,944
Liabilities other than provisions		86,584	79,944
Equity and liabilities		175,605	118,967
Events after the balance sheet date	1		
Staff costs	2		
Transactions with related parties	12		
Group relations	13		

Statement of changes in equity for 2020

	Contributed capital DKK'000	Retained earnings DKK'000	Proposed dividend DKK'000	Total DKK'000
Equity beginning of year	500	38,523	0	39,023
Exchange rate adjustments	0	(2,206)	0	(2,206)
Profit/loss for the year	0	(8,823)	61,027	52,204
Equity end of year	500	27,494	61,027	89,021

Exchange rate adjustments is regarding transactions in foreign branches.

Cash flow statement for 2020

	Notes	2020 DKK'000	2019 DKK'000
Operating profit/loss		67,469	45,649
Working capital changes	11	(21,284)	(8,343)
Other adjustments		2,892	(1,730)
Cash flow from ordinary operating activities		49,077	35,576
Financial income received		100	886
Financial expenses paid		(4,132)	(625)
Other cash flows from operating activities			(2,549)
Cash flows from operating activities		45,045	33,288
Acquisition etc of intangible assets		(299)	0
Acquisition of enterprises		(636)	(5,195)
Cash flows from investing activities		(935)	(5,195)
Free cash flows generated from operations and investments before financing		44,110	28,093
Repayments of loans etc			(7,467)
Dividend paid		(3,376)	0
Other cash flows from financing activities			(2,341)
Cash flows from financing activities		(3,376)	(9,808)
Increase/decrease in cash and cash equivalents		40,734	18,285
Cash and cash equivalents beginning of year		38,884	20,599
Cash and cash equivalents end of year		79,618	38,884
Cash and cash equivalents at year-end are composed of:			
Cash		79,618	38,884
Cash and cash equivalents end of year		79,618	38,884

Notes

1 Events after the balance sheet date

No events with significant impact on the financial statements have occurred subsequent to 31 December 2020

2 Staff costs

	2020 DKK'000	2019 DKK'000
Wages and salaries	73,535	32,426
Pension costs	5,628	3,208
Other social security costs	1,314	531
Other staff costs	0	8
	80,477	36,173
Average number of full-time employees	56	35

	Remuneration of management 2020 DKK'000	Remuneration of management 2019 DKK'000
Executive Board	6,918	6,353
Board of Directors	26	41
	6,944	6,394

3 Tax on profit/loss for the year

	2020 DKK'000	2019 DKK'000
Current tax	14,909	15,054
Change in deferred tax	(256)	(1,113)
Adjustment concerning previous years	(3,138)	(58)
	11,515	13,883

4 Proposed distribution of profit and loss

	2020 DKK'000	2019 DKK'000
Ordinary dividend for the financial year	61,027	0
Retained earnings	(8,823)	31,944
	52,204	31,944

5 Intangible assets

	Acquired intangible assets DKK'000
Additions	299
Cost end of year	299
Amortisation for the year	(100)
Amortisation and impairment losses end of year	(100)
Carrying amount end of year	199

6 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK'000
Cost beginning of year	365
Cost end of year	365
Depreciation and impairment losses beginning of year	(105)
Depreciation for the year	(84)
Depreciation and impairment losses end of year	(189)
Carrying amount end of year	176

7 Financial assets

	Investments in group enterprises DKK'000	Receivables from group enterprises DKK'000
Cost beginning of year	6,007	678
Additions	637	0
Cost end of year	6,644	678
Carrying amount end of year	6,644	678

Investments in subsidiaries	Registered in	Equity interest %	Equity DKK'000	Profit/loss DKK'000
Copenhagen Offshore Partners Australia PTY LTD	Australia	100	492	521
Copenhagen Offshore Partners Japan LLC	Japan	100	306	807
Copenhagen Offshore Partners Inc.	USA	100	7,425	2,007
Copenhagen Offshore Partners Vietnam Company Limited	Vietnam	100	622	78
Copenhagen Offshore Partners Korea CO.,LTD	Korea	100	5,209	324

8 Contract work in progress

	2020 DKK'000	2019 DKK'000
Contract work in progress	16,350	0
	16,350	0

9 Deferred tax

Changes during the year	2020 DKK'000	2019 DKK'000
Beginning of year	1,171	0
Recognised in the income statement	256	1,171
End of year	1,427	1,171

Deferred tax is temporary differences on bonus provision, intangible assets, property, plant and equipment.

10 Prepayments

For projects with the contractual coverage we invoice an un account prepayment for work not yet performed, this is based on a on a rolling average of the three last months of work performed.

11 Changes in working capital

	2020 DKK'000	2019 DKK'000
Increase/decrease in receivables	(15,228)	(50,853)
Increase/decrease in trade payables etc	(6,056)	42,510
	(21,284)	(8,343)

12 Transactions with related parties

All transactions with related parties in the financial year have been on arm's length basis.

13 Group relations

Name and registered office of the Parent preparing consolidated financial statements for the largest group:
COP HoldCo ApS, Amerika Plads 29, 2. 2100 København Ø

Accounting policies

Reporting class

This annual report has been prepared in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (medium).

The accounting policies applied to these financial statements are consistent with those applied last year.

Reporting currency is Danish Kroner (DKK)

The financial statements include the Company branch in Taiwan and UK, which is consolidated line by line in accordance with the Danish Financial Statements act.

Consolidated financial statements

Referring to section 112(2) of the Danish Financial Statements Act, no consolidated financial statements have been prepared.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, production costs and other operating income.

Revenue

Revenue from sale of service is recognized in the income statement as the service are rendered, implying that the revenue corresponds to the marked value of the service rendered in the year.

Contract work in progress is included in revenue based on the stage of completion so that revenue corresponds to the selling price of the work performed in the financial year.

Production costs

Production costs comprise expenses incurred to earn revenue for the financial year. Production costs comprise direct and indirect costs for wages and salaries, rent and lease, and amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment included in the production process. In addition, the item includes ordinary write-down of inventories.

Administrative expenses

Administrative expenses comprise expenses incurred for the Entity's administrative functions, including wages and salaries for administrative staff and Management, stationery and office supplies, and amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment used for administration of the Entity.

Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities.

Other financial income from group enterprises

Other financial income from group enterprises comprises interest income etc on receivables from group enterprises.

Other financial income

Other financial income comprises including interest income on receivables from group enterprises, net capital or exchange gains on securities, payables and transactions in foreign currencies, amortisation of financial assets, and tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses

Other financial expenses comprise including interest expenses on payables to group enterprises, net capital or exchange losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities, and tax surcharge under the Danish Tax Prepayment Scheme etc.

Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity. Tax on profit/loss for the year includes tax in Taiwan.

Balance sheet**Intellectual property rights etc**

Intellectual property rights etc comprise acquired intellectual property rights for intangible assets.

Intellectual property rights acquired are measured at cost less accumulated amortisation. Patents are amortised on a straight-line basis over their remaining duration, and licences are amortised over the term of the agreement.

Intellectual property rights etc are written down to the lower of recoverable amount and carrying amount.

Property, plant and equipment

Land and buildings, plant and machinery, and other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the

asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Other fixtures and fittings, tools and equipment	3-5 years
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Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Investments in group enterprises

Investments in group enterprises are measured at cost. Investments are written down to the lower of recoverable amount and carrying amount.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value, less writedowns for bad and doubtful debts.

Contract work in progress

Contract work in progress is measured at the selling price of the work carried out at the balance sheet date.

The selling price is measured based on the stage of completion and the total estimated income from the individual contracts in progress.

Each contract in progress is recognised in the balance sheet under receivables or liabilities other than provisions, depending on whether the net value, calculated as the selling price less prepayments received, is positive or negative.

Costs of sales work and of securing contracts, and finance costs are recognised in the income statement as incurred.

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash

Cash comprises cash in bank deposits.

Dividend

Dividend is recognised as a liability at the time of adoption at the general meeting. Proposed dividend for the financial year is disclosed as a separate item in equity.

Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

Prepayments received from customers

Prepayments received from customers comprise amounts received from customers prior to delivery of the goods agreed or completion of the service agreed.

Tax receivable or payable

Current tax receivable or payable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.

Cash flow statement

The cash flow statement shows cash flows from operating, investing and financing activities, and cash and cash equivalents at the beginning and the end of the financial year.

Cash flows from operating activities are presented using the indirect method and calculated as the operating profit/loss adjusted for non-cash operating items, working capital changes, and financial income, financial expenses and income tax paid.

Cash flows from investing activities comprise payments in connection with activities and fixed asset investments, and purchase, development, improvement and sale, etc. of intangible assets and property, plant and equipment.

Cash flows from financing activities comprise changes in the size or composition of the contributed capital and related costs, and the raising of loans, repayments of interest-bearing debt, including lease liabilities, purchase of treasury shares and payment of dividend.

Cash and cash equivalents comprise cash and short-term securities with an insignificant price risk less short-term bank loans.