



Copenhagen Offshore Partners A/S

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

Annual report 2022

The Annual General Meeting adopted the
annual report on 30.06.2023

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

Business Registration No.: 36914793

Registered office: Copenhagen

Financial year: 01.01.2022 - 31.12.2022

Board of Directors

Elisabeth Scheinemann

Rikke Stryhn Pedersen

Lennart Flemming Meineche

Executive Board

Henrik Scheinemann

Lars Thaaning Pedersen

Thorbjørn Nordvang Mejdahl Lund-Poulsen

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 01.01.2022 - 31.12.2022.

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 31.12.2022 and of the results of its operations and cash flows for the financial year 01.01.2022 - 31.12.2022.

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, 30.06.2023

Executive Board

Henrik Scheinemann

Lars Thaaning Pedersen

Thorbjørn Nordvang Mejdahl Lund-Poulsen

Board of Directors

Elisabeth Scheinemann

Rikke Stryhn Pedersen

Lennart Flemming Meineche

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 01.01.2022 - 31.12.2022, 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 31.12.2022 and of the results of its operations and cash flows for the financial year 01.01.2022 - 31.12.2022 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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, 30.06.2023

Deloitte

Statsautoriseret Revisionspartnerselskab

CVR No. 33963556

Anders Houmann

State Authorised Public Accountant

Identification No (MNE) mne46265

Management commentary

Financial highlights

	2022	2021	2020	2019	2018
	DKK'000	DKK'000	DKK'000	DKK'000	DKK'000
Key figures					
Gross profit/loss	253,000	120,329	99,639	115,023	23,342
Operating profit/loss	204,661	90,689	67,478	45,649	9,953
Net financials	3,977	(1,877)	(3,750)	178	(265)
Profit/loss for the year	159,986	66,662	52,213	31,944	6,783
Total assets	213,560	188,514	175,605	118,967	44,717
Equity	123,825	109,519	89,021	39,023	7,284
Ratios					
Return on equity (%)	137.12	67.15	81.55	137.97	99.21
Equity ratio (%)	57.98	58.10	50.69	32.80	16.29

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 for the development and construction of offshore wind farms and energy islands. Services are mainly within project management, procurement, permitting, business case evaluation and technical advisory.

Development in activities and finances

2022 has progressed as planned with high growth in revenue and profit. Profit for the year is DKK 160 million compared to DKK 67 million in 2021 and is considered satisfactory. The result in 2022 was significantly impacted by one-off payments related to multi-year successful project deliveries to former client. Financial performance has been in accordance with the forecast for the period.

Profit/loss for the year in relation to expected developments

The growth in 2022 has, as per our expectations, been in line with growth in 2021.

Outlook

The investment outlook in the offshore wind industry is good, however competition is picking up as other players have entered this attractive market. Supply chains in the offshore wind industry are impacted by shortages coupled with price increases. However, growth outlook for 2023 is unchanged and expected to be at same level as growth in 2022.

Foreign branches

Activity has increased significantly across all regions. Besides the well-established activities in Europe, AsiaPacific and North America; new branches have also been established in Southern Europe (France and Greece) as well as in South America (Brazil), due to increased market activity in these regions. COP's footprint now covers 18 countries, covering all main markets with a growth potential for offshore wind, and it is the intention to continue to expand.

Events after the balance sheet date

No events materially affecting the Group's financial position on December 31, 2022 have occurred after the balance sheet date.

Income statement for 2022

	Notes	2022 DKK'000	2021 DKK'000
Gross profit/loss		253,000	120,329
Administrative expenses		(48,339)	(29,640)
Operating profit/loss		204,661	90,689
Other financial income		4,468	4,287
Other financial expenses		(491)	(6,164)
Profit/loss before tax		208,638	88,812
Tax on profit/loss for the year	3	(48,652)	(22,150)
Profit/loss for the year	4	159,986	66,662

Balance sheet at 31.12.2022

Assets

	Notes	2022 DKK'000	2021 DKK'000
Acquired intangible assets		0	100
Intangible assets		0	100
Other fixtures and fittings, tools and equipment		74	0
Property, plant and equipment	5	74	0
Investments in group enterprises		6,921	6,726
Receivables from group enterprises		0	678
Financial assets	6	6,921	7,404
Fixed assets		6,995	7,504
Trade receivables		99,250	76,595
Contract work in progress	7	54,531	32,143
Receivables from group enterprises		17,798	3,277
Receivables from participating interests		0	8
Deferred tax	8	3,540	2,246
Other receivables		4,971	22,904
Prepayments	9	3,162	0
Receivables		183,252	137,173
Cash		23,313	43,837
Current assets		206,565	181,010
Assets		213,560	188,514

Equity and liabilities

	Notes	2022 DKK'000	2021 DKK'000
Contributed capital		500	500
Translation reserve		372	9,643
Retained earnings		56,917	56,420
Proposed dividend		66,036	42,956
Equity		123,825	109,519
Other payables		4,293	492
Non-current liabilities other than provisions	10	4,293	492
Prepayments received from customers		12,478	10,457
Trade payables		6,936	6,331
Payables to group enterprises		18,257	17,582
Payables to shareholders and management		0	5,788
Tax payable		8,377	6,510
Other payables		39,394	31,835
Current liabilities other than provisions		85,442	78,503
Liabilities other than provisions		89,735	78,995
Equity and liabilities		213,560	188,514
Events after the balance sheet date	1		
Staff costs	2		
Contingent liabilities	12		
Transactions with related parties	13		
Group relations	14		

Statement of changes in equity for 2022

	Contributed capital DKK'000	Translation reserve DKK'000	Retained earnings DKK'000	Proposed dividend DKK'000	Total DKK'000
Equity beginning of year	500	9,643	56,420	42,956	109,519
Ordinary dividend paid	0	0	0	(42,956)	(42,956)
Extraordinary dividend paid	0	0	(93,452)	0	(93,452)
Exchange rate adjustments	0	(9,271)	(1)	0	(9,272)
Profit/loss for the year	0	0	93,950	66,036	159,986
Equity end of year	500	372	56,917	66,036	123,825

Exchange rate adjustments is regarding transactions in foreign branches.

Cash flow statement for 2022

	Notes	2022 DKK'000	2021 DKK'000
Operating profit/loss		204,661	90,689
Working capital changes	11	(48,106)	(44,269)
Other adjustments		888	(2,957)
Cash flow from ordinary operating activities		157,443	43,463
Financial income received		4,468	1,414
Financial expenses paid		(490)	(3,291)
Taxes refunded/(paid)		(45,730)	(16,409)
Cash flows from operating activities		115,691	25,177
Sale of property, plant and equipment		0	151
Capital injection in subsidiaries		193	(82)
Cash flows from investing activities		193	69
Free cash flows generated from operations and investments before financing		115,884	25,246
Dividend paid		(136,408)	(61,027)
Cash flows from financing activities		(136,408)	(61,027)
Increase/decrease in cash and cash equivalents		(20,524)	(35,781)
Cash and cash equivalents beginning of year		43,837	79,618
Cash and cash equivalents end of year		23,313	43,837
Cash and cash equivalents at year-end are composed of:			
Cash		23,313	43,837
Cash and cash equivalents end of year		23,313	43,837

Notes

1 Events after the balance sheet date

No events with significant impact on the financial statements have occurred subsequent to 31 December 2022

2 Staff costs

	2022	2021
	DKK'000	DKK'000
Wages and salaries	158,478	109,764
Pension costs	11,345	9,534
Other social security costs	9,595	1,558
	179,418	120,856
Average number of full-time employees	147	103

	Remuneration of Management 2022	Remuneration of Management 2021
	DKK'000	DKK'000
Executive Board	7,449	7,297
Board of Directors	47	27
	7,496	7,324

3 Tax on profit/loss for the year

	2022	2021
	DKK'000	DKK'000
Current tax	49,646	24,138
Change in deferred tax	(1,294)	(639)
Adjustment concerning previous years	300	(1,349)
	48,652	22,150

4 Proposed distribution of profit and loss

	2022	2021
	DKK'000	DKK'000
Ordinary dividend for the financial year	66,036	42,956
Retained earnings	93,950	23,706
	159,986	66,662

5 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK'000
Additions	74
Cost end of year	74
Carrying amount end of year	74

6 Financial assets

	Investments in group enterprises DKK'000
Cost beginning of year	6,727
Additions	194
Cost end of year	6,921
Carrying amount end of year	6,921

Investments in subsidiaries	Registered in	Equity interest %	Equity DKK'000	Profit/loss DKK'000
Copenhagen Offshore Partners Australia PTY LTD	Australia	100.00	946	2,599
Copenhagen Offshore Partners Japan LLC	Japan	100.00	1,308	505
Copenhagen Offshore Partners Brazil Ltda	Brazil	100.00	136	136
Copenhagen Offshore Partners Vietnam Company Limited	Vietnam	100.00	1,440	(467)

Copenhagen Offshore Partners Korea CO.,LTD	Korea	100.00	4,896	1,154
COP EmpCo 2021 ApS	Denmark	100.00	(17)	(27)
COP Renewables India Private Limited	India	100.00	38	0
COP Inc	USA	100.00	4,213	2,529

7 Contract work in progress

	2022 DKK'000	2021 DKK'000
Contract work in progress	61,486	42,140
Progress billings regarding contract work in progress	(6,955)	(9,997)
	54,531	32,143

8 Deferred tax

	2022 DKK'000	2021 DKK'000
Changes during the year		
Beginning of year	2,246	1,427
Recognised in the income statement	1,294	819
End of year	3,540	2,246

Deferred tax assets

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

9 Prepayments

Prepayments comprise incurred costs relating to subsequent financial years.

10 Non-current liabilities other than provisions

	Due after more than 12 months 2022 DKK'000	Outstanding after 5 years 2022 DKK'000
Other payables	4,293	4,293
	4,293	4,293

11 Changes in working capital

	2022 DKK'000	2021 DKK'000
Increase/decrease in receivables	(57,470)	(48,890)
Increase/decrease in trade payables etc	9,364	4,621
	(48,106)	(44,269)

12 Contingent liabilities

The Entity participates in a Danish joint taxation arrangement where COP HoldCo serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc for the jointly taxed entities, and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed entities. The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial statements.

The Entity serves as the administration company in a Danish joint taxation arrangement. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc for the jointly taxed entities, and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for these entities.

13 Transactions with related parties

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

14 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, UK, Italy and Greece, 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

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.

The Entity is jointly taxed with all Danish group enterprises. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

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:

	Useful life
Other fixtures and fittings, tools and equipment	3-5 years

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.