

ERRV ApS

Hammerensgade 1, 2. Sal, DK-1100 Copenhagen K
Registration No. 36 94 12 27

Annual Report

For 1 January – 31 December 2021

The Annual Report was presented and adopted at the Annual General Meeting of the Company on 16 May 2022.

Chairman of the meeting:

Jette Hulgaard

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Company Information

Company

ERRV ApS
Hammerensgade 1, 2. Sal
1100 Copenhagen K

Company No. / CVR No.	36 94 12 27
Municipality of reg. office	Copenhagen
Phone No.	+45 20 29 38 47

Executive Management

Per Niklas Ljungström
Scott B. M. Moseley
Zion Oved

Audit

PriceWaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
2900 Hellerup

Management Review

Activities

ERRV's primary activity is to hold shares in the ESVAGT Group who delivers safety and support at sea.

Activity 2021

Result for the year

The loss for the year was MDKK -266 compared to MDKK -636 in 2020. Main reason for the loss is that the Interest costs on loans from related parties exceeds the result from subsidiaries in 2021. The profit before depreciation, amortisation and financial items etc. in subsidiaries ended close to budget despite the continuing difficult market conditions during 2021. However, the final net result in subsidiaries ended significantly better, mainly driven by impairment from previous years being reversed.

Market and activities

ERRV ApS operates primarily through its subsidiary ESVAGT, who operates within the oil & gas and wind industry primarily in the North Sea.

Equity

On 31 December 2021 the equity of is MDKK -1.191 with an equity ratio of -41,7% compared to MDKK -1.173 and a ratio of -47,0% in 2020.

Loss of equity and going concern

The lenders have expressed their continuing interest in assuring that ERRV ApS can continue as a going concern and have expressed their intention not to call the loans already extended and any additional future loans that may be extended to the company, unless the liquidity position of the company is adequate to justify such repayment. The equity will be re-established through the subsidiary future earnings.

Expectations for 2022

Based on the subsidiary ESVAGT A/S expects further positive development in the offshore market especially in the offshore wind, but with increasing oil and gas prices we also expect to see an increased demand for our ERRV services. This combined with the delivery of the two new-build SOVs and two bareboat leased Multipurpose ERRV's during 2021, leads to an expected profit before financial items in ERRV ApS.

Uncertainties regarding recognition and measurement

ERRV ApS regularly assess the valuation of its subsidiaries, including also impairment testing. When performing such assessments and tests, future outlooks are considered. The ERRV management expects the oil and gas industry to recover over the coming years and based upon the impairment tests performed, concludes that there is no need for impairment of the investment in the subsidiary. Management believes that the ESVAGT Group with its asset base, experience and skills is well positioned.

Financial Risks

A consolidated overview of the ERRV ApS financial risks is included in note 13.

Statutory statement regarding environment, social issues and governance in accordance with section 99a of the Danish Financial Statements Act

For our statutory statement regarding environment, social issues and governance, we refer to our Sustainability & ESG Report 2021, which can be found at:

https://esvagt.com/wp-content/uploads/2022/05/ESVAGT_Sustainability_ESG_Report_2021.pdf

Statutory statement regarding the underrepresented gender in accordance with section 99b of the Danish Financial Statements Act

For our statutory statement regarding the underrepresented gender, we refer to our Sustainability & ESG Report 2021, which can be found at:

https://esvagt.com/wp-content/uploads/2022/05/ESVAGT_Sustainability_ESG_Report_2021.pdf

Statutory statement regarding policy in data ethics in accordance with section 99d of the Danish Financial Statements Act

For our statutory statement regarding policy in data ethics can be found at:

https://esvagt.com/wp-content/uploads/2022/05/ESVAGT_Data_ethics_version-2021.pdf

Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of ERRV ApS for the financial year 1 January – 31 December 2021.

The Financial Statements are prepared in accordance with International Financial Reporting Standards as adopted by the EU, and further requirements in the Danish Financial Statements Act.

In our opinion the consolidated Financial Statements and the separate Financial Statements give a true and fair view of the Group's and the Company's financial position at 31 December 2021 and the results of the Group's and Company's operations for the financial year 1 January – 31 December 2021.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Copenhagen, 16 May 2022

Executive Management

Scott B. M. Moseley

Zion Oved

Per Niklas Ljungström

Independent Auditor's Report

To the Shareholders of ERRV ApS

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2021, and of the results of the Company's operations for the financial year 1 January - 31 December 2021 in accordance with International Financial Reporting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act.

We have audited the Financial Statements of ERRV ApS for the financial year 1 January - 31 December 2021, which comprise income statement and statement of comprehensive income, balance sheet, statement of changes in equity, cash flow statement and notes, including a summary of significant accounting policies ("financial statements").

Basis for Opinion

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

Statement on Management's Review

Management is responsible for Management's Review.

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

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

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

Based on the work we have performed, in our view, Management's Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

Management's Responsibilities for the Financial Statements

Management is responsible for the preparation of Financial Statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

Copenhagen, 16 May 2021

PriceWaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR: No. 33 77 12 31

Thomas Wraae Holm

State Authorized Public Accountant

Mne30141

Palle H. Jensen

State Authorized Public Accountant

Mne32115

Statement of profit and loss

	Notes	2021 TDKK	2020 TDKK
Other Expenses		-351	-370
Operating Profit		-351	-370
Share of profit/loss in subsidiaries		115.414	-289.873
Profit before financial items		115.064	-290.242
Financial Expenses	4	-381.171	-346.152
Profit before income tax		-266.107	-636.394
Tax	5	41	145
Loss for the year		-266.066	-636.249

Statement of comprehensive income

	2021 TDKK	2020 TDKK
Loss for the year	-266.066	-636.249
Other comprehensive income		
Items that may be subsequently reclassified to profit or loss		
Share of other comprehensive income of subsidiaries accounted for using the equity method	12.994	-14.665
Total Comprehensive income for the year	-253.073	-650.914

Balance sheet

	Notes	2021 TDKK	2020 TDKK
Investment in subsidiaries	6	2.858.871	2.495.718
Total non-current assets		2.858.871	2.495.718
Other receivables		0	85
Receivables		0	85
Cash and cash equivalents		10	1
Total Assets		2.858.881	2.495.804
Share capital	8	300	200
Retained earnings		-1.191.291	-1.172.864
Total Equity		-1.190.991	-1.172.664
Loan from related parties	9	4.047.197	3.666.077
Trade payables		84	109
Payables from Group companies		2.591	2.281
Income tax liabilities		0	0
Total current liabilities		4.049.872	3.668.468
Total Liabilities		4.049.872	3.668.468
Total equity and liabilities		2.858.881	2.495.804

Statement of changes in equity

	Share Capital TDKK	Retained Earnings TDKK	Total Equity TDKK
Equity at 01.01.2020	100	-771.850	-771.750
Profit for the year	0	-636.249	-636.249
Other comprehensive income	0	-14.665	-14.665
Total comprehensive income for the year	0	-650.914	-650.914
<i>Transactions with owners in their capacity as owners</i>			
Capital increase	100	249.900	250.000
Equity at 31.12.2020	200	-1.172.864	-1.172.664
Profit for the year	0	-266.066	-266.066
Other comprehensive income	0	12.994	12.994
Total comprehensive income for the year	0	-253.073	-253.073
<i>Transactions with owners in their capacity as owners</i>			
Capital increase	100	199.900	200.000
Long term incentive schemes		34.745	34.745
Equity at 31.12.2021	300	-1.191.291	-1.190.991

Cash Flow Statement

	Notes	2021 TDKK	2020 TDKK
Operating Profit		-351	-370
Change in working capital	12	369	269
Cash flows from operating activities before financial income and expenses		18	-101
Financial expenses paid		-50	-43
Taxes paid/received		41	145
Net cash flow from operating activities		9	1
Capital increase in subsidiaries		-200.000	-250.000
Net cash flow from investing activities		-200.000	-250.000
Share Capital and Share Premium received		200.000	250.000
Cash flow from financing activities		200.000	250.000
Net cash flow for the year		9	1
Cash and cash equivalents, beginning of the year		1	0
Cash and cash equivalents, end of the year		10	1

The information in the cash flow statement cannot directly be reconciled to the statement of profit or loss. The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

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1. Capital position and going concern

The purpose of ERRV ApS is to hold the shares in ESVAGT A/S. The investment had a carrying value of MDKK 2.859 at 31 December 2021 (2020: MDKK 2.496) and is mainly financed via interest bearing loans from related parties amounting to MDKK 4.050 (2020: MDKK 3.668). The income from ESVAGT A/S amounted to MDKK 115 in 2021 (2020: MDKK -290) deducting the interests on the loans from related parties amounted to MDKK 381 resulting in a loss for the year of MDKK 266 (2020: 636 MDKK).

Impairment tests have been carried out regarding the investment in ESVAGT A/S, which did not result in any impairment.

Interests on the loans from group companies are accruing; hence no payments of installments or interests are taking place. The lenders have expressed their continuing interest in assuring that ERRV ApS can continue as a going concern and have expressed their intention not to call the loans already extended and any additional future loans that may be extended to the company unless the liquidity position of the company is adequate to justify such repayment.

2. Accounting policies

The Annual Report for the period 1 January – 31 December 2021 comprises the separate financial statement of ERRV ApS and have been prepared on a going concern basis and in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU and further requirements in the Danish Financial Statements Act.

The annual report has been approved by the Board of Directors at its meeting on 16 May 2022. The annual report will be presented to the shareholders of ERRV ApS for approval at the annual General Meeting.

These separate financial statements contain information of ERRV ApS an individual company and do not contain consolidated financial information as the parent of a group. The company has taken advantage of the exemption under IFRS 10 Consolidated financial statements from the requirement to prepare consolidated financial statements as it and its subsidiaries are included by full consolidation in the consolidated financial statements of its parent ERRV Holdings ApS, cf. note 10 Related parties.

Measurement basis

The financial statements have been prepared on the historical cost basis.

New and amended standards adopted by the group

The group has applied the following standards and amendments for the first time for their annual reporting period commencing 1 January 2021:

- Amendments to IFRS 16 "Covid-19 Related Rent Concessions"
- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 "Interest Rate Benchmark Reform – Phase 2"

The amendments listed above did not have any impact on the amounts recognized in prior periods and are not expected to significantly affect the current or future periods.

New standards and interpretations not yet adopted

Certain new accounting standard and interpretations have been published that are not mandatory for 31 December 2021 reporting periods and have not been early adopted by the group. These standards are not expected to have a material impact on the group in the current or future periods and on foreseeable transactions.

Foreign currency translation

Functional and presentation currency

The functional currency of ERRV ApS is DKK.

The financial statements are presented in Danish Kroner (DKK) and have been rounded to the nearest thousand.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognized in profit or loss.

Foreign exchange gains and losses that relate to borrowings are presented in the statement of profit or loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit or loss on a net basis within other income or other expenses.

Other operating expenses

Other operating expenses comprise administration, office expenses etc.

Financial income and expenses

Financial income and expenses comprise interest income and expenses, realized and non-realized capital gains/losses on transactions in foreign currency, amortization of financial assets and liabilities etc.

Income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

Investment in subsidiaries

Investments in subsidiaries are recognized according to the equity method after initially beginning measured at cost.

Under the equity method, the investments are initially recognized at cost and adjusted thereafter to recognize the company's share of profits or losses of the investee in profit or loss, and the company's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from subsidiaries are recognized as a reduction in the carrying amount of the investment.

Adjustments are made for unrealized group internal gains and losses. Accounting policies of equity-accounted investees have been changed where necessary to ensure consistency with the policies adopted by the group.

Subsidiaries with negative equity are recognized at DKK 0, provided ERRV ApS has not provided guarantees or otherwise is liable for the subsidiary.

The carrying amount of equity-accounted investments is tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount

by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

Equity

Dividend distribution

Dividends are recognized as a liability in the period in which they are adopted at the Annual General Meeting.

Loans from related parties

Loans from related parties are initially recognized at fair value, net of transaction costs incurred and are subsequently measured at amortized cost. Any differences between the proceeds and the redemption value are recognized in the income statement over the period of the loans using the effective interest method.

Other liabilities

Other liabilities covering trade payables and other debt are recognized at amortized cost, which is usually equivalent to the nominal value.

Statement of cash flow

The cash flow statement shows the company's cash flows during the year distributed on operating, investing and financing activities, changes in cash and cash equivalents at the beginning and at the end of the year.

Cash flows from operating activities are calculated by the indirect method using the operating profit adjusted for changes in working capital and non-cash operating items. Working capital comprises current assets less short-term debt excluding items included in cash and cash equivalents.

Cash flows from investing activities comprise cash flows from acquisitions and disposals of intangible assets, property, plant and equipment as well as fixed asset investments.

Cash flows from financing activities comprise cash flows from the raising and repayment of long-term debt as well as payments to and from shareholders.

Cash and cash equivalents

Cash and cash equivalents comprise "Cash at bank and in hand".

3. Critical accounting estimates and judgements

ERRV ApS makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Impairment testing of investments in subsidiaries

ERRV ApS tests annually whether investments in the subsidiary has suffered any impairment, in accordance with the accounting policy stated in note 2. The recoverable amounts of investments have been determined based on value-in-use calculations. Estimates are made of development in revenues, gross profits, operating margins, future capital expenditures, discount rates and growth expectations in the terminal period. These estimates are based on an assessment of current and future developments in the subsidiary and on historical data and assumptions of future expected market developments, including expected long-term average market growth rates.

4. Financial expenses

	2021 TDKK	2020 TDKK
<i>Interest expenses on financial liabilities not measured at fair value:</i>		
Interest expenses to parent	50	43
Interest expenses to related parties	381.121	346.109
Interest expenses, credit institutions	0	0
	381.171	346.152

5. Tax on profit for the year

	2021 TDKK	2020 TDKK
<i>Income tax:</i>		
Tax on profit/loss for the year	-41	-85
Total income tax	-41	-85
<i>Tax on profit/loss for the year can be broken down as follows:</i>		
Current tax	-41	-85
Deferred tax	0	0
Adjustments for current tax of prior periods	0	-60
Tax on profit/loss for the year	-41	-145
<i>Income tax is specified as follows:</i>		
Calculated 22% tax on "Profit for the year before income tax"	-58.544	-140.007
Tax effects of:		
Income tax under tonnage taxation	58.503	139.922
Adjustments in respect of prior years	0	-60
	-41	-145
Effective tax rate	0,0%	0,0%

6. Investment in subsidiaries

	2021 TDKK	2020 TDKK
Costs at 01.01.2020	3.090.908	2.840.908
Additions during the year	200.000	250.000
Costs at 31.12.2020	3.290.908	3.090.908
Net adjustment at 01.01.2021	-595.190	-290.653
Adjustment prior period	0	0
Share of net result for the year	115.414	-289.873
Share of other comprehensive income for the year	12.994	-14.665
Long term incentive schemes	34.745	0
Total adjustment at 31.12.2021	-432.037	-595.190
Carrying amount 31.12.2021	2.858.871	2.495.718
Name	Owner- ship and Voting Rights	Place of Reg. Office
<i>Investments in subsidiaries:</i>		
ESVAGT A/S	100%	Denmark
ESVAGT Holdings Limited	100%	Great Britain
ESVAGT UK Limited	100%	Great Britain
ESVAGT Norge AS	100%	Norway
P/F ESVAGT-THOR	51%	Faroe Islands
<i>Investments in joint ventures:</i>		
EWPL Ocean ApS	50%	Denmark

7. Financial assets and liabilities

Carrying Amount	2021 TDKK	2020 TDKK
Financial assets:		
Cash and cash equivalents	10	1
Total Financial assets at amortised cost	10	1
<i>Financial liabilities at amortised cost</i>		
Loans from related parties	4.047.197	3.666.077
Trade payables	84	109
Payables to Group companies	2.591	2.281
Income tax liabilities	0	0
Total Financial liabilities at amortised cost	4.049.872	3.668.468

Fair value is approximately the same as the carrying amounts, due to variable loans.

8. Share Capital

The share capital comprises of:

	No shares	Nominal value per share	2021 TDKK	2020 TDKK
	200.000	1	200	200
	100.000	1	100	0
	300.000	1	300	200

No shares carry any special rights. There are no restrictions connected to the transferability or voting rights of the shares. All shares have been fully paid in.

All shares in ERRV ApS are owned by ERRV Holdings ApS.

Capital Management

The company's objectives when managing capital are to safeguard the company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce cost of capital.

The management monitor the share and capital structure to ensure that the company's capital resources support the strategic goals. The overall target is to have secured long term financing with fixed interest rates at competitive rates.

The company has not adopted any specific key ratios.

The Company's policy for managing capital is unchanged from last year.

9. Loan from related parties

	Currency	Maturity	Carrying Amount
2021 Fixed-rate loans	DKK	On demand	4.047.197
2020 Fixed-rate loans	DKK	On demand	3.666.077

10. Related parties

The Company is included in the consolidated financial statements for its parent company ERRV Holding ApS, Hammerensgade 1, 2nd floor, 1100 Copenhagen, Denmark.

The ultimate controlling party is ERRV Luxembourg Holdings S.à.r.l., Luxembourg.

The following balances arising from sales/purchases of goods and services are outstanding at the end of the period in relation to transactions with related parties:

	2021 TDKK	2020 TDKK
Loans to related parties		
<i>Loans from related parties</i>		
Beginning of the period	3.666.077	3.319.968
Interest charged	381.120	346.109
End of year	4.047.197	3.666.077
<i>Loans from subsidiaries</i>		
Beginning of the period	2.281	1.954
Loan increase	259	284
Interest charged	50	43
End of year	2.591	2.281

Terms and conditions Receivables from Group companies primarily arises from ordinary operations and are in general repaid in full on a monthly basis. The receivables do thus not carry any interest. Loans to the parent company and to and from subsidiaries carry an interest of 2% and the loans are expected to be settled in cash.

The Board of directors have not received any remuneration during the year.

11. Contingent liabilities

Litigation

None

Other contingent liabilities

None

12. Cash flow statement

	2021 TDKK	2020 TDKK
Change in working capital		
Change in trade payables	-26	26
Change in payables to Group companies	395	243
	369	269
<i>Changes in liabilities arising from financing activities</i>		
Loan from related parties at 01.01.2021	3.666.077	3.319.968
Accrued interests	381.120	346.109
Loan from related parties at 31.12.2021	4.047.197	3.666.077

13. Financial risk management

Financial risk factors

The financial risks the company is exposed to is managed centrally by the ERRV Holdings ApS group. The overall risk management guidelines and policies have been approved by the board of directors in the Group. Group finance/Treasury department identifies and evaluates exposures in close co-operation with the group's operating units. The board provides written principles for overall risk management.

Market risk

Foreign exchange risk

As all transactions are in DKK, the company is not exposed to any foreign exchange rate risk.

Interest rate risk

As all loans are issued at a fixed rate, the income statement is not sensitive to higher/lower interest rates on borrowings.

Credit risks

Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions. For banks and financial institutions, only independently rated parties with a minimum rating of 'BBB' are accepted. The maximum exposure corresponds to the carrying amount of cash.

Liquidity risk

Cash flow forecasting is performed by management. The management monitors forecasts of the liquidity requirements to ensure it has sufficient cash to meet the company's operational needs. Such forecasting takes into consideration the company's debt financing plans and compliance with loan documentation.

For 2021 and 2020, the company's financial liabilities do all have contractual maturities of less than one year. However, loans from related parties, due on demand, will not be called unless the liquidity position of the company is adequate to justify repayment.

14. Events after the balance sheet date

Subsequent to the balance sheet date, no events that could significantly affect the financial statements as of 31 December 2021 have occurred.