

Boskalis Subsea Cables ApS

c/o Bech-Bruun
Langelinie Allé 35
2100 Copenhagen

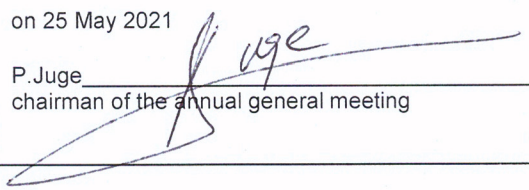
CVR no. 37 52 59 44

Annual report 2020

The annual report was presented and approved at the
Company's annual general meeting

on 25 May 2021

P. Juge
chairman of the annual general meeting



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Statement by the Board of Directors and the Executive Board

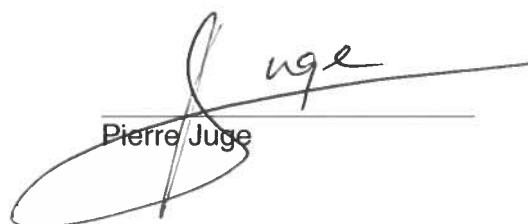
The Board of Directors and the Executive Board have today discussed and approved the annual report of Boskalis Subsea Cables ApS for the financial year 1 January – 31 December 2020.

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

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2020 and of the results of the Company's operations for the financial year 1 January – 31 December 2020.

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

Papendrecht, 25 May 2021
Executive Board:


Richard Paul Rijper
Pierre Juge

Management confirms that the Company fulfils the requirement to be exempt from audit.

Practitioner's Statement on Compilation of Financial Statements

To the Management of Boskalis Subsea Cables ApS

We have compiled the Financial Statements of Boskalis Subsea Cables ApS for the financial year 1 January – 31 December 2020 on the basis of the Enterprise's accounting records and other information you have provided.

The Financial Statements comprise summary of accounting policies, income statement, balance sheet and notes.

We performed our work in accordance with ISRS 4410, Engagements to Compile Financial Information.

Based on our professional expertise, we have assisted you with the preparation and presentation of the Financial Statements in accordance with the Danish Financial Statements Act. We have complied with relevant provisions of the Danish Act on Approved Auditors and Audit Firms and FSR – Danish Auditors' Code of Ethics, including the principles of integrity, objectivity, professional competence and due care.

The Financial Statements and the accuracy and completeness of the information forming the basis of the compilation of the Financial Statements are your responsibility.

As an engagement to compile financial information is not an assurance engagement, we are under no duty to verify the accuracy or completeness of the information you provided to us to compile the Financial Statements. Accordingly, we express no audit opinion or review opinion as to whether the Financial Statements have been prepared in accordance with the Danish Financial Statements Act.

Hillerød, 25 May 2021

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR-no. 33 77 12 31



Birgitte Nielsen

Statsautoriseret revisor

State Authorised Public Accountant

mne33192

Financial statements 1 January – 31 December 2020

Income statement

EUR'000	Note	2020	2019
Gross profit/loss		408	418
Staff costs	4	-304	-346
Other external costs		-6	-5
Operating profit/loss		98	67
Other financial expenses	5	-9	-6
Profit/loss before tax		89	61
Tax on profit/loss for the year		-19	-13
Profit/loss for the year		<u>70</u>	<u>48</u>
Proposed profit appropriation			
Retained earnings		<u>70</u>	<u>48</u>
		<u>70</u>	<u>48</u>

Financial statements 1 January– 31 December 2020

Balance sheet

EUR'000	Note	2020	2019
ASSETS			
Current assets			
Receivables			
Receivables on group entities		33	76
Other receivables		2	0
		35	76
Cash at bank and in hand		637	598
Total current assets		672	674
TOTAL ASSETS		672	674
EQUITY AND LIABILITIES			
Equity			
Share capital		7	7
Retained earnings		229	159
Total equity		236	166
Provisions			
Other provisions		0	13
Total provisions		0	13
Current liabilities other than provisions			
Payables to group entities		307	414
Other payables		98	63
Corporation tax		31	18
		436	495
Total liabilities other than provisions		436	495
TOTAL EQUITY AND LIABILITIES		672	674
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Financial statements 1 January – 31 December 2020

Notes

1 Accounting policies

The annual report of Boskalis Subsea Cables ApS for 2020 has been prepared in accordance with the provisions applying to reporting class B entities under the Danish Financial Statements Act.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2020 are presented in EUR.

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates 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, payables and other monetary items denominated in foreign currencies are translated at the exchange rates 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 latest financial statements is recognised in the income statement as financial income or financial expenses.

Income statement

Revenue

Income from the sale of services is recognised in revenue when delivery and transfer of risk to the buyer have taken place, and the income may be measured reliably and is expected to be received.

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

Cost of sales

Cost of sales comprises costs incurred to generate revenue for the year.

Staff costs

Staff costs comprise wages and salaries, including holiday allowance, pensions and other social security costs, excluding reimbursements from public authorities.

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1 Accounting policies (continued)

Other external costs

Other external costs comprise costs for distribution and sales costs, costs for advertising, administrative expenses, costs of premises, bad debts, operating leases, etc.

Other operating income

Other operating income comprises items secondary to the activities of the Company, including gains on the disposal of intangible assets and property, plant and equipment.

Other operating costs

Other operating costs comprise items secondary to the activities of the entities, including losses on the disposal of intangible assets and property, plant and equipment.

Financial income and expenses

Financial income and expenses comprise interest income and expense, financial costs regarding finance leases, gains and losses on securities, payables and transactions denominated in foreign currencies, amortisation of financial assets and liabilities as well as surcharges and refunds under the on-account tax scheme, etc.

Tax on profit/loss for the year

Tax for the year comprises current tax for the year and changes in deferred tax, including changes in tax rates. The tax expense relating to the profit/loss for the year is recognised in the income statement at the amount attributable to the profit/loss for the year and directly in equity at the amount attributable to entries directly in equity. The Company is jointly taxed with Danish group enterprises. The tax effect of the joint taxation is allocated to Danish enterprises in proportion to their taxable incomes.

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1 Accounting policies (continued)

Balance sheet

Receivables

Receivables are measured at amortised cost.

Write-down is made for bad debt losses where there is an objective indication that a receivable or a portfolio of receivables has been impaired. If there is an objective indication that an individual receivable has been impaired, write-down is made on an individual basis.

Receivables with no objective indication of individual impairment are assessed for objective indication of impairment on a portfolio basis. The portfolios are primarily based on the debtors' registered offices and credit rating in accordance with the Company's credit risk management policy. The objective indicators used in relation to portfolios are determined on the basis of historical loss experience.

Write-downs are calculated as the difference between the carrying amount of receivables and the present value of forecast 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.

Equity

Dividends

The expected dividend payment for the year is disclosed as a separate item under equity.

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1 Accounting policies (continued)

Corporation tax and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities measured on the planned use of the asset or settlement of the liability, respectively. However, deferred tax is not recognised on temporary differences relating to office buildings non-deductible for tax purposes and other items where temporary differences arise at the date of acquisition without affecting either profit/loss or taxable income.

Deferred tax assets, including the tax value of tax loss carry forwards, are recognised at the expected value of their utilisation within the foreseeable future; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Any deferred net assets are measured at net realisable value.

Deferred tax is measured in accordance with the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Changes in deferred tax as a result of changes in tax rates are recognised in the income statement or equity, respectively.

Liabilities other than provisions

Financial liabilities are recognised at the date of borrowing at cost, corresponding to the proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost, corresponding to the capitalised value using the effective interest rate. Accordingly, the difference between cost and the nominal value is recognised in the income statement over the term of the loan together with interest expenses.

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

Deferred income

Deferred income comprises payments received regarding income in subsequent years.

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2 Main activities

The company's objects are the worldwide implementation of projects in the areas of installation, maintenance and replacement of subsea power cables, pipes or tubes, including the construction of (offshore) umbilicals, with associated landings and terminations, hiring out of personnel and provision of services, and the management of all other related activities in the field of transport and installation as well as inspection and maintenance activities.

3 Financial situation

The company is part of the Boskalis Subsea Cables and ultimately Royal Boskalis Westminster group, which have a clear intention of supporting the company with sufficient liquidity should the need arise for the coming year.

EUR'000	2020	2019
4 Staff costs		
Wages and salaries	283	324
Pensions	21	22
Other social security costs	-	-
	<u>304</u>	<u>346</u>
Average number of full-time employees	<u>4</u>	<u>4</u>
5 Financial expenses		
Other financial expenses	<u>9</u>	<u>6</u>
	<u>9</u>	<u>6</u>

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6 Contractual obligations, contingencies, etc.

Contingent liabilities

Boskalis Subsea Cables ApS is jointly taxed together with other Boskalis entities based in Denmark. The group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. Boskalis Subsea Cables ApS is the management company of the joint taxation group. Moreover, the group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income.

7 Related parties

Boskalis Subsea Cables ApS has a related party relationship with its Directors, its shareholder VBMS Holding BV and her subsidiaries, equity accounted investees and other investments, Royal Boskalis Westminster NV and her subsidiaries, equity accounted investees and other investments.