Fulmar Investments ApS

Havneholmen 25, 8.
DK-1561 Copenhagen V
Business Registration No: 38 10 49 69

Annual report for 2020

The Annual General Meeting adopted the annual report on 26 April 2021

Chairman of the Annual General Meeting

Name: Søren Poulsgaard Jensen

Contents

Entity details

Company

Fulmar Investments ApS
Havneholmen 25, 8th floor
1561 Copenhagen V, Denmark
Business Registration No: 38 10 49 69
Registered in: Copenhagen, Denmark
Financial year: 01.01.2020 – 31.12.2020
Phone: +45 33 15 15 15
Internet: www.scandlines.com
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Board of Directors

Nicolas Grant, Chairman of the Board
Ellen Marina Richardson
Luke Erik Bugeja

Executive Board

Søren Poulsgaard Jensen
Per Johannesen Madsen

Company auditors

Deloitte
Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
P.O. Box 1600
2300 Copenhagen S, Denmark

Management commentary

Primary Activities

The Company’s primary activities is to own associated companies.

Development in Activities and Finances

The financial year 2020 shows a loss for the year of MEUR -52.7 which is MEUR 62.0 lower than 2019.
As of 31 December 2020, total assets was MEUR 994.9 and total equity was MEUR 87.9.

The performance is not considered satisfactory.

COVID-19 impacted all aspects of our business in 2020 where we primarily were impacted through our associated company as car and passenger traffic was immediately and dramatically affected by travel restrictions, quarantine measures and border closures imposed by political decision makers in Germany and Denmark from March to limit the spread of COVID-19. Traffic figures were most severely affected by the restrictions in the second quarter of 2020, and shopping traffic quickly rebounded during the summer on the back of temporary easing of restrictions, whereas leisure traffic increased slowly over the summer and early autumn. When new regional and national travel restrictions were introduced in Sweden, Denmark and Germany in the autumn, shopping and leisure traffic volumes dropped again.
Freight traffic was relatively stable during the outbreak of COVID-19 as we implemented precaution-ary measures to protect our employees, customers and partners while continuing to serve our cus-tomers.
We were able to avoid collective redundancies as we imposed strict cost control and made use of state salary compensation schemes in Germany and Denmark during 2020.

Outlook and mid-term perspectives

In 2021, we expect car and passenger traffic as well as shopping and bus travel to be significantly impaired by the effects of COVID-19 until such time as the joint efforts to mitigate the impact of COVID 19 allow for the demand for travel to return. Freight traffic is expected to remain at a relatively stable and high level throughout the year.

We will maintain a strict focus on efficiency and cost control to alleviate the impact of these negative external effects in a period of continued uncertainty.

Scandlines will continue to focus on maintaining and strengthening the competitiveness of the traffic machine operations on the group’s two Germany-Denmark routes as well as the port facilities and land-based BorderShops in Puttgarden and Rostock. As the impact of COVID-19 recedes, we are confident that leisure traffic will recover.

Due to the high degree of uncertainty and very low visibility, management is currently not in a position to provide precise financial guidance for 2021.

Uncertainty in relation to recognition and measurement

The Company has no material uncertainty in relation to recognition and measurement.

Unusual circumstances

There are no unusual circumstances in 2020.

We refer to the description under “Activities and Finances” in relation to COVID-19.

External environment

The Company is not materially affected by the external environment due to the nature of the business being a holding company.

Intellectual capital resources

The Company has no intellectual capital resources due to the nature of the business as a holding company.

Research- and development activities

The Company has no research and development activities.

Branches

The Company has no branches.

Events after the balance sheet date

No events have occurred in the period from the balance sheet date until the date of release of this annual report that would materially affect the evaluation of the annual report.

Consolidated financial statements

Statement of comprehensive statement

	Notes	2020 MEUR	2019 MEUR
Other income		0.7	0.7
Total income		**0.7**	**0.7**
Other external expenses		-0.6	-0.5
Total costs		**-0.6**	**-0.5**
Result before amortisation and depreciation (EBITDA)		**0.1**	**0.2**
Result from operations (EBIT)		**0.1**	**0.2**
Profit from associated companies	5	12.1	79.6
Financial expenses	3	-65.3	-70.1
Result before tax		**-53.1**	**9.7**
Tax for the year	4	0.4	-0.4
Result for the year		**-52.7**	**9.3**
Other comprehensive income items that may be reclassified			
Subsequently to profit or loss			
Change in fair value & cash flow hedges		0.0	-0.6
Total comprehensive income		-52.7	8.7
Attributable to owners of the parent company		-52.7	8.7

Consolidated financial statements

Statement of financial position

	Notes	31.12.20 MEUR	31.12.19 MEUR
ASSETS			
Investments in associated companies	5	988.0	975.9
Non-current financial assets		**988.0**	**975.9**
Total non-current assets		**988.0**	**975.9**
Receiveables from associated companies		0.3	0.0
Cash		6.6	10.4
Current assets		**6.9**	**10.4**
Total current assets		**6.9**	**10.4**
Assets		**994.9**	**986.3**

Consolidated financial statements

Statement of financial position

	Notes	31.12.20 MEUR	31.12.19 MEUR
EQUITY AND LIABILITIES			
Share capital		0.0	0.0
Retained earnings		87.9	142.4
Reserves		0.0	-1.8
Total equity		**87.9**	**140.6**
Interest-bearing liabilities	6	177.5	177.3
Payables to owners	6	660.4	664.2
Total non-current liabilities		**837.9**	**841.5**
Interest-bearing liabilities	6	11.9	0.0
Payables to owners	6	57.1	0.0
Company tax		0.0	0.4
Trade payables		0.1	3.8
Total current liabilities		**69.1**	**4.2**
Total liabilities		**907.0**	**845.7**
Equity and liabilities		**994.9**	**986.3**

Consolidated financial statements

Cash flow statement

	Notes	31.12.20 MEUR	31.12.19 MEUR
Result before amortisation and depreciation (EBITDA)		0.1	0.2
Adjustments for non-cash operating items, etc.		0.0	0.3
Working capital changes	7	-3.7	3.8
Cash flows from operating activities, net		**-3.6**	**4.3**
Received dividend from affiliated company		0.0	221.4
Cash flows to/from investing activities		**0.0**	**221.4**
Repayments of internal loans		0.0	-111.7
Repayments of external loans		0.0	-64.3
Interest and other		-0.2	-64.6
Fair value derivatives and foreign currency exchange adj.		0.0	-0.4
Cash flows to/from financing activities		**-0.2**	**-241.0**
Cash flows for the year, net			
Cash at 1 January		10.4	25.7
Change in Cash		-3.8	-15.3
Cash at 31 December		**6.6**	**10.4**

Consolidated financial statements

Statement of changes in equity, MEUR

2020	**Share capital**	**Retained earnings**	**Fair value adjustments of hedging instruments**	**Total**
Equity at 1 January 2020	**0.0**	**142.4**	**-1.8**	**140.6**
Comprehensive income/loss for the year				
Result for the year	0.0	-52.7	0.0	-52.7
Other comprehensive income	0.0	-1.8	1.8	0.0
Equity at 31 December 2020	**0.0**	**87.9**	**0.0**	**87.9**

Share capital

Share capital is nominal EUR 26 thousand.

2019	**Share capital**	**Retained earnings**	**Fair value adjustments of hedging instruments**	**Total**
Equity at 1 October 2019	**0.0**	**133.1**	**-1.2**	**131.9**
Comprehensive income/loss for the year				
Result for the year	0.0	9.3	0.0	9.3
Other comprehensive income	0.0	0.0	-0.6	-0.6
Equity at 31 December 2019	**0.0**	**142.4**	**-1.8**	**140.6**

Share capital

Share capital is nominal EUR 26 thousand.

Consolidated financial statements

Overview of notes

Notes to the consolidated financial statements

1. Significant accounting estimates and judgements

As part of the preparation of the consolidated financial statements, Management makes a number of accounting estimates and judgements as well as assumptions as a basis for recognising and measuring the Group's assets, liabilities, income and expenses. The estimates, judgements and assumptions made are based on experience gained and other factors that are considered prudent by Management in the circumstances, but which are inherently subject to uncertainty and volatility. The assumptions may be incomplete or inaccurate, and unforeseen events or circumstances may occur for which reason the actual results may differ from the estimates and judgements made. The Group's accounting policies are described in detail in note 13 to the consolidated financial statements to which we refer.

Invstments in associated companies are tested for impairment if events or other circumstances indicate that the carrying amount is not recoverable. Measuring associated companies requires significant estimates to be made when making different assumptions, including expected future cash flows, discount rate and terminal value growth rates. The sensitivity to changes in the assumptions applied - collectively and individually - may be significant.

Assumptions about the future and other estimation uncertainties at the balance sheet date are disclosed in the notes if they involve a material risk of changes that may lead to considerable adjustment of the carrying amounts of assets or liabilities within the next financial year.

Scandlines Infrastructure ApS (“Company”) is governed i.a. by its Investment and Investors´ Agreement dated 21 June 2018 (“IIA”). Given the absence of non-majority based control instruments, i.e. decisions being based on majority, control can predominantly be exerted by gaining a majority in the respective entity bodies. The highest single shareholder percentage is 65 %. For a vast number of important items, the IAA, however, regulates majority thresholds of 75 % and 90 % respectively (the “ordinary reserved matters” and the “super reserved matters”). This includes approval of, e.g., the business plan and annual budget of the Company. Therefore, the IIA does not allow for one shareholder alone to exert full control over the company. Based on this, the investment in Scandlines Infrastructure ApS has been recognised as an investment in associated companies.

Applied materiality in preparation of the financial statements

In preparing the consolidated financial statements, Management seeks to improve the information value of the consolidated financial statements, the notes to the statements by presenting the information in a way that supports the understanding of the group’s performance in the reporting period. This objective is achieved by presenting fair transactional aggregation levels on line items and other financial information, emphasizing information that is considered of material importance to the user and making relevant rather than generic descriptions throughout the consolidated financial statements. All disclosures are made in compliance with the International Financial Reporting Standards, the Danish Financial Statements Act and other relevant regulations, ensuring a true and fair view throughout the annual report.

Notes to the consolidated financial statements

Notes, MEUR

2. Adoption of new and amended standards

The new and amended Standards and Interpretations that have been issued, but are not yet effective, up to the date of issuance of the group's financial statements are disclosed below. The Group intends to adopt these new and amended Standards and Interpretations, if applicable, when they become effective.

• Amendments to IAS 16 Property, Plant and Equipment: Proceeds before Intended Use
• Amendments to IAS 37: Onerous Contracts - Cost of Fulfilling a Contract
• Annual Improvements to IFRS Standards 2018-2020
• Interest Benchmark Reform - Phase 2 - Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16
• Classification of Liabilities as Current or Non-current

The Group does not expect any material impact from the issued but not yet effective IFRS standards that have not been implemented.

	2020	**2019**
3. Financial expenses		
Interest to credit institutions etc.	-12.1	-12.4
Interest to owners	-53.2	-57.7
	-65.3	**-70.1**

4. Tax for the year

The Group has a tax asset of 1.8 MEUR which has not been recognised in the balance sheet as of 31 December 2020.

5. Investments in associated companies

Key figures for associated company (100% basis):

	2020	**2019**
Current assets	99.8	81.0
Non-current assets	2,436.7	2.457.4
Current liabilities	-112.6	-73.6
Non-current liabilities	-903.8	-963.4
Net assets of the associate	**1,520.0**	**1,501.4**
Revenue	272.6	475.0
Profit or loss from operations	33.1	141.3
Profit/(loss) for the year	**17.6**	**122.2**

Notes to the consolidated financial statements

Notes, MEUR

5. Investments in associated companies (continued)

	2020	2019
Other comprehensive income	1.0	-0.6
Total comprehensive income	**18.6**	**121.6**
Dividends declared by the associate during the year	**0.0**	**221.3**

	31.12.20	31.12.19
Net assets of associate	1.520.0	1,501.4
Proportion of the Group’s ownership interest in the associate (%)	65%	65%
Carrying amount of the Group’s interest in the associate	**988.0**	**975.9**

Name of associate	Principal activity	Place of incorporation and principal place of business	Proportion of ownership interest and voting rights held by the Group
Scandlines Infrastructure ApS	Holding	Copenhagen	65%

Due to the temporary decline in earnings in 2020 due to COVID-19, the value of the investment in Scandlines Infrastructure ApS has been tested, and the impairment test shows that the value is not impaired, primarily based on an expectation that earnings will be normalised again from 2022.

6. Interest-bearing liabilities

	31.12.20	31.12.19
Bank debt	177.5	177.3
Payables to owners	660.4	664.2
Total non-current interest-bearing liabilities	**837.9**	**841.5**
Bank debt	11.9	0.0
Payables to owners	57.1	0.0
Total current interest-bearing liabilities	**69.0**	**0.0**
Total current and non-current interest-bearing liabilities	**906.9**	**841.5**

Please refer to note 9 with respect to financial risk etc.

Notes to the consolidated financial statements

Notes, MEUR

6. Interest-bearing liabilities (continued)

Distribution of currency, nominal principal		
EUR	906.9	841.5
Total interest-bearing liabilities	**906.9**	**841.5**

Borrowings 2020

	Currency	Fixed/float interest	Nominal value	Fair value
Tranche 2 (expiry 2028)	EUR	Fixed	137.5	137.5
Tranche 3 (expiry 2032)	EUR	Fixed	53.9	53.9
Payables to owners	EUR	Fixed	717.5	717.5
			908.9	**908.9**

Facilities 2020	Facility	Utilised	Remaining facilities
Tranche 2 (expiry 2028)	137.5	137.5	0.0
Tranche 3 (expiry 2032)	53.9	53.9	0.0
	191.4	**191.4**	**0.0**

Borrowings 2019

	Currency	Fixed/float interest	Nominal value	Fair value
Tranche 2 (expiry 2028)	EUR	Fixed	129.6	129.6
Tranche 3 (expiry 2032)	EUR	Fixed	50.0	50.0
Payables to owners	EUR	Fixed	664.2	664.2
			843.8	**843.8**

Facilities 2019	Facility	Utilised	Remaining facilities
Tranche 2 (expiry 2028)	129.6	129.6	0.0
Tranche 3 (expiry 2032)	50.0	50.0	0.0
	179.6	**179.6**	**0.0**

Notes to the consolidated financial statements

Notes, MEUR

6. Interest-bearing liabilities (continued)

The fair value of the bank debt and payables to owners are calculated at present value of future payment and payment of interest applying the actual yield curve which derives from the actual market interest (level 2 in the fair value hierarchy).

The existing loan agreement is subject to covenants.

	31.12.20	31.12.19
7. Working capital changes		
Increase (-)/decrease (+) in trade payables	-3.7	3.8
	-3.7	**3.8**
8. Fees to auditors appointed by the Annual General Meeting		
Statutory audit	0.0	0.0
	0.0	**0.0**

9. Financial risks and use of derivatives

Risk management policy

Financial market risks derive from operating, financing and investment activities. The Company's financial risks are primarily the risks related to the investment in Scandlines Infrastrucutre ApS, which has an annually approved group treasury policy that defines responsibilities, procedures and risk limits per risk type. There is an informal risk management policy in the Company with an ongoing dialogue with the Board of directors. The Company does not actively speculate in financial risks. Financial risk management is performed centrally for the group and includes the responsibility for identifying, measuring, managing and reporting of financial risks.

Risks related to foreign exchange rates

Foreign exchange rate risk derives primarily from operating cash flows and financing arrangement in other currencies than EUR. The Company has during 2020 not entered into any currency hedges and has no open currency hedge contracts as at 31 December 2020.

Liquidity risks

The Company has a strong and stable cash flow in the financial years primarily from received dividends. The overall liquidity risk is considered to be low.

Notes to the consolidated financial statements

Notes, MEUR

9. Financial risks and use of derivatives (continued)

Interest risks

The interest rates on the loans are fixed and the Company is therefore not affected by changes in macro-economic interests. The interest risks are therefore considered low.

The Group's debt falls due as follows (excl. interest):

31.12.20	Within 1 year	1-5 years	After 5 years	Nominal values
Non-derivatives				
Credit institutions and banks	11.9	42.0	135.5	189.4
Payables to owners	0.0	0.0	717.5	717.5
	11.9	**42.0**	**853.0**	**906.9**

31.12.19	Within 1 year	1-5 years	After 5 years	Nominal values
Non-derivatives				
Credit institutions and banks	0.0	25.8	151.5	177.3
Payables to owners	0.0	0.0	664.2	664.2
	0.0	**25.8**	**815.7**	**841.5**

Due to immaterial effects between fair values and nominal value, the difference is not shown.

Capital management

The Group regularly evaluates the need for adjusting the capital structure in order to match the requirement for increased returns on capital invested and flexibility to realise the strategic objectives.

The Group's dividend policy is closely related to the existing loan agreement. This means that dividend may be allotted only if the assumptions determined in the agreement have been met. This ensures that dividend is allotted only if specific financial ratios have been observed

Fair value hierarchy of financial instruments measured at fair value in the balance sheet forward ex-change transactions and interest rate swaps are valued using an income approach (discounted cash flow). Expected future cash flows are based on relevant observable swap rates and forward exchange rates and discounted using a discount rate that reflects the credit risk of the relevant counterparties (level 2).

Notes to the consolidated financial statements

Notes, MEUR

9. Financial risks and use of derivatives (continued)

	31.12.20	**31.12.19**
Bank debt	189.4	177.3
Financial liabilities measured at amortised cost	**189.4**	**177.3**

10. Guarantees, contingent liabilities and collateral

The Group's bank debts, as disclosed in note 6, are obtained by the subsidiary of the Group, Fulmar Holding ApS. All assets at any time belonging to the Group including recognised as well as not recognised assets are pledged as collateral for the bank debts.

11. Related parties

Fulmar Investments ApS' primary shareholders are FS Argon Gas S.à.r.l. and Federated Hermes International (Hermes Infrastructure Fund I LP, Hermes Infrastructure (SAP I) LP and Hermes Infrastructure Fund II LP). Fulmar Investments ApS is indirectly utilimately owned by a consortium of infrastructure investors including First Sentier Investors (77.1 percent) and Federated Hermes (22.9 percent). European Diversified Infrastructure Fund II SCSp, managed by its General Partner, First Sentier Investors (Luxembourg) EDIF II GP S.à r.l. is considered the ultimate owner.

The members of the Fulmar Investments ApS' Executive Management and these persons' close family members. Related parties also include all companies owned by Fulmar Investments ApS. The activities of the Fulmar Group (Fulmar Investments ApS and Fulmar Holding ApS) are managed by Scandlines Infrastructure ApS Group.

During the period, there have been no transactions with related parties aside from intragroup transactions (primarily management fees, etc.) which have been eliminated in the consolidated financial statements.

The companies included in the consolidated financial statements are:

Company	**Ownership**	**Country**
Holding company		
Fulmar Investments ApS	100%	Denmark
Subsidiaries		
Fulmar Holding ApS	100%	Denmark

Notes to the consolidated financial statements

12. Events after the balance sheet date

No events have occurred in the period from the balance sheet date until the date of release of this annual report that would materially affect the evaluation of the annual report.

13. Accounting policies

The consolidated financial statements are presented in accordance with International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements for annual reports of reporting class C (medium) enterprises.

The Company was established on 1 October 2016 and in 2020, the purpose of the Entity has been to hold shares in Scandlines Infrastructure ApS.

Basis of accounting

The consolidated financial statements are presented in EUR, the functional currency of Fulmar Investments ApS. The consolidated financial statements are prepared under the historical cost convention, with the exception of derivatives which are measured at fair value. Non-current assets and disposal groups classified as held for sale are measured at the lower of carrying amount before the change in classification and fair value net of selling costs. The accounting policies described below have been applied consistently throughout the financial year.

Critical accounting policies

Management believes that the accounting policies applied to the consolidated financial statements, business combinations and investments in associated companies to be those most important to the group. Below, each of those fields are described together with other accounting policies applied. Significant accounting estimates and judgements made when applying the group's accounting policies are described in note 1 to the consolidated financial statements.

Description of accounting policies applied

Consolidated financial statements

The consolidated financial statements include Fulmar Investments ApS (the Parent) and subsidiaries, in which Fulmar Investments ApS exercises control over their financial and operating policies. Control is achieved by the Parent either directly or indirectly owning or holding more than 50% of the voting rights or in any other way controlling the relevant enterprise (affiliated company). Fulmar Investments ApS and its affiliated companies are together referred to as the Group.

Notes to the consolidated financial statements

13. Accounting policies (continued)

The consolidated financial statements are prepared on the basis of the financial statements of the Parent and the subsidiaries by aggregating uniform financial statement items and subsequently eliminating intercompany transactions, intercompany shareholdings and balances as well as unrealised intercompany gains and losses. The consolidated financial statements are based on financial statements prepared in compliance with the Group's accounting policies.

Investments in subsidiaries are offset by the proportionate share of such enterprises' equity value at the time of acquisition.

The Group's investments in associates are recognised at the proportionate share of the associate's equity value. Unrealised internal profits or losses from transactions with associates are eliminated by the Group's equity interest therein.

Foreign currency translation

Functional currency and presentation currency

Financial statement items for each of the Group's enterprises are measured applying the functional currency that is used in the primary economic environment in which the enterprise operates. The consolidated financial statements are presented in EUR, the Parent's functional currency and presentation currency.

The foreign currency translation adjustments are divided between the Parent's share and the minority interests' share of equity. When wholly-owned foreign enterprises are disposed of, such foreign currency translation adjustments accumulated in equity through other comprehensive income as are attributable to the enterprise are reclassified from "Reserve for foreign currency translation adjustments" to profit or loss together with any profit or loss from the disposal.

When partially owned foreign affiliated companies are disposed of, the portion of the reserve for foreign currency translation adjustments relating to minority interests is not taken to profit or loss.

When part of an associate is disposed of, the proportionate share of the accumulated reserve for foreign currency translation adjustments recognised in other comprehensive income is reclassified to profit or loss for the year.

Repayment of any balances deemed part of the net investment is not in itself regarded as constituting partial disposal of the subsidiary.

Notes to the consolidated financial statements

13. Accounting policies (continued)

Income statement

Other external expenses

These expenses comprise expenses incurred for administration of the Group, including corporate costs.

Share of profit or loss of associates

The proportionate share of associates' profit or loss after tax and after elimination of the proportionate share of intercompany profits or losses is recognised in the consolidated income statement.

Financial income and expenses

Financial income and expenses comprise interest income and expenses, realised and unrealised exchange gains and losses on debt and foreign currency transactions and surcharges and reliefs under the Danish Tax Prepayment Scheme, etc. The item also includes realised and unrealised gains and losses from derivatives not classified as hedging transactions.

Taxation

Tax for the year, which consists of income tax, and the annual joint taxation contribution for Danish affiliated companies and changes in deferred tax, are recognised in the income statement by the portion attributable to profit or loss for the year and taken directly to equity by the portion attributable to entries directly in equity. Corrections concerning previous years are included in this item as well.

When settling joint taxation contributions, the current Danish income tax is allocated among the jointly taxed enterprises proportionally to their taxable income. Enterprises with tax losses receive joint taxation contributions from enterprises that could have used such losses to reduce their own taxable profit.

Income tax computed for the year are recognised in the balance sheet as current tax payable or receivable or as a joint taxation contribution for Danish enterprises, allowing for prepayments made. Pursuant to the Danish rules governing joint taxation, affiliated companies’ liability for own income taxes is settled as and when the joint taxation contributions are paid to the administration company.

Notes to the consolidated financial statements

13. Accounting policies (continued)

Assets

Current assets are defined as:

- Assets expected to be realised or are held for sale or consumption during the Group's normal operating cycle, or
- Assets primarily held for trading or expected to be realised within one year of the balance sheet date, or
- Cash with no restrictions on use

All other assets are classified as non-current.

Non-current financial assets

Unless otherwise specifically stated, the following applies:

Investments in associates

Investments in subsidiaries are measured according to the equity method. This means that, in the balance sheet, investments are measured at the proportionate share of the enterprises' equity value, calculated applying the Group's accounting policies, plus the carrying amount of goodwill and plus or less the proportionate share of unrealised intercompany profits and losses.

Associates with a negative equity value are measured at EUR 0. If the Group has a legal or constructive obligation to cover the negative balance of the associate, this amount is recognised in liabilities.

Any receivables from associates are written down if the receivable is considered irrecoverable.

Other assets

On initial recognition, other non-current assets and current assets are measured at cost. Subsequently, these assets are measured in one of the following categories:

- Held for trading: The asset is measured at fair value, and value adjustments are recognised through profit or loss
- Available for sale: The asset is measured at fair value, and value adjustments are recognised through other comprehensive income and transferred to a separate reserve in equity
- Loans and receivables: The asset is measured at amortised cost, and value adjustments are recognised through profit or loss

Notes to the consolidated financial statements

13. Accounting policies (continued)

Impairment

The carrying amounts of financial assets are reviewed regularly, at least once a year, to determine any indication of impairment. If such indication exists, the recoverable amount of the asset is determined. The recoverable amount is the higher of the asset's net selling price and value in use. The value in use is calculated by discounting to net present value the expected future net cash flows from the asset – either from the asset itself or from the lowest cash-generating unit that the asset belongs to.

Equity

Dividend

Proposed dividend is recognised as a liability at the time of adoption at the general meeting (time of declaration). Dividend expected to be paid for the year is disclosed as a separate equity item.

Foreign currency translation adjustments reserve

The reserve for foreign currency translation adjustments includes currency translation differences arising from the translation of financial statements of enterprises using a functional currency other than EUR as well as currency translation adjustments relating to assets and liabilities which represent part of the Group's net investments in such enterprises.

Fair value adjustment of hedging instruments

The hedging reserve includes the accumulated net change in the fair value of hedging instruments which meet the criteria for hedging future cash flows with the transaction hedged not having been carried out yet.

Liabilities

Current liabilities are defined as:

- Liabilities expected to be settled during the Group's normal operating cycle, or
- Liabilities to be settled within twelve months after the balance sheet date

All other liabilities are classified as non-current.

Notes to the consolidated financial statements

13. Accounting policies (continued)

Interest-bearing liabilities
On initial recognition, debts to credit institutions and similar interest bearing debt are measured at fair value (equivalent to the proceeds received).

Subsequently, interest-bearing liabilities are measured at amortised cost equal to the capitalised value using the effective interest method; the difference between the proceeds and the nominal amount is recognised in the income statement in “Financial expenses” over the term of the loan.

Other payables
Other payables include payables to staff, including wages, salaries and holiday pay payable, and to public authorities such as unsettled withholding tax, excise duties and similar levies calculated interest expenses payable, fair value of hedging transactions as well as breakdown costs etc.

Cash flow statement
The Group’s cash flow statement is presented using the indirect method and shows cash flows from operating, investing and financing activities for the year as well as the Group’s cash and cash equivalents at the beginning and end of the financial year.

Cash flows from acquisition and divestment of enterprises are shown separately under cash flows from investing activities.

Cash flows from enterprises acquired are recognised in the cash flow statement from the time of their acquisition, and cash flows from enterprises divested are recognised up to the time of sale.

Cash flows from operating activities are calculated based on profit before amortisation and depreciation (EBITDA) and special items, adjusted for the cash flow effect of special items, non-cash operating items, working capital changes, financial expenses paid and income tax paid.

Cash flows from investing activities comprise payments in connection with the acquisition and divestment of enterprises and activities as well as the acquisition and sale of non-current intangible assets, property, plant and equipment as well as financial assets.

Notes to the consolidated financial statements

13. Accounting policies (continued)

Cash flows from financing activities comprise payments arising from changes in the size or composition of the Group's share capital, dividend paid as well as the incurrence of mortgage debt and raising of and repayment of mortgage loans, other long-term debt and short-term bank debt. Cash and cash equivalents comprise cash at bank and in hand.

Parent Company Financial Statements

Parent Company Financial Statementss

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Parent financial statements

Comprehensive financial statement

	Notes	2020 MEUR	2019 MEUR
Administrative expenses		-0.2	-0.2
Total costs		**-0.2**	**-0.2**
Result before amortisation and depreciation (EBITDA)		**-0.2**	**-0.2**
Result before financial income and expenses (EBIT)		**-0.2**	**-0.2**
Income/loss from affiliated company		0.3	67.4
Net financials	2	-53.2	-57.7
Result before tax		**-53.1**	**9.5**
Tax for the year		0.4	-0.2
Result for the year		**-52.7**	**9.3**
Other comprehensive income items that may be reclassified subsequently to profit or loss			
Change in fair value & cash flow hedges		0.0	-0.6
Total comprehensive income/loss		**-52.7**	**8.7**

Parent financial statements

Statement of financial position

Assets

	Notes	31.12.20 MEUR	31.12.19 MEUR
Investments in affiliated companies	3	805.1	804.8
Total non-current assets		**805.1**	**804.8**
Cash		0.5	3.9
Total current assets		**0.5**	**3.9**
Assets		**805.6**	**808.7**

Equity and liabilities

	Notes	31.12.20 MEUR	31.12.19 MEUR
Share capital		0.0	0.0
Reserves		0.0	-1.8
Retained earnings		87.9	142.4
Total equity		**87.9**	**140.6**
Payables to owners	4	660.3	664.2
Total non-current liabilities		**660.3**	**664.2**
Payables to owners	4	57.4	0.0
Trade payables		0.0	3.6
Company tax		0.0	0.3
Total current liabilities		**57.4**	**3.9**
Total liabilities		**717.7**	**668.1**
Equity and liabilities		**805.6**	**808.7**

Parent financial statements

Cash flow statement

	Notes	31.12.20 MEUR	31.12.19 MEUR
Result before amortisation and depreciation (EBITDA)		-0.2	-0.2
Adjustments for non-cash operating items, etc.		0.0	0.1
Working capital changes		-3.6	3.6
Cash flows from operating activities, gross		**-3.8**	**3.5**
Taxes paid		0.0	-0.2
Cash flows from operating activities, net		**-3.8**	**3.3**
Payments of dividends		0.0	165.6
Repayments of loans		0.0	-111.7
Interest and other		0.3	-53.8
Cash flows to/from financing activities		**0.3**	**0.1**
Cash flows for the year, net			
Cash at 1 January		4.0	0.5
Change in Cash		-3.5	3.4
Cash at 31 December		**0.5**	**3.9**

Parent financial statements

Statement of changes in equity, MEUR

2020	Share capital	Retained earnings	Fair value adjustments of hedging instruments	Total
Equity at 1 January 2020	**0.0**	**142.4**	**-1.8**	**140.6**
Comprehensive income/loss for the year				
Result for the year	0.0	-52.7	0.0	-52.7
Other comprehensive income	0.0	-1.8	1.8	0.0
Equity at 31 December 2020	**0.0**	**87.9**	**0.0**	**87.9**

Share capital

Share capital is nominal EUR 26 thousand.

2019	Share capital	Retained earnings	Fair value adjustments of hedging instruments	Total
Equity at 1 January 2019	**0.0**	**133.1**	**-1.2**	**131.9**
Comprehensive income/loss for the year				
Result for the year	0.0	9.3	0.0	9.3
Other comprehensive income	0.0	0.0	-0.6	-0.6
Equity at 31 December 2019	**0.0**	**142.4**	**-1.8**	**140.6**

Share capital

Share capital is nominal EUR 26 thousand.

Parent financial statements

Overview of notes

Parent financial statements

1. Significant accounting estimates and judgements

Estimation uncertainty

Determining the carrying amount of certain assets and liabilities requires an estimate of how future events will affect the value of those assets and liabilities at the balance sheet date. Estimates that are significant to the Parent's financial reporting are made, for instance, by reviewing investments in subsidiaries for impairment. They constitute a major portion of the Parent's total assets.

Subsidiaries are tested for impairment if events or other circumstances indicate that the carrying amount is not recoverable. Measuring subsidiaries requires significant estimates to be made when making different assumptions, including expected future cash flows, discount rate and terminal value growth rates. The sensitivity to changes in the assumptions applied - collectively and individually - may be significant.

Particular risks of the Group are discussed in the management commentary and note 9 to the consolidated financial statements.

Assumptions about the future and other estimation uncertainties at the balance sheet date are disclosed in the notes if they involve a material risk of changes that may lead to considerable adjustment of the carrying amounts of assets or liabilities within the next financial year.

Accounting policies

Management estimates that, when applying the Parent's accounting policies, no judgements are made other than those involving estimations that can significantly affect the amounts recognised in the parent financial statements.

Notes, MEUR

	31.12.20	**31.12.19**
2. Financial expenses		
Interest to owners	-53.2	-57.7
	-53.2	**-57.7**

Parent financial statements

Notes, MEUR

	31.12.20	31.12.19
3. Investments in affiliated companies		
Total cost statement:		
Cost at 1 January	910.4	910.4
Cost at 31 December	910.4	910.4
Revaluations at 1 January	-105.6	-6.8
Result for the year	0.3	67.4
Other adjustments	0.0	-0.6
Received dividend	0.0	-165.6
Revaluations at 31 December	-105.3	-105.6
Carrying amount at 31 December	**805.1**	**804.8**

Investments in affiliated companies comprise:

Name of affiliate	Principal activity	Place of incorporation and principal place of business	Proportion of ownership interest and voting rights held by the Company
Fulmar Holding ApS	Holding	Copenhagen	100%

The carrying amount of the Parent's investments in affiliated companies is tested for impairment if an indication of impairment exists. Impairment tests conducted have not resulted in a need for write-downs.

4. Payables to owners

For specification of payables to owners refer to note 6 of the consolidated financial statements.

5. Related parties

For specification of related parties refer to note 11 of the consolidated financial statements.

During the period, there have been no transactions with related parties aside from intragroup transactions (primarily management fees, dividend, etc.) which have been eliminated in the consolidated financial statements.

Parent financial statements

6. Guarantees, contingent liabilities and collateral

The Company is part of a Danish joint taxation. Consequently, referring to the Danish Corporation Tax Act regulations, the company is jointly liable for any income taxes, etc. for the jointly taxed companies and the company is jointly liable for any obligations to withhold tax at source on interest, royalties and returns for the jointly taxed companies.

7. Events after the balance sheet date

No events occurred in the period from the balance sheet date until the date of release of this annual report that would materially affect the evaluation of the annual report.

8. Accounting policies

The separate parent financial statements have been incorporated in the annual report because a separate set of financial statements is required for the Parent under the Danish Financial Statements Act.

The parent financial statements are presented in accordance with International Financial Reporting Standards as adopted by the EU and additional Danish disclosure requirements for annual reports of reporting class B enterprises. The accounting policies applied for these financial statements are consistent with those applied last year.

Description of accounting policies applied

Compared to the accounting policies described for the consolidated financial statements (see note 13 to the consolidated financial statements), the accounting policies applied by the Parent are different in the following respects:

Investments in affiliates

Investments in affiliates are measured according to the equity method. This means that, in the balance sheet, investments are measured at the proportionate share of the enterprises' equity value, calculated applying the entity's accounting policies, plus the carrying amount of goodwill and plus or less the proportionate share of unrealised intercompany profits and losses.

Affiliates with a negative equity value are measured at EUR 0. If there are a legal or constructive obligation to cover the negative balance of the associate, this amount is recognised in liabilities.

Business combinations

In the parent financial statements, intercompany acquisitions (and divestments) of enterprises and activities are recognised and measured applying the book value method, under which any differences between the consideration and the carrying amounts of the tradable enterprises or activities are recognised directly in equity.

Parent financial statements

Foreign currency translation

Translation adjustments of balances considered part of the total net investment in enterprises using a functional currency other than EUR are recognised in financial income or financial expenses in the income statement of the parent financial statements.

Dividend

Proposed dividend is recognised as a liability at the time of adoption at the general meeting (time of declaration). Dividend expected to be paid for the year is disclosed as a separate equity item.

Tax on profit for the year

Enterprises using the tax losses of other enterprises pay a joint taxation contribution to the Parent that is equivalent to the tax base of the losses used whereas enterprises whose tax losses are used by other enterprises receive a joint taxation contribution from the Parent that is equivalent to the tax base of the losses used (full allocation).

Taxation

The Company is subject to the Danish rules requiring joint taxation of the Group’s Danish subsidiaries. Joint taxation contribution to or from subsidiaries is recognised in tax on profit or loss for the year. Tax payable and receivable are taken to current assets and current liabilities. Joint tax contributions payable or receivable are recognised in the balance sheet under receivables from or payables to affiliated companies.

Statement by Management on the annual report

The Board of Directors and the Executive Management have today considered and approved the annual report of Fulmar Investments ApS for the financial year 1 January 2020 - 31 December 2020.

The annual report is prepared in accordance with International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements of the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group’s and the Parent’s financial position at 31 December 2020 and of the results of their operations and cash flows for the financial year 1 January 2020 - 31 December 2020.

In our opinion, the management commentary contains a fair review of the development of the Group's and the Parent’s business and financial matters, the results for the year and of the Parent’s financial position and the financial position as a whole of the entities included in the consolidated financial statements.

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

Copenhagen, 26 April 2021

Executive Management

Søren Poulsgaard Jensen, CEO

Per Johannesen Madsen, CFO

Board of Directors

Nicolas Grant
Chairman of the Board

Ellen Marina Richardson

Luke Erik Bugeja

Independent auditor’s report

To the shareholders of Fulmar Investments ApS

Opinion

We have audited the consolidated financial statements and the parent financial statements of for the financial year 01.01.2020 - 31.12.2020, which comprise the income statement, statement of comprehensive income, balance sheet, statement of changes in equity, cash flow statement and notes, including a summary of significant accounting policies, for the Group as well as the Parent. The consolidated financial statements and the parent financial statements are prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group’s and the Parent’s financial position at 31.12.2020, and of the results of their operations and cash flows for the financial year 01.01.2020 - 31.12.2020 in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the *Auditor’s responsibilities for the audit of the consolidated financial statements and the parent financial statements* section of this auditor’s report. We are independent of the Group 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.

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the consolidated financial statements and the parent 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 consolidated financial statements and the parent financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the consolidated financial statements and the parent 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 consolidated financial statements and the parent 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.

Management's responsibilities for the consolidated financial statements and the parent financial statements

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

In preparing the consolidated financial statements and the parent financial statements, Management is responsible for assessing the Group's and the Parent'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 consolidated financial statements and the parent financial statements unless Management either intends to liquidate the Group or the Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements and the parent financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the parent 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 consolidated financial statements and these parent 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 consolidated financial statements and the parent 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 Group's and the Parent'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 consolidated financial statements and the parent 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 Group's and the Parent'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 consolidated financial statements and the parent 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 Group and the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements and the parent financial statements, including the disclosures in the notes, and whether the consolidated financial statements and the parent financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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, 26 April 2021

Deloitte
Statsautoriseret Revisionspartnerselskab
Business Registration No 33 96 35 56

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