

NSI DK HoldCo K/S

1 January – 31 December 2020

Approved at the Company's general meeting, 16 April 2021

Secretary

Klaus Risager

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Company details

Company

NSI DK HoldCo K/S
Rosenborggade 1B
1130 Copenhagen
CVR-nr.: 39 17 87 61
Accounting period: 1 January – 31 December
Registered in: Copenhagen

Executive Board

Jonas Kofoed Larsen
Kasper Hansen
Jannick Prehn Brøndum

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
2900 Hellerup

Management review

Principal activities

The principal activities of the Company in the period under review were to own shares of the Norwegian Company North Sea Infrastructure AS, which owns 13.7% of the Gas processing plant Nyhamna JV and 23% of the gas processing facility Vestprosess. Both located in Norway.

Development in activities and financial matters

The Company's Income Statement of the Financial year shows a result of MNOK 67.4 and the Balance Sheet at 31 December 2020 a balance sheet total of MNOK 1,735.8 and an equity of MNOK 1,735.4.

Principal risks and uncertainties

The management does not see any risks to the Company in connection with the ownership of the shares in NSI DK HoldCo K/S project in addition to the commonly occurring risks within the Company industry.

Changes to principal accounting policies

Reporting currency changed from DKK to NOK.

Subsequent Events

No subsequent events have occurred after the balance sheet date that required adjustment to or disclosure in the financial statements.

Management's statement

The Executive Board has considered and approved the annual report of NSI DK HoldCo K/S for the financial year 1 January – 31 December 2020.

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

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

In our opinion, the Management review includes a true and fair account of the matter addressed in the review.

We recommend that the annual report be adopted at the Annual General Meeting.

Copenhagen, 16 April 2021

Executive Board:

Jonas Kofoed Larsen

Kasper Hansen

Jannick Prehn Brøndum

Independent auditor's report

To the Shareholders of NSI DK HoldCo K/S

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2020, and of the results of the Company's operations for the financial year 1 January - 31 December 2020 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of NSI DK HoldCo K/S for the financial year 1 January - 31 December 2020, which comprise income statement, balance sheet, statement of changes in equity 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' 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 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.

Annual report 2020

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.

Hellerup, 16 April 2021

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab
CVR-nr. 33 77 12 31

Per Rolf Larssen
State Authorised Public Accountant
Mne24822

Income statement

All amounts in MNOK

	Notes	<u>2020</u>	<u>2019</u>
Gross loss		- 2.1	- 0.7
Other financial income		69.5	27.2
-			
Net profit		67.4	26.6
 <u>Proposed distribution of results:</u>			
Dividend		442.5	
Retained earnings		- 375.1	
		67.4	

Balance sheet

At 31 December (MNOK)

Assets	Notes	<u>2020</u>	<u>2019</u>
Non-current assets			
Investment assets			
Investments in associated companies	3	362.3	251.1
Receivable from associated companies		<u>1,373.4</u>	<u>1,139.0</u>
Total investment assets		<u>1,735.7</u>	<u>1,390.1</u>
Total non-current assets		<u>1,735.7</u>	<u>1,390.1</u>
Current assets			
Cash and Cash Equivalents		<u>0.1</u>	<u>0.8</u>
Total current assets		<u>0.1</u>	<u>0.8</u>
Total assets		<u><u>1,735.8</u></u>	<u><u>1,390.9</u></u>

Balance sheet

At 31 December (MNOK)

Equity and liabilities	Notes	2020	2019
Equity			
Share capital		2,286.2	1,566.1
Retained earnings		- 550.8	- 175.7
Total equity		1,735.4	1,390.4
Current liabilities			
Other liabilities		0.4	0.5
Total current liabilities		0.4	0.4
Total equity and liabilities		1,735.8	1,390.9

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Change in equity	Share capital	Suggested dividend	Retained earnings	Total
Equity at 1 January	1,566.1	-	- 175.7	1,390.4
Proposed distribution of capital	-	442.5	- 375.1	67.4
Share capital addition	720.1	-	-	720.1
Distributed capital	-	- 442.5	-	- 442.5
Equity at 31 December	2,286.2	-	-550.8	1,735.4

Notes

Note 1

Accounting policies

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of a few elements from reporting class C enterprises. Consolidated financial statements are not prepared in accordance with §110 of the Danish Financial Statements Act.

Changes to principal accounting policies

The currency used in the annual report has been changed from Danish Krona (DKK) to Norwegian Krona (NOK). The restatement of 2019 for comparison purpose result in overall changes to the Income statement and Balance Sheet due to the foreign exchange rate changes.

No other changes to the principal accounting policies are applied in 2020.

Presentation currency

The reporting currency is NOK. All amounts are in millions of NOK. The exchange rate per 31 December of 70.53 (2019: 75.87) was used where translation from DKK to NOK was needed.

Recognition and measurement

In general, the accounting policies for the annual report presentation currency changes from DKK to NOK has resulted in a reversal of previous years' foreign exchange rate adjustments via equity. Comparative figures for 2019 have been adjusted, with which the effect of changes in accounting policies is recognized as a primary adjustment in retained earnings from 1 January 2019.

Revenue is recognized in the income statement as it is earned, including value adjustments of financial assets and liabilities measured at fair value or amortized costs.

In addition, expenses incurred to achieve the year's earnings are recognized, including depreciation, write-downs, provisions, and reversals as a result of changed accounting estimates of amounts previously recognized in the income statement.

Assets are recognized in the balance sheet when it is probable because of a prior event that future economic benefits will flow to the Company, and the value of the asset can be measured reliably. Liabilities are recognized in the balance sheet when the Company has a legal or constructive obligation because of a prior event, and it is probable that future economic benefits will flow out of the Company, and the value of the liabilities can be measured.

At initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each accounting item below.

Recognition and measurements consider the gains, losses and risks that arise before the annual report is presented and which corroborates or invalidates conditions that existed at the balance sheet date.

Foreign currency translation

Foreign currency transactions are translated at the exchange rate at the transaction date. Exchange rate differences arising between the exchange rate at the transaction date and the rate at the payment date are recognizes in the income statement as a financial item.

Receivables, payables and other monetary items in foreign currencies that have not been settled on the balance sheet date are translated at the exchange rate at the balance sheet date. The difference between the exchange rate at the balance sheet date and the exchange rate at the transaction date is recognized in the income statement as a financial item.

Income statement

Gross loss

Gross loss is calculated with reference to Section 32 of the Danish Financial Statements Act as a summary of other external costs.

Other external costs

Other external costs include costs for administration, etc.

Financial items

Financial income and expenses include interest income and expenses, realized and unrealized gains and losses on debt and transactions in foreign currencies.

Tax

The Company is not taxable independently, which is why the tax liability is incumbent on the Company's investors. As a result, no tax and deferred tax has been set aside in the accounts.

Balance sheet

Investments in associated companies

Investments in associates are recognized and measured at cost. If there is an indication of a need for impairment, an impairment test is performed. Where the carrying amount exceeds the recoverable amount it is written down to this lower value.

Receivable from associated companies

Receivable from associated companies are loan contracted under a loan agreement on market terms. The loan is measured at amortized cost, which usually corresponds to nominal value, less write-downs for expected losses and including accrued interest.

Other Liabilities

Expenses with reference to the fiscal year are accrued for.

Cash and cash equivalents

Cash comprises cash in bank deposits.

Note 2

Employees

Average number of full-time employees

<u>2020</u>	<u>2019</u>
0	0

Note 3

Investments in associated companies

Cost at 1 January

Additions in year

Cost at 31 December

Total investments in associated companies

<u>2020</u>
251.1
<u>111.2</u>
<u>362.3</u>
<u>362.3</u>

The Company holds shares in the following Company:
100% ownership of North Sea Infrastructure A/S, located in Norway.

Note 4

Contingent liabilities

The company has no contingent liabilities apart from the liabilities already recognized in the balance sheet.

Note 5

Group and ownership relations

All companies with more than 5% ownership are listed:

AIP Infrastructure I K/S, Rosenborggade 1B, 1130 Copenhagen, CVR 41 31 53 50.