



NorSea Denmark Property A/S

Kanalen 1, 6700 Esbjerg

Annual report 2020

Approved at the Company's annual general meeting

on 10 / 5 2021



Kenneth Hansen

CVR no. 42 01 03 75

Contents

Company information	3
Management's review	4
Statement by the Board of Directors and the Executive Board	5
Independent auditors' report	6
Income statement 1 January – 31 December	9
Balance sheet at 31 December	10
Accounting policies	13
Notes	17

Company information

Company	NorSea Denmark Property A/S Kanalen 1 DK-6700 Esbjerg
	Telephone: + 45 7911 1900 Website: www.norseagroup.dk E-mail: dk@norseagroup.com CVR no.: 42 01 03 75 Registered office: Esbjerg
Board of Directors	Alf Dahl (Chairman) Bjørn Atle Berg Larsen Terje Kvisvik
Executive Board / CEO	Jesper Høj-Hansen
Auditors	PricewaterhouseCoopers Statsautoriseret revisionspartnerselskab Esbjerg Brygge 28 DK-6700 Esbjerg

Management's review

Operating activities

NorSea Denmark Property A/S provides facilities and areas primarily to service the energy sector. The activities are primarily directed towards operators within the Wind and Oil & Gas industry.

Development in activities and financial matters

The income statement for 2020 shows a profit of tDKK 264. The balance sheet at 31 December 2020 shows an equity of tDKK 54.200. Result is in line with expectations.

On 29 December 2020, Norsesea Denmark A/S property activities were demerged into this new establish property company, Norsesea Denmark Property A/S. The demerge has accounting effect from 1 January 2020.

Financial risks

Credit risks

These risks primarily relate to customers and credit institutions. We hedge anticipated interest risks on mortgage loans with SWAP-agreements. Customers are credit rated on a regular basis and mortgage liabilities are based on a floating rate of interest.

Events after the balance sheet date

Management is of the opinion that from the balance sheet date until today, no events have occurred which could alter the assessment of the annual report substantially.

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 NorSea Denmark Property A/S 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 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.

Further, in our opinion, the Management's review gives a fair review of the development in the Company's operations and financial matters and the results of the Company's operations and financial position.

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

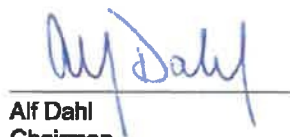
Esbjerg, 16/4 2021

CEO



Jesper Høj-Hansen

Board of Directors



Alf Dahl
Chairman



Bjørn Atle Berg Larsen



Terje Kvisvik

Independent auditor's report

To the shareholders of NorseSea Denmark Property A/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 and cash flows for the financial year 1 January - 31 December 2020 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of NorseSea Denmark Property A/S for the financial year 1 January - 31 December 2020, which comprise income statement, balance sheet, statement of cash flows, statement of changes in equity and notes, including a summary of significant accounting policies ("the 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.

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.

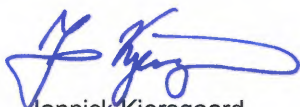
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Esbjerg, ^{16/4} 2021

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31



Jannick Kjersgaard

State Authorised Public Accountant

mne29440



Palle H. Jensen

State Authorised Public Accountant

mne32115

Income statement 1 January – 31 December

DKK'000	Note	2020
Gross profit		9.013
Depreciation		<u>-6.927</u>
Profit before financial income and expenses		2.086
Financial expenses	2	<u>-1.229</u>
Profit before tax		857
Tax on profit for the year	3	<u>-593</u>
Profit for the year		<u>264</u>

Balance sheet at 31 December

DKK'000	Note	<u>2020</u>
ASSETS		
Non-current assets		
Property, plant and equipment	4	
Land and buildings		136.008
Plant and machinery		46
Other fixtures and equipment		1.978
Property, plant and equipment under construction		<u>1.059</u>
		<u>139.091</u>
Total non-current assets		<u>139.091</u>
Current assets		
Receivables		
Prepayments		<u>683</u>
Total current assets		<u>683</u>
TOTAL ASSETS		<u><u>139.774</u></u>

Balance sheet at 31 December

DKK'000	Note	<u>2020</u>
EQUITY AND LIABILITIES		
Equity		
Share capital		400
Reserve for hedging instruments		-4.136
Retained earnings		<u>57.936</u>
Total equity		<u>54.200</u>
Non-current liabilities other than provisions		
Mortgage credit institutions	5	58.282
Other payables	6	<u>5.304</u>
		<u>63.586</u>
Current liabilities		
Current portion of non-current liabilities other than provisions	5	4.251
Payables to group companies		16.636
Other payables		<u>1.101</u>
Total current liabilities		<u>21.988</u>
Total liabilities other than provisions		<u>85.574</u>
TOTAL EQUITY AND LIABILITIES		<u><u>139.774</u></u>
Accounting polices		
	1	
Contingent liabilities and guarantees		
	7	
Related parties		
	8	

Equity statement

	<u>Share Capital</u>	<u>Reserve for hedging instruments</u>	<u>Retained earnings</u>	<u>Total</u>
Equity				
Equity at 1 January 2020	400	-3.776	57.672	54.296
Value adjustment financial instruments	0	-360	0	-360
Results for the year - note 9	<u>0</u>	<u>0</u>	<u>264</u>	<u>264</u>
Equity at 31 December 2020	<u>400</u>	<u>-4.136</u>	<u>57.936</u>	<u>54.200</u>

The share capital consists of 400 shares with nominal values of DKK 1,000 thousand. No changes in share capital since the establishment of the company.

Notes

1 Accounting policies

The financial statements of NorSea Denmark Property A/S for 2020 have been prepared in accordance with the provisions applying to reporting class B as well as selected rules applying to reporting class C under the Danish Financial Statements Act.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the Company and the value of such assets can be reliably measured.

Liabilities are recognised in the balance sheet when an outflow of economic benefits is probable and the value of such liabilities can be reliably measured.

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

In recognising and measuring assets and liabilities, any gains, losses and risks occurring prior to the presentation of the annual report that evidence conditions existing at the balance sheet date are taken into account.

Income is recognised in the income statement as earned. Moreover, costs incurred to generate the year's earnings are recognised, including depreciation, amortisation, impairment losses and provisions as well as reversals as a result of changes in accounting estimates of amounts that were previously recognised in the income statement.

Merged and demerged

When demerged the company's property activities the book value method is used. The book value method is a variant of the aggregation method, where the accounting effect of the transaction is at of time of the decision. According to this method, the comparative figures do not change.

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 at the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables and 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 at 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.

Derivative financial instruments

Derivative financial instruments are initially recognised in the balance sheet at cost and are subsequently measured at fair value. Positive and negative fair values of derivative financial instruments are included in other receivables and payables, respectively.

Changes in the fair value of derivative financial instruments designated as and qualifying for recognition as a hedge of the fair value of a recognised asset or liability are recognised in the income statement together with changes in the fair value of the hedged asset or liability.

Changes in the fair value of derivative financial instruments designated as and qualifying for recognition as a hedge of future assets or liabilities are recognised in other receivables or other payables and in equity. If the hedged forecast transaction results in the recognition of assets or liabilities, amounts previously recognised in equity are transferred to the cost of the asset or liability, respectively. If the hedged forecast transaction results in income or expenses, amounts previously deferred in equity are transferred to the income statement in the period in which the hedged item affects profit or loss.

For derivative financial instruments that do not qualify for hedge accounting, changes in fair value are recognised in the income statement on a regular basis.

Income statement

Revenue

Income from sale of goods is recognised when the risk and rewards relating to the goods sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Company

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

Work in progress concerning customised production is recognised as revenue by reference to the stage of completion. Accordingly, revenue corresponds to the selling price of work performed during the year (the percentage of completion method).

Gross profit/loss

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of revenue, other operating income, expenses for raw materials and consumables and other external expenses.

Other external costs

Other external costs comprise costs of sale, distribution, administration as well as purchases of services for resale.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

Financial income and expenses

Financial income and expenses comprise interest income and expense, 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. The tax expense relating to the profit/loss for the year is recognised in the income statement, and the tax expense relating to amounts directly recognised in equity is recognised directly in equity. The tax expense recognised in the income statement relating to the extraordinary profit/loss for the year is allocated to this item whereas the remaining tax expense is allocated to the profit/loss for the year from ordinary activities.

Balance sheet

Property, plant and equipment

Land and buildings, plant and machinery and fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use.

Where individual components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items, which are depreciated separately.

The basis of depreciation, which is calculated as cost less any residual value, is depreciated on a straight-line basis over the expected useful life. The expected useful lives are as follows:

Buildings	3 - 30 years
Plant and machinery	3 - 10 years
Fixtures and fittings, tools and equipment	3 - 5 years

The basis of depreciation is based on the residual value of the asset and is reduced by impairment losses, if any. The depreciation period and the residual value are determined at the time of acquisition and are reassessed every year. Where the residual value exceeds the carrying amount of the asset, no further depreciation charges are recognised.

Gains and losses on the disposal of property, plant and equipment are determined as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains or losses are recognised in the income statement as other operating income or other operating costs, respectively.

Impairment of non-current assets

The carrying amount of intangible assets and property, plant and equipment as well as investments in subsidiaries is subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation or amortisation.

Impairment tests are conducted of individual assets or groups of assets when there is an indication that they may be impaired. Write-down is made to the recoverable amount if this is lower than the carrying amount.

The recoverable amount is the higher of an asset's net selling price and its value in use. The value in use is determined as the present value of the expected net income from the use of the asset or the group of assets and expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Prepayments

Prepayments comprise costs incurred concerning subsequent financial years.

Equity – dividends

Proposed dividends are recognised as a liability at the date when they are adopted at the annual general meeting (declaration date). The expected dividend payment for the year is disclosed as a separate item under equity.

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. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where different tax rules can be applied to determine the tax base, deferred tax is measured based on Management's planned use of the asset or settlement of the liability, respectively.

Deferred tax assets, including the tax value of tax loss carry forwards, are recognised at the expected value of their utilisation; 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 and jurisdiction.

Adjustment is made to deferred tax resulting from elimination of unrealised intra-group profits and losses.

Deferred tax is measured in accordance with the tax rules and at the tax rates applicable in the respective countries at the balance sheet date when the deferred tax is expected to crystallise as current tax.

Liabilities other than provisions

Financial liabilities are recognised at the date of borrowing at the net 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 the proceeds and the nominal value is recognised in the income statement over the term of the loan.

Other liabilities are measured at net realisable value

Notes

DKK'000

	<u>2020</u>
2 - Financial expenses	
Other interest	1.229
	<u>1.229</u>
3 – Tax on profit for the year	
Adjustment of deferred tax	102
Tax for the year	491
	<u>593</u>

	<u>Land and Buildings</u>	<u>Plant and machinery</u>	<u>Other fix- tures and equipment</u>	<u>PP&E under con- struction</u>	<u>Total</u>
4 - Property, plant and equipment					
Cost at 1 January 2020	182.558	1.217	1.874	69.769	255.148
Additions	83.223	0	1.443	1.059	85.725
Disposals	<u>-8.887</u>	<u>0</u>	<u>0</u>	<u>-69.769</u>	<u>-78.656</u>
Cost at 31 December 2020	<u>256.894</u>	<u>1.217</u>	<u>3.317</u>	<u>1.059</u>	<u>262.487</u>
Depreciation 1 January 2020	123.100	1.124	1.133	0	125.357
Depreciation	6.673	47	206	0	6.926
Depreciation on assets sold	<u>-8.887</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>-8.887</u>
Depreciation 31 December 2020	<u>120.886</u>	<u>1.171</u>	<u>1.339</u>	<u>0</u>	<u>123.396</u>
Carrying amount at 31 December 2020	<u>136.008</u>	<u>46</u>	<u>1.978</u>	<u>1.059</u>	<u>139.091</u>

Notes

DKK'000

2020

5 - Mortgage credit institutions and finance lease obligations

Mortgage credit institutions

Due for payment 0-<1 year	4.251
Due for payment 1-5 years	17.148
Due for payment > 5 years	<u>41.134</u>
	<u>62.533</u>

6 – Derivative financial instruments

Derivative financial instruments contracts in the form of interest rate swaps have been concluded. At the balance sheet date, the fair value of derivative financial instruments amount to DKK 5.304 thousand.

7 - Mortgages and collateral

Collateral security

Land and buildings with a carrying amount of DKK 136.008 thousand at 31 December 2020 have been provided as collateral for mortgages of DKK 62.533 thousand.

The Company is jointly taxed with other group companies. As group company, the Company has joint and several unlimited liability with other group companies for payment of Danish income taxes. The jointly taxed entities' known net income tax liability is shown in the annual report of NorSea Denmark A/S. Any subsequent corrections of the joint taxation income may entail that the Company's liability will increase.

8 - Related party disclosures

Norsea Denmark Property A/S ' related parties comprise following parties exercising control

NorSea Operation AS holds 100% of the share capital in the Company.

The consolidated financial statements of NorSea Group AS are available at Risavika Havnering 14, 4056 Tanager, Norway.

The consolidated financial statements of the ultimate owner Wilh. Wilhelmsen Holding ASA are available at Strandveien 20, 1366 Lysaker, Norway.

There have not been any related party transactions not carried out on an arm's length basis.

2020

9 – Appropriation of profit/loss

Retained earnings	<u>264</u>
	<u>264</u>