

Danske Patruljeskibe K/S

C/O Terma A/S, Hovmarken 4, 8520 Lystrup

Annual Report for the period 26
April 2022 to 28 February 2023

The Annual Report was presented and approved at the annual general meeting of the Company on 4 April 2023

Chairman, Allan Smed

Table of Contents

Management's commentary

Company Details 3

Management's commentary 4

Financial Statements

Income Statement 26 April 2022 – 28 February 2023 5

Balance Sheet 28 February 6

Statement of Changes in Equity 8

Notes 9

Statements and Reports

Statement by the Board of Directors and Management 15

Independent Auditor's Report 16

Management's commentary

Company Details

Danske Patruljeskibe K/S
c/o Terma, Hovmarken 4
8520 Lystrup
Denmark

Central Business Register No. 43 21 96 26
Founded 26 April 2022

Board of Directors

Rune Gade Holm (chairman)
Poul Præstegaard Skadhede
Per Thiesen
Peter Kåre Groes Christiansen
Steen Michael Lynenskjold
Lars Christensen

Management

Hans Schneider

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
City Tower, værk mestergade 2
8000 Aarhus C

Annual General Meeting

The annual general meeting is held at the Parent Company's address in Lystrup on 4 April 2023.

Management's commentary

Primary activities

Danske Patruljeskibe K/S is a consortium founded by OMT Naval ApS, Terma A/S and PensionDanmark.

The purpose of the consortium is to offer itself as a total supplier for the Danish Navy's future multifunctional patrol ships. Through Danske Patruljeskibe, OMT's shipbuilding expertise and Terma's military skills are combined, while PensionDanmark provides the financial security.

Development in activities and finances

The income statement of the company for 2022/23 shows a loss of (59 TDK), and at 28 February 2023 the balance sheet of the Company shows equity of 15.361 TDK.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

Financial Statements

Income statement 26 April 2022 - 28 February 2023

DKK 1,000	Note	<u>2022/23</u>
Gross Profit/Loss	2	(90)
Depreciation, amortisation and impairment losses	3,4	-
Operating profit		<u>(90)</u>
Financial income	5	32
Financial costs	5	(1)
Profit/loss for the year		<u><u>(59)</u></u>
Proposed profit appropriation/distribution of loss	11	

Balance Sheet 28 February

DKK 1,000	Note	<u>2023</u>
ASSETS		
Non-current assets		
Intangibles	2	
Software		1.420
		<u>1.420</u>
Leasehold improvements	3	
Leasehold improvements		200
		<u>200</u>
Total non-current assets		<u>1.620</u>
Current assets		
Other receivables		1.932
Prepayments and deferred charges		10.809
		<u>12.741</u>
Cash at bank and in hand		<u>4.562</u>
Total current assets		<u>17.303</u>
TOTAL ASSETS		<u><u>18.923</u></u>

Balance Sheet 28 February

DKK 1,000	Note	<u>2023</u>
EQUITY AND LIABILITIES		
Equity		
Limited partnership shares		45.000
Unpaid limited shares		(30.000)
General partner		462
Limited partners		(101)
Total equity		<u>15.361</u>
Liabilities other than provisions		
Trade payables		1.101
Other payables		2.461
		<u>3.562</u>
Total liabilities other than provisions		<u>3.562</u>
TOTAL EQUITY AND LIABILITIES		<u><u>18.923</u></u>
Accounting policies	1	
Lease commitments	6	
Events after the balance sheet date	7	
Charges and securities	8	
Contingent liabilities	9	
Related parties	10	

Statement of Changes in Equity

DKK 1,000	Note	Limited partner shares	Unpaid limited shares	General partner	Limited Partner	Total
Equity at 26 April 2022		-	-	-	-	-
Paid partner shares		15.000	-	-	-	15.000
Unpaid partner shares		30.000	(30.000)	-	-	-
Disbursements during the year		-	-	420	-	420
Transferred over the profit appropriation	10	-	-	42	(101)	(59)
Equity at 28 February 2023		<u>45.000</u>	<u>(30.000)</u>	<u>462</u>	<u>(101)</u>	<u>15.361</u>

Notes

1. Accounting Policies

The Annual Report of Danske Patruljeskibe K/S for 2022/23 has been prepared in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of a few provisions for reporting class C.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Foreign currency translation

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 recognized in the Income Statement as financial income or financial costs.

Receivables, payables, and other monetary items denominated in foreign currencies, which are not settled on the Balance Sheet date, 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 recognized in the latest Financial Statements is recognized in the Income Statement as financial income or financial costs.

Income Statement

Gross profit or loss

Gross profit or loss comprises revenue, changes in inventories of finished goods and work in progress, own work capitalised, other operating income, cost of raw materials and consumables and external expenses.

Leases

Payments relating to operating leases are recognized in the Income Statement over the term of the lease. The Company's total liabilities relating to operating leases are disclosed in the notes.

Financial income and costs

Financial income and costs comprise interest income and costs, gains and losses on receivables, payables, and other transactions denominated in foreign currencies, amortization of financial assets and liabilities as well as surcharges and refunds etc.

Balance Sheet

Intangibles

Software licenses are measured at cost less accumulated depreciation and impairment loss. Patents are depreciated on a straight-line basis over the remaining patent period, and software licenses are depreciated over the contract period, however, not longer than 10 years.

Property, plant and equipment

Plant and machinery, and fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses. Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use. The cost of self-constructed assets comprises direct and indirect costs of materials, components, subcontractors, and wages and salaries. No interest is included.

The cost of a total asset is divided into separate elements which are depreciated separately if the useful life of the individual elements varies.

Depreciation is provided on a straight-line basis over the expected useful lives of the assets as follows:

Leasehold improvements	8 years
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The basis of depreciation is based on cost reduced by the residual value of the asset at the end of its useful life and 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 recognized.

In case of changes in the depreciation period or the residual value, the effect on the amortization charges is recognized prospectively as a change in accounting estimates.

Depreciation is recognized in the Income Statement as production costs, distribution costs, and administrative costs, respectively.

Gains and losses on the disposal of plant and equipment are determined as the difference between the selling price less selling costs and the carrying amount at the date of disposal. The gains or losses are recognized in the Income Statement as other operating income or other operating costs, respectively.

Impairment of non-current assets

The carrying amount of intangibles, plant, and equipment is subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation or amortization.

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.

Previously recognized impairment will only be reversed if the reason for impairment no longer exists.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value, less writedowns for bad and doubtful debts.

Prepayments

Prepayments recognized under current assets comprise costs incurred concerning subsequent fiscal years.

Provisions

Provisions comprise anticipated costs related to losses related to construction contracts in process. Provisions are recognized when, as a result of past events, the Company has a legal or a constructive obligation, and it is probable that settlement of the obligation will result in an outflow of financial resources.

If it is probable that the total costs related to a construction contract will exceed the total income, the expected total loss of the construction contract is recognized as a provision.

Liabilities other than provisions

Other liabilities are measured at amortized cost, which in general match net realizable value.

2022/23
2. Staff costs

Average number of full-time employees

2
3. Financial income and costs

DKK 1,000

Other interest

-

Bank interests

32
Financial income
32

Bank charges

1

Interest general partner

-

Financial costs
1
Net financial income and costs
31
4. Intangibles

DKK 1,000

Cost at 26 April 2022

Software

-

Additions

1.420

Cost at 28 February 2023

1.420

Amortizations and impairment at 26 April 2022

-

Amortizations and impairments

-

Amortizations and impairments at 28 February 2023

-
Carrying value at 28 February 2023
1.420

Amortized over

3-8 years
5. Leasehold improvements and equipment

DKK 1,000

Cost at 26 April 2022

Leasehold
improvement
s

-

Additions

200

Cost at 28 February 2023

200

Depreciation and impairments at 1 March 2022

-

Depreciations

-

Depreciations and impairments at 28 February 2023

-
Carrying amount at 28 February 2023
200

Depreciated over

8 years

6. Lease commitments

The Company has entered into a rent agreement with the limited partner Terma A/S. The annual rent amounts to 420 tDKK, and as of 28 February 2023, the total commitment amounts to 210 tDKK

7. Events after the balance sheet date

Following the end of the fiscal year, no significant events have occurred which affect the assessment of the Company's financial position as reported on 28 February 2023, or the annual report 2022/23.

8. Charges and security

No assets have been charged or otherwise provided as security for bankers or others.

9. Contingent liabilities

None.

10. Related parties

Related parties of Danske Patruljeskibe K/S consist of:

Constituting control

Terma A/S, 8520 Lystrup, 33,33% ownership.

OMT Naval ApS, 5000 Odense C, 33,33% ownership.

PensionDanmark, 2100 København Ø, 33,33% ownership.

Transactions with related parties

DKK 1,000	<u>2022/23</u>
Purchase from Limited partners	200
Purchase of services from Limited partners	249
Rent paid to Limited partners	105
Reinvoicing of cost from Limited partners	1.778
Debt to Limited partners	866

10. Proposed profit appropriation/distribution of loss

DKK 1,000

Earnings general partner

Earnings limited partner

2022/23

42

(101)(59)

Statements and Reports

Statement by the Board of Directors and Management

The Board of Directors and Management have today discussed and approved the Annual Report of Danske Patruljeskibe K/S for the period 26 April 2022 to 28 February 2023.

The Annual Report has been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the Financial Statements give a true and fair view of the Company's financial position at 28 February 2023 and of the results of the Company's operations for the period 26 April 2022 to 28 February 2023.

Further, we consider the management's commentary to present a fair disclosure of the development in the Company's operations and financial conditions, the results for the year, and financial position as well as a description of the most significant risks and uncertainty factors that the Company face.

We recommend that the Annual Report be approved at the annual general meeting.

Lystrup, 4 April 2023

Management:

Hans Schneider
General Manager

Board of Directors:

Rune Gade Holm
Chairman

Poul Præstegaard Skadhede

Per Thiesen

Steen Michael Lynenskjold

Lars Christensen

Peter Kåre Groes Christiansen

Statements and Reports

Independent Auditor's Report

To the partners of Danske Patruljeskibe K/S

Opinion

We have audited the Financial Statements of Danske Patruljeskibe K/S for the financial year 26 April 2022 – 28 February 2023, which comprise Income Statement, Balance Sheet, Statement of Changes in Equity and Notes, including a summary of significant accounting policies. The Financial Statements are 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 28 February 2023 and of the results of the Company's operations for the fiscal year 26 April 2022 – 28 February 2023 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 Company Financial Statements" section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Management's responsibilities for the Financial Statements

Management is responsible for the preparation of the 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 the 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 as to 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 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 the Financial Statements.

As part of an audit conducted in accordance with ISAs and 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 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 note 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.

Statement on the management's commentary

Management is responsible for the management's commentary.

Our opinion on the Financial Statements does not cover the management's commentary, 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 the Management's Review and, in doing so, consider whether the management's commentary 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 the management's commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the management's commentary 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 of the management's commentary.

Aarhus, 4 April 2023

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33 96 35 56

Jacob Nørregaard Tækker

State-Authorized Public Accountant
Identification No (MNE) mne40049

Mikael Møller

State-Authorized Public Accountant
Identification No (MNE) mne47835