

# Mammoet Denmark A/S

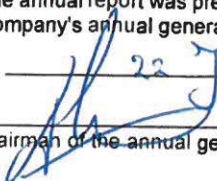
Sjællandsvej 5  
DK-7330 Brande

CVR no. 26 53 39 53

## Annual report 2019

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

on 22 June 2020

  
chairman of the annual general meeting

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## Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of Mammoet Denmark A/S for the financial year 1 January – 31 December 2019.

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

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2019 and of the results of the Company's operations for the financial year 1 January – 31 December 2019.

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

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

Aalborg, 22 June 2020  
Executive Board:



Michael Christian Hansen

Board of Directors:



Ferdinand Martinus Nicolai  
Lupescu  
Chairman



Raffaele Hendrikus  
Tripadelli



Michael Christian Hansen



## **Independent auditor's report**

### **To the shareholders of Mammoet Denmark A/S**

#### **Opinion**

We have audited the financial statements of Mammoet Denmark A/S for the financial year 1 January – 31 December 2019 comprising income statement, balance sheet, statement of changes in equity and notes, including 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 Company's assets, liabilities and financial position at 31 December 2019 and of the results of the Company's operations for the financial year 1 January – 31 December 2019 in accordance with 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 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 rules and requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Management's responsibility 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 that 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.



## Independent auditor's report

### 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 the additional requirements in Denmark will always detect a material misstatement when it exists. Misstatements may 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 financial statement users made 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 judgement and maintain professional scepticism throughout the audit. We also

- identify and assess the risks of material misstatement of the company 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.



## Independent auditor's report

### Statement on the Management's review

Management is responsible for the Management's review

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

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of the Management's review.

Aalborg, 22 June 2020

**KPMG**

Statsautoriseret Revisionspartnerselskab

CVR no. 25 57 81 98

Steffen S. Hansen  
State Authorised  
Public Accountant  
mne32737

Kristoffer A. Staun  
State Authorised  
Public Accountant  
mne45106

## Management's review

### Financial highlights

| DKK'000                                                  | 2019           | 2018            | 2017            | 2016           | 2015           |
|----------------------------------------------------------|----------------|-----------------|-----------------|----------------|----------------|
| Gross profit/loss                                        | 4,212          | 19,830          | 26,478          | -16,004        | 58,851         |
| Operating profit/loss                                    | 2,757          | -37,533         | -235,451        | -84,498        | -4,884         |
| Profit/loss from financial income and expenses           | -4,253         | -11,117         | -12,143         | 4,413          | 3,041          |
| <b>Profit/loss for the year</b>                          | <b>97</b>      | <b>-45,900</b>  | <b>-241,397</b> | <b>-69,123</b> | <b>724</b>     |
| Total assets                                             | 169,370        | 188,845         | 286,492         | 390,828        | 574,881        |
| Investment in fixtures and fittings, tools and equipment | 0              | 0               | -389            | -1,281         | -6,049         |
| <b>Equity</b>                                            | <b>148,534</b> | <b>-130,688</b> | <b>-84,788</b>  | <b>156,609</b> | <b>225,732</b> |
| Solvency ratio                                           | 87.7%          | -69.0%          | -29.6%          | 40.2%          | 39.4%          |
| <b>Average number of full-time employees</b>             | <b>0</b>       | <b>29</b>       | <b>56</b>       | <b>65</b>      | <b>60</b>      |

### Financial ratios

Financial ratios are calculated in accordance with the Danish Society of Financial Analysts' guidelines on the calculation of financial ratios "Recommendations & Ratios". For terms and definitions, please see the accounting policies.

The financial ratios have been calculated as follows:

Solvency ratio

$$\frac{\text{Equity ex. non-controlling interests at year end} \times 100}{\text{Total equity and liabilities at year end}}$$

**Mammoet Denmark A/S**  
Annual report 2019  
CVR no. 26 53 39 53

## Management's review

### Company details

Mammoet Denmark A/S  
Sjællandsvej 5  
DK-7330 Brande

|                    |                                                                |
|--------------------|----------------------------------------------------------------|
| Telephone:         | +45 97 18 13 46                                                |
| Website:           | <a href="http://www.mammoetwind.com">www.mammoetwind.com</a>   |
| E-mail:            | <a href="mailto:info@mammoetwind.com">info@mammoetwind.com</a> |
| CVR no.:           | 26 53 39 53                                                    |
| Established:       | 21.03.2002                                                     |
| Registered office: | Brande                                                         |
| Financial year:    | 1 January – 31 December                                        |

### Board of Directors

Ferdinand Martinus Nicolai Lupescu (Chairman)  
Raffaele Hendrikus Tripadelli  
Michael Christian Hansen

### Executive Board

Michael Christian Hansen

### Auditor

KPMG  
Statsautoriseret Revisionspartnerselskab  
Østre Havnegade 18  
DK-9000 Aalborg

### Annual general meeting

The annual general meeting will be held on 22 June 2020.

## **Management's review**

### **Operating review**

#### **Main activities**

The main activities of the Company are logistics and project services specialising in wind turbines, including crane and transport services, installation and maintenance services as well as consultancy services, and further, the Company has holding activities.

The activities are primarily carried out in European countries.

#### **Development during the year**

The Company's income statement for 2019 shows a profit of DKK 97 thousand and the balance sheet shows an equity of DKK 148,534 thousand at 31 December 2019. The Company's contributed capital has been re-established through a capital injection from parent company and therefore, the Company has sufficient cash resources.

The activities have been reduced further during 2019 in line with the decision in the previous year to scale down business and manage from the European headquarters in Schiedam. At present, the business consists of operations in Denmark and the holding activity.

Negative results during the year are primarily related to financing activities during the year. Income from subsidiaries relates to sales of subsidiaries to group companies in a group internal restructuring.

Results for the year are as expected.

#### **Targets and expectations for the year ahead**

Management expects positive results for the year ahead due to significant reductions of financial expenses towards year end.

## **Management's review**

### **Operating review**

#### **Safety and environment**

We work target-orientated and structured to continually improve environment and safety in our everyday work at the sites all over the world.

The Mammoet Management has zero tolerance for actions and decisions that may undermine safety to even the slightest extent, both when it comes to commercial issues as well as work undertaken by subcontractors.

From January 2015, Mammoet has implemented a new system named SIF (Serious Incident & Facility) to categorize any near-misses or incidents which potentially are life threatening or life altering. Focus on these specific cases has proven to reduce employees getting injured. This is the outcome of the preventive actions found during in-depth investigation of these cases. This focus continued in 2019, and all employees will be continuously trained and made aware in spotting SIFs.

#### **Subsequent events**

No events materially affecting the assessment of the annual report have occurred after the balance sheet date. The COVID-19 outbreak has not had a significant impact on activities for the Company or for subsidiaries, and expectations for 2020 remain unchanged.

## Financial statements 1 January – 31 December

### Income statement

| DKK'000                                                    | Note | 2019   | 2018    |
|------------------------------------------------------------|------|--------|---------|
| <b>Gross profit</b>                                        |      | 4,212  | 19,830  |
| Staff costs                                                | 2    | -87    | -15,548 |
| Depreciation of fixtures and fittings, tools and equipment |      | -4,125 | -6,781  |
| Profit/loss on investments in group entities               |      | 2,757  | -35,034 |
| <b>Operating profit/loss</b>                               |      | 2,757  | -37,533 |
| Financial income                                           | 3    | 3,523  | 2,089   |
| Financial expenses                                         | 4    | -7,776 | -13,206 |
| <b>Profit/loss before tax</b>                              |      | -1,496 | -48,650 |
| Tax on profit/loss for the year                            | 5    | 1,593  | 2,750   |
| <b>Profit/loss for the year</b>                            | 6    | 97     | -45,900 |

## Financial statements 1 January – 31 December

### Balance sheet

| DKK'000                                    | Note | 2019           | 2018           |
|--------------------------------------------|------|----------------|----------------|
| <b>ASSETS</b>                              |      |                |                |
| <b>Fixed assets</b>                        |      |                |                |
| <b>Property, plant and equipment</b>       | 7    |                |                |
| Fixtures and fittings, tools and equipment |      | 32,589         | 67,823         |
|                                            |      | <u>32,589</u>  | <u>67,823</u>  |
| <b>Investments</b>                         | 8    |                |                |
| Equity investments in group entities       |      | 34,262         | 36,562         |
|                                            |      | <u>34,262</u>  | <u>36,562</u>  |
| <b>Total fixed assets</b>                  |      | <u>66,851</u>  | <u>104,385</u> |
| <b>Receivables</b>                         |      |                |                |
| Trade receivables                          |      | 0              | 5,981          |
| Contract work in progress                  |      | 40             | 1,627          |
| Receivables from group entities            |      | 100,163        | 63,319         |
| Other receivables                          |      | 1,078          | 10,679         |
| Corporation tax                            |      | 0              | 2,329          |
| Prepayments                                |      | 1,238          | 525            |
|                                            |      | <u>102,519</u> | <u>84,460</u>  |
| <b>Cash at bank and in hand</b>            |      | <u>0</u>       | <u>0</u>       |
| <b>Total current assets</b>                |      | <u>102,519</u> | <u>84,460</u>  |
| <b>TOTAL ASSETS</b>                        |      | <u>169,370</u> | <u>188,845</u> |

## Financial statements 1 January – 31 December

### Balance sheet

| DKK'000                                              | Note | 2019           | 2018            |
|------------------------------------------------------|------|----------------|-----------------|
| <b>EQUITY AND LIABILITIES</b>                        |      |                |                 |
| <b>Equity</b>                                        |      |                |                 |
| Contributed capital                                  |      | 6,251          | 6,250           |
| Retained earnings                                    |      | 142,284        | -136,938        |
| <b>Total equity</b>                                  |      | <b>148,535</b> | <b>-130,688</b> |
| <b>Provisions</b>                                    |      |                |                 |
| Provisions for deferred tax                          | 9    | 4,974          | 6,251           |
| Other provisions                                     | 8    | 0              | 29,746          |
| <b>Total provisions</b>                              |      | <b>4,974</b>   | <b>35,997</b>   |
| <b>Liabilities other than provisions</b>             |      |                |                 |
| <b>Non-current liabilities other than provisions</b> |      |                |                 |
| Lease obligations                                    | 10   | 4,158          | 5,603           |
| <b>Current liabilities other than provisions</b>     |      |                |                 |
| Credit institutions                                  |      | 6,559          | 9,244           |
| Lease obligations                                    | 10   | 1,443          | 5,694           |
| Construction contracts                               | 11   | 0              | 4,780           |
| Trade payables                                       |      | 957            | 404             |
| Corporate tax                                        |      | 235            | 0               |
| Payables to group entities                           |      | 0              | 251,327         |
| Other payables                                       |      | 2,509          | 6,484           |
|                                                      |      | <b>11,703</b>  | <b>277,933</b>  |
| <b>Total liabilities other than provisions</b>       |      | <b>15,861</b>  | <b>283,536</b>  |
| <b>TOTAL EQUITY AND LIABILITIES</b>                  |      | <b>169,370</b> | <b>188,845</b>  |
| <b>Contractual obligations, contingencies, etc.</b>  | 12   |                |                 |
| <b>Related party disclosures</b>                     | 13   |                |                 |
| <b>Events after the balance sheet date</b>           | 14   |                |                 |

## Financial statements 1 January – 31 December

### Statement of changes in equity

| DKK'000                           | Contributed capital | Retained earnings | Total          |
|-----------------------------------|---------------------|-------------------|----------------|
| <b>Equity at 1 January 2018</b>   | 6,250               | -91,038           | -84,788        |
| Net profit for the year           | 0                   | -45,900           | -45,900        |
| <b>Equity at 1 January 2019</b>   | 6,250               | -136,938          | -130,688       |
| Capital increase                  | 1                   | 279,125           | 279,126        |
| Net profit for the year           | 0                   | 97                | 97             |
| <b>Equity at 31 December 2019</b> | <u>6,251</u>        | <u>142,284</u>    | <u>148,535</u> |

The contributed capital consists of 6,250 shares of a nominal value of DKK 1,000. No shares carry any special rights.

Except for the capital increase in 2019, no changes have been made to the contributed capital during the last five years.

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies

The annual report of Mammoet Denmark A/S for 2019 has been presented in accordance with the provisions applying to reporting class C medium-sized entities under the Danish Financial Statements Act.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

#### Consolidated financial statements

According to section 112 (1) of the Danish Financial Statements Act, no consolidated financial statements have been prepared.

According to section 86 (4) of the Danish Financial Statements Act, the Company has not prepared any cash flow statement since the Company is included in the consolidated cash flow statements for the Parent Company.

The financial statements of Mammoet Denmark A/S and its group entities are included in the consolidated financial statements of SHV Holdings B. V, Rijnkade 1, Utrecht, the Netherlands.

The consolidated financial of SHV Holdings B. V. can be obtained from the Company.

#### Cash flow statement

Pursuant to section 86(4) of the Danish Financial Statements Act, no cash flow statement has been prepared. The Company's cash flows are included in the cash flow statement in the consolidated financial statements of SHV Holdings B. V.

#### 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 is recognised in the income statement as financial income or financial expenses.

Non-current assets acquired in foreign currencies are translated at the exchange rates at the transaction date.

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies (continued)

##### Income statement

##### Gross profit/loss

With reference to section 31 of the Danish Financial Statements Act, the items "revenue" to and including "other external costs" are aggregated in the item "Gross profit"

##### Revenue

Revenue from the sale of services is recognised in the income statement as the services are provided (percentage of completion method).

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

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

##### Other operating income

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

##### Other operating costs

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

##### Depreciation/amortisation and impairment losses

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

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies (continued)

##### Financial income and expenses

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

Dividends from equity investments in group entities and associates measured at cost are recognised as income in the Parent Company's income statement in the financial year when the dividends are declared. To the extent that the dividends exceed the accumulated earnings after the acquisition date, the dividends are recognised as a reduction of the cost of the equity investment.

##### Tax on profit/loss for the year

Tax for the year comprises current tax for the year and changes in deferred tax, including changes in tax rates. The tax expense relating to the profit/loss for the year is recognised in the income statement at the amount attributable to the profit/loss for the year and directly in equity at the amount attributable to entries directly in equity.

##### Balance sheet

##### Fixtures and fittings, tools and equipment

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 on which the asset is available for use.

The basis of depreciation is cost less any projected residual value after the end of the useful life. Depreciation is provided on a straight-line basis over the estimated useful life. The estimated useful lives are as follows:

|                                            |            |
|--------------------------------------------|------------|
| Leasehold improvements                     | 20 years   |
| Fixtures and fittings, tools and equipment | 3-15 years |

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

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies (continued)

##### Leases

On initial recognition, leases for fixed assets that transfer substantially all risks and rewards incident to ownership to the Company (finance leases) are recognised in the balance sheet at the lower of fair value and the net present value of future lease payments. When the net present value is calculated, the interest rate implicit in the lease or the incremental borrowing rate is used as the discount factor. Assets held under finance leases are subsequently depreciated as the Company's other fixed assets.

The capitalised lease obligation is recognised in the balance sheet as a liability at amortised cost, allowing the interest element of the lease payment to be recognised in the income statement over the term of the lease.

All other leases are operating leases. Payments relating to operating leases and other leases are recognised in the income statement over the term of the lease. The Company's total obligation relating to operating leases and other leases is disclosed as contractual obligations, etc.

##### Investments

Equity investments in group entities are measured at cost. When the cost exceeds the recoverable amount, write-down is made to this lower value. The cost is reduced by dividends received exceeding accumulated earnings after the acquisition date.

Other receivables and deposits are recognised at amortised cost.

##### Impairment of fixed assets

The carrying amount of fixtures and fittings, tools 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 forecast net cash flows from the use of the asset or the group of assets, including forecast net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies (continued)

##### Inventories

Inventories are measured at cost in accordance with the FIFO method. Where the net realisable value is lower than cost, inventories are written down to this lower value.

Consumables and spare parts are measured at cost, comprising purchase price plus delivery costs.

##### Receivables

Receivables are measured at amortised cost.

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

Write-downs are calculated as the difference between the carrying amount of receivables and the present value of forecast cash flows, including the realisable value of any collateral received.

##### Construction contracts

Construction contracts are measured at the selling price of the work performed. The selling price is measured on the basis of the stage of completion at the balance sheet date and the projected income from the individual work. The stage of completion is stated as the share of costs incurred in proportion to estimated total costs relating to the individual work.

When the selling price of work in progress cannot be estimated reliably, the selling price is measured at the lower of costs incurred and net realisable value.

The individual contract work is recognised in the balance sheet as receivables or payables, respectively. Net assets comprise total work in progress where the selling price of the work performed exceeds progress billings. Net liabilities comprise total work in progress where progress billings exceed the selling price.

Costs arising from sales work and contracting are recognised in the income statement as incurred.

##### Prepayments

Prepayments comprise prepayment of costs incurred relating to subsequent financial years.

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies (continued)

##### Equity

###### *Dividends*

Proposed dividends are recognised as a liability at the date on which 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 measured on the 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 within the foreseeable future; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Any deferred net assets are measured at net realisable value.

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

##### Liabilities other than provisions

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

Finance lease obligations are recognised as financial liabilities at amortised cost.

Other liabilities are measured at net realisable value.

## Financial statements 1 January – 31 December

### Notes

|                                                                                                                                       | DKK'000                               | 2019         | 2018          |
|---------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------|--------------|---------------|
| <b>2</b>                                                                                                                              | <b>Staff costs</b>                    |              |               |
|                                                                                                                                       | Wages and salaries                    | 84           | 13,749        |
|                                                                                                                                       | Pensions                              | 0            | 1,231         |
|                                                                                                                                       | Other social security costs           | 0            | 318           |
|                                                                                                                                       | Other staff expenses                  | 3            | 250           |
|                                                                                                                                       |                                       | <u>87</u>    | <u>15,548</u> |
|                                                                                                                                       | Average number of full-time employees | <u>0</u>     | <u>29</u>     |
| Remuneration of the Executive Board has not been disclosed in accordance with section 98 B(3) of the Danish Financial Statements Act. |                                       |              |               |
| <b>3</b>                                                                                                                              | <b>Financial income</b>               |              |               |
|                                                                                                                                       | Other financial income                | 2,225        | 38            |
|                                                                                                                                       | Exchange gains, net                   | <u>1,298</u> | <u>2,051</u>  |
|                                                                                                                                       |                                       | <u>3,523</u> | <u>2,089</u>  |
| <b>4</b>                                                                                                                              | <b>Financial expenses</b>             |              |               |
|                                                                                                                                       | Interest paid to group entities       | 7,194        | 10,944        |
|                                                                                                                                       | Other financial expenses              | 318          | 493           |
|                                                                                                                                       | Exchange gains, net                   | <u>264</u>   | <u>1,769</u>  |
|                                                                                                                                       |                                       | <u>7,776</u> | <u>13,206</u> |

## Financial statements 1 January – 31 December

### Notes

| DKK'000                                                     | 2019          | 2018                                                |
|-------------------------------------------------------------|---------------|-----------------------------------------------------|
| <b>5 Tax on profit/loss for the year</b>                    |               |                                                     |
| Deferred tax adjustment for the year                        | -1,277        | -827                                                |
| Current tax adjustment for the year                         | 235           | -2,329                                              |
| Adjustment for previous years                               | -551          | 406                                                 |
|                                                             | <u>-1,593</u> | <u>-2,750</u>                                       |
| <b>6 Proposed profit appropriation/distribution of loss</b> |               |                                                     |
| Retained earnings                                           | <u>97</u>     | <u>-45,900</u>                                      |
| <b>7 Property, plant and equipment</b>                      |               |                                                     |
| DKK'000                                                     |               | Fixtures<br>and fittings,<br>tools and<br>equipment |
| Cost at 1 January 2019                                      |               | 147,550                                             |
| Additions                                                   |               | 0                                                   |
| Disposals                                                   |               | -86,409                                             |
| Cost at 31 December 2019                                    |               | <u>61,141</u>                                       |
| Depreciation at 1 January 2019                              |               | 79,727                                              |
| Depreciation for the year                                   |               | 4,125                                               |
| Reversed depreciation of assets sold                        |               | -55,300                                             |
| Depreciation at 31 December 2019                            |               | <u>28,552</u>                                       |
| <b>Carrying amount at 31 December 2019</b>                  |               | <u>32,589</u>                                       |
| Assets held under finance leases                            |               | <u>29,318</u>                                       |

## Financial statements 1 January – 31 December

### Notes

#### 8 Equity investments in group entities

| DKK'000                             | 2019   | 2018   |
|-------------------------------------|--------|--------|
| Cost at 1 January 2019              | 36,562 | 41,891 |
| Additions for the year              | -2,300 | -275   |
| Write-down during the year          | 0      | -5,054 |
| Carrying amount at 31 December 2019 | 34,262 | 36,562 |

In addition, a provision for equity investments in group entities amounting to DKK 0 thousand has been recognised as other provisions.

Equity investments in group entities are specified as follows:

| Name                                  | Place of<br>regi-<br>stered<br>office | Contribu-<br>ted<br>capital | Votes<br>and<br>owner-<br>ship | Equity  | Net profit/<br>loss for<br>the year |
|---------------------------------------|---------------------------------------|-----------------------------|--------------------------------|---------|-------------------------------------|
| DKK'000                               |                                       |                             |                                |         |                                     |
| Mammoet Deutschland Flensburg<br>GmbH | Germany                               | 194                         | 100%                           | -1,625  | -2,449                              |
| Mammoet Wind Ltd.                     | England                               | 10                          | 100%                           | -23,341 | -2,595                              |
| Mammoet Denmark Brande A/S            | Denmark                               | 500                         | 100%                           | 22,109  | 13,714                              |
| Mammoet Wind                          | Brazil                                | 262                         | 100%                           | 9,168   | 1,273                               |

## Financial statements 1 January – 31 December

### Notes

| DKK'000                                                      | 2019         | 2018          |
|--------------------------------------------------------------|--------------|---------------|
| <b>9 Provisions for deferred tax</b>                         |              |               |
| Deferred tax at 1 January                                    | 6,251        | 6,457         |
| Deferred tax adjustment for the year in the income statement | -1,277       | -827          |
| Deferred tax adjustment regarding previous years             | 0            | 621           |
|                                                              | <u>4,974</u> | <u>6,251</u>  |
| <b>10 Lease obligations</b>                                  |              |               |
| 0-1 year (short term)                                        | 1,443        | 5,694         |
| 1-5 years (long term)                                        | 4,158        | 5,603         |
|                                                              | <u>5,601</u> | <u>11,297</u> |
| <b>11 Construction contracts</b>                             |              |               |
| Selling price of worked performed                            | 40           | 31,594        |
| Progress billing made                                        | 0            | -34,747       |
|                                                              | <u>40</u>    | <u>-3,153</u> |
| Specified as follows                                         |              |               |
| Construction contracts (assets)                              | 40           | 1,627         |
| Construction contracts (liabilities)                         | 0            | -4,780        |
|                                                              | <u>40</u>    | <u>-3,153</u> |
| <b>12 Contractual obligations, contingencies, etc.</b>       |              |               |
| <b>Rental agreements and leases</b>                          |              |               |
| Total future lease payments under operating leases:          |              |               |
| Within 1 year                                                | 0            | 1,176         |
| Between 1 and 5 years                                        | 0            | 807           |
| After 5 years                                                | 0            | 0             |
|                                                              | <u>0</u>     | <u>1,983</u>  |

## Financial statements 1 January – 31 December

### Notes

#### 12 Contractual obligations, contingencies, etc. (continued)

##### Contingent liabilities

The Company has provided collateral for group entities' bank loans. At 31 December 2019, the group entities' bank loans amounted to DKK 26,757 thousand.

The Group's Danish entities are jointly and severally liable for tax on the Group's jointly taxed income, etc. Mammoet Denmark A/S is the administrative company for the joint taxation. Danish entities are also jointly and severally liable for Danish tax in the form of dividend tax and interest tax.

#### 13 Related party disclosures

Mammoet Denmark A/S' related parties comprise the following:

##### Control

Mammoet Europe Holding B.V., Karel Doormanweg 47, 3115 JD Schiedam, the Netherlands.

Mammoet Europe Holding B.V. holds the majority of the contributed capital in the Company

Mammoet Denmark Brande A/S is part of the consolidated financial statements of Mammoet Europe Holding B.V, registered office, which is the smallest group in which the Company is included as a subsidiary.

The consolidated financial statements of Mammoet Europe Holding B.V can be obtained by contacting the Company or at the following website: [www.shv.nl](http://www.shv.nl)

Mammoet Europe Holding B.V. is part of the consolidated financial statements of SHV Group, which is the largest group in which the Company is included as a subsidiary.

The consolidated financial statements of SHV Group can be obtained by contacting the Company.

##### Related party transactions

|                                     | 2019         |
|-------------------------------------|--------------|
|                                     | DKK'000      |
| Sale of goods to a subsidiary       | 9,056        |
| Purchase of goods from a subsidiary | -905         |
|                                     | <u>8,151</u> |

Remuneration of the Parent Company's Executive Board and Board of Directors is not disclosed as outlined in note 2.

Payables to group entities are disclosed in the balance sheet, and expensed interest is disclosed in note 4.

#### 14 Events after the balance sheet date

No events materially affecting the assessment of the annual report have occurred after the balance sheet date. The COVID-19 outbreak has not had a significant impact on activities for the Company or for subsidiaries, and expectations for 2020 remain unchanged.