

# Scandinavian Boiler Service A/S

Industrivej 12, 9490 Pandrup

Company reg. no. 20 51 01 88

## Annual report

**1 January - 31 December 2016**

The annual report have been submitted and approved by the general meeting on the 31 May 2017.

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**Erwin Kristoffersen**  
Chairman of the meeting

## Contents

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	<u>Page</u>
<b>Reports</b>	
Management's report	1
Independent auditor's report	2
<b>Management's review</b>	
Company data	5
Management's review	6
<b>Annual accounts 1 January - 31 December 2016</b>	
Accounting policies used	7
Profit and loss account	14
Balance sheet	15
Cash flow statement	17
Notes	18

Notes:

- To ensure the greatest possible applicability of this document, British English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.

## **Management's report**

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The board of directors and the managing director have today presented the annual report of Scandinavian Boiler Service A/S for the financial year 1 January to 31 December 2016.

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

We consider the accounting policies used appropriate, and in our opinion the annual accounts provide a true and fair view of the company's assets and liabilities and its financial position as on 31 December 2016 and of the company's results of its activities and cash flows in the financial year 1 January to 31 December 2016.

We are of the opinion that the management's review includes a fair description of the issues dealt with.

The annual report is recommended for approval by the general meeting.

Pandrup, 26 May 2017

### **Managing Director**

Morten Thiessen  
Managing direktor

### **Board of directors**

Tham Yew Hong  
Chairman

Alen Prpic

Morten Thiessen

## **Independent auditor's report**

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### **To the shareholders of Scandinavian Boiler Service A/S**

#### **Opinion**

We have audited the annual accounts of Scandinavian Boiler Service A/S for the financial year 1 January to 31 December 2016, which comprise accounting policies used, profit and loss account, balance sheet, cash flow statement and notes. The annual accounts are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the annual accounts give a true and fair view of the company's assets, liabilities and financial position at 31 December 2016 and of the results of the company's operations and cash flows for the financial year 1 January to 31 December 2016 in accordance with the Danish Financial Statements Act.

#### **Basis for opinion**

We conducted our audit in accordance with international standards on auditing and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the below section "Auditor's responsibilities for the audit of the annual accounts". We are independent of the company in accordance with international ethics standards for accountants (IESBA's Code of Ethics) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these standards and requirements. We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our opinion.

#### **The management's responsibilities for the annual accounts**

The management is responsible for the preparation of annual accounts that give a true and fair view in accordance with the Danish Financial Statements Act. The management is also responsible for such internal control as the management determines is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, the management is responsible for evaluating the company's ability to continue as a going concern, and, when relevant, disclosing matters related to going concern and using the going concern basis of accounting when preparing the annual accounts, unless the management either intends to liquidate the company or to cease operations, or if it has no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the annual accounts**

Our objectives are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report including an opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with international standards on auditing and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements may arise due to fraud or error and may be considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions made by users on the basis of the annual accounts

## **Independent auditor's report**

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As part of an audit conducted in accordance with international standards on auditing and the additional requirements applicable in Denmark, we exercise professional evaluations and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the annual accounts, whether due to fraud or error, design and perform audit procedures in response 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 the risk of not detecting a misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the 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 by the management and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's preparation of the annual accounts being based on the going concern principle and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may raise significant doubt about 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 annual accounts 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 annual accounts, including the disclosures in the notes, and whether the annual accounts reflect 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 the internal control that we identify during our audit.

### **Statement on the management's review**

The management is responsible for the management's review.

Our opinion on the annual accounts does not cover the management's review, and we do not express any kind of assurance opinion on the management's review.

## **Independent auditor's report**

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In connection with our audit of the annual accounts, our responsibility is to read the management's review and in that connection consider whether the management's review is materially inconsistent with the annual accounts or our knowledge obtained during the audit, or whether it otherwise appears to contain material misstatement.

Furthermore, 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 believe that the management's review is in accordance with the annual accounts and that it has been prepared in accordance with the requirements of the Danish Financial Statement Acts. We did not find any material misstatement in the management's review.

Aalborg, 26 May 2017

### **Redmark**

State Authorised Public Accountants  
Company reg. no. 29 44 27 89

### **Marian Fruergaard**

State Authorised Public Accountant

## Company data

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<b>The company</b>	Scandinavian Boiler Service A/S Industrivej 12 9490 Pandrup
	Phone +4570271000 Fax +4570271001 Web site <a href="http://www.sbs-international.com">www.sbs-international.com</a>
	Company reg. no. 20 51 01 88 Established: 28 October 1997 Financial year: 1 January - 31 December
<b>Board of directors</b>	Tham Yew Hong, Chairman Alen Prpic Morten Thiessen
<b>Managing Director</b>	Morten Thiessen, Managing direktor
<b>Auditors</b>	Redmark Statsautoriseret Revisionspartnerselskab Hasseris Bymidte 6 9000 Aalborg
<b>Bankers</b>	Danske Bank A/S
<b>Parent company</b>	SBS International ApS
<b>Subsidiaries</b>	SBS Repair ApS, Pandrup SBS EUROPE d.o.o., Croatia

## **Management's review**

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### **The principal activities of the company**

The activity of the company is sales, service and upgrading within the maritime business sector.

### **Development in activities and financial matters**

The gross profit for the year is DKK 15.411.000 against DKK 20.848.000 last year. The results from ordinary activities after tax are DKK -491.000 against DKK 2.130.000 last year. The management consider the results for less satisfactory.



## **Accounting policies used**

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The annual report for Scandinavian Boiler Service A/S is presented in accordance with those regulations of the Danish Financial Statements Act concerning companies identified as class B enterprises. Furthermore, the company has chosen to comply with some of the rules applying for class C enterprises.

No consolidated annual accounts have been prepared, cf. section 112(1) of the Danish Financial Statements Act. The annual accounts of Scandinavian Boiler Service A/S and its group enterprises are included in the consolidated annual accounts for Danish Marine Service ApS, Pandrup, CVR nr. 31578256.

### **Changes in the accounting policies used**

With effect as of 1 January 2016, the company has made an implementation of the Danish law no. 738 of 1 June 2015. This implies the following changes to the recognition and measurement of:

By application of the Danish Executive Order on Transition in relation to implementation of certain changes to the Danish Financial Statements Act, the following changes to the accounting policies used have taken place:

Henceforth, residual values of tangible fixed assets shall be subject to an annual reevaluation. Previously, the expected residual value was determined at the time of commencement of application of the asset and only under certain circumstances could this value be changed. The change is made in accordance with section 4 of the Danish Statutory Order no. 1849 of 15 December 2015, and it only has an effect as a change in accounting estimates. Therefore, it does not affect the equity.

On acquisition of a minority where there is a difference between the cost and the minority's share of the total carrying amount (goodwill) is transferred to the share of equity of shareholders in Scandinavian Boiler Service A/S.

### **Translation of foreign currency**

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials.

Debtors, creditors, and other monetary items in foreign currency are translated by using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or the recognition in the latest annual accounts of the amount owed or the liability is recognised in the profit and loss account under financial income and expenses.

Fixed assets and other non-monetary assets acquired in foreign currency and which are not considered to be investment assets purchased in foreign currencies are measured at the exchange rate on the transaction date.

## Accounting policies used

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In case the foreign group enterprises and associated enterprises meet the criteria for being independent units, the profit and loss accounts are translated by using an average exchange rate for the period in question, and the balance sheet items are translated by using the closing rate. Differences arising in connection with the translation of the equity of foreign group enterprises at the beginning of the year to the closing rate are recognised directly in the equity. The same goes for differences arising in connection with translation of the profit and loss accounts from average exchange rate to the closing rate.

At recognition of foreign group enterprises which are integrated units, the monetary items are translated by using the closing rate. Non monetary items are translated by using the exchange rate prevailing at the time of acquisition or at the time of the following depreciation or writedown of the asset. The items of the profit and loss account are translated by using the exchange rate prevailing at the date of the transaction. However, items in the profit and loss account deriving from non monetary items are translated by using historical prices.

Currency adjustment of balances with group enterprises abroad that are considered part of the total investment in group enterprises are recognised directly in the equity. Likewise, foreign exchange gains and losses on loans and derived financial instruments for currency hedging independent group enterprises abroad are recognised in the equity.

### The profit and loss account

#### **Gross profit**

The gross profit comprises the net turnover, changes in inventories of finished goods and work in progress, work performed for own purposes and capitalised, other operating income, and external costs.

The net turnover is recognised in the profit and loss account if delivery and risk transfer to the buyer have taken place before the end of the year, and if the income can be determined reliably and is expected to be received. The net turnover is recognised exclusive of VAT and taxes and with the deduction of any discounts granted in connection with the sale.

Contract work in progress concerning construction contracts is recognised concurrently in the net turnover with the progress of the production. Thus the net turnover corresponds to the sales value of the completed productions of the year (the production method). The net turnover is recognised when the total income and costs of the contract and the scope of completion on the balance sheet date can be determined reliably, and when it is likely that the financial benefits will be received by the company.

When the results of a contract can not be determined reliably, the net turnover is only recognised on a cost basis, however, to the extent that it is probable that the costs will be recovered.

Costs of sales includes costs for the purchase of raw materials and consumables less discounts and changes in inventories.

## **Accounting policies used**

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Other external costs comprise costs for distribution, sales, advertisement, administration, premises, loss on debtors, and operational leasing costs.

### **Staff costs**

Staff costs include salaries and wages including holiday allowances, pensions and other costs for social security etc. for staff members. Staff costs are less public reimbursements.

### **Depreciation, amortisation and writedown**

Depreciation, amortisation and writedown comprise depreciation on, amortisation of and writedown relating to intangible and tangible fixed assets respectively.

### **Net financials**

Net financials comprise interest, realised and unrealised capital gains and losses concerning financial assets and liabilities, amortisation of financial assets and liabilities, additions and reimbursements under the Danish tax prepayment scheme, etc. Financial income and expenses are recognised in the profit and loss account with the amounts that concerns the financial year.

### **Results from equity investments in group enterprises**

After full elimination of intercompany profit or loss and deduction of amortisation of consolidated goodwill, the equity investment in the individual group enterprises are recognised in the profit and loss account at a proportional share of the group enterprises' results after tax.

### **Tax of the results for the year**

The tax for the year comprises the current tax for the year and the changes in deferred tax, and it is recognised in the profit and loss account with the share referring to the results for the year and directly in the equity with the share referring to entries directly on the equity.

The company is subject to the Danish legislation concerning compulsory joint taxation with the Danish group enterprises.

The current Danish corporate tax is allocated among the jointly taxed companies in proportion to their respective taxable income (full allocation with reimbursement of tax losses).

## **The balance sheet**

### **Tangible fixed assets**

Tangible fixed assets are measured at cost with deduction of accrued depreciation and writedown.

The basis of depreciation is cost with deduction of any expected residual value after the end of the useful life of the asset. The amortisation period and the residual value are determined at the acquisition date and reassessed annually. If the residual value exceeds the book value, the amortisation discontinues.

## Accounting policies used

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If the amortisation period or the residual value is changed, the effect on amortisation will in the future be recognised as a change in the accounting estimates.

The cost comprises the acquisition cost and costs directly attached to the acquisition until the time when the asset is ready for use.

The cost of a total asset is divided into separate components. These components are depreciated separately, the useful lives of each individual components differing.

Depreciation takes place on a straight line basis and based on an evaluation of the expected useful life:

Technical plants and machinery	5-10 years
Other plants, operating assets, fixtures and furniture	3-5 years

Minor assets with an expected useful life of less than 1 year are recognised as costs in the profit and loss account in the year of acquisition.

Profit or loss deriving from the sales of tangible fixed assets is measured as the difference between the sales price reduced by the selling costs and the book value at the time of the sale. Profit or losses are recognised in the profit and loss account as other operating income or other operating expenses.

As regards assets of own production, the cost comprises direct and indirect costs for materials, components, deliveries from subsuppliers, payroll costs, and borrowing costs form specific and general borrowing concerning the construction of each individual asset.

### Financial fixed assets

#### Equity investments in group enterprises

Equity investments in group enterprises are recognised in the balance sheet at a proportional share under the equity method, the value being calculated on the basis of the accounting policies of the parent company by the deduction or addition of unrealised intercompany profits and losses, and with the addition or deduction of residual value of positive or negative goodwill measured by applying the acquisition method.

To the extent the equity exceeds the cost, the net revaluation of equity investments in group enterprises are transferred to the reserves under the equity for net revaluation as per the equity method. Dividends from group enterprises expected to be decided before the approval of this annual report are not subject to a limitation of the revaluation reserves. The reserves are adjusted by other equity movements in group enterprises.

## Accounting policies used

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In connection with the acquisition of new group enterprises and associated enterprises, the acquisition method is applied, by which the acquirees' assets and liabilities are measured at fair value at the time of acquisition. Provisions for payment of costs for decided restructuring activities in the acquirees in relation to the acquisition are recognised. The tax effect of the revaluations carried out is taken into consideration.

Positive differences (goodwill) between cost and fair value of identifiable, acquired assets and liabilities, inclusive of liability provisions for restructuring, are recognised under equity investments in group enterprises, and they are amortised over their estimated useful life. The useful life is determined on the basis of the management's experience with the individual business areas. The amortisation period is maximum 20 years, being the longer for strategic acquirees with a strong market position and a long-range earnings potential. The book value of goodwill is evaluated currently and written down in the profit and loss account in those cases where the book value exceeds the expected future net income from the enterprise or the activity, to which the goodwill is attached.

### Inventories

Inventories are measured at cost on basis of the FIFO method. In case the net realisable value of the inventories is lower than the cost, writedown takes place to this lower value.

### Debtors

Debtors are measured at amortised cost which usually corresponds to face value. In order to meet expected losses, writedown takes place at the net realisable value.

### Work in progress for the account of others

Contract work in progress is measured at the selling price of the work performed, however with deduction of invoicing on account and expected losses. Contract work in progress is characterised by the manufactured goods featuring a high level of individualisation in the design. Furthermore, it is a requirement that before work is commenced, a binding contract is to be entered into, implying penalty or damages in case of subsequent cancellation.

The selling price is measured on the basis of the stage of completion on the balance sheet date and the total expected income from the individual contracts. The stage of completion is determined on the basis of an evaluation of the work performed, usually determined as the ratio of the costs incurred to the total expected cost of the contract in question.

When it is probable that the total contract costs will exceed the total contract revenue, the expected contract loss is immediately recognised as costs and provisions.

If the results of a contract can not be estimated reliably, the selling price is only recognised on a cost basis, however, to the extent that it is probable that the costs will be recovered.

## **Accounting policies used**

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Contracts for which the selling price of the work performed exceeds invoicing on account and expected losses are recognised as trade debtors. Contracts for which invoicing on account and expected losses exceed the selling price are recognised as liabilities.

Costs in connection with sales work and the achievement of contracts are recognised in the profit and loss account when incurred.

### **Accrued income and deferred expenses**

Accrued income and deferred expenses recognised under assets comprise incurred costs concerning the next financial year.

### **Equity**

#### **Reserves for net revaluation as per the equity method**

Reserves for net revaluation as per the equity method comprise net revaluation of equity investments in subsidiaries and associates in proportion to cost.

The reserves may be eliminated in case of losses, realisation of equity investments or changes in the financial estimates.

It is not possible to recognise the reserves with a negative amount.

#### **Corporate tax and deferred tax**

Current tax receivable and tax liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on previous years' taxable income and prepaid taxes. Tax receivable and tax liabilities are set off to the extent that legal right of set-off exists and if the items are expected to be settled net or simultaneously.

According to the rules of joint taxation, Scandinavian Boiler Service A/S is proportionally liable towards the Danish tax authorities for the total corporation tax, including withholding tax on interest, royalties and dividends, arising within the jointly taxed group of companies.

Deferred tax is measured on the basis of all temporary differences in assets and liabilities with a balance sheet focus.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation on the balance sheet date and prevailing when the deferred tax is expected to be released as current tax.

### **Liabilities**

Financial liabilities related to borrowings are recognised at the received proceeds with the deduction of transaction costs incurred. In following periods, the financial liabilities are recognised at amortised cost, corresponding to the capitalised value by use of the effective interest. The difference between the proceeds and the nominal value is recognised in the profit and loss account during the term of the loan.

## Accounting policies used

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Other liabilities are measured at amortised cost which usually corresponds to the nominal value.

### **Accrued expenses and deferred income**

Received payments concerning income during the following years are recognised under accrued expenses and deferred income.

## The cash flow statement

The cash flow statement shows the cash flow of the company for the year, divided in cash flows deriving from operating activities, investment activities, and financing activities, respectively, the changes in the liabilities, and the available funds at the beginning and the end of the year respectively.

The effect of cash flow deriving from purchase and sale of enterprises appears separately under cash flow from investment activities. In the cash flow statement, cash flow deriving from purchased enterprises is recognised as of the date of acquisition, and cash flow deriving from sold enterprises is recognised until the sales date.

### **Cash flow from operating activities**

Cash flow from operating activities are calculated as the results for the year adjusted for non-cash operating items, the change in the working capital, and corporate tax paid.

### **Cash flow from investment activities**

Cash flow from investment activities comprises payments in connection with the acquisition and sale of enterprises and activities as well as the acquisition and sale of intangible and tangible fixed assets and fixed asset investments respectively.

### **Cash flow from financing activities**

Cash flow from financing activities comprises changes in the size or the composition of the share capital and the costs in this connection. Furthermore, these activities comprise borrowings, instalments on interestbearing debt, and payment of dividend to the shareholders.

### **Available funds**

Available funds comprise cash funds with deduction of short-term bank debt and short-term securities with a term of less than 3 months which can easily be converted into cash funds and on which only an insignificant risk of value changes exists.

## Profit and loss account 1 January - 31 December

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Amounts concerning 2016: DKK.

Amounts concerning 2015: DKK in thousands.

<u>Note</u>	<u>2016</u>	<u>2015</u>
<b>Gross profit</b>	<b>15.410.856</b>	<b>20.848</b>
1 Staff costs	-16.636.687	-19.511
Depreciation and writedown relating to tangible fixed assets	-217.346	-259
<b>Results before net financials</b>	<b>-1.443.177</b>	<b>1.078</b>
Income from equity investments in group enterprises	999.321	1.434
2 Other financial costs	-467.504	-206
<b>Results before tax</b>	<b>-911.360</b>	<b>2.306</b>
Tax on ordinary results	420.327	-176
<b>Results for the year</b>	<b>-491.033</b>	<b>2.130</b>
 <b>Proposed distribution of the results:</b>		
Reserves for net revaluation as per the equity method	-18.010	822
Allocated to results brought forward	0	1.308
Allocated from results brought forward	-473.023	0
<b>Distribution in total</b>	<b>-491.033</b>	<b>2.130</b>



## Balance sheet 31 December

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Amounts concerning 2016: DKK.

Amounts concerning 2015: DKK in thousands.

<b>Assets</b>		<u>2016</u>	<u>2015</u>
<u>Note</u>			
<b>Fixed assets</b>			
	Production plant and machinery	361.861	198
	Other plants, operating assets, and fixtures and furniture	<u>288.099</u>	<u>417</u>
	Tangible fixed assets in total	<u>649.960</u>	<u>615</u>
	Equity investments in group enterprises	<u>3.123.713</u>	<u>2.748</u>
	Financial fixed assets in total	<u>3.123.713</u>	<u>2.748</u>
	<b>Fixed assets in total</b>	<b><u>3.773.673</u></b>	<b><u>3.363</u></b>
<b>Current assets</b>			
	Raw materials and consumables	<u>2.285.628</u>	<u>1.865</u>
	Inventories in total	<u>2.285.628</u>	<u>1.865</u>
	Trade debtors	15.960.274	19.454
3	Work in progress for the account of others	4.000.460	2.583
	Amounts owed by group enterprises	507.777	271
	Deferred tax asset	23.540	0
	Other debtors	1.523.463	664
	Accrued income and deferred expenses	<u>145.927</u>	<u>191</u>
	Debtors in total	<u>22.161.441</u>	<u>23.163</u>
	Available funds	<u>1.787.280</u>	<u>2.977</u>
	<b>Current assets in total</b>	<b><u>26.234.349</u></b>	<b><u>28.005</u></b>
	<b>Assets in total</b>	<b><u>30.008.022</u></b>	<b><u>31.368</u></b>

## Balance sheet 31 December

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Amounts concerning 2016: DKK.

Amounts concerning 2015: DKK in thousands.

<u>Note</u>	<u>2016</u>	<u>2015</u>
<b>Equity and liabilities</b>		
<b>Equity</b>		
Contributed capital	600.000	600
Reserves for net revaluation as per the equity method	2.472.049	2.490
Results brought forward	6.364.132	7.750
<b>Equity in total</b>	<b><u>9.436.181</u></b>	<b><u>10.840</u></b>
<b>Provisions</b>		
Provisions for deferred tax	0	397
<b>Provisions in total</b>	<b><u>0</u></b>	<b><u>397</u></b>
<b>Liabilities</b>		
3 Work in progress for the account of others	359.397	368
Trade creditors	5.369.553	5.620
Debt to group enterprises	12.623.171	10.486
Corporate tax	0	125
Other debts	2.219.720	3.532
Short-term liabilities in total	20.571.841	20.131
<b>Liabilities in total</b>	<b><u>20.571.841</u></b>	<b><u>20.131</u></b>
<b>Equity and liabilities in total</b>	<b><u>30.008.022</u></b>	<b><u>31.368</u></b>
<b>4 Mortgage and securities</b>		
<b>5 Contingencies</b>		
<b>6 Related parties</b>		

## Cash flow statement 1 January - 31 December

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Amounts concerning 2016: DKK.

Amounts concerning 2015: DKK in thousands.

<u>Note</u>	<u>2016</u>	<u>2015</u>
Results for the year	-491.033	2.130
7 Adjustments	-738.118	-799
8 Change in working capital	<u>1.168.591</u>	<u>-291</u>
Cash flow from operating activities before net financials	-60.560	1.040
Interest paid and similar amounts	<u>-467.504</u>	<u>-206</u>
Cash flow from ordinary activities	-528.064	834
Corporate tax paid	<u>-124.785</u>	<u>-679</u>
<b>Cash flow from operating activities</b>	<b><u>-652.849</u></b>	<b><u>155</u></b>
Purchase of tangible fixed assets	-248.086	-91
Sale of tangible fixed assets	0	5
Purchase of financial fixed assets	-346.296	0
Dividends received	998.776	623
Acquired minority	<u>-940.751</u>	<u>0</u>
<b>Cash flow from investment activities</b>	<b><u>-536.357</u></b>	<b><u>537</u></b>
<b>Changes in available funds</b>	<b>-1.189.206</b>	<b>692</b>
Available funds 1 January 2016	<u>2.976.486</u>	<u>2.285</u>
<b>Available funds 31 December 2016</b>	<b><u>1.787.280</u></b>	<b><u>2.977</u></b>
<b>Available funds</b>		
Available funds	<u>1.787.280</u>	<u>2.977</u>
<b>Available funds 31 December 2016</b>	<b><u>1.787.280</u></b>	<b><u>2.977</u></b>

## Notes

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Amounts concerning 2016: DKK.

Amounts concerning 2015: DKK in thousands.

	<u>2016</u>	<u>2015</u>
<b>1. Staff costs</b>		
Salaries and wages	14.570.385	17.300
Pension costs	1.820.576	1.965
Other costs for social security	<u>245.726</u>	<u>246</u>
	<b><u>16.636.687</u></b>	<b><u>19.511</u></b>
<b>2. Other financial costs</b>		
Other financial costs	<u>467.504</u>	<u>206</u>
	<b><u>467.504</u></b>	<b><u>206</u></b>
<b>3. Work in progress for the account of others</b>		
Sales value of the production of the period	7.357.900	6.550
Payments on account received	<u>-3.716.837</u>	<u>-4.335</u>
<b>Work in progress for the account of others, net</b>	<b><u>3.641.063</u></b>	<b><u>2.215</u></b>
The following is recognised:		
Work in progress for the account of others (Current assets)	4.000.460	2.583
Work in progress for the account of others (Short-term liabilities)	<u>-359.397</u>	<u>-368</u>
	<b><u>3.641.063</u></b>	<b><u>2.215</u></b>
<b>4. Mortgage and securities</b>		
There are none mortgage or securities.		
<b>5. Contingencies</b>		
<b>Joint taxation</b>		
Danish Marine Service ApS, company reg. no 31578256 being the administration company, the company is subject to the Danish scheme of joint taxation and it is proportionally liable for tax claims within the joint taxation scheme.		

## Notes

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Amounts concerning 2016: DKK.

Amounts concerning 2015: DKK in thousands.

### . **Contingencies (continued)**

#### **Joint taxation (continued)**

The company is proportionally liable for any obligation to withhold tax on interest, royalties and dividends of the jointly taxed companies.

The liabilities amount to a maximum corresponding to that share of the company capital, which is owned directly or indirectly by the ultimate parent company.

The liability relating to obligations in connection with withholding tax on dividends, interest and royalties represents an estimated maximum of DKK 0 thousand.

Any subsequent adjustments of corporate taxes or withheld taxes etc. may cause changes in the company's liabilities.

### 6. **Related parties**

#### **Controlling interest**

SBS International ApS  
Industrivej 12  
Pandrup  
Denmark

Majority shareholder

#### **Consolidated annual accounts**

The company is included in the consolidated annual accounts of Danish Marine Service ApS.

## Notes

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Amounts concerning 2016: DKK.

Amounts concerning 2015: DKK in thousands.

	<u>2016</u>	<u>2015</u>
<b>7. Adjustments</b>		
Depreciation and amortisation	214.026	253
Income from equity investments in group enterprises	-999.321	-1.434
Other financial costs	467.504	206
Tax on ordinary results	-420.327	176
	<u><b>-738.118</b></u>	<u><b>-799</b></u>
<b>8. Change in working capital</b>		
Change in inventories	-420.955	130
Change in debtors	2.374.769	-4.995
Change in trade creditors and other liabilities	-785.223	4.574
	<u><b>1.168.591</b></u>	<u><b>-291</b></u>