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Hyperbaric Consult A/S
Havnen 5, 1. sal
3250 Gilleleje
Central Business Registration No
20784881

Annual report 2017

The Annual General Meeting adopted the annual report on 06.06.2018

Chairman of the General Meeting

Name: Kenneth Gudmundsson

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Entity details

Entity

Hyperbaric Consult A/S
Havnen 5, 1. sal
3250 Gilleleje

Central Business Registration No: 20784881

Founded: 19.02.1998

Registered in: Gribskov

Financial year: 01.01.2017 - 31.12.2017

Phone: +4570231647

Website: www.hyperbaric-consult.com

E-mail: info@hbc-tec.dk

Board of Directors

Kenneth Gudmundsson
Jan Michael Eilersen
Michael Søgaard Madsen

Executive Board

Jan Michael Eilersen

Bank

Sydbank
Kongens Nytorv 30
1050 København K

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
2300 København S

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of Hyperbaric Consult A/S for the financial year 01.01.2017 - 31.12.2017.

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

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2017 and of the results of its operations for the financial year 01.01.2017 - 31.12.2017.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Gilleleje, 06.06.2018

Executive Board

Jan Michael Eilersen

Board of Directors

Kenneth Gudmundsson

Jan Michael Eilersen

Michael Søgaard Madsen

Independent auditor's report

To the shareholders of Hyperbaric Consult A/S

Opinion

We have audited the financial statements of Hyperbaric Consult A/S for the financial year 01.01.2017 - 31.12.2017, which comprise the 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 Entity's financial position at 31.12.2017 and of the results of its operations for the financial year 01.01.2017 - 31.12.2017 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 financial statements section of this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board of Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities for the financial statements

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

In preparing the financial statements, Management is responsible for assessing the Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

Independent auditor's report

- 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 Entity'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 Entity'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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, 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 commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management 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 commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Independent auditor's report

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

Copenhagen, 06.06.2018

Deloitte

Statsautoriseret Revisionspartnerselskab

Central Business Registration No: 33963556

Jan Larsen

State Authorised Public Accountant

Identification number (MNE) mne16541

Management commentary

	2017	2016	2015	2014	2013
	DKK'000	DKK'000	DKK'000	DKK'000	DKK'000
Financial highlights					
Key figures					
Gross profit	6.635	8.744	(529)	19.404	30.225
Operating profit/loss	2	1.573	(11.670)	8.199	22.344
Net financials	(486)	(744)	(1.145)	(360)	(652)
Profit/loss for the year	(321)	614	(9.858)	5.913	16.307
Total assets	59.100	61.699	44.851	61.759	54.037
Investments in property, plant and equipment	171	0	66	10.334	15.635
Equity	24.926	25.228	9.349	19.207	27.295
Ratios					
Return on equity (%)	(1,3)	3,5	(69,0)	25,4	77,1
Equity ratio (%)	42,2	40,9	20,8	31,1	50,5

Financial highlights are defined and calculated in accordance with "Recommendations & Ratios 2015" issued by the Danish Society of Financial Analysts.

Ratios	Calculation formula	Ratios
Return on equity (%)	$\frac{\text{Profit/loss for the year} \times 100}{\text{Average equity}}$	The entity's return on capital invested in the entity by the owners.
Equity ratio (%)	$\frac{\text{Equity} \times 100}{\text{Total assets}}$	The financial strength of the entity.

Management commentary

Primary activities

The Company's primary activity is to operate within diving, offshore support and hyperbaric management.

Development in activities and finances

The Company's financial performance and financial development have not been satisfactory.

At the time of submission of the annual report, the Company has signed orders in the pipeline for completion in 2018 of such size that a positive result is expected for 2018.

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.

Income statement for 2017

	<u>Notes</u>	<u>2017 DKK</u>	<u>2016 DKK</u>
Gross profit		6.634.576	8.743.586
Staff costs	1	(3.895.563)	(4.385.074)
Depreciation, amortisation and impairment losses	2	<u>(2.737.121)</u>	<u>(2.785.036)</u>
Operating profit/loss		1.892	1.573.476
Income from investments in group enterprises		260.626	(140.621)
Other financial income		45.912	395.038
Other financial expenses	3	<u>(792.470)</u>	<u>(998.605)</u>
Profit/loss before tax		(484.040)	829.288
Tax on profit/loss for the year	4	<u>162.747</u>	<u>(215.739)</u>
Profit/loss for the year		<u>(321.293)</u>	<u>613.549</u>
Proposed distribution of profit/loss			
Transferred to reserve for net revaluation according to the equity method		(19.288)	0
Retained earnings		<u>(302.005)</u>	<u>613.549</u>
		<u>(321.293)</u>	<u>613.549</u>

Balance sheet at 31.12.2017

	<u>Notes</u>	<u>2017 DKK</u>	<u>2016 DKK</u>
Ships		54.554.482	57.015.372
Other fixtures and fittings, tools and equipment		43.941	137.451
Leasehold improvements		0	12.204
Property, plant and equipment	5	<u>54.598.423</u>	<u>57.165.027</u>
Investments in group enterprises		0	0
Other receivables		19.500	30.600
Fixed asset investments	6	<u>19.500</u>	<u>30.600</u>
Fixed assets		<u>54.617.923</u>	<u>57.195.627</u>
Trade receivables		1.306.386	2.729.784
Contract work in progress		244.366	223.969
Receivables from group enterprises		2.861.042	1.400.338
Other receivables		0	49.671
Prepayments		57.573	70.886
Receivables		<u>4.469.367</u>	<u>4.474.648</u>
Cash		<u>12.615</u>	<u>29.218</u>
Current assets		<u>4.481.982</u>	<u>4.503.866</u>
Assets		<u>59.099.905</u>	<u>61.699.493</u>

Balance sheet at 31.12.2017

	<u>Notes</u>	<u>2017 DKK</u>	<u>2016 DKK</u>
Contributed capital		500.000	500.000
Revaluation reserve		14.324.374	13.514.415
Retained earnings		<u>10.101.530</u>	<u>11.213.494</u>
Equity		<u>24.925.904</u>	<u>25.227.909</u>
Deferred tax		<u>5.402.408</u>	<u>5.565.155</u>
Provisions		<u>5.402.408</u>	<u>5.565.155</u>
Bank loans		<u>7.510.000</u>	<u>9.650.000</u>
Non-current liabilities other than provisions	7	<u>7.510.000</u>	<u>9.650.000</u>
Current portion of long-term liabilities other than provisions	7	2.140.000	2.140.000
Payables to other credit institutions		2.960.910	241.478
Trade payables		295.188	348.294
Payables to associates		15.437.903	18.284.727
Other payables		<u>427.592</u>	<u>241.930</u>
Current liabilities other than provisions		<u>21.261.593</u>	<u>21.256.429</u>
Liabilities other than provisions		<u>28.771.593</u>	<u>30.906.429</u>
Equity and liabilities		<u>59.099.905</u>	<u>61.699.493</u>
Claims of creditor subordinated to other creditors	8		
Unrecognised rental and lease commitments	9		
Contingent liabilities	10		
Mortgages and securities	11		

Statement of changes in equity for 2017

	Contributed capital DKK	Revaluation reserve DKK	Reserve for net revaluation according to the equity method DKK	Retained earnings DKK
Equity beginning of year	500.000	13.514.415	0	11.213.494
Exchange rate adjustments	0	0	19.288	0
Dissolution of revaluations	0	809.959	0	(809.959)
Profit/loss for the year	0	0	(19.288)	(302.005)
Equity end of year	500.000	14.324.374	0	10.101.530
				Total DKK
Equity beginning of year				25.227.909
Exchange rate adjustments				19.288
Dissolution of revaluations				0
Profit/loss for the year				(321.293)
Equity end of year				24.925.904

Notes

	2017	2016
	DKK	DKK
1. Staff costs		
Wages and salaries	3.849.392	4.332.305
Other social security costs	46.171	52.769
	3.895.563	4.385.074
Average number of employees	6	7
	2017	2016
	DKK	DKK
2. Depreciation, amortisation and impairment losses		
Depreciation of property, plant and equipment	2.737.121	2.785.036
	2.737.121	2.785.036
	2017	2016
	DKK	DKK
3. Other financial expenses		
Financial expenses from associates	153.176	237.757
Interest expenses	634.632	740.678
Exchange rate adjustments	(443)	6.190
Other financial expenses	5.105	13.980
	792.470	998.605
	2017	2016
	DKK	DKK
4. Tax on profit/loss for the year		
Change in deferred tax for the year	(162.747)	215.739
	(162.747)	215.739

Notes

	Ships DKK	Other fixtures and fittings, tools and equipment DKK	Leasehold improve- ments DKK
5. Property, plant and equipment			
Cost beginning of year	60.733.576	1.292.315	91.530
Additions	170.516	0	0
Cost end of year	60.904.092	1.292.315	91.530
Revaluations beginning of year	19.570.673	0	0
Revaluations end of year	19.570.673	0	0
Depreciation and impairment losses beginning of the year	(23.288.876)	(1.154.864)	(79.326)
Depreciation for the year	(2.631.407)	(93.510)	(12.204)
Depreciation and impairment losses end of the year	(25.920.283)	(1.248.374)	(91.530)
Carrying amount end of year	54.554.482	43.941	0
		Investments in group enterprises DKK	Other receivables DKK
6. Fixed asset investments			
Cost beginning of year		10	19.500
Cost end of year		10	19.500
Impairment losses beginning of year		(573.405)	0
Exchange rate adjustments		19.288	0
Transfers		293.481	0
Share of profit/loss for the year		260.626	0
Impairment losses end of year		(10)	0
Carrying amount end of year		0	19.500

Notes

	<u>Registered in</u>	<u>Corpo- rate form</u>	<u>Equity inte- rest %</u>
Investments in group enterprises comprise:			
Hyperbaric Consult LTD	Bollington - Endland	LTD	100,0

	<u>Instalments within 12 months 2017 DKK</u>	<u>Instalments within 12 months 2016 DKK</u>	<u>Instalments beyond 12 months 2017 DKK</u>	<u>Outstanding after 5 years DKK</u>
7. Liabilities other than provisions				
Bank loans	<u>2.140.000</u>	<u>2.140.000</u>	<u>7.510.000</u>	<u>1.090.000</u>
	<u>2.140.000</u>	<u>2.140.000</u>	<u>7.510.000</u>	<u>1.090.000</u>

8. Claims of creditor subordinated to other creditors

The two owners have submitted a revocation declaration of total of DKK 15.040.000 to Hyperbaric Consult A/S's bank in respect of the two owners receivables of total DKK 15.437.903 per balance day.

	<u>2017 DKK</u>	<u>2016 DKK</u>
9. Unrecognised rental and lease commitments		
Hereof liabilities under rental or lease agreements until maturity in total	<u>67.000</u>	<u>69.000</u>

	<u>2017 DKK</u>	<u>2016 DKK</u>
10. Contingent liabilities		
Other contingent liabilities	<u>260.489</u>	<u>260.489</u>
Contingent liabilities in total	<u>260.489</u>	<u>260.489</u>

11. Mortgages and securities

Bank debt has been secured by a deposited Letter of Indemnity for DKK 6.000.000 nominal value as a floating charge which includes trade receivables, propellants and inventory and secured by a way of a deposited mortgage deed registered to the mortgagor on ship af DKK 21.000.000 nominal.

Notes

Carrying amount of assets subject of floating charge of trade receivables amounts to DKK 1.306.386.

Carrying amount of mortgaged ship amounts to DKK 41.956.000.

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of certain provisions for reporting class C.

The accounting policies applied to these financial statements are consistent with those applied last year.

Consolidated financial statements

Referring to section 110 of the Danish Financial Statements Act, no consolidated financial statements have been prepared.

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.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, cost of raw materials and consumables and external expenses.

Revenue

Revenue from the sale of services is recognised in the income statement when delivery is made to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Contract work in progress is included in revenue based on the stage of completion so that revenue corresponds to the selling price of the work performed in the financial year (the percentage-of-completion method).

Accounting policies

Costs of raw materials and consumables

Costs of raw materials and consumables comprise the consumption of raw materials and consumables for the financial year after adjustment for changes in inventories of these goods from the beginning to the end of the year. This item includes shrinkage, if any, and ordinary writedowns of the relevant inventories.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

Staff costs

Staff costs comprise salaries and wages as well as social security contributions, pension contributions, etc for entity staff. Crew salaries for the company's international crew are stated under "Costs of raw materials and consumables".

Depreciation, amortisation and impairment losses

Amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment comprise amortisation, depreciation and impairment losses for the financial year, calculated on the basis of the residual values and useful lives of the individual assets and impairment testing as well as gains and losses from the sale of intangible assets as well as property, plant and equipment.

Income from investments in group enterprises

Income from investments in group enterprises comprises the pro rata share of the individual enterprises' profit/loss after full elimination of intra-group profits or losses.

Other financial income

Other financial income comprises dividends etc received on other investments, interest income, including interest income on receivables from group enterprises, net capital gains on securities, payables and transactions in foreign currencies, amortisation of financial assets as well as tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

Accounting policies

Balance sheet

Property, plant and equipment

Ships are measured at cost plus additional revaluation and less accumulated depreciation and impairment losses. Revaluations are made partly based on third party assessment.

Other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation. For self-constructed assets, cost comprises direct and indirect costs of materials, components, sub-suppliers and labour costs.

The basis of depreciation is cost plus additional revaluations for ships and cost of operating equipment and equipment less the expected residual value after the end of life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Ships	10 years
Other fixtures and fittings, tools and equipment	3-7 years
Leasehold improvements	5 years

Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Investments in group enterprises

Investments in group enterprises are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity value plus or minus unamortised goodwill and plus or minus unrealised intra-group profits or losses.

Group enterprises with negative equity value are measured at DKK 0. Any receivables from these enterprises are written down to net realisable value based on a specific assessment. If the Parent has a legal or constructive obligation to cover the liabilities of the relevant enterprise, and it is probable that such obligation is imminent, a provision is recognised that is measured at present value of the costs deemed necessary to incur to settle the obligation.

Upon distribution of profit or loss, net revaluation of investments in group enterprises is transferred to Reserve for net revaluation according to the equity method under equity.

Investments in group enterprises are written down to the lower of recoverable amount and carrying amount.

Receivables

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

Accounting policies

Contract work in progress

Contract work in progress is measured at the selling price of the work carried out at the balance sheet date.

If the selling price of a project in progress cannot be made up reliably, it is measured at the lower of costs incurred and net realisable value.

Each contract in progress is recognised in the balance sheet under receivables or liabilities other than provisions, depending on whether the net value, calculated as the selling price less prepayments received, is positive or negative.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash

Cash comprises cash in hand and bank deposits.

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and tax-based value of assets and liabilities, for which the tax-based value of assets is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Other financial liabilities

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