

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

Annual report 2015

The Annual General Meeting adopted the annual report on 31.05.2016

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: 01.01.2015 - 31.12.2015

Phone: +45 70 23 16 47

Internet: www.hyperbaric-consult.com

E-mail: info@hbc-tec.dk

Board of Directors

Morten Ligaard

Jan Michael Eilersen

Kenneth Gudmundsson

Michael Søgaaard Madsen

John Uggerhøj

Executive Board

Jan Michael Eilersen

Bank

Sydbank

Kongens Nytorv 30

1050 København K

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Klosterplads 9

5700 Svendborg

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 01.01.2015 - 31.12.2015.

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 31.12.2015 and of the results of its operations and cash flows for the financial year 01.01.2015 - 31.12.2015.

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, 25.05.2016

Executive Board

Jan Michael Eilersen

Board of Directors

Morten Ligaard

Jan Michael Eilersen

Kenneth Gudmundsson

Michael Søgaaard Madsen

John Uggerhøj

Independent auditor's reports

To the owners of Hyperbaric Consult A/S

Report on the financial statements

We have audited the financial statements of Hyperbaric Consult A/S for the financial year 01.01.2015 - 31.12.2015, which comprise the accounting policies, income statement, balance sheet, statement of changes in equity, cash flow statement and notes. The financial statements are prepared in accordance with the Danish Financial Statements Act.

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 as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Entity's preparation of financial statements that give a true and fair view 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Our audit has not resulted in any qualification.

Opinion

In our opinion, the financial statements give a true and fair view of the Company's financial position at 31.12.2015 and of the results of its operations and cash flows for the financial year 01.01.2015 - 31.12.2015 in accordance with the Danish Financial Statements Act.

Statement on the management commentary

Pursuant to the Danish Financial Statements Act, we have read the management commentary. We have not performed any further procedures in addition to the audit of the financial statements.

On this basis, it is our opinion that the information provided in the management commentary is consistent with the financial statements.

Svendborg, 25.05.2016

Deloitte

Statsautoriseret Revisionspartnerselskab

Peder Pedersen
statsautoriseret revisor

CVR-nr. 33963556

Management commentary

	2015	2014	2013	2012	2011
	DKK'000	DKK'000	DKK'000	DKK'000	DKK'000
Financial high-lights					
Key figures					
Gross loss	(462)	19.555	30.301	14.870	23.711
Operating profit/loss	(11.670)	8.199	22.344	7.331	16.521
Net financials	(1.145)	(360)	(652)	481	8
Profit/loss for the year	(9.858)	5.913	16.307	5.833	12.368
Total assets	44.851	61.926	54.944	35.612	33.023
Investments in property, plant and equipment	66	10.334	15.635	14.348	3.946
Equity	9.349	19.207	27.295	14.988	29.154
Cash flows from (used in) operating activities	3.188	8.157	10.463	5.287	6.653
Cash flows from (used in) investing activities	(55)	(10.339)	(4.020)	(3.510)	(7.072)
Cash flows from (used in) financing activities	(5.855)	307	(2.069)	(4.375)	8.000
Ratios					
Return on equity (%)	(69,0)	25,4	77,1	26,4	52,7
Solvency ratio (%)	20,8	31,0	49,7	42,1	88,3

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 been below expectations.

This is due to 3 different key projects being cancelled by the clients, at a late date, thus making it difficult for the company to procure other projects so late in the season. Furthermore there has been a general decline in activities in 2015 for the offshore wind industry.

The company has invested in the start-up of two different companies in England to strengthen our position and widen our expertise within the offshore wind section.

The start-up of the two UK companies has resulted in two major contracts being awarded and these will be implemented primo 2016. Project one is DONG UK inspection campaign on 7 different windfarms. This is a contract to be extended for 5 years. The second project is a cable installation support contract with FUGRO on Rampion windfarm with a start date in July 2016; this is a two year contract.

These contracts will improve the profit/loss for the coming year. However, due to the low oil prices market conditions will remain challenging.

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.

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 for these financial statements are consistent with those applied last year.

Recognition and measurement

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

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

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

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

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

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the one in effect at the payment date, or the rate at the balance sheet date are recognised in the income statement as financial income or financial expenses.

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.

Accounting policies

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).

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 write-downs 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 write-downs 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".

Amortisation, depreciation 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 internal 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.

Accounting policies

Income taxes

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.

Balance sheet

Property, plant and equipment

Ships, 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-manufactured assets, cost comprises direct and indirect costs of materials, components, subsuppliers and labour costs.

The basis of depreciation is cost less estimated residual value after the end of useful 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

For leasehold improvements and assets subject to finance leases, the depreciation period cannot exceed the contract period.

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 plus or minus unamortised positive, or negative, goodwill and minus or plus unrealised intra-group profits or losses.

Group enterprises with negative equity are measured at DKK 0, and any receivables from these enterprises are written down by the Parent's share of such negative equity value if it is deemed irrecoverable. If the negative equity value exceeds the amount receivable, the remaining amount is recognised under provisions if the Parent has a legal or constructive obligation to cover the liabilities of the relevant enterprise.

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.

Accounting policies

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 write-downs for bad and doubtful debts.

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.

Income tax payable or receivable

Current tax payable or receivable is recognised in the balance sheet, stated as tax calculated on this year's taxable income, adjusted for prepaid tax.

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.

Operating leases

Lease payments on operating leases are recognised on a straight-line basis in the income statement over the term of the lease.

Accounting policies

Other financial liabilities

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

Cash flow statement

The cash flow statement shows cash flows from operating, investing and financing activities as well as cash and cash equivalents at the beginning and the end of the financial year.

Cash flows from operating activities are presented using the indirect method and calculated as the operating profit/loss adjusted for non-cash operating items, working capital changes and income taxes paid.

Cash flows from investing activities comprise payments in connection with acquisition and divestment of enterprises, activities and fixed asset investments as well as purchase, development, improvement and sale, etc of intangible assets and property, plant and equipment, including acquisition of assets held under finance leases.

Cash flows from financing activities comprise changes in the size or composition of the contributed capital and related costs as well as the raising of loans, inception of finance leases, instalments on interest-bearing debt, purchase of treasury shares, and payment of dividend.

Cash and cash equivalents comprise cash and short-term securities with an insignificant price risk less short-term bank debt.

Financial highlights

Financial highlights are defined and calculated in accordance with "Recommendations & Ratios 2010" issued by the Danish Society of Financial Analysts.

Ratios	Calculation formula	Ratios reflect
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.
Soliditetsgrad (%)	$\frac{\text{Equity} \times 100}{\text{Total assets}}$	The financial strength of the Entity.

Income statement for 2015

	<u>Notes</u>	<u>2015 DKK</u>	<u>2014 DKK</u>
Gross loss		(461.905)	19.555.017
Staff costs	1	(5.177.079)	(6.931.242)
Depreciation, amortisation and impairment losses	2	<u>(6.030.756)</u>	<u>(4.424.441)</u>
Operating profit/loss		(11.669.740)	8.199.334
Income from investments in group enterprises		(432.784)	0
Other financial income		125.695	13.657
Other financial expenses	3	<u>(837.970)</u>	<u>(373.528)</u>
Profit/loss from ordinary activities before tax		(12.814.799)	7.839.463
Tax on profit/loss from ordinary activities	4	<u>2.956.868</u>	<u>(1.926.886)</u>
Profit/loss for the year		<u>(9.857.931)</u>	<u>5.912.577</u>
Proposed distribution of profit/loss			
Retained earnings		<u>(9.857.931)</u>	<u>5.912.577</u>
		<u>(9.857.931)</u>	<u>5.912.577</u>

Balance sheet at 31.12.2015

	<u>Notes</u>	<u>2015 DKK</u>	<u>2014 DKK</u>
Ships		40.099.121	45.888.850
Other fixtures and fittings, tools and equipment		249.759	408.633
Leasehold improvements		30.510	48.816
Property, plant and equipment	5	<u>40.379.390</u>	<u>46.346.299</u>
Investments in group enterprises		0	0
Other receivables		30.600	39.066
Fixed asset investments	6	<u>30.600</u>	<u>39.066</u>
Fixed assets		<u>40.409.990</u>	<u>46.385.365</u>
Trade receivables		2.660.915	12.420.373
Contract work in progress		181.831	1.625.230
Receivables from group enterprises		449.693	0
Other short-term receivables		170.974	122.537
Income tax receivable		821.030	532.484
Prepayments		119.603	362.254
Receivables		<u>4.404.046</u>	<u>15.062.878</u>
Cash		<u>36.906</u>	<u>478.027</u>
Current assets		<u>4.440.952</u>	<u>15.540.905</u>
Assets		<u><u>44.850.942</u></u>	<u><u>61.926.270</u></u>

Balance sheet at 31.12.2015

	<u>Notes</u>	<u>2015 DKK</u>	<u>2014 DKK</u>
Contributed capital		500.000	500.000
Retained earnings		8.849.235	18.707.166
Equity		9.349.235	19.207.166
Provisions for deferred tax		1.043.868	4.000.736
Provisions		1.043.868	4.000.736
Bank loans		11.790.000	0
Non-current liabilities other than provisions	7	11.790.000	0
Current portion of long-term liabilities other than provisions	7	2.140.000	0
Other credit institutions		4.252.623	1.970.512
Trade payables		208.241	1.497.048
Debt to associates		15.046.969	34.832.346
Other payables		1.020.006	418.462
Current liabilities other than provisions		22.667.839	38.718.368
Liabilities other than provisions		34.457.839	38.718.368
Equity and liabilities		44.850.942	61.926.270
Unrecognised rental and lease commitments	9		
Assets charged and collateral	10		
Ownership	11		

Statement of changes in equity for 2015

	Contributed capital DKK	Retained ear- nings DKK	Total DKK
Equity beginning of year	500.000	18.707.166	19.207.166
Profit/loss for the year	0	(9.857.931)	(9.857.931)
Equity end of year	500.000	8.849.235	9.349.235

Cash flow statement 2015

	<u>Notes</u>	<u>2015 DKK</u>	<u>2014 DKK</u>
Operating profit/loss		(11.669.740)	8.199.334
Amortisation, depreciation and impairment losses		6.030.756	4.424.441
Working capital changes	8	<u>9.538.785</u>	<u>(914.265)</u>
Cash flow from ordinary operating activities		3.899.801	11.709.510
Financial income received		125.695	13.657
Financial income paid		(837.970)	(373.528)
Income taxes refunded/(paid)		<u>0</u>	<u>(3.192.540)</u>
Cash flows from operating activities		3.187.526	8.157.099
Acquisition etc of property, plant and equipment		(65.847)	(10.334.315)
Sale of property, plant and equipment		2.000	0
Acquisition of fixed asset investments		(11.100)	(5.145)
Sale of fixed asset investments		<u>19.566</u>	<u>0</u>
Cash flows from investing activities		(55.381)	(10.339.460)
Loans raised		15.000.000	0
Instalments on loans etc		(1.070.000)	0
Dividend paid		0	(14.000.000)
Other cash flows from financing activities		<u>(19.785.377)</u>	<u>14.306.520</u>
Cash flows from financing activities		(5.855.377)	306.520
Increase/decrease in cash and cash equivalents		(2.723.232)	(1.875.841)
Cash and cash equivalents beginning of year		<u>(1.492.485)</u>	<u>383.356</u>
Cash and cash equivalents end of year		(4.215.717)	(1.492.485)
Cash and cash equivalents at year-end are composed of:			
Cash		36.906	478.027
Short-term debt to banks		<u>(4.252.623)</u>	<u>(1.970.512)</u>
Cash and cash equivalents end of year		(4.215.717)	(1.492.485)

Notes

	2015 DKK	2014 DKK
1. Staff costs		
Wages and salaries	5.042.085	6.682.630
Other social security costs	72.012	88.954
Other staff costs	62.982	159.658
	5.177.079	6.931.242
	2015 DKK	2014 DKK
2. Depreciation, amortisation and impairment losses		
Depreciation of property, plant and equipment	6.032.756	4.424.441
Profit/loss from sale of intangible assets and property, plant and equipment	(2.000)	0
	6.030.756	4.424.441
	2015 DKK	2014 DKK
3. Other financial expenses		
Interest expenses	443.268	67.010
Financial expenses from associates	214.624	306.518
Exchange rate adjustments	44.768	0
Other financial expenses	135.310	0
	837.970	373.528
	2015 DKK	2014 DKK
4. Tax on ordinary profit/loss for the year		
Current tax	0	733.310
Change in deferred tax for the year	(2.885.695)	1.363.820
Effect of changed tax rates	(71.173)	(170.244)
	(2.956.868)	1.926.886

Notes

	Ships DKK	Other fix- tures and fittings, tools and equipment DKK	Leasehold improve- ments DKK
5. Property, plant and equipment			
Cost beginning of year	60.667.728	1.304.815	91.530
Additions	65.847	0	0
Disposals	0	(12.500)	0
Cost end of year	60.733.575	1.292.315	91.530
Depreciation and impairment losses beginning of the year	(14.778.878)	(896.182)	(42.714)
Depreciation for the year	(5.855.576)	(158.874)	(18.306)
Reversal regarding disposals	0	12.500	0
Depreciation and impairment losses end of the year	(20.634.454)	(1.042.556)	(61.020)
Carrying amount end of year	40.099.121	249.759	30.510
		Investments in group enterprises DKK	Other recei- vables DKK
6. Fixed asset investments			
Cost beginning of year		0	39.066
Additions		0	11.100
Disposals		0	(19.566)
Cost end of year		0	30.600
Share of profit/loss after tax		(432.784)	0
Other adjustments		432.784	0
Impairment losses end of year		0	0
Carrying amount end of year		0	30.600
	Registered in	Corpo- rate form	Equity interest %
Subsidiaries:			
Hyperbaric Consult LTD	Bollington - England	LTD	100,00

Notes

	Instalments within 12 months 2014 DKK	Instalments within 12 months 2015 DKK	Instalments beyond 12 months 2015 DKK	Outstanding after 5 years 2015 DKK
7. Long-term liabilities other than provisions				
Bank loans	0	2.140.000	11.790.000	3.230.000
	0	2.140.000	11.790.000	3.230.000
			2015 DKK	2014 DKK
8. Change in working capital				
Increase/decrease in receivables			10.226.048	(1.148.865)
Increase/decrease in trade payables etc			(687.263)	234.600
			9.538.785	(914.265)
			2015 DKK	2014 DKK
9. Unrecognised rental and lease commitments				
Commitments under rental agreements or leases until expiry			139.000	275.000

10. Assets charged and collateral

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 of DKK 15,000,000 nominal.

Carrying amount of assets subject of floating charge of trade receivables amounts to DKK 2,660,915.

Carrying amount of mortgaged ship amounts to DKK 33,129,334.

11. Ownership

The Company has registered the following shareholders to hold more than 5% of the voting share capital or of the nominal value of the share capital:

MSM Invest ApS, c/o Hyperbaric Consult A/S, Hanven 5, 3250 Gilleleje.

Eilersen Invest ApS, c/o Hyperbaric Consult A/S, Hanven 5, 3250 Gilleleje.