

Hyperbaric Consult A/S

Havnen 5, 1. 1., 3250, Gilleje

Company reg. no. 20 78 48 81

Annual report

1 January - 31 December 2018

The annual report was submitted and approved by the general meeting on the 20 May 2019.

Kenneth Gudmundsson
Chairman of the meeting

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Notes to users of the English version of this document:

- To ensure the greatest possible applicability of this document, British English terminology has been used.
- Please note that decimal points remain unchanged from the Danish version of the document. This means that for instance DKK 146.940 is the same as the English amount of DKK 146,940, and that 23,5 % is the same as the English 23.5 %.

Management's report

The board of directors and the managing director have today presented the annual report of Hyperbaric Consult A/S for the financial year 1 January to 31 December 2018.

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 at 31 December 2018 and of the company's results of its activities in the financial year 1 January to 31 December 2018.

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.

Gilleje, 20 May 2019

Managing Director

Jan Michael Eilersen

Board of directors

Kenneth Gudmundsson

Jan Michael Eilersen

Michael Søggaard Madsen

Independent auditor's report

To the shareholders of Hyperbaric Consult A/S

Opinion

We have audited the annual accounts of Hyperbaric Consult A/S for the financial year 1 January to 31 December 2018, which comprise accounting policies used, profit and loss account, balance sheet 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 2018 and of the results of the company's operations for the financial year 1 January to 31 December 2018 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.

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:

Independent auditor's report

- 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.

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.

Independent auditor's report

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.

Copenhagen, 20 May 2019

BUUS JENSEN

State Authorised Public Accountants
Company reg. no. 16 11 90 40

Henrik Paaske

State Authorised Public Accountant
mne10067

Benjamin Møller Obel

State Authorised Public Accountant
mne44149

Company data

The company	Hyperbaric Consult A/S Havnen 5, 1. 1. 3250, Gilleje Company reg. no. 20 78 48 81 Financial year: 1 January - 31 December
Board of directors	Kenneth Gudmundsson Jan Michael Eilersen Michael Søggaard Madsen
Managing Director	Jan Michael Eilersen
Auditors	BUUS JENSEN, Statsautoriserede revisorer
Subsidiaries	Hyperbaric Consult Ltd, England Clean Seabed ApS, Gribskov

Management's review

The principal activities of the company

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

Development in activities and financial matters

The gross profit for the year is DKK 13.037.929 against DKK 9.882.344 last year. The results from ordinary activities after tax are DKK 770.097 against DKK -321.293 last year. The management consider the results satisfactory.

The expected development

At the time of submission of the annual report, the Company has signed orders in the pipeline for completion in 2019 of such size that a positive result is expected for 2019.

Accounting policies used

The annual report for Hyperbaric Consult 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.

The accounting policies used are unchanged compared to last year, and the annual accounts are presented in Danish kroner (DKK).

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.

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

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, amortisation and writedown for the year and gains and losses on disposal of intangible and tangible fixed assets.

Accounting policies used

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 concern 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 balance sheet

Tangible fixed assets

Ships are measured at cost with addition of revaluations and with deduction of accrued depreciation and writedown.

Ships are revaluated on the basis of regular, independent evaluation of the fair value. The net revaluation at fair value adjustment is recognised directly on the equity after deduction of deferred tax and tied up in a particular revaluation reserve. Net impairment at fair value adjustments is recognised in the profit and loss account.

The basis of depreciation is cost with the addition of revaluations at fair value and with the deduction of expected residual value after the end of the useful life of the asset. The depreciation period is fixed at the acquisition date and re-evaluated annually. If the residual value exceeds the book value of the asset, the depreciation expires.

Reversal of previous revaluations and recognised deferred taxes concerning revaluations are recognised directly in the company's equity.

Other 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.

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.

Accounting policies used

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 and the residual value of the individual assets:

	Useful life	Residual value
Ships	10 years	34.500.000 DKK
Other plants, operating assets, fixtures and furniture	3-5 years	0 DKK

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 loss is recognised in the profit and loss account under depreciation.

Writedown of fixed assets

The book values of both intangible and tangible fixed assets as well as equity investments in subsidiaries and associated enterprises are subject to annual impairment tests in order to disclose any indications of impairment beyond those expressed by amortisation and depreciation respectively.

If indications of impairment are disclosed, impairment tests are carried out for each individual asset or group of assets respectively. Writedown takes place to the recoverable amount, if this value is lower than the book value.

The recoverable value is equal to the value of the net selling price or the value in use, whichever is higher. The value in use is determined as the present value of the expected net cash flow deriving from the use of the asset or the group of assets.

Previously recognised writedown is reversed when the condition for the writedown no longer exists. Writedown relating to goodwill is not reversed.

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.

Accounting policies used

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.

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.

Available funds

Available funds comprise cash at bank and in hand.

Equity

Revaluation reserves

Revaluations of land and buildings with deduction of deferred tax are recognised under revaluation reserves. The reserves are reduced when the value of revalued buildings is reduced due to depreciation. The reduction represents the difference between depreciation based on the revalued book value of the buildings and depreciation based on the original cost of the buildings. The reserves are dissolved partly or totally in case of sale of land and buildings and reduced in case of writedown of land and property.

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.

Accounting policies used

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.

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

Deferred tax assets, including the tax value of tax losses eligible for carry-over, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by set-off in deferred tax liabilities within the same legal tax unit.

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.

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

Profit and loss account 1 January - 31 December

All amounts in DKK.

<u>Note</u>	<u>2018</u>	<u>2017</u>
Gross profit	13.037.929	9.882.344
1 Staff costs	-7.431.608	-7.143.333
Depreciation and writedown relating to tangible fixed assets	-2.474.768	-2.737.121
Operating profit	3.131.553	1.890
Income from equity investments in group enterprises	-1.099.361	260.626
Other financial income	132.818	196.039
2 Other financial costs	-866.585	-942.595
Results before tax	1.298.425	-484.040
3 Tax on ordinary results	-528.328	162.747
Results from ordinary activities after tax	770.097	-321.293
Results for the year	770.097	-321.293
Proposed distribution of the results:		
Reserves for net revaluation as per the equity method	0	-19.288
Allocated to results brought forward	770.097	0
Allocated from results brought forward	0	-302.005
Distribution in total	770.097	-321.293

Balance sheet 31 December

All amounts in DKK.

<u>Note</u>	<u>2018</u>	<u>2017</u>
Assets		
Fixed assets		
4 Other plants, operating assets, and fixtures and furniture	96.037	43.941
5 Ships	51.932.270	54.554.482
Tangible fixed assets in total	<u>52.028.307</u>	<u>54.598.423</u>
Deposits	19.500	19.500
Financial fixed assets in total	<u>19.500</u>	<u>19.500</u>
Fixed assets in total	<u>52.047.807</u>	<u>54.617.923</u>
Current assets		
Trade debtors	6.057.782	1.306.385
7 Work in progress for the account of others	389.159	244.366
Amounts owed by group enterprises	847.508	2.861.042
Other debtors	193.725	0
Accrued income and deferred expenses	16.424	57.575
Debtors in total	<u>7.504.598</u>	<u>4.469.368</u>
Available funds	1.293.422	12.615
Current assets in total	<u>8.798.020</u>	<u>4.481.983</u>
Assets in total	<u>60.845.827</u>	<u>59.099.906</u>

Balance sheet 31 December

All amounts in DKK.

Equity and liabilities			
<u>Note</u>		<u>2018</u>	<u>2017</u>
Equity			
8	Contributed capital	500.000	500.000
9	Revaluation reserve	10.685.587	14.324.374
11	Results brought forward	14.514.620	10.101.530
	Equity in total	<u>25.700.207</u>	<u>24.925.904</u>
Provisions			
	Provisions for deferred tax	5.930.736	5.402.408
	Provisions in total	<u>5.930.736</u>	<u>5.402.408</u>
Liabilities			
	Bank debts	5.370.000	7.510.000
	Debt to shareholders and management	15.593.652	0
	Long-term liabilities in total	<u>20.963.652</u>	<u>7.510.000</u>
12	Liabilities	2.140.000	2.140.000
	Bank debts	5.155.254	2.960.910
	Trade creditors	253.297	158.653
	Debt to group enterprises	30.078	0
	Debt to shareholders and management	0	15.437.903
	Other debts	672.603	564.128
	Short-term liabilities in total	<u>8.251.232</u>	<u>21.261.594</u>
	Liabilities in total	<u>29.214.884</u>	<u>28.771.594</u>
	Equity and liabilities in total	<u>60.845.827</u>	<u>59.099.906</u>
13 Mortgage and securities			
14 Contingencies			

Notes

All amounts in DKK.

	<u>2018</u>	<u>2017</u>
1. Staff costs		
Salaries and wages	7.315.712	7.049.004
Pension costs	2.572	0
Other costs for social security	20.448	19.123
Other staff costs	92.876	75.206
	<u>7.431.608</u>	<u>7.143.333</u>
Average number of employees	<u>24</u>	<u>24</u>
2. Other financial costs		
Other financial costs	<u>866.585</u>	<u>942.595</u>
	<u>866.585</u>	<u>942.595</u>
3. Tax on ordinary results		
Adjustment for the year of deferred tax	<u>528.328</u>	<u>-162.747</u>
	<u>528.328</u>	<u>-162.747</u>
4. Other plants, operating assets, and fixtures and furniture		
Cost 1 January 2018	1.292.315	1.292.315
Additions during the year	95.000	0
Disposals during the year	<u>-617.026</u>	<u>0</u>
Cost 31 December 2018	<u>770.289</u>	<u>1.292.315</u>
Amortisation and writedown 1 January 2018	-1.248.374	-1.154.864
Depreciation for the year	-42.904	-93.510
Depreciation, amortisation and writedown for the year, assets disposed of	<u>617.026</u>	<u>0</u>
Amortisation and writedown 31 December 2018	<u>-674.252</u>	<u>-1.248.374</u>
Book value 31 December 2018	<u>96.037</u>	<u>43.941</u>

Notes

All amounts in DKK.

	<u>31/12 2018</u>	<u>31/12 2017</u>
5. Ships		
Cost 1 January 2018	60.904.092	60.733.576
Additions during the year	124.735	170.516
Disposals during the year	<u>-8.921.042</u>	<u>0</u>
Cost 31 December 2018	<u>52.107.785</u>	<u>60.904.092</u>
Revaluations for the year	<u>19.570.673</u>	<u>19.570.673</u>
Revaluation 31 December 2018	<u>19.570.673</u>	<u>19.570.673</u>
Depreciation and writedown 1 January 2018	-25.920.283	-23.288.876
Depreciation for the year	-2.441.134	-2.631.407
Depreciation, amortisation and writedown for the year, assets disposed of	<u>8.615.229</u>	<u>0</u>
Depreciation and writedown 31 December 2018	<u>-19.746.188</u>	<u>-25.920.283</u>
Book value 31 December 2018	<u>51.932.270</u>	<u>54.554.482</u>
6. Equity investments in group enterprises		
Acquisition sum, opening balance 1 January 2018	10	10
Additions during the year	<u>50.000</u>	<u>0</u>
Cost 31 December 2018	<u>50.010</u>	<u>10</u>
Revaluations, opening balance 1 January 2018	-293.491	-573.405
Translation by use of the exchange rate valid on b	4.206	19.288
Results for the year before goodwill amortisation	<u>-1.099.361</u>	<u>260.626</u>
Revaluation 31 December 2018	<u>-1.388.646</u>	<u>-293.491</u>
Offsetting against debtors	<u>1.338.636</u>	<u>293.481</u>
Set off against debtors and provisions for liabilities	<u>1.338.636</u>	<u>293.481</u>
Book value 31 December 2018	<u>0</u>	<u>0</u>
Group enterprises:		
	Domicile	Share of ownership
Hyperbaric Consult Ltd	England	100 %
Clean Seabed ApS	Gribskov	100 %

Notes

All amounts in DKK.

	<u>31/12 2018</u>	<u>31/12 2017</u>
7. Work in progress for the account of others		
Sales value of the production of the period	<u>389.159</u>	<u>244.366</u>
Work in progress for the account of others, net	<u>389.159</u>	<u>244.366</u>
8. Contributed capital		
Contributed capital 1 January 2018	<u>500.000</u>	<u>500.000</u>
	<u>500.000</u>	<u>500.000</u>
9. Revaluation reserve		
Revaluation reserve 1 January 2018	14.324.374	13.514.415
Dissolution of revaluations of previous years	<u>-3.638.787</u>	<u>809.959</u>
	<u>10.685.587</u>	<u>14.324.374</u>
10. Reserves for net revaluation as per the equity method		
Reserves for net revaluation 1 January 2018	0	19.288
Share of results	<u>0</u>	<u>-19.288</u>
	<u>0</u>	<u>0</u>
11. Results brought forward		
Results brought forward 1 January 2018	10.105.736	11.213.494
Profit or loss for the year brought forward	770.097	-302.005
Dissolution of revaluations	<u>3.638.787</u>	<u>-809.959</u>
	<u>14.514.620</u>	<u>10.101.530</u>

Notes

All amounts in DKK.

12. Liabilities

	Instalments first year	Outstanding debt after 5 years	Debt in total 31 Dec 2018	Debt in total 31 Dec 2017
Bank debts	2.140.000	0	7.510.000	9.650.000
Debt to shareholders and management	0	0	15.593.652	0
	2.140.000	0	23.103.652	9.650.000

13. Mortgage and securities

As security for bank debts, DKK 21.000.000, mortgage has been granted in one of the company's ships representing a book value of DKK 40.211.499 at 31 December 2018.

For bank debts, the company has provided security in company assets representing a nominal value of DKK 6.000.000. This security comprises the below assets, stating the book values:

Receivable from sales and services DKK 6.057.782

14. Contingencies

Contingent liabilities

	DKK in thousands
Leasing liabilities	67
Other contingent liabilities	248
Contingent liabilities in total	315