SubC Partner A/S

Sahara 4, 6700 Esbjerg

CVR no. 28 70 26 12

Annual report 2022

Approved at the Company's annual general meeting on 20 June 2023

Chair of the meeting:

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Tonny Klein

Contents

Statement by the Board of Directors and the Executive Board

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of SubC Partner A/S for the financial year 1 January - 31 December 2022.

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

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2022 and of the results of the Company's operations for the financial year 1 January - 31 December 2022.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

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

Esbjerg, 20 June 2023
Executive Board:

Tonny Klein

Board of Directors:

Rune Værndal Chairman	Peter Sønderlyng	Patrick Jacques Joseph Gilly

Tonny Klein

Independent auditor's report

To the shareholder of SubC Partner A/S

Opinion

We have audited the financial statements of SubC Partner A/S for the financial year 1 January - 31 December 2022, which comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2022 and of the results of the Company's operations for the financial year 1 January - 31 December 2022 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements 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 the financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

Independent auditor's report

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

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

Esbjerg, 20 June 2023
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Morten Østergaard Koch State Authorised Public Accountant mne35420	Mads Klausen State Authorised Public Accountant mne46588

Management's review

Company details

Name	SubC Partner A/S
Address, Postal code, City	Sahara 4, 6700 Esbjerg
CVR no.	28 70 26 12
Established	15 April 2005
Registered office	Esbjerg
Financial year	1 January - 31 December
Website	www.subcpartner.com
E-mail	mail@subcpartner.com
Telephone	+45 70 23 21 22
Telefax	+45 70 10 04 69
Board of Directors	Rune Værndal, Chairman Peter Sønderlyng Patrick Jacques Joseph Gilly Tonny Klein
Executive Board	Tonny Klein
Auditors	EY Godkendt Revisionspartnerselskab Bavnehøjvej 5, 6700 Esbjerg, Denmark

Management's review

Financial highlights

DKK'000	2022	2021	2020	2019	2018
Key figures					
Gross profit	87,752	40,440	45,189	58,766	52,483
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	21,637	-3,443	7,031	21,134	15,816
Operating profit/loss	14,878	-8,458	-436	15,593	8,820
Net financials	-1,226	-634	-454	-538	-1,018
Profit/loss for the year	**11,334**	**-7,612**	**1,205**	**11,792**	**6,231**
Total assets	88,720	51,025	44,301	33,267	48,991
Investments in property, plant and equipment	-5,160	-3,684	-12,646	-3,049	-4,698
Equity	**15,824**	**4,490**	**12,102**	**10,896**	**7,604**
Financial ratios					
Equity ratio	17.8%	8.8%	27.3%	32.8%	15.5%
Return on equity	111.6%	-91.8%	10.5%	127.5%	138.9%
Average number of full-time employees	**98**	**67**	**61**	**54**	**57**

The financial ratios stated under "Financial highlights" have been calculated as follows:

Ordinary operating profit/loss: Profit/loss before financial items adjusted for other operating income and other operating expenses

Equity ratio: $$\frac{\text{Equity, year-end x 100}}{\text{Total equity and liabilities, year-end}}$$

Return on equity: $$\frac{\text{Profit/loss after tax x 100}}{\text{Average equity}}$$

Management's review

Business review

Main activities

SubC Partner A/S (SubC) is engaged in the Danish Energy Sectors. SubC is a full scope Contractor focusing on innovative technological approaches to deliver efficient and sustainable services.

As a full scope contractor SubC Engineer, Manufacture, Repair and Maintain Process Modules, Structures, Process Equipment and supply complete Turnkey Solutions for the entire energy sector.

SubC Partner A/S has in-house competences that covers the entire value chain from early Engineering through to installations and commissioning.

Underwater activities

Further to being a full scope contractor SubC also operates a highly technological subsea business. Using our proprietary know-how, we develop Subsea Robots and using them to perform Inspections and Operations on structures, pipelines and risers. For tough operations we have developed and operate a Crawling Robot as an innovative, safe, and cost-effective technology platform for operations and inspections in the hazardous splash zone environment.

Service and maintenance

SubC Partner A/S operates a division focusing on offshore operation and maintenance. Based on our strong project minded legacy we have solved maintenance and operation tasks on a daily basis in the Danish offshore industry. Leveraging our knowhow and workforce we solve the technical challenges to help keep Denmark energy independent.

Financial review

SubC has in 2022 seen a return to normal in the activities in all areas of the company after the extended period follow the global pandemic.

In October SubC was awarded a long-term maintenance contract in Denmark along with our partner Altrad. The contract was initiated on 1 October 2022 with a 3-month ramp up to operational levels.

Profit after tax amounted to DKK 11,334 thousand compared to DKK -7,612 thousand last year. EBITDA in 2022 was DK 21,637 thousand, compared with EBITDA DKK -3,443 thousand in 2021.

Management considers the activity and result for 2022 higher than expected and as satisfactory.

Development of new concept/products

SubC continuously reviews existing product lines and optimize the value propositions related to these. SubC is currently developing below solutions.

- ACOMAR:
  The Company is currently researching a next generation autonomous inspection robot. This research project is jointly developed with the University of Aalborg and other specialists.

  The aim of the project is to develop a sensing next generation inspection robot that will greatly autonomize the inspection and reduce the human workload and specialist knowledge involved today.

- SubC Coala Cleaning Robot:
  We have developed the first generation of a new Robot that aims to make cleaning of subsea risers a task so simple that the equipment is simply installed on every FPSO/platform without the need to in-volve outside assistance when cleaning. The design is grounded in the original Crawler technology.

  A succesfull test campaign was performed in 2022 and it is expected that an additional campaign will commence in 2023 before performing a full campaign in 2024. There is a worldwide potential for this product.

Management's review

Unchanged strategy

SubC expects unchanged execution of the strategy in 2023. SubC will continue to establish its strong position as a service provider delivering a long value chain from engineering to installation/operation and commissioning - A 360-degree position that continuingly is sought for in the market. The focus will be on offshore oil/gas, renewables, and other energy sectors, including "power-to-x".

Knowledge resources

The level of knowledge achieved by the Company is based on competence development, supplementary education, retention of staff and an inspiring, developing and challenging working environment, as well as ongoing employment of people with complementary expertise.

The Company continuously develops the level of knowledge so that it becomes a positive part of the Company image and amplifies the market opportunities for the Company.

In addition, the Company owns worldwide Intellectual Property Rights.

Financial risks and use of financial instruments

General risks

The offshore Wind and the Oil and Gas industries are characterized by a cyclical level of activity. Furthermore, the activity level is highly influenced by political discussions and legislation. The activities in the Company are spread across several business areas, reducing dependence of individual segments. It is also essential to the Company to be ahead of the technological development within all business areas.

Financial risks

Due to the level of company interest bearing debt, moderate changes in the interest rates will only have minor effect on the company's earnings.

The ongoing operations are exposed to currency exchange risks. The Company invoices in DKK and EUR, whereas a large share of purchasing is in DKK and EUR. Currency risks are mainly hedged by purchasing and invoicing in the same currency.

Impact on the external environment

The Company's vision is to provide the most innovative, flexible, and cost-effective solutions in the Energy business. With focus on high level of expertise, a strong innovative approach, and focus on highly technical solutions, the Company contribute to a reduced environmental footprint.

The Company is committed to achieving the best Health, Safety & Environment performance in the industry and promote a culture that continuously improves Health, Safety & Environment performance.

To support the Company's goals within Health, Safety, Environment and Quality, the Company is working according to a DS/EN ISO 9001:2015 certified Management system and a DS/EN ISO14001:2015 & DS/EN ISO 45001:2018 certified Environment and Occupational Health & Safety system.

The Company has set out ambitious objectives in relation to Health, Safety and Environment. Amongst these are:

•ZERO long-term sick (Work Related)
•ZERO Lost Time Injury – LTI
•ZERO impact to the environment

Research and development activities

The Company has no research activities. The development activities include new welding procedures and technical solutions within splashzone and subsea activities.

Management's review

Events after the balance sheet date

From the beginning of 2023 the JibFlex business has been established as an independent company.

No further events materially affecting the Company's financial position have occurred subsequent to the financial year-end.

Outlook

SubC enters 2023 with a strong organization, a clear strategy and a strong backlog of projects. Based on that Management expects the same or a slightly higher activity level in 2023 as in 2022. Earnings for 2023 are expected to be in line with or slightly below 2022.

Financial statements 1 January - 31 December

Income statement

Note	DKK'000	2022	2021
	Gross profit	87,752	40,440
3	Staff costs	-66,115	-43,883
	Amortisation/depreciation and impairment of intangible assets and property, plant and equipment	-6,374	-5,869
	Profit/loss before net financials	15,263	-9,312
	Financial expenses	-1,226	-634
	Profit/loss before tax	14,037	-9,946
4	Tax for the year	-2,703	2,334
	Profit/loss for the year	11,334	-7,612

Financial statements 1 January - 31 December

Balance sheet

Note	DKK'000	2022	2021
	ASSETS		
	Fixed assets		
5	**Intangible assets**		
	Completed development projects	6,954	2,648
	Acquired intangible assets	57	114
		7,011	2,762
6	**Property, plant and equipment**		
	Fixtures and fittings, other plant and equipment	12,064	12,151
	Leasehold improvements	1,023	1,036
		13,087	13,187
7	**Investments**		
	Deposits	298	220
		298	220
	Total fixed assets	20,396	16,169
	Non-fixed assets		
	Inventories		
	Raw materials and consumables	6,470	6,548
		6,470	6,548
	Receivables		
	Trade receivables	50,483	21,025
8	Work in progress for third parties	6,593	3,907
	Receivables from group enterprises	925	62
10	Deferred tax assets	0	1,530
	Other receivables	2,706	869
9	Prepayments	1,147	915
		61,854	28,308
	Total non-fixed assets	68,324	34,856
	TOTAL ASSETS	88,720	51,025

Financial statements 1 January - 31 December

Balance sheet

Note	DKK'000	2022	2021
	EQUITY AND LIABILITIES		
	Equity		
	Share capital	500	500
	Reserve for development costs	5,424	2,065
	Retained earnings	5,900	1,925
	Dividend proposed for the year	4,000	0
	Total equity	15,824	4,490
	Provisions		
10	Deferred tax	1,709	0
	Total provisions	1,709	0
	Liabilities other than provisions		
11	**Non-current liabilities other than provisions**		
	Bank debt	2,800	0
	Lease liabilities	460	0
	Other credit institutions	5,530	5,000
	Other payables	1,925	2,925
		10,715	7,925
	Current liabilities other than provisions		
11	Current portion of long-term liabilities	2,919	0
	Bank debt	12,715	22,215
8	Work in progress for third parties	10,534	2,084
	Trade payables	19,582	4,405
	Payables to group enterprises	0	228
	Other payables	11,760	9,678
12	Deferred income	2,962	0
		60,472	38,610
	Total liabilities other than provisions	71,187	46,535
	TOTAL EQUITY AND LIABILITIES	88,720	51,025

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2 Events after the balance sheet date
13 Contractual obligations and contingencies, etc.
14 Collateral
15 Related parties
16 Appropriation of profit/loss

Financial statements 1 January - 31 December

Statement of changes in equity

Note	DKK'000	Share capital	Reserve for development costs	Retained earnings	Dividend proposed for the year	Total
	Equity at 1 January 2022	500	2,065	1,925	0	4,490
16	Transfer, see "Appropriation of profit/loss"	0	3,359	3,975	4,000	11,334
	Equity at 31 December 2022	500	5,424	5,900	4,000	15,824

The share capital comprises 500,000 shares of DKK 1 each. All shares rank equally.

The share capital has remained DKK 500 thousand for the 5 past years.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of SubC Partner A/S for 2022 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to medium-sized reporting class C entities.

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

Omission of a cash flow statement

With reference to section 86(4) of the Danish Financial Statements Act, no cash flow statement has been prepared. The Company's cash flows are reflected in the consolidated cash flow statement for the higher-ranking parent company TKRV Holding ApS.

Basis of recognition and measurement

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the Company and the value of such assets can be reliably measured.

Liabilities are recognised in the balance sheet when an outflow of economic benefits is probable and the value of such liabilities can be reliably measured.

On initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described below for each individual item.

In recognising and measuring assets and liabilities, any gains, losses and risks occurring prior to the presentation of the annual report that evidence conditions existing at the balance sheet date are taken into account.

Income is recognised in the income statement as earned. Moreover, costs incurred to generate the year's earnings are recognised, including depreciation, amortisation, impairment losses and provisions as well as reversals as a result of changes in accounting estimates of amounts that were previously recognised in the income statement.

Reporting currency

The financial statements are presented in Danish kroner (DKK'000).

External business combinations

Recently acquired entities are recognised in the consolidated financial statements from the date of acquisition. Entities sold or otherwise disposed of are recognised up to the date of disposal. Comparative figures are not restated to reflect newly acquired entities. Discontinued operations are presented separately, see below.

The date of acquisition is the date when the group actually obtains control of the acquiree.

The acquisition method is applied to the acquisition of new entities of which the group obtains control. The acquirees' identifiable assets, liabilities and contingent liabilities are measured at fair value at the date of acquisition. Identifiable intangible assets are recognised if they are separable or arise from a contractual right. Deferred tax related to the revaluations is recognised.

Positive differences (goodwill) between, on the one hand, the consideration for the acquiree, the value of non-controlling interests in the acquired entity and the fair value of any previously acquired equity investments and, on the other hand, the fair value of the assets, liabilities and contingent liabilities acquired are recognised as goodwill under "Intangible assets". Goodwill is amortised on a straight-line basis in the income statement based on an individual assessment of the economic life of the asset.

Negative differences (negative goodwill) are recognised in the income statement at the date of acquisition.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Upon acquisition, goodwill is allocated to the cash-generating units, which subsequently form the basis for impairment testing. Goodwill and fair value adjustments in connection with the acquisition of a foreign entity with a functional currency different from the presentation currency used in the consolidated financial statements are accounted for as assets and liabilities belonging to the foreign entity and are, on initial recognition, translated into the foreign entity's functional currency using the exchange rate at the transaction date.

The consideration paid for an entity consists of the fair value of the agreed consideration in the form of assets transferred, liabilities assumed and equity instruments issued. If part of the consideration is contingent on future events or compliance with agreed terms, such part of the consideration is recognised at fair value at the date of acquisition. Subsequent adjustments of contingent considerations are recognised in the income statement.

Expenses incurred to acquire entities are recognised in the income statement in the year in which they are incurred.

Where, at the date of acquisition, the identification or measurement of acquired assets, liabilities or contingent liabilities or the determination of the consideration is associated with uncertainty, initial recognition will take place on the basis of provisional amounts. If it turns out subsequently that the identification or measurement of the consideration transferred, acquired assets, liabilities or contingent liabilities was incorrect on initial recognition, the statement will be adjusted retrospectively, including goodwill, until 12 months after the acquisition, and comparative figures will be restated. Hereafter, any adjustments are recognised as misstatements.

Gains or losses from disposal of subsidiaries which result in loss of control are calculated as the difference between, on the one hand, the fair value of the selling price less selling expenses and, on the other hand, the carrying amount of net assets.

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rate at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the most recent financial statements is recognised in the income statement as financial income or financial expenses.

Income statement

Revenue

The Company has chosen IAS 11/IAS 18 as interpretation for revenue recognition.

Income from the sale of goods for resale and finished goods is recognised in revenue when the most significant rewards and risks have been transferred to the buyer and provided the income can be measured reliably and payment is expected to be received. The date of the transfer of the most significant rewards and risks is based on standardised terms of delivery based on Incoterms® 2020.

Income from construction contracts involving a high degree of customisation is recognised as revenue by reference to the stage of completion. Accordingly, revenue corresponds to the market value of the contract work performed during the year (percentage-of-completion method). This method is used where the total income and expenses and the degree of completion of the contract can be measured reliably.

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

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Gross profit

The items revenue, cost of sales, other operating income and external expenses have been aggregated into one item in the income statement called gross profit in accordance with section 32 of the Danish Financial Statements Act.

Other operating income

Other operating income comprise items of a secondary nature relative to the Company's core activities, including gains on the sale of fixed assets and governmental grants.

Cost of sales

Cost of sales includes the cost of goods used in generating the year's revenue.

Other external expenses

Other external expenses include the year's expenses relating to the Company's core activities, including expenses relating to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Staff costs

Staff costs include wages and salaries, including compensated absence and pension to the Company's employees, as well as other social security contributions, etc. The item is net of refunds from public authorities.

Amortisation/depreciation

The item comprises amortisation/depreciation of intangible assets and property, plant and equipment.

The cost net of the expected residual value for completed development projects and acquired IP rights is amortised over the expected useful life. Acquired IP rights include patents, rights and licences.

The basis of amortisation/depreciation, which is calculated as cost less any residual value, is amortised/depreciated on a straight line basis over the expected useful life. The expected useful lives of the assets are as follows:

Completed development projects	5-7 years
Acquired intangible assets	5-7 years
Fixtures and fittings, other plant and equipment	2-10 years
Leasehold improvements	5 years

Financial expenses

Financial income and expenses are recognised in the income statement at the amounts that relate to the financial reporting period. The items comprise interest income and expenses, e.g. from group entities and associates, declared dividends from other securities and investments, financial expenses relating to finance leases, realised and unrealised capital gains and losses relating to other securities and investments, exchange gains and losses and amortisation of financial assets and liabilities.

Financial statements 1 January - 31 December

Notes to the financial statements

1 **Accounting policies (continued)**

Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

The entity is jointly taxed with other group entities. The total Danish income tax charge is allocated between profit/loss-making Danish entities in proportion to their taxable income (full absorption).

Balance sheet

Intangible assets

Other intangible assets include development projects and other acquired intangible rights, including software licences, distribution rights and development projects.

Other intangible assets are measured at cost less accumulated amortisation and impairment losses.

Development costs comprise expenses, salaries and amortisation directly or indirectly attributable to development activities.

Development projects that are clearly defined and identifiable, where the technical feasibility, sufficient resources and a potential future market or development opportunities are identifiable and where the Company intends to produce, market or use the project, are recognised as intangible assets provided that the cost can be measured reliably and that there is sufficient assurance that future earnings can cover production costs, selling costs and administrative expenses and development costs. Other development costs are recognised in the income statement as incurred.

Development costs that are recognised in the balance sheet are measured at cost less accumulated amortisation and impairment losses.

On completion of a development project, development costs are amortised on a straight-line basis over the estimated useful life. The amortisation period is 5-7 years.

Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use.

The cost of self constructed assets includes the cost of direct materials and labour, etc. directly used in the production process and a portion of the relating production overheads.

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

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Leases

The Company has chosen IAS 17 as interpretation for classification and recognition of leases.

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

The capitalised residual lease liability is recognised in the balance sheet as a liability, and the interest element of the lease payment is recognised in the income statement over the term of the lease.

Leases that do not transfer substantially all the risks and rewards incident to the ownership to the Company are classified as operating leases. Payments relating to operating leases and any other rent agreements are recognised in the income statement over the term of the lease. The Company's aggregate liabilities relating to operating leases and other rent agreements are disclosed under "Contingent liabilities".

Investments

Deposits are recognised at cost.

Impairment of fixed assets

The carrying amount of intangible assets and property, plant and equipment is assessed for impairment on an annual basis.

Impairment tests are conducted on assets or groups of assets when there is evidence of impairment. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable amount).

The recoverable amount is the higher of the net selling price of an asset and its value in use. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the group of assets and the expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognised impairment losses are reversed when the reason for recognition no longer exists. Impairment losses on goodwill are not reversed.

Inventories

Inventories are measured at cost in accordance with the FIFO method. Where the net realisable value is lower than cost, inventories are written down to this lower value. The net realisable value of inventories is calculated as the sales amount less costs of completion and expenses required to effect the sale and is determined taking into account marketability, obsolescence and development in the expected selling price.

The cost of raw materials and consumables comprises the cost of acquisition plus delivery costs.

Receivables

The Company has chosen IAS 39 as interpretation for impairment write-down of financial receivables.

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

Financial statements 1 January - 31 December

Notes to the financial statements

1 **Accounting policies (continued)**

Impairment losses are calculated as the difference between the carrying amount of the receivables and the present value of the expected cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

Work in progress for third parties

Contract work in progress for third parties are measured at the market value of the work performed less progress billings. The market value is calculated based on the stage of completion at the balance sheet date and the total expected income from the relevant contract. The stage of completion is calculated based on the expenses incurred relative to the expected total expenses relating to the relevant contract.

Where the outcome of contract work in progress cannot be estimated reliably, the market value is measured at the lower of expenses incurred and the net realisable value.

Where the total expenses relating to the work in progress are expected to exceed the total market value, the expected loss is recognised as a loss-making agreement under "Provisions" and is expensed in the income statement.

The value of work in progress less progress billings is classified as assets when the selling price exceeds progress billings and as liabilities when progress billings exceed the market value.

Prepayments

Prepayments recognised under "Assets" comprise prepaid expenses regarding subsequent financial reporting years.

Cash

Cash comprises cash and cash equivalents.

Equity

Reserve for development costs

The reserve for development costs comprises recognised development costs. The reserve cannot be used to distribute dividend or cover losses. The reserve will be reduced or dissolved if the recognised development costs are amortised or are no longer part of the Company's operations by a transfer directly to the distributable reserves under equity.

Proposed dividends

Dividend proposed for the year is recognised as a liability once adopted at the annual general meeting (declaration date). Dividends expected to be distributed for the financial year are presented as a separate item under "Equity".

Corporation tax and deferred tax

Current tax payables and receivables are recognised in the balance sheet as the estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

Deferred tax is measured according to the liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Financial statements 1 January - 31 December

Notes to the financial statements

1 **Accounting policies (continued)**

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax assets are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

Liabilities

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. On subsequent recognition, financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan. Financial liabilities also include the capitalised residual lease liability in respect of finance leases.

Other liabilities are measured at net realisable value.

Liabilities that fall due later than a year from balance sheet date are classified as non-current liabilities.

Lease liabilities

Leases for non-current assets that transfer substantially all the risks and rewards incident to ownership to the Company (finance leases) are initially recognised in the balance sheet at cost, corresponding to the lower of fair value and the net present value of furtue lease payments. In calculating the net present value of the future lease payments, the interest rate implicit in the lease or the incremental borrowing rate is used as the discount factor. Assets held under finance leases are subsequently depreciated as the Company's other non-current assets.

The capitalised residual lease obligation is recognised in the balance sheet as the liability, and the interest element of the lease payment is recognised in the income statement over the term of the lease.

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

Deferred income

Deferred income recognised as a liability comprises payments received concerning income and grants related to subsequent financial years.

Financial statements 1 January - 31 December

Notes to the financial statements

2 Events after the balance sheet date

From the beginning of 2023 the JibFlex business has been established as an independent company.

No further events materially affecting the Company's financial position have occurred subsequent to the financial year-end.

DKK'000	2022	2021
3 Staff costs		
Wages/salaries	60,885	40,335
Pensions	4,276	2,877
Other social security costs	954	671
	66,115	43,883
Average number of full-time employees	98	67

Total remuneration to the Executive Board and the Board of Directors amount to DKK 1,390 thousand (2021: DKK 1,231 thousand.)

Remuneration of the management is partly based on the entities financial performance.

DKK'000	2022	2021
4 Tax for the year		
Deferred tax adjustments in the year	2,703	-2,334
	2,703	-2,334

5 Intangible assets

DKK'000	Completed development projects	Acquired intangible assets	Total
Cost at 1 January 2022	13,559	1,471	15,030
Additions	5,363	0	5,363
Transfer from other accounts	450	0	450
Cost at 31 December 2022	19,372	1,471	20,843
Impairment losses and amortisation at 1 January 2022	10,911	1,357	12,268
Amortisation in the year	1,507	57	1,564
Impairment losses and amortisation at 31 December 2022	12,418	1,414	13,832
Carrying amount at 31 December 2022	6,954	57	7,011

Completed development projects

Completed development projects include different concepts, systems and innovative technology platforms for operations and inspections in the hazardous Splash Zone environment.

All development projects have been completed and launched to market.

Financial statements 1 January - 31 December

Notes to the financial statements

6 Property, plant and equipment

DKK'000	Fixtures and fittings, other plant and equipment	Leasehold improvements	Total
Cost at 1 January 2022	38,667	3,503	42,170
Additions	4,855	305	5,160
Disposals	-143	0	-143
Transfer from other accounts	-450	0	-450
Cost at 31 December 2022	42,929	3,808	46,737
Impairment losses and depreciation at 1 January 2022	26,516	2,467	28,983
Depreciation	4,492	318	4,810
Reversal of accumulated depreciation of assets disposed	-143	0	-143
Impairment losses and depreciation at 31 December 2022	30,865	2,785	33,650
Carrying amount at 31 December 2022	12,064	1,023	13,087
Property, plant and equipment include finance leases with a carrying amount totalling	673	0	673

7 Investments

DKK'000	Deposits
Cost at 1 January 2022	220
Additions in the year	78
Cost at 31 December 2022	298
Carrying amount at 31 December 2022	298

DKK'000	2022	2021
8 Work in progress for third parties		
Selling price of work performed	65,378	18,309
Progress billings	-69,319	-16,486
	-3,941	1,823
recognised as follows:		
Work in progress for third parties (assets)	6,593	3,907
Work in progress for third parties (liabilities)	-10,534	-2,084
	-3,941	1,823

9 Prepayments

Prepayments include accrual of expenses relating to subsequent financial years, including insurance, plocies, rent, staffhealthcare and subscriptions.

Financial statements 1 January - 31 December

Notes to the financial statements

DKK'000	2022	2021
10 Deferred tax		
Deferred tax at 1 January	-1,530	-2,229
Deferred tax on profit/loss for the year	2,703	-2,334
Adjustment due to use of tax credit conversion	536	3,033
Deferred tax at 31 December	1,709	-1,530

Defered tax comprises timing differences on intangible assets, property, plant and equipment, contract work in progress and tax losses.

11 Non-current liabilities other than provisions

DKK'000	Total debt at 31/12 2022	Repayment, next year	Long-term portion	Outstanding debt after 5 years
Bank debt	5,600	2,800	2,800	0
Lease liabilities	579	119	460	0
Other credit institutions	5,530	0	5,530	0
Other payables	1,925	0	1,925	1,925
	13,634	2,919	10,715	1,925

12 Deferred income

Deferred income consists of payments received from customers and grants related to subsequent financial years.

13 Contractual obligations and contingencies, etc.

Contingent liabilities

The Company is jointly taxed with the ultimate parent company. The companies included in the joint taxation have joint and several unlimited liability for Danish corporation taxes and withholding taxes on dividends, interest and royalties.

Other financial obligations

The Company has entered into leases with a combined lease payment of DKK 2,339 thousand. The remaining term of the leases is 9-12 months.

14 Collateral

The Company has provided a company charge of DKK 39,000 thousand as collateral for bank loans, etc. of DKK 18,315 thousand. The company charge comprises unsecured claims, inventories, property, plant and equipment and intangible assets with a carrying amount of DKK 83,644 thousand at 31 December 2022.

Financial statements 1 January - 31 December

Notes to the financial statements

15 Related parties

SubC Partner A/S' related parties comprise the following:

Parties exercising control

Related party	Domicile	Basis for control
Offshore Capital Partners ApS	Sahara 4, 6700 Esbjerg	Shareholding

Information about consolidated financial statements

Parent	Domicile	Requisitioning of the parent company's consolidated financial statements
TKRV Holding ApS	Sahara 4, 6700 Esbjerg	The Danish Business Authority

Related party transactions

The Company solely discloses related party transactions that have not been carried out on an arm's length basis, cf. section 98c(7) of the Danish Financial Statements Act.

All transactions have been carried out on an arm's length basis.

	DKK'000	2022	2021
16	**Appropriation of profit/loss**		
	Recommended appropriation of profit/loss		
	Proposed dividend recognised under equity	4,000	0
	Reserve for development costs	3,359	-787
	Retained earnings/accumulated loss	3,975	-6,825
		11,334	-7,612

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"By my signature I confirm all dates and content in this document."

Rune Værndal
Chairman
On behalf of: SubC Partner A/S
Serial number: 4557720c-00fc-4b16-b37b-adc466ed979c
IP: 185.37.xxx.xxx
2023-06-20 07:18:05 UTC

Peter Sønderlyng
Board of Directors
On behalf of: SubC Partner A/S
Serial number: 537e407e-3da3-4730-a93f-f598c797997d
IP: 185.37.xxx.xxx
2023-06-20 13:14:46 UTC

Patrick Jacques Joseph Gilly
Board of Directors
On behalf of: SubC Partner A/S
Serial number: 1f5b4198-fb46-4a0f-a8fe-0ced13517e46
IP: 62.198.xxx.xxx
2023-06-21 05:47:34 UTC

Tonny Klein
Executive Board
On behalf of: SubC Partner A/S
Serial number: 7dccecd6-7835-4c71-863c-f4ce2bff742d
IP: 185.37.xxx.xxx
2023-06-22 11:22:33 UTC

Tonny Klein
Chair of the meeting
On behalf of: SubC Partner A/S
Serial number: 7dccecd6-7835-4c71-863c-f4ce2bff742d
IP: 185.37.xxx.xxx
2023-06-22 11:22:33 UTC

Tonny Klein
Board of Directors
On behalf of: SubC Partner A/S
Serial number: 7dccecd6-7835-4c71-863c-f4ce2bff742d
IP: 185.37.xxx.xxx
2023-06-22 11:22:33 UTC

Mads O. Klausen
State Authorised Public Accountant
On behalf of: EY Godkendt Revisionspartnerselskab
Serial number: CVR:30700228-RID:78070558
IP: 212.112.xxx.xxx
2023-06-27 18:37:13 UTC
NEM ID

Morten Oestergaard Koch
State Authorised Public Accountant
On behalf of: EY Godkendt Revisionspartnerselskab
Serial number: CVR:30700228-RID:32977604
IP: 194.182.xxx.xxx
2023-06-28 05:20:47 UTC
NEM ID