Deloitte.

JGH Marine A/S

Bergensgade 10
2100 Copenhagen East
CVR No. 31185025

Annual report 2020

The Annual General Meeting adopted the annual report on 20.05.2021

Andreas Gottrup
Chairman of the General Meeting

Contents

Entity details

Entity

JGH Marine A/S

Bergensgade 10

2100 Copenhagen East

CVR No.: 31185025

Registered office: Copenhagen

Financial year: 01.01.2020 - 31.12.2020

Board of Directors

Thomas Langbo Algreen Nielsen, chairman

Morten Pitzner

Flemming Horn Nielsen

Erik Schou Stavnstrup

Jørgen Janus Roijer Hillerup

Torben Golsche Knappe

Executive Board

Andreas Gottrup, director

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

2300 Copenhagen S

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of JGH Marine A/S for the financial year 01.01.2020 - 31.12.2020.

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 31.12.2020 and of the results of its operations for the financial year 01.01.2020 - 31.12.2020.

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.

København, 15.04.2021

Executive Board

Andreas Gottrup
director

Board of Directors

Thomas Langbo Algreen Nielsen
chairman

Morten Pitzner

Flemming Horn Nielsen

Erik Schou Stavnstrup

Jørgen Janus Roijer Hillerup

Torben Golsche Knappe

Independent auditor's report

To the shareholders of JGH Marine A/S

Opinion
We have audited the financial statements of JGH Marine A/S for the financial year 01.01.2020 - 31.12.2020, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2020 and of the results of its operations for the financial year 01.01.2020 - 31.12.2020 accordance with the Danish Financial Statements Act.

Basis for opinion
We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board of Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

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

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

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

København, 15.04.2021

Deloitte
Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Henrik Jacob Vilmann Wellejus
State Authorised Public Accountant
Identification No (MNE) mne24807

Hans Tauby
State Authorised Public Accountant
Identification No (MNE) mne44339

Management commentary

Primary activities

The Company's main activity is activities within shipbuilding and marine equipment.

Development in activities and finances

The result for the financial year shows a loss of DKK 16,751 thousand against a loss of DKK 12,421 thousand last year.

The management considers this year's result to be unsatisfactory.

Uncertainty relating to recognition and measurement

Due to its operations, the Company is exposed to changes in exchange rates in the currencies USD and KES.

Events after the balance sheet date

The outbreak of coronavirus/COVID-19 is still a current event in the months after 31.12.2020. The outbreak has resulted in a series of precautions, that affects the daily operations, both for the Company, suppliers, customers and other business partners. The economical effect cannot be meassured at this time.

No other events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

Income statement for 2020

	Notes	2020 DKK	2019 DKK
Revenue		7,485,644	11,225,129
Cost of sales		(16,201,284)	(14,249,414)
Other external expenses		(3,948,206)	(4,418,002)
Gross profit/loss		**(12,663,846)**	**(7,442,287)**
Staff costs	2	(6,529,992)	(6,922,717)
Depreciation, amortisation and impairment losses		(77,043)	(55,271)
Operating profit/loss		**(19,270,881)**	**(14,420,275)**
Other financial income		42,745	323
Other financial expenses	3	(2,247,618)	(1,355,055)
Profit/loss before tax		**(21,475,754)**	**(15,775,007)**
Tax on profit/loss for the year	4	4,724,673	3,354,168
Profit/loss for the year		**(16,751,081)**	**(12,420,839)**
Proposed distribution of profit and loss:			
Retained earnings		(16,751,081)	(12,420,839)
Proposed distribution of profit and loss		**(16,751,081)**	**(12,420,839)**

Balance sheet at 31.12.2020

Assets

	Notes	2020 DKK	2019 DKK
Completed development projects	6	0	63,261
Acquired intangible assets		265,861	93,484
Intangible assets	5	**265,861**	**156,745**
Other fixtures and fittings, tools and equipment		30,674	48,900
Property, plant and equipment	7	**30,674**	**48,900**
Investments in group enterprises		0	33,574
Investments in associates		16,787	0
Financial assets	8	**16,787**	**33,574**
Fixed assets		**313,322**	**239,219**
Trade receivables		8,274,212	15,045,830
Contract work in progress		10,478,796	23,187,720
Receivables from group enterprises		25,300,000	12,000,000
Deferred tax		0	303,000
Other receivables		417,578	48,475
Joint taxation contribution receivable		5,064,673	3,053,168
Prepayments		61,533	0
Receivables		**49,596,792**	**53,638,193**
Cash		**0**	**9,337**
Current assets		**49,596,792**	**53,647,530**
Assets		**49,910,114**	**53,886,749**

Equity and liabilities

	Notes	2020 DKK	2019 DKK
Contributed capital		1,000,000	1,000,000
Reserve for net revaluation according to the equity method		0	33,558
Reserve for development expenditure		0	49,261
Retained earnings		8,878,798	247,060
Equity		**9,878,798**	**1,329,879**
Deferred tax		37,000	0
Provisions		**37,000**	**0**
Other payables		192,540	0
Non-current liabilities other than provisions	9	**192,540**	**0**
Bank loans		16,458,961	33,328,072
Trade payables		1,298,846	1,117,373
Payables to group enterprises		21,464,865	17,626,439
Other payables		579,104	484,986
Current liabilities other than provisions		**39,801,776**	**52,556,870**
Liabilities other than provisions		**39,994,316**	**52,556,870**
Equity and liabilities		**49,910,114**	**53,886,749**
Events after the balance sheet date	1		
Unrecognised rental and lease commitments	10		
Contingent liabilities	11		

Statement of changes in equity for 2020

	Contributed capital DKK	Reserve for net revaluation according to the equity method DKK	Reserve for development expenditure DKK	Retained earnings DKK	Total DKK
Equity beginning of year	1,000,000	33,558	49,261	247,060	1,329,879
Group contributions etc	0	0	0	25,300,000	25,300,000
Transfer to reserves	0	(33,558)	(49,261)	82,819	0
Profit/loss for the year	0	0	0	(16,751,081)	(16,751,081)
Equity end of year	**1,000,000**	**0**	**0**	**8,878,798**	**9,878,798**

Notes

1 Events after the balance sheet date

The outbreak of coronavirus/COVID-19 is still a current event in the months after 31.12.2020. The outbreak has resulted in a series of precautions, that affects the daily operations, both for the Company, suppliers, customers and other business partners. The economical effect cannot be meassured at this time.

No other events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

2 Staff costs

	2020 DKK	2019 DKK
Wages and salaries	6,268,799	6,684,512
Pension costs	142,750	124,203
Other social security costs	25,031	114,002
Other staff costs	93,412	0
	6,529,992	**6,922,717**

Average number of full-time employees	7	7

3 Other financial expenses

	2020 DKK	2019 DKK
Financial expenses from group enterprises	580,828	0
Other interest expenses	1,646,723	1,112,723
Exchange rate adjustments	0	229,711
Other financial expenses	20,067	12,621
	2,247,618	**1,355,055**

4 Tax on profit/loss for the year

	2020 DKK	2019 DKK
Change in deferred tax	340,000	(301,000)
Refund in joint taxation arrangement	(5,064,673)	(3,053,168)
	(4,724,673)	**(3,354,168)**

5 Intangible assets

	Completed development projects DKK	Acquired intangible assets DKK
Cost beginning of year	64,329	99,100
Transfers	(64,329)	64,329
Additions	0	167,933
Cost end of year	**0**	**331,362**
Amortisation and impairment losses beginning of year	(1,068)	(5,616)
Transfers	1,068	(1,068)
Amortisation for the year	0	(58,817)
Amortisation and impairment losses end of year	**0**	**(65,501)**
Carrying amount end of year	**0**	**265,861**

6 Development projects

The recognized development project, comprises a newly designed website. The website helps the Company get in touch with the clients, and therefore supports the daily business.

7 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK
Cost beginning of year	273,538
Disposals	(218,860)
Cost end of year	**54,678**
Depreciation and impairment losses beginning of year	(224,638)
Depreciation for the year	(18,226)
Reversal regarding disposals	218,860
Depreciation and impairment losses end of year	**(24,004)**
Carrying amount end of year	**30,674**

8 Financial assets

	Investments in group enterprises DKK	Investments in associates DKK
Cost beginning of year	33,574	0
Transfers	(16,787)	16,787
Disposals	(16,787)	0
Cost end of year	**0**	**16,787**
Carrying amount end of year	**0**	**16,787**

Investments in associates	Registered in	Corporate form	Equity interest %	Equity DKK	Profit/loss DKK
JGH Marine East Africa Limited	Nairobi, Kenya	Limited	50	48,373	35,854

9 Non-current liabilities other than provisions

	Due after more than 12 months 2020 DKK
Other payables	192,540
	192,540

10 Unrecognised rental and lease commitments

	2020 DKK	2019 DKK
Liabilities under rental or lease agreements until maturity in total	474,761	253,000

The company has entered into a lease agreement in cooperation with Johs. Gram-Hanssen A/S regarding the lease Bergensgade 10, 2100 Copenhagen East and the notice period is 6 months, however earliest termination is 01.10.2021, resulting in 9 month non recognized leasing liability. The allocated amount to Johs. Gram-Hanssen A/S of the rent costs for the termination period amount to DKK 380 thousand.

JGH Marine A/S has entered into a lease agreement regarding a coffee machine and a photocopier, again splitted between the two companies, amounting to a total of 95 thousands for the termination period.

11 Contingent liabilities

The Group has a total framework for bank guarantees and letter of credit of DKK 40.105 thousand.

The Entity participates in a Danish joint taxation arrangement where Pitzner Gruppen Holding A/S serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc for the jointly taxed entities, and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed entities. The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial statements.

Accounting policies

Reporting class

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

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

Consolidated financial statements

Referring to section 112 of the Danish Financial Statements Act, no consolidated financial statements have been prepared.

Recognition and measurement

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

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

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

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

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

Income statement

Revenue

Revenue from the sale of manufactured goods and goods for resale is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

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

Cost of sales
Cost of sales comprises goods consumed in the financial year measured at cost, adjusted for ordinary inventory writedowns.

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

Staff costs
Staff costs comprise salaries and wages, and social security contributions, pension contributions, etc for entity staff.

Depreciation, amortisation and impairment losses
Depreciation, amortisation and impairment losses relating to property, plant and equipment and intangible assets comprise depreciation, amortisation and impairment losses for the financial year, and gains and losses from the sale of intangible assets and property, plant and equipment.

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 or exchange gains on securities, payables and transactions in foreign currencies, amortisation of financial assets, and 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 or exchange losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities, and tax surcharge under the Danish Tax Prepayment Scheme etc.

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

The Entity is jointly taxed with all Danish group enterprises. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

Balance sheet

Intangible assets

Intangible assets comprise development projects completed.

Development projects on clearly defined and identifiable products and processes, for which the technical rate of utilisation, adequate resources and a potential future market or development opportunity in the enterprise can be established, and where the intention is to manufacture, market or apply the product or process in question, are recognised as intangible assets. Other development costs are recognised as costs in the income statement as incurred. When recognising development projects as intangible assets, an amount equalling the costs incurred less deferred tax is taken to equity under Reserve for development costs that is reduced as the development projects are amortised and written down.

The cost of development projects comprises costs such as salaries and amortisation that are directly and indirectly attributable to the development projects.

Completed development projects are amortised on a straight-line basis using their estimated useful lives which are determined based on a specific assessment of each development project. If the useful life cannot be estimated reliably, it is fixed at 10 years. For development projects protected by intellectual property rights, the maximum period of amortisation is the remaining duration of the relevant rights. The amortisation periods used are 5 years.

Intellectual property rights acquired are measured at cost less accumulated amortisation. Patents are amortised on a straight-line basis over their remaining duration, and licences are amortised over the term of the agreement.

Intellectual property rights etc are written down to the lower of recoverable amount and carrying amount.

Property, plant and equipment

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.

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:

Other fixtures and fittings, tools and equipment	3-5 years

Estimated useful lives and residual values are reassessed annually.

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

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

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

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

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

Investments in associates
Investments in associates are measured at cost. Investments are written down to the lower of recoverable amount and carrying amount.

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

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

The selling price is measured based on the stage of completion and the total estimated income from the individual contracts in progress. Usually, the stage of completion is determined as the ratio of actual to total budgeted consumption of resources.

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.

Costs of sales work and of securing contracts, and finance costs are recognised in the income statement as incurred.

Deferred tax
Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset. However, no deferred tax is recognised for amortisation of goodwill disallowed for tax purposes and temporary differences arising at the date of acquisition that do not result from a business combination and that do not have any effect on profit or loss or on taxable income.

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.

Joint taxation contributions receivable or payable
Current joint taxation contributions payable or joint taxation contributions receivable are recognised in the balance sheet, calculated as tax computed on the taxable income for the year, which has been adjusted for prepaid tax. For tax losses, joint taxation contributions receivable are only recognised if such losses are expected to be used under the joint taxation arrangement.

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

Cash
Cash comprises cash in hand and bank deposits.

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