

# Global Offshore ApS

Kanalen 1, 6700 Esbjerg

CVR no. 32 55 66 20

## Annual report 2020

Approved at the Company's annual general meeting on 29 January 2021

Chairman:

.....  
Paul John George Brebner





## Contents

<b>Statement by the Executive Board</b>	<b>2</b>
<b>Independent auditor's report</b>	<b>3</b>
<b>Management's review</b>	<b>5</b>
<b>Financial statements 1 January - 31 December</b>	<b>7</b>
Income statement	7
Balance sheet	8
Statement of changes in equity	10
Notes to the financial statements	11



## Statement by the Executive Board

Today, the Executive Board has discussed and approved the annual report of Global Offshore ApS for the financial year 1 January - 31 December 2020.

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

In my opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2020 and of the results of the Company's operations for the financial year 1 January - 31 December 2020.

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

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

Esbjerg, 29 January 2021  
Executive Board:

.....  
Paul John George Brebner  
Director

## Independent auditor's report

### To the shareholders of Global Offshore ApS

#### Conclusion

We have conducted an extended review of the financial statements of Global Offshore ApS for the financial year 1 January - 31 December 2020, 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.

Based on the work we have performed, in our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2020 and of the results of the Company's operations for the financial year 1 January - 31 December 2020 in accordance with the Danish Financial Statements Act.

#### Basis for conclusion

We conducted our extended review in accordance with the Danish Business Authority's standard on extended review for Small entities and FSR - Danish Auditors' standard on extended review of financial statements prepared in accordance with the Danish Financial Statements Act. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the extended review of the financial statements" section. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

#### Independence

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

#### 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 that 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 extended review of the financial statements

Our responsibility is to express a conclusion on the financial statements. This requires that we plan and perform procedures to obtain limited assurance for our conclusion on the financial statements and perform specifically required supplementary procedures to obtain additional assurance for our conclusion.

An extended review comprises procedures that primarily consist of making enquiries of Management and others within the Company, as appropriate, analytical procedures and the specifically required supplementary procedures as well as evaluation of the evidence obtained.

The procedures performed in an extended review are less than those performed in an audit, and accordingly, we do not express an audit opinion on the financial statements.

#### Statement on the Management's review

Management is responsible for the Management's review.

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

## Independent auditor's report

In connection with our extended review 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 extended review, 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, 29 January 2021  
EY Godkendt Revisionspartnerselskab  
CVR no. 30 70 02 28

Morten Østergaard Koch  
State Authorised Public Accountant  
mne35420

Claes Jensen  
State Authorised Public Accountant  
mne44108



## Management's review

### Company details

Name	Global Offshore ApS
Address, Postal code, City	Kanalen 1, 6700 Esbjerg
CVR no.	32 55 66 20
Registered office	Esbjerg
Financial year	1 January - 31 December
Executive Board	Paul John George Brebner, Director
Auditors	EY Godkendt Revisionspartnerselskab Bavnehøjvej 5, 6700 Esbjerg, Denmark

## Management's review

### Business review

The company's primary activity is trade and distribution of the HINGE-LOK product range to the oil industry and related companies of the oil industry.

### Financial review

The income statement for 2020 shows a loss of DKK 1,041,704 against a loss of DKK 2,538,428 last year, and the balance sheet at 31 December 2020 shows equity of DKK 2,508,708. The big improvement in equity is explained below under the headline "Change in ownership".

The result for 2020 is considered less than satisfactory. In the annual report for 2019, it was noted that management expected a positive result in 2020. Due to a significant decrease in the oil industry in 2020 mainly due to COVID-19, the various planned projects were delayed to Q4 and into 2021. Therefore, it has not been possible to fulfill expectations for 2020.

During this challenging period we have continually worked with our clients to develop an additional range of HINGE-LOK systems to allow us to expand our product portfolio to ensure we are prepared for the upturn in business.

Due to travel restrictions, we have continually worked to develop online training solutions to enable us to train our clients personnel remotely.

During 2020 there has been continual focus on product development allowing the company to expand their current portfolio of products including additional products that complement the HINGE-LOK system. Investments in product development in the financial year 2020 amounts to 1,2 mio. DKK.

These continual developments and investments have already proved successful in Q4, which can be seen by the increase in activity. Combined with the positive feedback received from various international clients, we expect a further increase in activity throughout 2021.

### Change in ownership

A change in ownership was finalized in July 2020. The minority shareholder purchased the remaining 70% of Global Offshore from the previous majority shareholder.

In connection with this purchase, a capital contribution at 7.8 million DKK was made in order to reestablish the equity. The company therefore no longer falls within The Danish Companies Act governing loss of capital.

In December 2020 an investment was made by a group of UK investors. The funding, combined with the vast knowledge that will be gained from the investors, will not only allow the company to increase the rental fleet via a cash injection to meet ongoing demand for the product, but will allow expansion of the HINGE-LOK products into key geographical regions. The expansion of product portfolio has already been started in Q4 with investments in fixed assets of 1,9 mio. DKK.

### Events after the balance sheet date

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

### Outlook

It is still unknown to what extent the Covid-19 outbreak will affect the result for 2021, but it is not considered to affect the company to such an extent that further must be incorporated in the annual report for 2020.

We expect an improved result before tax in 2021.

## Financial statements 1 January - 31 December

### Income statement

Note	DKK	2020	2019
	<b>Gross loss</b>	-283,506	-1,813,165
2	Staff costs	-433,170	-1,071,316
	Amortisation/ depreciation of intangible assets and property, plant and equipment	-519,150	-253,290
	<b>Profit/ loss before net financials</b>	-1,235,826	-3,137,771
	Other financial income from group enterprises	0	6,410
	Financial income	34,254	0
3	Financial expenses	-139,727	-122,067
	<b>Profit/ loss before tax</b>	-1,341,299	-3,253,428
	Tax for the year	299,595	715,000
	<b>Profit/ loss for the year</b>	-1,041,704	-2,538,428
	<b>Recommended appropriation of profit/ loss</b>		
	Other reserves	703,000	0
	Retained earnings/ accumulated loss	-1,744,704	-2,538,428
		-1,041,704	-2,538,428



## Financial statements 1 January - 31 December

### Balance sheet

Note	DKK	2020	2019
	<b>ASSETS</b>		
	<b>Fixed assets</b>		
4	<b>Intangible assets</b>		
	Completed development projects	1,468,942	568,350
		1,468,942	568,350
5	<b>Property, plant and equipment</b>		
	Fixtures and fittings, other plant and equipment	3,271,202	1,705,369
		3,271,202	1,705,369
	<b>Investments</b>		
	Deposits	14,454	0
		14,454	0
	<b>Total fixed assets</b>	4,754,598	2,273,719
	<b>Non-fixed assets</b>		
	<b>Inventories</b>		
	Finished goods and goods for resale	0	73,735
		0	73,735
	<b>Receivables</b>		
	Trade receivables	1,037,976	75,815
	Construction contracts	0	102,896
	Receivables from group enterprises	0	209,285
	Joint taxation contribution receivable	0	980,527
	Other receivables	508,026	335,591
	Prepayments	9,507	1,368
		1,555,509	1,705,482
	<b>Cash</b>	0	3,114
	<b>Total non-fixed assets</b>	1,555,509	1,782,331
	<b>TOTAL ASSETS</b>	6,310,107	4,056,050

## Financial statements 1 January - 31 December

### Balance sheet

Note	DKK	2020	2019
	<b>EQUITY AND LIABILITIES</b>		
	<b>Equity</b>		
	Share capital	125,000	125,000
	Reserve for development costs	1,146,000	443,000
	Retained earnings	1,237,708	-4,778,658
	<b>Total equity</b>	<b>2,508,708</b>	<b>-4,210,658</b>
	<b>Provisions</b>		
	Deferred tax	212,000	139,000
	<b>Total provisions</b>	<b>212,000</b>	<b>139,000</b>
	<b>Liabilities other than provisions</b>		
	<b>Current liabilities other than provisions</b>		
	Bank debt	2,916	7,734,104
	Trade payables	864,739	355,894
	Payables to group enterprises	2,262,098	0
	Other payables	459,646	37,710
		<b>3,589,399</b>	<b>8,127,708</b>
	<b>Total liabilities other than provisions</b>	<b>3,589,399</b>	<b>8,127,708</b>
	<b>TOTAL EQUITY AND LIABILITIES</b>	<b>6,310,107</b>	<b>4,056,050</b>

- 1 Accounting policies
- 6 Contractual obligations and contingencies, etc.
- 7 Collateral

## Financial statements 1 January - 31 December

### Statement of changes in equity

DKK	Share capital	Reserve for development costs	Retained earnings	Total
Equity at 1 January 2020	125,000	443,000	-4,778,658	-4,210,658
Transfer through appropriation of loss	0	703,000	-1,744,704	-1,041,704
Contribution from group	0	0	7,761,070	7,761,070
<b>Equity at 31 December 2020</b>	<b>125,000</b>	<b>1,146,000</b>	<b>1,237,708</b>	<b>2,508,708</b>

A change in ownership was finalized in July 2020. The minority shareholder purchased the remaining 70% of Global Offshore from the previous majority shareholder.

In connection with this purchase, a capital contribution on 7.8 million DKK was made in order to reestablish the equity. The company therefore no longer falls within The Danish Companies Act governing loss of capital.

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies

The annual report of Global Offshore ApS for 2020 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class B entities and elective choice of certain provisions applying to reporting class C entities.

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

#### Income statement

##### Gross loss

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

##### 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 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 years
Fixtures and fittings, other plant and equipment	5-7 years

##### Financial income and expenses

Financial income and expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest income and expenses as well as allowances and surcharges under the advance-payment-of-tax scheme, etc.

## 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).

Jointly taxed entities entitled to a tax refund are reimbursed by the management company based on the rates applicable to interest allowances, and jointly taxed entities which have paid too little tax pay a surcharge according to the rates applicable to interest surcharges to the management company.

##### Balance sheet

##### Intangible assets

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.

##### 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.

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.

##### Impairment of fixed assets

The carrying amount of intangible assets and property and plant 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).

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

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.

#### Receivables

Receivables are measured at amortised cost.

Write-downs are made to cover losses, based on an individual assessment of the value of receivables.

#### Construction contracts

Service supplies and 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 expenses incurred in so far as they are expected to be paid by the purchaser.

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 comprise cash and short term securities which are readily convertible into cash and subject only to minor risks of changes in value.

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Income taxes

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. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. 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.

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

Liabilities are measured at net realisable value.

DKK	2020	2019
<b>2 Staff costs</b>		
Wages/salaries	1,016,874	957,531
Pensions	105,600	76,000
Other social security costs	5,493	4,213
Other staff costs	5,203	33,572
Staff costs transferred to development projects	-700,000	0
	<u>433,170</u>	<u>1,071,316</u>
Number of employees at the balance sheet date	<u>2</u>	<u>1</u>
<b>3 Financial expenses</b>		
Interest expenses, group entities	0	10,685
Other financial expenses	139,727	111,382
	<u>139,727</u>	<u>122,067</u>

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 4 Intangible assets

DKK	<b>Completed development projects</b>
Cost at 1 January 2020	852,528
Additions	1,176,849
Cost at 31 December 2020	2,029,377
Impairment losses and amortisation at 1 January 2020	284,178
Amortisation for the year	276,257
Impairment losses and amortisation at 31 December 2020	560,435
<b>Carrying amount at 31 December 2020</b>	<b>1,468,942</b>

#### 5 Property, plant and equipment

DKK	<b>Fixtures and fittings, other plant and equipment</b>
Cost at 1 January 2020	2,143,289
Additions	1,854,492
Disposals	-420,957
Regulation to prior years	20,085
Cost at 31 December 2020	3,596,909
Impairment losses and depreciation at 1 January 2020	437,920
Depreciation	244,289
Reversal of accumulated depreciation and impairment of assets disposed	-356,502
Impairment losses and depreciation at 31 December 2020	325,707
<b>Carrying amount at 31 December 2020</b>	<b>3,271,202</b>

#### 6 Contractual obligations and contingencies, etc.

##### Contingent liabilities

Global Offshore ApS is part in one ongoing lawsuit. It is after management and independent third party review and assessment, that the outcome of this lawsuit will not affect the company's financial position significantly.

##### Other contingent liabilities

The Company is jointly taxed with its parent, Mercom ApS, which acts as management company, and is jointly and severally liable with other jointly taxed group entities for payment of income taxes for the income year 2020 onwards as well as withholding taxes on interest, royalties and dividends falling due for payment.

##### Other financial obligations

Rent and lease liabilities include a rent obligation totalling DKK 105 thousand in interminable rent agreements.



## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 7 Collateral

As security for the Company's debt to banks, the company has issued mortgage deeds of DKK 600 thousand in fixtures and fittings, other plant and equipment, and receivables. The total carrying amount of these assets is DKK 4,309 thousand.

The company's bank has provided a bank guarantee of DKK 600 thousand to a supplier.

# ΠΕΝΝΕΟ

The signatures in this document are legally binding. The document is signed using Penneo™ secure digital signature. The identity of the signers has been recorded, and are listed below.

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

## Paul John George Brebner

### Executive Board

On behalf of: Global Offshore ApS

Serial number: PID:9208-2002-2-050194204865

IP: 95.154.xxx.xxx

2021-01-29 14:47:56Z

NEM ID 

## Paul John George Brebner

### Chairman

On behalf of: Global Offshore ApS

Serial number: PID:9208-2002-2-050194204865

IP: 95.154.xxx.xxx

2021-01-29 14:47:56Z

NEM ID 

## Claes Jensen

### State Authorised Public Accountant

On behalf of: EY Godkendt Revisionspartnerselskab

Serial number: CVR:30700228-RID:45178981

IP: 212.112.xxx.xxx

2021-01-29 19:10:16Z

NEM ID 

## Morten Oestergaard Koch

### State Authorised Public Accountant

On behalf of: EY Godkendt Revisionspartnerselskab

Serial number: CVR:30700228-RID:32977604

IP: 212.112.xxx.xxx

2021-01-30 10:21:30Z

NEM ID 

Penneo document key: 0ASPQ-1EHGQ-VL4DJ-U5HGZ-KTUPX-S1TN1

This document is digitally signed using Penneo.com. The digital signature data within the document is secured and validated by the computed hash value of the original document. The document is locked and timestamped with a certificate from a trusted third party. All cryptographic evidence is embedded within this PDF, for future validation if necessary.

#### How to verify the originality of this document

This document is protected by an Adobe CDS certificate. When you open the

document in Adobe Reader, you should see, that the document is certified by **Penneo e-signature service** <[penneo@penneo.com](mailto:penneo@penneo.com)>. This guarantees that the contents of the document have not been changed.

You can verify the cryptographic evidence within this document using the Penneo validator, which can be found at <https://penneo.com/validate>