

Offshore Capital Partners ApS

Sahara 4, 6700 Esbjerg

CVR no. 39 91 07 80

Annual report 2018

Approved at the Company's annual general meeting on 8 February 2019

Chairman:

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Statement by the Executive Board on the annual report

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of Offshore Capital Partners ApS for the financial year 3 October –31 December 2018.

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

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2018 and of the results of the Group's and the Parent Company's operations and the consolidated cash flows for the financial year 3 October –31 December 2018.

Further, in our opinion, the Management's review gives a fair review of the development in the Group's and the Parent Company's operations and financial matters and the results of the Group's and the Parent Company's operations and financial position.

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

Esbjerg, 8 February 2019
Executive Board:

Tonny Klein

Board of Directors:

Peter Sønderlyng
Chairman

Tonny Klein

Rune Værndal

Joachim Vanggaard

Independent auditor's report

To the shareholders of Offshore Capital Partners ApS

Opinion

We have audited the consolidated financial statements and the parent company financial statements of Offshore Capital Partners ApS for the financial year 3 October –31 December 2018, which comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies, for both the Group and the Parent Company, and a consolidated cash flow statement. The consolidated financial statements and the parent company financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2018 and of the results of the Group's and the Parent Company's operations as well as the consolidated cash flows for the financial year 3 October –31 December 2018 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (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 consolidated financial statements and the parent company financial statements" (hereinafter collectively referred to as "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 Group 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 consolidated financial statements and parent company 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 Group's and the Parent 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 Group or the Parent 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 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.

Independent auditor's report

As part of an audit conducted in accordance with ISAs and 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 Group's and the Parent Company'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 Group's and the Parent 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 Group and the Parent 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.
- ▶ Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

Independent auditor's report

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 Statements Act. We did not identify any material misstatement of the Management's review.

Copenhagen, 8 February 2019
ERNST & YOUNG
Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Morten Østergaard Koch
State Authorised Public Accountant
mne35420

Management's review

Company details

Name	Offshore Capital Partners ApS
Address, zip code, city	Sahara 4, 6700 Esbjerg
CVR no.	39 91 07 80
Established	3 October 2018
Registered office	Esbjerg
Financial year	1 January –31 December
Executive Board	Tonny Klein
Board of Directors	Peter Sønderlyng, Chairman Rune Værndal Joachim Vanggaard Tonny Klein
Auditors	Ernst & Young Godkendt Revisionspartnerselskab Havnegade 33, 6700 Esbjerg

Management's review

Financial highlights for the Group

DKK'000	2018*
Key figures	
Gross margin	11,967
Ordinary operating profit/loss	2,713
Financial income and expenses	-371
Profit/ loss for the year	1,711
Total assets	
Equity	1,811
Cash flows	
Cash flows from operating activities	-4,249
Cash flows from investing activities	-26,303
Portion relating to investments in items of property, plant and equipment	-1,152
Cash flows from financing activities	7,400
Total cash flows	-23,152
Financial ratios	
Solvency ratio	3.6 %
Average number of full-time employees	
	14

Financial ratios are calculated in accordance with the Danish Finance Society's guidelines on the calculation of financial ratios.

* From 3 October 2018 to 31 December 2018

Management's review

Business review

Offshore Capital Partners ApS invested in SubC Partner at 3 October 2018. The SubC Partner Group is engaged in subsea and topside inspection, repair and maintenance of offshore wind and oil/gas installations and vessels as well as manufacturing and repair of modules, structures and process equipment for the oil/gas industry. SubC Partner covers the entire value chain from engineering to installations & commissioning.

Development in activities and financial position

Profit after tax amounted to DKK 1,711 thousand, with an equity of DKK 1,811 thousand, at 31 December 2018. Management considers the profit for the year to be satisfactory.

Future expectations

SubC Partner enters 2019 with a strong organisation, a clear strategy and the outlook to an increased activity level, with expectations of a profit for the year that exceeds 2018.

Events after the balance sheet date

No events have occurred subsequent to the balance sheet date, which would have negative impact on the financial position of the Group.

Particular risks

General risks

Offshore Capital Partners ApS' principal activity is investing in portfolio companies. Therefore, a substantial risk factor is changes in the value of SubC Partner-Group.

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 Group are spread across a number of business areas, reducing dependence of individual segments. It is also essential to the Group to be ahead of the technological development within all business areas.

Financial risks

Due to the level of Group interest bearing debt, moderate changes in the interest rates will only have minor effect on the Group's earnings. Interest rate positions are made.

The ongoing operations are exposed to currency exchange risks. The Group invoices in DKK, EUR, GBP and NOK, whereas a large share of purchasing is in DKK, EUR and GBP. Currency risks are mainly hedged by purchasing and invoicing in the same currency. Significant contracts in GBP or NOK will be hedged by currency forward contracts.

Knowledge resources

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

In addition, the Group owns worldwide Intellectual Property Rights.

Management's review

Influence on external environment

For the benefit of the environment as well as from a financial point of view, the Group will try to reduce its environmental impact.

The Group maintains an efficient waste separation system, which ensures that the maximum amount of waste is recycled.

Research and development activities

The Group has no research activities.

The development activities are made in the SubC Partner A/S and include new welding procedures and technical solutions within splashzone and subsea activities.

Consolidated financial statements and parent company financial statements
3 October – 31 December

Income statement

Note	DKK'000	Consolidated	Parent company
		2018 *	2018 *
	Gross margin	11,967	-23
2	Staff costs	-7,551	0
5/6	Amortisation/depreciation and impairment of intangible assets and property, plant and equipment	-1,703	0
	Ordinary operating profit	2,713	-23
8	Income from investments in group entities	0	1,870
3	Financial expenses	-371	-181
	Profit/loss before tax	2,342	1,666
4	Tax on profit/loss for the year	-631	45
	Profit/loss for the year	1,711	1,711

* From 3 October 2018 to 31 December 2018

Consolidated financial statements and parent company financial statements
3 October – 31 December

Balance sheet

Note	DKK'000	Consolidated	Parent company	
		2018	2018	Opening balance
	ASSETS			
	Fixed assets			
	Intangible assets			
5	Completed development projects	3,949	0	0
	Acquired intangible assets	387	0	0
	Goodwill	1,767	0	0
		<u>6,103</u>	<u>0</u>	<u>0</u>
6	Property, plant and equipment			
	Other fixtures and fittings, tools and equipment	9,411	0	0
	Leasehold improvements	413	0	0
		<u>9,824</u>	<u>0</u>	<u>0</u>
	Investments			
8	Investments in group enterprises	0	9,370	0
7	Other receivables	290	0	0
		<u>290</u>	<u>9,370</u>	<u>0</u>
	Total fixed assets	<u>16,217</u>	<u>9,370</u>	<u>0</u>
	Non-fixed assets			
	Inventories			
	Raw materials and consumables	5,983	0	0
	Receivables			
	Trade receivables	20,868	0	0
9	Work in progress for third parties	2,795	0	0
10	Deferred tax assets	4,228	45	0
	Income tax receivables	0	0	0
	Other receivables	35	0	0
11	Prepayments	488	0	0
		<u>28,414</u>	<u>45</u>	<u>0</u>
	Cash	<u>0</u>	<u>0</u>	<u>100</u>
	Total non-fixed assets	<u>34,397</u>	<u>45</u>	<u>100</u>
	TOTAL ASSETS	<u>50,614</u>	<u>9,415</u>	<u>100</u>

Consolidated financial statements and parent company financial statements
3 October – 31 December

Balance sheet

Note	DKK'000	Consolidated	Parent company	
		2018	2018	Opening balance
	EQUITY AND LIABILITIES			
	Equity			
	Share capital	100	100	100
	Net revaluation reserve according to the equity method	0	1,870	0
	Retained earnings	1,711	-159	0
	Total equity	1,811	1,811	100
	Liabilities other than provisions			
12	Non-current liabilities other than provisions			
	Subordinate loan capital	7,495	7,495	0
		7,495	7,495	0
	Current liabilities other than provisions			
12	Current portion of non-current liabilities other than provisions	86	86	0
	Bank debt	23,052	0	0
9	Work in progress for third parties	7,522	0	0
	Trade payables	3,985	0	0
	Payables to group entities	0	0	0
	Other payables	6,663	23	0
		41,308	109	0
	Total liabilities other than provisions	48,803	7,604	0
	TOTAL EQUITY AND LIABILITIES	50,614	9,415	100

- 1 Accounting policies
- 13 Mortgages and collateral
- 14 Contractual obligations and contingencies, etc.
- 15 Appropriation of profit
- 16 Related party disclosures

**Consolidated financial statements and parent company financial statements
3 October – 31 December**

Statement of changes in equity

DKK'000	Consolidated		
	Share capital	Retained earnings	Total
Equity at 3 October 2018	100	0	100
Profit/loss for the year	0	1,711	1,711
Equity at 31 December 2018	100	1,711	1,811

DKK'000	Parent company			
	Share capital	Retained earnings	Net revaluation according to the equity method	Total
Equity at 3 October 2018	100	0	0	100
Profit/loss for the year, see profit appropriation	0	-159	1,870	1,711
Equity at 31 December 2018	100	-159	1,870	1,811

Consolidated financial statements and parent company financial statements 3 October – 31 December

Cash flow statement

DKK'000	Consolidated 2018
Profit/loss for the year	1,711
Financial income and expenses	370
Tax on profit/loss for the year	631
Profit/loss before financial income and expenses	2,712
Depreciation and amortisation	1,704
Changes in inventories	942
Changes in receivables	-6,606
Changes in trade payables	-3,491
Cash generated from operations (operating activities)	-4,739
Interest paid	-191
Income taxes paid	681
Cash flows from operating activities	-4,249
Corporate acquisitions	-25,151
Acquisition of property, plant and equipment	-1,152
Cash flows from investing activities	-26,303
Subordinate loan capital	7,400
Cash flows from financing activities	7,400
Net cash flows from operating, investing and financing activities	-23,152
Cash and cash equivalents at 3 October	100
Cash and cash equivalents at 31 December	-23,052
Cash and cash equivalents, cash flow statement	
Cash and cash equivalents according to the balance sheet	0
Short-term debt to banks	-23,052
	-23,052

The cash flow statement cannot be directly derived from the other components of the consolidated financial statements and the parent company financial statements.

Consolidated financial statements and parent company financial statements 3 October – 31 December

Notes to the financial statements

1 Accounting policies

The annual report of Offshore Capital Partners ApS for 2018 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to medium-sized reporting class C entities.

Reporting currency

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

Consolidated financial statements

The consolidated financial statements comprise the Parent Company, Offshore Capital Partners ApS, and subsidiaries in which Offshore Capital Partners ApS directly or indirectly holds more than 50 % of the voting rights or which it, in some other way, controls.

On consolidation, intra-group income and expenses, shareholdings, intra-group balances and dividends, and realised and unrealised gains and losses on intra-group transactions are eliminated.

Entities acquired or formed during the year are recognised in the consolidated financial statements from the date of acquisition or formation.

Business combinations

Recently acquired or formed entities are recognised in the consolidated financial statements from the date of acquisition or formation. Entities sold or otherwise disposed of are recognised in the consolidated income statement until the date of disposal. Comparative figures are not restated in respect of recently acquired or sold entities.

Gains or losses on disposal of subsidiaries and associates are made up as the difference between the sales price and the carrying amount of net assets at the date of disposal plus non-amortised goodwill and anticipated selling costs.

Corporate acquisitions are accounted for using the purchase method according to which the acquired entity identifiable assets and liabilities are measured at fair value at the date of acquisition.

Restructuring costs recognised in the acquired entity before the date of acquisition and not agreed as part of the acquisition are part of the acquisition balance sheet and, hence, the calculation of goodwill. Costs relating to restructuring decided by the acquiring entity must be recognised in the income statement. The tax effect of the restatement of assets and liabilities is taken into account.

Any excess of the cost over the fair value of the identifiable assets and liabilities acquired (goodwill) is recognised as intangible assets and amortised on a systematic basis in the income statement based on an individual assessment of the useful life of the asset.

Negative differences (negative goodwill) are recognised as income in the income statement at the time of acquisition when the general revenue recognition criteria are met.

Goodwill and negative goodwill from acquired entities may be adjusted until the end of the year of acquisition.

Consolidated financial statements and parent company financial statements 3 October – 31 December

Notes to the financial statements

1 Accounting policies (continued)

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.

Foreign currency translation

Transactions denominated in foreign currencies are translated into Danish kroner at the exchange rates at the transaction date. Exchange rate differences arising between the exchange rate at the transaction date and the rate at the date of payment are recognised as a financial item in the income statement.

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

Income statement

Revenue

Revenue is recognised in the income statement provided that delivery and transfer of risk to the buyer have taken place by the end of the year and that the income can be reliably measured and is expected to be received. Revenue is recognised ex. VAT and taxes charged on behalf of third parties.

Work in progress concerning customised production is recognised as revenue by reference to the stage of completion. Accordingly, revenue corresponds to the selling price of work performed during the year (the percentage of completion method).

Gross margin

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

Other operating income

Other operating income comprises items secondary to the entities' activities, including gains on disposal of intangible assets and property, plant and equipment.

Consolidated financial statements and parent company financial statements 3 October – 31 December

Notes to the financial statements

1 Accounting policies (continued)

Other external costs

Other external costs include expenses related to distribution, sale, advertising, administration, premises, bad debts, lease payments under operating leases, etc.

Staff costs

Staff costs include wages and salaries, including compensated absence and pensions, as well as other social security contributions, etc. made to the entity's employees. The item is net of refunds made by 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
Intangible assets acquired	5-7 years
Goodwill	5 years
Other fixtures and fittings, tools and equipment	2-10 years
Leasehold improvements	5 years

Income from investments in group entities

The item includes the Company's proportionate share of the profit/loss for the year in subsidiaries after elimination of intra-group income or losses and net of amortisation and impairment of goodwill and other excess values at the time of acquisition.

Financial income and expenses

Financial income and expenses comprise interest income and expenses, capital gains and losses on securities, payables and transactions denominated in foreign currencies and amortisation of financial assets and liabilities.

Tax on profit/loss for the year

Tax for the year comprises current tax and changes in deferred tax for the year. The tax expense relating to the profit/loss for the year is recognised in the income statement, and the tax expense relating to amounts directly recognised in equity is recognised directly in equity.

The Company is jointly taxed with its higher-ranking parent company.

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

between the jointly taxed entities in proportion to their taxable income. Entities with tax losses receive joint taxation contributions from entities that have been able to use the tax losses to reduce their own taxable income.

Consolidated financial statements and parent company financial statements 3 October – 31 December

Notes to the financial statements

1 Accounting policies (continued)

Balance sheet

Intangible assets

Intangible assets comprise development projects, other acquired rights and goodwill. Intangible assets are measured at cost less accumulated amortisation and impairment losses.

Development projects are recognised as assets provided that they are clearly defined and identifiable and that the below recognition criteria are observed:

- ▶ the technical feasibility of completing the project is evidenced
- ▶ it is the intention to produce, market or to use the product or the process
- ▶ the availability of adequate technical and financial resources and ability to complete the development project and to use or sell it
- ▶ it is probable that the project will result in future economic benefits and that a potential future market or possibilities of using the project internally in the Company are evidenced
- ▶ the cost can be reliably measured.

Development costs that do not qualify for capitalisation, are recognised as cost in the income statement as incurred.

Goodwill is amortised over the expected economic life of the asset, measured by reference to Management's experience in the individual business segments. Goodwill is amortised on a straight-line basis over the amortisation period, which is 5 years. The amortisation period is fixed on the basis of the expected market positions and long-term earnings profiles of acquired business enterprises.

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use.

Investments

Deposits are recognised at cost.

Investments in subsidiaries

On initial recognition, investments in subsidiaries is measured at cost and subsequently at the proportionate share of the entities' net asset values calculated in accordance with the parent company's accounting policies minus or plus any residual value of positive or negative goodwill calculated in accordance with the purchase method of accounting. Net revaluations of investments in subsidiaries are transferred to the net revaluation reserve according to the equity method where the carrying amount exceeds the acquisition cost.

Dividend received is deducted from the carrying amount.

Consolidated financial statements and parent company financial statements 3 October – 31 December

Notes to the financial statements

1 Accounting policies (continued)

Impairment of fixed assets

The carrying amount of intangible assets and property, plant and equipment as well as investments in subsidiaries is subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation or amortisation.

Impairment tests are conducted of individual assets or groups of assets when there is an indication that they may be impaired. Impairment losses are made to the recoverable amount if this is lower than the carrying 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 determined 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 average cost in accordance with the FIFO method. Where the net realisable value is lower than cost, inventories are written down to the net realisable value.

Raw materials and consumables are measured at cost, comprising purchase price plus delivery costs.

The net realisable value of inventories is calculated as the selling price less costs of completion and costs necessary to make the sale and is determined taking into account marketability, obsolescence and development in expected selling price.

Receivables

Receivables are measured at amortised cost.

An impairment loss is made for bad debt losses where 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 made based on an individual assessment.

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

Work in progress (customised orders) is measured at the selling price of the work performed; less any payments received on account from the customer and expected losses.

The selling price is measured by reference to the stage of completion at the balance sheet date and the total expected income from the contract. The stage of completion is determined on the basis of an estimate of the work, usually calculated as the ratio between the costs incurred and the total estimated costs of the order or hours worked and the total estimated hours worked for that order.

When the selling price of an individual order cannot be measured reliably, the selling price is measured at the lower of costs incurred and net realisable value.

Individual contracts are recognised in the balance sheet under either receivables or payables depending on the net value of the selling price less progress billings and prepayments. Selling costs and costs incurred in securing contracts are recognised in the income statement when incurred.

Consolidated financial statements and parent company financial statements 3 October – 31 December

Notes to the financial statements

1 Accounting policies (continued)

Prepayments, assets

Prepayments comprise expenses incurred concerning subsequent financial years.

Equity

Reserve for net revaluation according to the equity method

The net revaluation reserve according to the equity method includes net revaluations of investments in subsidiaries relative to cost. The reserve can be eliminated in case of losses, realisation of investments or a change in accounting estimates. The reserve cannot be recognised at a negative amount.

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 tax computed on the taxable income for the year, adjusted for tax on prior years taxable income and tax paid on account.

Deferred tax is measured using the balance sheet 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.

Deferred tax assets, including the tax base of tax loss carry-forwards, 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.

Adjustment is made to deferred tax resulting from elimination of unrealised intra-group profits and losses. Deferred tax is measured according to the tax rules applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax.

Liabilities other than provisions

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. In subsequent periods, the 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.

Other liabilities are measured at net realisable value.

Consolidated financial statements and parent company financial statements 3 October – 31 December

Notes to the financial statements

1 Accounting policies (continued)

Subordinate loan capital

Liabilities where the creditors have stated they are willing to subordinate their claim to rank after all the entity's other creditors are presented as subordinate loan capital. Subordinate loan capital is recognised using the same method as applies to liabilities.

Cash flow statement

The cash flow statement shows the Group's cash flows from operating, investing and financing activities for the year, the year's changes in cash and cash equivalents as well as the Group's cash and cash equivalents at the beginning and end of the year.

The cash flow effect of acquisitions and disposals of entities is shown separately in cash flows from investing activities. Cash flows from acquisitions of entities are recognised up until the date of acquisition, and disposals of entities are recognised up until the date of disposal.

In accordance with section 86(4) of the Danish Financial Statements Act, no cash flow statement has been prepared for the parent company, as the Company's cash flow statement is included in the consolidated cash flow statement.

Cash flows from operating activities

Cash flows from operating activities are calculated as the Group's share of the profit/loss adjusted for non-cash operating items, changes in working capital and income taxes paid.

Cash flows from investing activities

Cash flows from investing activities comprise payments in connection with acquisitions and disposals of entities and activities and of acquisitions and disposals of non-current assets.

Cash flows from financing activities

Cash flows from financing activities comprise changes in the size or composition of the Group's share capital and related costs as well as the raising of loans, repayment of interest-bearing debt and payment of dividend to shareholders.

Cash and cash equivalents

Cash and cash equivalents comprise cash and bank overdrafts.

Financial ratios

Financial ratios are calculated in accordance with the Danish Society of Financial Analysts' guidelines on the calculation of financial ratios "Recommendations and Financial Ratios 2015".

The financial ratios stated in the survey of financial highlights have been calculated as follows:

Solvency ratio	$\frac{\text{Equity at year end} \times 100}{\text{Total equity and liabilities at year end}}$
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**Consolidated financial statements and parent company financial statements
3 October – 31 December**

Notes to the financial statements

	<u>Consolidated</u>	<u>Parent company</u>
DKK'000	2018 *	2018*
2 Staff costs		
Wages and salaries	6,850	0
Pensions	608	0
Other social security costs	93	0
	<u>7,551</u>	<u>0</u>
Average number of full-time employees	<u>14</u>	<u>0</u>
<p>The parent company has no employees and the Executive Board and the Board of directors did not receive remuneration.</p>		
3 Financial expenses		
Interest expenses to related parties	181	181
Other financial expenses	190	0
	<u>371</u>	<u>181</u>
4 Tax on profit/ loss for the year		
Adjustment of deferred tax	631	-45
	<u>631</u>	<u>-45</u>

* From 3 October 2018 to 31 December 2018

Consolidated financial statements and parent company financial statements 3 October – 31 December

Notes to the financial statements

5 Intangible assets

DKK'000	Consolidated			Total
	Goodwill	Completed development projects	Acquired intangible assets	
Cost at 3 October 2018	0	4,276	438	4,714
Additions during the year	1,860	0	0	1,860
Cost at 31 December 2018	1,860	4,276	438	6,574
Amortisation at 3 October 2018	0	0	0	0
Impairment loss	0	0	0	0
Amortisation	93	327	51	471
Amortisation at 31 December 2018	93	327	51	471
Carrying amount at 31 December 2018	1,767	3,949	387	6,103

6 Property, plant and equipment

DKK'000	Consolidated			Total
	Fixtures and fittings, other plant and equip.	Leasehold improvements		
Cost at 3 October 2018	9,612	291		9,903
Additions	947	206		1,153
Disposals	0	0		0
Cost at 31 December 2018	10,559	497		11,056
Depreciation at 3 October 2018	0	0		0
Depreciation	1,148	84		1,232
Depreciation on disposals	0	0		0
Depreciation at 31 December 2018	1,148	84		1,232
Carrying amount at 31 December 2018	9,411	413		9,824

DKK'000	Consolidated Other receivables
7 Other receivables	
Cost at 3 October 2018	0
Additions	290
Disposals	0
Cost at 31 December 2018	290
Carrying amount at 31 December 2018	290

Consolidated financial statements and parent company financial statements 3 October – 31 December

Notes to the financial statements

DKK'000	Parent company
	Investments in group enterprises
8 Investments in group enterprises	
Cost at 3 October 2018	0
Additions	7,500
Disposals	0
Cost at 31 December 2018	7,500
Value adjustments at 3 October 2018	0
Profit/loss for the year	1,963
Impairment and amortisation of goodwill	-93
Value adjustments at 31 December 2018	1,870
Carrying amount at 31 December 2018	9,370

Investments in group enterprises of DKK 9,370 thousand, include goodwill with a carrying amount of DKK 1,767 thousand at 31 December 2018.

Name and registered office	Voting rights and ownership
SubC Partner A/S, Denmark	100 %

DKK'000	Consolidated	Parent company
	2018	2018
9 Contract work in progress		
Selling price of work performed	27,586	0
Progress billings	-32,313	0
	-4,727	0

recognised as follows:

Contract work in progress (assets)	2,795	0
Contract work in progress (liabilities)	-7,522	0
	-4,727	0

10 Deferred tax		
Deferred tax at 3 October	4,859	0
Deferred tax on profit/loss for the year	-631	45
Deferred tax at 31 December	4,228	45

Consolidated financial statements and parent company financial statements 3 October – 31 December

Notes to the financial statements

11 Prepayments

Prepayments include accrual of expenses relating to subsequent financial years, including insurance policies, rent, staff healthcare and subscriptions.

12 Non-current liabilities

DKK'000	Falling due between 1 and 5 years	Falling due after more than 5 years	Total non- current liabilities at 31 December 2018	Current portion of non-current liabilities other than provisions
Consolidated / Parent company				
Subordinate loan capital	7,581	0	7,498	83
	7,581	0	7,498	83

13 Mortgages and collateral

Consolidated

The Group has provided a company charge of DKK 39,000 thousand as collateral for bank loans, etc. of DKK 23,052 thousand. The company charge comprises unsecured claims, inventories, property, plant, and equipment and intangible assets with a carrying amount of DKK 41,011 thousand at 31 December 2018.

Parent company

No mortgages and collateral.

14 Contractual obligations and contingencies, etc.

Consolidated

The Group has entered into leases with a combined lease payment of DKK 2,451 thousand. The remaining term of the leases is 1-38 months.

Parent Company

The Parent Company, is jointly taxed with the ultimate parent company. The companies included in the joint taxation have joint and several unlimited liability with other jointly taxed group entities for all corporate taxes etc. in the joint taxation.

DKK'000	Parent company 2018*
15 Appropriation of profit/ loss	
Recommended appropriation of profit/ loss	
Net revaluation reserve according to the equity method	1,870
Retained earnings	-159
	1,711

* From 3 October 2018 to 31 December 2018

Consolidated financial statements and parent company financial statements 3 October – 31 December

Notes to the financial statements

16 Related parties

Parent Company

Offshore Capital Partners ApS' related parties comprise the following:

Related parties exercising control

Related parties	Address/ registered office	Basis for exercising control
TKRV Holding ApS	Sahara 4, 6700 Esbjerg	Shareholding

Related party transactions

Consolidated and parent company

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.

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

Tonny Klein

Executive Board

On behalf of: Offshore Capital Partners ApS

Serial number: PID:9208-2002-2-100250216369

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NEM ID 

Peter Sønderlyng

Board of Directors

On behalf of: Offshore Capital Partners ApS

Serial number: PID:9208-2002-2-330753212132

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NEM ID 

Rune Værndal

Board of Directors

On behalf of: Offshore Capital Partners ApS

Serial number: PID:9208-2002-2-387396548149

IP: 212.112.xxx.xxx

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NEM ID 

Tonny Klein

Board of Directors

On behalf of: Offshore Capital Partners ApS

Serial number: PID:9208-2002-2-100250216369

IP: 103.2.xxx.xxx

2019-02-09 02:28:46Z

NEM ID 

Joachim Snebang Vanggaard Jensen

Board of Directors

On behalf of: Offshore Capital Partners ApS

Serial number: PID:9208-2002-2-223127631967

IP: 85.129.xxx.xxx

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NEM ID 

Morten Oestergaard Koch

State Authorised Public Accountant

On behalf of: Ernst & Young P/S

Serial number: CVR:30700228-RID:32977604

IP: 83.72.xxx.xxx

2019-02-11 07:40:03Z

NEM ID 

Mathilda Dam Jacobsen

Chairman

On behalf of: Offshore Capital Partners ApS

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