

Offshore Capital Partners ApS

Sahara 4, 6700 Esbjerg

CVR no. 39 91 07 80

Annual report 2019

Approved at the Company's annual general meeting on 17 February 2020

Chairman:

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Statement by the Board of Directors and the Executive Board

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of Offshore Capital Partners ApS for the financial year 1 January - 31 December 2019.

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

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2019 and of the results of the Company's operations for the financial year 1 January - 31 December 2019.

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

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

Esbjerg, 17 February 2020
Executive Board:

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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 financial statements of Offshore Capital Partners ApS for the financial year 1 January - 31 December 2019, which comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2019 and of the results of the Company's operations for the financial year 1 January - 31 December 2019 in accordance with the Danish Financial Statements Act.

Basis for opinion

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

Independence

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' 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 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 as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

Independent auditor's report

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

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

Statement on the Management's review

Management is responsible for the Management's review.

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

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

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

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

Esbjerg, 17 February 2020
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, Postal 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
Board of Directors	Peter Sønderlyng, Chairman Tonny Klein Rune Værndal Joachim Vanggaard
Executive Board	Tonny Klein
Auditors	Ernst & Young Godkendt Revisionspartnerselskab Havnegade 33, 6700 Esbjerg, Denmark

Management commentary

Business review

Offshore Capital Partners ApS invested in SubC Partner at 3 October 2018. The SubC Partner Group (SubC) is engaged in the Oil & Gas and renewables sectors. SubC is a full scope offshore contractor focusing on innovative technological approaches to the challenges of operating offshore installations.

SubC perform Subsea Inspections and Operations using our fleet of Remote Operated Vehicles (ROVs) and we have developed an innovative, safe and cost effective technology platform for operations and inspections in the hazardous Splash Zone environment – Our robotic Crawlers – which are operated by SubC personnel. As a full scope contractor SubC also manufacture, repair and maintain process modules, structures, process equipment and supply complete turnkey solutions for both the Oil & Gas and the Offshore Wind Industry. SubCs in house competences covers the entire value chain from engineering to installations and commissioning.

Financial review

The income statement for 2019 shows a profit of DKK 10,937 thousand against a profit of DKK 1,711 thousand last year, and the balance sheet at 31 December 2019 shows equity of DKK 12,748 thousand. Management considers the profit for the year to be satisfactory.

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 Company.

Outlook

SubC Partner enters 2020 with a strong organisation, a clear strategy and the outlook to an increased activity level, with expectations of a prospers 2020 with a profit for the year to be at the same level as for 2019.

Financial statements 1 January - 31 December

Income statement

Note	DKK'000	2019 12 months	2018 3 months
	Gross loss	-20	-23
2	Staff costs	0	0
	Profit/ loss before net financials	-20	-23
	Income from investments in group enterprises	11,420	1,870
3	Financial expenses	-599	-181
	Profit before tax	10,801	1,666
4	Tax for the year	136	45
	Profit for the year	10,937	1,711
	Recommended appropriation of profit		
	Net revaluation reserve according to the equity method	2,921	1,870
	Retained earnings/accumulated loss	8,016	-159
		10,937	1,711

Financial statements 1 January - 31 December

Balance sheet

Note	DKK'000	2019	2018
	ASSETS		
	Fixed assets		
5	Investments		
	Investments in group enterprises	12,291	9,370
		<u>12,291</u>	<u>9,370</u>
	Total fixed assets	<u>12,291</u>	<u>9,370</u>
	Non-fixed assets		
	Receivables		
	Receivables from group enterprises	299	0
	Deferred tax assets	45	45
	Corporation tax receivable	136	0
		<u>480</u>	<u>45</u>
	Total non-fixed assets	<u>480</u>	<u>45</u>
	TOTAL ASSETS	<u><u>12,771</u></u>	<u><u>9,415</u></u>

Financial statements 1 January - 31 December

Balance sheet

Note	DKK'000	2019	2018
	EQUITY AND LIABILITIES		
	Equity		
	Share capital	100	100
	Net revaluation reserve according to the equity method	4,791	1,870
	Retained earnings	7,857	-159
	Total equity	12,748	1,811
	Liabilities other than provisions		
	Non-current liabilities other than provisions		
	Subordinate loan capital	0	7,495
		0	7,495
	Current liabilities other than provisions		
	Short-term part of long-term liabilities other than provisions	0	86
	Other payables	23	23
		23	109
	Total liabilities other than provisions	23	7,604
	TOTAL EQUITY AND LIABILITIES	12,771	9,415

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

Financial statements 1 January - 31 December

Statement of changes in equity

DKK'000	Share capital	Net revaluation reserve according to the equity method	Retained earnings	Total
Equity at 1 January 2019	100	1,870	-159	1,811
Transfer through appropriation of profit	0	2,921	8,016	10,937
Equity at 31 December 2019	100	4,791	7,857	12,748

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of Offshore Capital Partners ApS for 2019 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.

In accordance with section 112(1) of the Danish Financial Statements Act, the Company has not prepared consolidated financial statements.

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

Reporting currency

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

Income statement

Gross loss

The items revenue 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.

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.

Profit from investments in subsidiaries

The item includes the Company's proportionate share of the profit/loss for the year in the 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 expenses

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

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.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Balance sheet

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.

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.

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.

Receivables

Receivables are measured at amortised cost.

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 and associates 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 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.

Financial statements 1 January - 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.

Financial statements 1 January - 31 December

Notes to the financial statements

2 Staff costs

The Company has no employees and the Executive Board and the Board of directors did not receive remuneration.

3 Financial expenses

Interest expenses, group entities	599	181
	<u>599</u>	<u>181</u>

4 Tax for the year

Estimated tax charge for the year	-136	0
Deferred tax adjustments in the year	0	-45
	<u>-136</u>	<u>-45</u>

5 Investments

DKK'000	Investments in group enterprises
Cost at 1 January 2019	7,500
Cost at 31 December 2019	7,500
Value adjustments at 1 January 2019	1,870
Dividend received	-8,500
Profit/loss for the year	11,793
Impairment and amortisation of goodwill	-372
Value adjustments at 31 December 2019	4,791
Carrying amount at 31 December 2019	12,291

Name	Interest
Subsidiaries	
SubC Partner A/S	100.00%

6 Contractual obligations and contingencies, etc.

Other contingent liabilities

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

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Tonny Klein

Executive Board

På vegne af: Offshore Capital Partners ApS

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NEM ID 

Tonny Klein

Board of Directors

På vegne af: Offshore Capital Partners ApS

Serienummer: PID:9208-2002-2-100250216369

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NEM ID 

Joachim Snebang Vanggaard Jensen

Board of Directors

På vegne af: Offshore Capital Partners ApS

Serienummer: PID:9208-2002-2-223127631967

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Rune Værndal

Board of Directors

På vegne af: Offshore Capital Partners ApS

Serienummer: PID:9208-2002-2-387396548149

IP: 185.37.xxx.xxx

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NEM ID 

Peter Sønderlyng

Chairman, Bord of Directors

På vegne af: Offshore Capital Partners ApS

Serienummer: PID:9208-2002-2-330753212132

IP: 62.66.xxx.xxx

2020-02-19 13:00:01Z

NEM ID 

Morten Oestergaard Koch

State Authorised Public Accountant

På vegne af: Ernst & Young P/S

Serienummer: CVR:30700228-RID:32977604

IP: 87.104.xxx.xxx

2020-02-19 13:38:13Z

NEM ID 

Mathilda Dam Jacobsen

Chairman

På vegne af: Offshore Capital Partners ApS

Serienummer: CVR:28702612-RID:68958639

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