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TETRASPAR DEMONSTRATOR APS
BREDGADE 30, 1260 KØBENHAVN K
ANNUAL REPORT
9 OCTOBER 2018 - 31 DECEMBER 2019

**The Annual Report has been presented and
adopted at the Company's Annual General
Meeting on 20 August 2020**

Elected: Jacob Winning Lehmann

CVR NO. 39 92 73 30

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COMPANY DETAILS

Company	TetraSpar Demonstrator ApS Bredgade 30 1260 Copenhagen K CVR No.: 39 92 73 30 Established: 9 October 2018 Registered Office: Copenhagen Financial Year: 9 October 2018 - 31 December 2019
Board of Directors	Henrik Stiesdal, chairman Christopher Lawrence Willow Niels Olaf Ahrengot Melissa Read
Board of Executives	Jacob Winning Lehmann
Auditor	BDO Statsautoriseret revisionsaktieselskab Fælledvej 1 5000 Odense C
Bank	Nordea Vestre Stationsvej 7, 2 5000 Odense C
Law Firm	Bech-Bruun Langelinie Allé 35 2100 Copenhagen

STATEMENT BY BOARD OF DIRECTORS AND BOARD OF EXECUTIVES

Today the Board of Directors and Board of Executives have discussed and approved the Annual Report of TetraSpar Demonstrator ApS for the financial year 9 October 2018 - 31 December 2019.

The Annual Report is presented in accordance with the Danish Financial Statements Act.

In our opinion the Financial Statements give a true and fair view of the Company's financial position at 31 December 2019 and of the results of the Company's operations for the financial year 9 October 2018 - 31 December 2019.

The Management's Review includes in our opinion a fair presentation of the matters dealt with in the Review.

We recommend the Annual Report be approved at the Annual General Meeting.

Copenhagen, 2 June 2020

Board of Executives

Jacob Winning Lehmann

Board of Directors

Henrik Stiesdal
Chairman

Christopher Lawrence Willow

Niels Olaf Ahrengot

Melissa Read

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of TetraSpar Demonstrator ApS

Opinion

We have audited the Financial Statements of TetraSpar Demonstrator ApS for the financial year 9 October 2018 - 31 December 2019, which comprise income statement, balance sheet, notes and a summary of significant accounting policies. The Financial Statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the Financial Statements give a true and fair view of the assets, liabilities and financial position of the Company at 31 December 2019 and of the results of the Company's operations for the financial year 9 October 2018 - 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 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 requirements. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

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

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism 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 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 Management's Review

Management is responsible for Management's Review.

Our opinion on the Financial Statements does not cover 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 Management's Review and, in doing so, consider whether 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 Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that 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 Management's Review.

Odense, 2 June 2020

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Jesper Bechsgaard Jørgensen
State Authorised Public Accountant
MNE no. mne31412

MANAGEMENT'S REVIEW

Principal activities

The principal activities of the company comprise development, utilization and sale of offshore technology and other related activities which, according to the Board's discretion, are deemed relevant for the purpose.

Significant events after the end of the financial year

No events have occurred after the end of the financial year of material importance for the company's financial position.

INCOME STATEMENT 9 OCTOBER - 31 DECEMBER

	Note	2018/19 EUR
GROSS LOSS.....		-2,087,758
OPERATING LOSS.....		-2,087,758
Other financial expenses.....	1	-35,986
LOSS BEFORE TAX.....		-2,123,744
Tax on profit/loss for the year.....		0
LOSS FOR THE YEAR.....		-2,123,744
PROPOSED DISTRIBUTION OF DIVIDEND		
Retained earnings.....		-2,123,744
TOTAL.....		-2,123,744

BALANCE SHEET AT 31 DECEMBER

ASSETS	Note	2019 EUR
Development projects in progress and prepayments.....		6,285,265
Intangible fixed assets.....	2	6,285,265
FIXED ASSETS.....		6,285,265
Other receivables.....		269,939
Receivables.....		269,939
Cash and cash equivalents.....		2,378,864
CURRENT ASSETS.....		2,648,803
ASSETS.....		8,934,068
EQUITY AND LIABILITIES		
Share capital.....		10,092,400
Reserve for development costs.....		6,285,265
Retained earnings.....		-8,409,009
EQUITY.....	3	7,968,656
Trade payables.....		965,412
Current liabilities.....		965,412
LIABILITIES.....		965,412
EQUITY AND LIABILITIES.....		8,934,068
 Charges and securities	 4	
Staff costs	5	

NOTES

	2018/19 EUR	Note		
Other financial expenses		1		
Other interest expenses.....	35,986			
	35,986			
 Intangible fixed assets		 2		
	Development projects in progress and prepayments			
Additions.....	6,285,265			
Cost at 31 December 2019.....	6,285,265			
 Carrying amount at 31 December 2019.....	 6,285,265			
<p>Capitalised development costs comprise supply and development costs of a new concept for a floating foundation for offshore turbines, for which the shareholders and the Board of Directors have huge expectations. Costs have been capitalised since the Final Investment Decision on January 14, 2019. The expenses incurred already for development of the floating foundation allow TetraSpar Demonstrator to be ready with a prototype in 2020, and allow for installation in 2021, which is expected to contribute positively to the company's earnings.</p> <p>Bearing the expectations for the future earnings in mind assuming an installed prototype in 2021, it is the Management's assessment that the development costs do fulfill the requirements for recognition and measurement, and that the valuation of development costs are made on a justifiable ground.</p>				
 Equity		 3		
	Share capital	Reserve for development costs		
		Retained earnings		
		Total		
Equity at 9 October 2018.....	947,600	0	0	947,600
Capital increase.....	9,144,800			9,144,800
Proposed distribution of profit.....			-2,123,744	-2,123,744
Transferred to reserve for development costs.....		6,285,265	-6,285,265	
 Equity at 31 December 2019.....	 10,092,400	 6,285,265	 -8,409,009	 7,968,656
 Charges and securities				 4
None				
 Staff costs				 5
Average number of employees				
1				

ACCOUNTING POLICIES

The Annual Report of TetraSpar Demonstrator ApS for 2018/19 has been presented in accordance with the provisions of the Danish Financial Statements Act for enterprises in reporting class B and certain provisions applying to reporting class C.

The Annual Report is prepared with the following accounting principles.

INCOME STATEMENT

Cost of sales

Cost of sales comprise costs incurred to achieve the net revenue for the year, including direct and indirect costs of raw materials and consumables and development cost.

Other external expenses

Other external expenses include cost of sales, advertising, administration, buildings, bad debts, operating lease expenses, etc.

Financial income and expenses

Financial income and expenses include interest income and expenses, financial expenses of finance leases, realised and unrealised gains and losses arising from investments in financial assets, debt and transactions in foreign currencies, amortisation of financial assets and liabilities as well as charges and allowances under the tax-on-account scheme etc. Financial income and expenses are recognised in the income statement by the amounts that relate to the financial year.

Tax

The tax for the year, which consists of the current tax for the year and changes in deferred tax, is recognised in the income statement by the portion that may be attributed to the profit for the year, and is recognised directly in the equity by the portion that may be attributed to entries directly to the equity.

BALANCE SHEET

Intangible fixed assets

Development costs comprise costs, which directly or indirectly can be related to the company's development activities and which fulfil the criteria for recognition.

Capitalised development costs are measured at the lower of cost less accumulated amortisation or recoverable amount.

Capitalised development costs are amortised on a straight-line basis over the estimated useful life after completion of the development work. The amortisation period is normally 5 years.

Impairment of fixed assets

The carrying amount of intangible fixed assets are valued on an annual basis for indications of impairment other than that reflected by amortisation and depreciation.

In the event of impairment indications, an impairment test is made for each asset or group of assets, respectively. If the recoverable amount is lower than the carrying amount, the asset is written down to the carrying amount.

The recoverable amount is calculated at the higher of net selling price and capital value. The capital value is determined as the fair value of the expected net cash flows from the use of the asset or group of assets and the expected net cash flows from sale of the asset or group of assets after the end of its useful life.

ACCOUNTING POLICIES

Receivables

Receivables are measured at amortised cost which usually corresponds to nominal value. The value is written down to meet expected losses.

Tax payable and deferred tax

Current tax liabilities and receivable current tax are recognised in the balance sheet as the calculated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and taxes paid on account.

Deferred tax is measured on the temporary differences between the carrying amount and the tax value of assets and liabilities.

Deferred tax assets, including the tax value of tax loss carry-forwards, are measured at the expected realisable value of the asset, either by set-off against tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that under the legislation in force on the balance sheet date will be applicable when the deferred tax is expected to crystallise as current tax. Any changes in the deferred tax resulting from changes in tax rates, are recognised in the income statement, except from items recognised directly in equity.

Liabilities

Financial liabilities are recognised at the time of borrowing by the amount of proceeds received less borrowing costs. In subsequent periods, the financial liabilities are measured at amortised cost equal to the capitalised value when using the effective interest, the difference between the proceeds and the nominal value being recognised in the Income Statement over the term of loan.

Amortised cost for short-term liabilities usually corresponds to the nominal value.