



Polytech Test & Validation A/S

Industrivej 37
6740 Bramming
CVR No. 40013792

Annual report 2020

The Annual General Meeting adopted the
annual report on 28.06.2021

Knud Andersen
Conductor

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Entity details

Entity

Polytech Test & Validation A/S

Industrivej 37

6740 Bramming

CVR No.: 40013792

Registered office: Esbjerg

Financial year: 01.01.2020 - 31.12.2020

Board of Directors

Knud Andersen, Chairman

Bjarne Kveim Lie

Erik Laursen

Matthias Albert Harmen Schubert

Executive Board

Mads Kirkegaard, CEO

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Dokken 8

P. O. Box 200

6701 Esbjerg

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of Polytech Test & Validation A/S for the financial year 01.01.2020 - 31.12.2020.

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

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

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Bramming, 31.03.2021

Executive Board

Mads Kirkegaard
CEO

Board of Directors

Knud Andersen
Chairman

Bjarne Kveim Lie

Erik Laursen

Matthias Albert Harmen Schubert

Independent auditor's extended review report

To the shareholders of Polytech Test & Validation A/S

Conclusion

We have performed an extended review of the financial statements of Polytech Test & Validation A/S for the financial year 01.01.2020 - 31.12.2020, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

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

Basis for conclusion

We conducted our extended review in accordance with the assurance engagement standard for small enterprises as issued by the Danish Business Authority and the standard on extended review of financial statements prepared in accordance with the Danish Financial Statements Act as issued by FSR - Danish Auditors. 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 are independent of the Entity 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 Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless Management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the 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 about our conclusion on the financial statements and that we also perform specifically required supplementary procedures for the purpose of obtaining additional assurance about our conclusion.

An extended review consists of making inquiries, primarily of management and, if appropriate, of other entity

personnel, performing analytical and the specifically required supplementary procedures as well as evaluating the evidence obtained.

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

Statement on the management commentary

Management is responsible for the management commentary.

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

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

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

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

Esbjerg, 31.03.2021

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Mikael Grosbøl

State Authorised Public Accountant
Identification No (MNE) mne33707

Management commentary

Primary activities

The objective of the Company is to carry on business within the fields of testing, validation and inspection of polymeric and metal products and any associated equipment and tools as well as any other activities that the board of Directors deems ancillary or related hereto.

Development in activities and finances

Profit for the year amounts to EUR 326k (EUR 171K in 2019). On 31 December 2020 equity stands at EUR 711k (EUR 383k in 2019).

Environmental performance

The Company is certified to:

ISO 9001:2015 Quality Management System

ISO 14001:2015 Environmental Management System

ISO 29001 Quality Management System within the Oil & Gas Industry

which is subject to inspection on a current basis to ensure a constant monitoring of the Company's quality and compliance to the ISO standards.

Furthermore, the Company have been certified to "Bureau Veritas requirements for the contribution of the organization in order to reach the 17 sustainable development goals defined by UN" in 2020.

The management systems are examined and updated on a current basis to ensure improvement on key parameters.

Events after the balance sheet date

The COVID-19 pandemic throughout the world can potentially have an influence on the business for PolyTech Test & Validation A/S in 2021. The spread of COVID-19 has not materially impacted PolyTech Test & Validation A/S business activities during 2020 although the aftermarket activities was lower than expected at the beginning of 2020.

However, currently it is not possible to predict the influence in the coming months. As the potential impact is unknown at this time, this has not been included when setting the expectations for activity and earnings in 2021.

Income statement for 2020

	Notes	2020 EUR'000	2019 EUR'000
Gross profit/loss		1,978	1,672
Staff costs	2	(833)	(684)
Depreciation, amortisation and impairment losses	3	(594)	(612)
Operating profit/loss		551	376
Other financial expenses	4	(132)	(158)
Profit/loss before tax		419	218
Tax on profit/loss for the year	5	(93)	(47)
Profit/loss for the year		326	171
Proposed distribution of profit and loss			
Retained earnings		326	171
Proposed distribution of profit and loss		326	171

Balance sheet at 31.12.2020

Assets

	Notes	2020 EUR'000	2019 EUR'000
Acquired intangible assets		5	16
Goodwill		570	688
Intangible assets	6	575	704
Other fixtures and fittings, tools and equipment		2,730	3,133
Leasehold improvements		344	12
Property, plant and equipment in progress		897	591
Property, plant and equipment	7	3,971	3,736
Deposits		61	61
Other financial assets	8	61	61
Fixed assets		4,607	4,501
Manufactured goods and goods for resale		3	2
Inventories		3	2
Trade receivables		183	89
Contract work in progress	9	122	135
Income tax receivable		0	67
Prepayments		3	10
Receivables		308	301
Cash		152	60
Current assets		463	363
Assets		5,070	4,864

Equity and liabilities

	Notes	2020 EUR'000	2019 EUR'000
Contributed capital		67	67
Retained earnings		644	316
Equity		711	383
Deferred tax		171	114
Provisions		171	114
Lease liabilities		0	27
Non-current liabilities other than provisions	10	0	27
Current portion of non-current liabilities other than provisions	10	0	13
Trade payables		101	58
Payables to group enterprises		3,734	4,019
Income tax payable		36	0
Other payables		317	250
Current liabilities other than provisions		4,188	4,340
Liabilities other than provisions		4,188	4,367
Equity and liabilities		5,070	4,864
Events after the balance sheet date	1		
Unrecognised rental and lease commitments	11		
Contingent liabilities	12		
Related parties with controlling interest	13		
Transactions with related parties	14		
Group relations	15		

Statement of changes in equity for 2020

	Contributed capital EUR'000	Retained earnings EUR'000	Total EUR'000
Equity beginning of year	67	316	383
Exchange rate adjustments	0	2	2
Profit/loss for the year	0	326	326
Equity end of year	67	644	711

Notes

1 Events after the balance sheet date

The COVID-19 pandemic throughout the world can potentially have an influence on the business for PolyTech Test & Validation A/S in 2021. The spread of COVID-19 has not materially impacted PolyTech Test & Validation A/S business activities during 2020.

However, currently it is not possible to predict the influence in the coming months. As the potential impact is unknown at this time, this has not been included when setting the expectations for activity and earnings in 2021.

2 Staff costs

	2020 EUR'000	2019 EUR'000
Wages and salaries	733	605
Pension costs	85	61
Other social security costs	12	14
Other staff costs	3	4
	833	684
Average number of full-time employees	13	11

3 Depreciation, amortisation and impairment losses

	2020 EUR'000	2019 EUR'000
Amortisation of intangible assets	131	139
Depreciation of property, plant and equipment	463	473
	594	612

4 Other financial expenses

	2020 EUR'000	2019 EUR'000
Financial expenses from group enterprises	129	154
Other financial expenses	3	4
	132	158

5 Tax on profit/loss for the year

	2020 EUR'000	2019 EUR'000
Current tax	36	(67)
Change in deferred tax	57	114
	93	47

6 Intangible assets

	Acquired intangible assets EUR'000	Goodwill EUR'000
Cost beginning of year	35	808
Exchange rate adjustments	0	2
Cost end of year	35	810
Amortisation and impairment losses beginning of year	(19)	(120)
Amortisation for the year	(11)	(120)
Amortisation and impairment losses end of year	(30)	(240)
Carrying amount end of year	5	570

7 Property, plant and equipment

	Other fixtures and fittings, tools and equipment EUR'000	Leasehold improvements EUR'000	Property, plant and equipment in progress EUR'000
Cost beginning of year	3,676	42	591
Exchange rate adjustments	10	0	2
Transfers	0	296	(296)
Additions	17	71	600
Cost end of year	3,703	409	897
Depreciation and impairment losses beginning of year	(543)	(30)	0
Exchange rate adjustments	(3)	1	0
Depreciation for the year	(427)	(36)	0
Depreciation and impairment losses end of year	(973)	(65)	0
Carrying amount end of year	2,730	344	897
Recognised assets not owned by entity	3	0	0

8 Financial assets

	Deposits EUR'000
Additions	61
Cost end of year	61
Carrying amount end of year	61

9 Contract work in progress

	2020 EUR'000	2019 EUR'000
Contract work in progress	122	208
Progress billings regarding contract work in progress	0	(73)
	122	135

10 Non-current liabilities other than provisions

	Due within 12 months 2019 EUR'000
Lease liabilities	13
	13

11 Unrecognised rental and lease commitments

	2020 EUR'000	2019 EUR'000
Liabilities under rental or lease agreements until maturity in total	76	0

12 Contingent liabilities

The Entity participates in a Danish joint taxation arrangement where VC VII Jupiter Holding ApS serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc for the jointly taxed entities. The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial statements.

13 Related parties with controlling interest

VC VIII Polytech Holding ApS, Bramming, Denmark (Parent company)

VC VIII Polytech Holding Norge AS, Oslo, Norway (Parent company of VC VIII Polytech Holding ApS)

JBP Holding AS, Oslo, Norway (Parent company of VC VIII Polytech Norge AS)

Verdane Capital VIII K/S, Copenhagen, Denmark (Ultimate parent company)

14 Transactions with related parties

Only non-arm's length transactions with related parties are disclosed in the financial statements. All related party transactions carried out during the financial year have been made on an arm's length basis.

15 Group relations

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:

JBP Holding AS, reg. no. 822 262 252, Oslo, Norway.

Accounting policies

Reporting class

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

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

Recognition and measurement

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

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

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

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

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

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date, are recognised in the income statement as financial income or financial expenses. Property, plant and equipment, intangible assets, inventories and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, changes in inventories of finished goods and work in progress, own work capitalised, other operating income, cost of raw materials and consumables and external expenses.

Revenue

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

Own work capitalised

Own work capitalised comprises staff costs and other costs incurred in the financial year and recognised in cost for proprietary intangible assets and property, plant and equipment.

Costs of raw materials and consumables

Costs of raw materials and consumables comprise the consumption of raw materials and consumables for the financial year after adjustment for changes in inventories of these goods from the beginning to the end of the year. This item includes shrinkage, if any, and ordinary writedowns of the relevant inventories.

Other external expenses

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

Staff costs

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

Depreciation, amortisation and impairment losses

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

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital or exchange losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities, and tax surcharge under the Danish Tax Prepayment Scheme etc.

Tax on profit/loss for the year

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

The Entity is jointly taxed with all Danish group enterprises and VC VIII Jupiter Holding ApS including its Danish subsidiaries. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

Balance sheet**Goodwill**

Goodwill is the positive difference between cost and fair value of assets and liabilities arising from acquisitions. Goodwill is amortised straight-line over its estimated useful life, which is fixed based on the experience gained by Management for each business area. The amortisation periods used are 7 years.

Goodwill is written down to the lower of recoverable amount and carrying amount.

Intellectual property rights etc

Intellectual property rights etc comprise development projects completed and in progress with related

intellectual property rights, acquired intellectual property rights and prepayments for intangible assets.

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

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

Property, plant and equipment

Land and buildings, plant and machinery, and other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation. For self-constructed assets, cost comprises direct and indirect costs of materials, components, sub-suppliers and labour costs. For assets held under finance leases, cost is the lower of the asset's fair value and present value of future lease payments.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Other fixtures and fittings, tools and equipment	3-6 years
Leasehold improvements	7 years

Estimated useful lives and residual values are reassessed annually.

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

Inventories

Inventories are measured at the lower of cost using the FIFO method and net realisable value.

Cost consists of purchase price plus delivery costs. Cost of manufactured goods and work in progress consists of costs of raw materials, consumables, direct labour costs and indirect production costs.

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

Receivables

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

Contract work in progress

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

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

Each contract in progress is recognised in the balance sheet under receivables or liabilities other than provisions, depending on whether the net value, calculated as the selling price less prepayments received, is positive or

negative.

Tax payable or receivable

Current tax payable or receivable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.

Prepayments

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

Cash

Cash comprises cash in hand and bank deposits.

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Lease liabilities

Lease commitments relating to assets held under finance leases are recognised in the balance sheet as liabilities other than provisions, and, at the time of inception of the lease, measured at the present value of future lease payments. Subsequent to initial recognition, lease commitments are measured at amortised cost. The difference between present value and nominal amount of the lease payments is recognised in the income statement as a financial expense over the term of the leases.

Other financial liabilities

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