

IHAB Business Development ApS

Sverigesgade 4
5000 Odense C

Annual Report
5 July 2019 – 30 June 2020

**The Annual Report was presented and adopted at the Annual General Meeting of the Company on
30 September 2020**

Per Lønborg-Andersen

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Corporate Information

Company	IHAB Business Development ApS Sverigesgade 4 5000 Odense C CVR no.: 40645535 Financial year: 05/07/2019-30/06/2020
Bank	Danske Bank, Department: Holmens Kanal Holmens Kanal 2 1092 København K DK Danmark
Auditor	PRICEWATERHOUSECOOPERS STATSAUTORISERET REVISIONSPARTNERSELSKAB Strandvejen 44 2900 Hellerup DK Danmark CVR no.: 33771231

Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of IHAB Business Development ApS for the financial year 5 July 2019 – 30 June 2020.

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 30 June 2020 and of the results of the Company operations for the financial year 5 July 2019 – 30 June 2020 in accordance with the Danish Financial Statements Act.

Further, in our opinion, the information provided in Management's Review is consistent with the Financial Statements.

We recommend that the Annual Report be adopted at the Annual General Meeting.

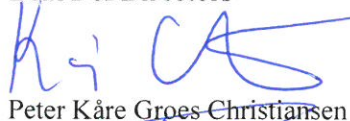
Odense, on 30 September 2020

Executive Board



Peter Kåre Groes Christiansen

Board of Directors



Peter Kåre Groes Christiansen



Jytte Rayn Jyrkinewsky



Poul Præstegaard Skadhede

Independent Auditor's Report

To the shareholders of IHAB Business Development ApS

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 30 June 2020 and of the results of the Company's operations for the financial year 5 July 2019 - 30 June 2020 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of IHAB Business Development ApS for the financial year 5 July 2019 - 30 June 2020, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("the Financial Statements").

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 rules and requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 in 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, in our view, 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 in Management's Review.

Independent Auditor's Report

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 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.
- 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 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, where such disclosures are not adequate, 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.

Independent Auditor's Report

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.

Hellerup, 30 September 2020

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Jacob Fromm Christiansen
State Authorised Public Accountant
mne18628

Kim Danstrup
State Authorised Public Accountant
mne32201

Management's Review

Main activity

IHAB Business Development ApS market Intellectual Property Rights (IPR) and licenses to Intellectual Property Rights (IPR Licenses) related to ship design within the maritime sector.

Development in activities and financial affairs

In its first year of operation, IHAB Business Development ApS has entered into both sale and purchase agreements regarding IPR Licenses.

IHAB Business Development ApS has in the company's first financial year realised a turnover of DKK 94.5 million and net profit for the year amounts to DKK 26.6 million.

Management finds the company's annual result and financial situation satisfactory.

The company expects a positive result in 20/21.

Special risks

IHAB Business Development ApS' liabilities and obligations has been accessed by management and in the relevant situations, provisions has been made in the annual report to cover these liabilities and obligations. Provisions relate to future estimates regarding warranties and other obligations and are uncertain by nature.

Apart from currency risks, the company does not have any further financial risks.

External environmental impact and measures to prevent or mitigate their damage cf. Årsregnskabsloven §99

IHAB Business Development ApS is a part of Valcon Business Development A/S. Referring to the annual report and management's review of this company in respect of the group's external environmental impact and measures to prevent or mitigate their damage.

Financial Highlights

	2019/20 DKK'000
Key figures	
Net revenue	109,793
Gross profit/loss	36,994
Operating profit/loss	35,619
Net financials	-1,565
Net profit/loss for the year	26,562
Fixed assets	13,625
Non-current assets	16,336
Current assets	62,696
Balance sheet total	92,657
Equity	26,662
Key figures	
Profit margin	32.4%
Return on invested capital	94.2%
Gross margin	33.7%
Solvency ratio	28.8%
Return on equity	199.2%
Average number of employees	0

The ratios have been prepared in accordance with the recommendations and guidelines issued by the Danish Society of Financial Analysts. For definitions, see under accounting policies.

Income Statement as at 5 July 2019 – 30 June 2020

	Note	2019/20 DKK
Net revenue		109,792,500
External expenses		<u>-72,798,294</u>
Gross profit/loss		36,994,206
Amortisation, depreciation and impairment losses		<u>-1,375,000</u>
Operating profit/loss		35,619,206
Other financial expenses		<u>-1,565,343</u>
Profit/loss from ordinary activities before tax		34,053,863
Tax on profit/loss for the year	1	<u>-7,491,850</u>
Net profit/loss for the year.....		<u>26,562,013</u>
Proposed distribution of profit	2	

Balance Sheet as at 30 June 2020

	Note	<u>2019/20</u> <u>DKK</u>
Assets		
Ship designs	3	13,625,000
Total intangible assets		13,625,000
Total fixed assets		13,625,000
Other long-term receivables		16,335,600
Total non-current assets		16,335,600
Trade receivables		34,592,000
Deferred tax assets	4	10,024,947
Other receivables		1,034,300
Total receivables		45,651,247
Cash at bank and in hand		17,044,739
Total current assets		62,695,986
Total assets		92,656,586

Balance Sheet as at 30 June 2020

	Note	<u>2019/20 DKK</u>
Liabilities and equity		
Registered capital, etc.		100,000
Retained earnings		<u>26,562,013</u>
Total equity		26,662,013
Long-term payables to group enterprises		2,041,975
Other long-term provisions.....		<u>46,335,801</u>
Total long-term debt		48,377,776
Payables to group enterprises		17,516,797
Other payables, including taxes		<u>100,000</u>
Total short-term debt		17,616,797
Total payables		<u>65,994,573</u>
Total liabilities and equity		<u>92,656,586</u>
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Statement of changes in equity

Total equity

	Company capital DKK	Retained earnings DKK	In total DKK
Balance at the beginning 5 July 2019	100,000	0	100,000
Allocation of profits	0	26,562,013	26,562,013
Equity at the end of the year	100,000	26,562,013	26,662,013

Registered capital, etc.

The share capital consists of 100,000 shares of a nominal value of DKK 1. The shares are not divided into classes. No shares carry special rights.

Changes in the share capital in the past financial years:

	DKK
Initial share capital at 5 July 2019	100,000
Share capital at the end of the year	100,000

Notes

1. Tax on profit/loss for the year

	2019/20 DKK
Current tax	-17,516,797
Changes in deferred tax	10,024,947
Tax on profit/loss for the year	-7,491,850

2. Proposed distribution of profit

	2019/20 DKK
Retained earnings	26,562,013
Total	26,562,013

3. Total intangible assets

	Ship designs DKK
Cost at the beginning of the year	0
Additions	15,000,000
Cost at the end of the year	15,000,000
Amortisation, depreciation and impairment losses at the beginning of the year	0
Amortisation, depreciation and impairment losses during the year	-1,375,000
Amortisation, depreciation and impairment losses at the end of the year	-1,375,000
Carrying amount at the end of the year	13,625,000

4. Deferred tax asset

	2019/20 DKK
Deferred tax at the beginning of the year	0
Changes in deferred tax	10,024,947
Deferred tax at the end of the year	10,024,947

	2019/20 DKK
Provisions	10,193,875
Intangible assets	-168,928
Deferred tax assets	10,024,947

Notes

5. Information on average number of employees

The company has no employees other than the company's director.

6. Contingent liabilities

The Company is jointly taxed with other enterprises in the Valcon Business Development A/S group. As a jointly taxed company, not wholly-owned, the Company has limited and secondary liability for Danish corporation taxes in the joint taxation group. The total amount of corporation tax payable is disclosed to SKAT in the Annual Report of Valcon Business Development A/S, CVR no. 28 68 10 11, which is the management company in respect of joint taxation. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

The company pledged DKK 4 million as security for a forward exchange contract.
The amount is therefore not readily available for cash.

7. Related parties and ownership

Information relating to owners

The following shareholder is recorded in the Company's register of shareholders as holding at least 5% of the votes or at least 5% of the share capital:

Valcon Business Development A/S, Meldahlsgade 5, 2., 1613 Copenhagen V
OMT Medarbejder Holding ApS, c/o Valcon A/S, Meldahlsgade 5, 2., 1613 Copenhagen V
Investeringselskabet af 27. august 2018 ApS, Rågevej 2, 2900 Hellerup
Kåre Groes Christiansen Holding ApS, Hestehavevej 79, 4720 Præstø

Information relating to group

The Company's Financial Statements are included in the Consolidated Financial Statements of Valcon Business Development A/S, Meldahlsgade 5, 2., 1613 Copenhagen V, CVR no. 28 68 10 11

8. Events after the balance sheet date

No events materially influencing the Company's financial position as at 30 June 2020 have occurred.

Notes

9. Accounting policies

The Annual Report has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to medium sized class C enterprises.

In accordance with section 86 (4) of the Danish Financial Statements Act, a cash flow statement has not been prepared.

The Financial Statements are presented in Danish kroner.

Recognition and measurement

Revenues are recognised in the Income Statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the Income Statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the Income Statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the Balance Sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of a constant effective interest rate over the maturity period. Amortised cost is calculated as original cost less any repayments and with addition/deduction of the cumulative amortisation of any difference between cost and the nominal amount. In this way, capital losses and gains are allocated over the maturity period.

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Notes

Income Statement

Net revenue

Revenue from the sale of goods is recognised when the risks and rewards relating to the goods sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Company.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

External expenses

External expenses comprise expenses related to sales, estimated warranties, advertising, administration, other obligations, etc.

Financial income and expenses

Financial income and expenses include interest income and expenses, realised and unrealised capital gains and losses on debt and transactions in foreign currencies as well as allowances and surcharges under the Danish Tax Prepayment Scheme, etc.

Tax on profit/loss for the year

IHAB Business Development ApS is subject to the Danish rules on compulsory joint taxation applicable for the Valcon Business Development A/S group's Danish subsidiaries. Subsidiaries are included in the joint taxation in the period when the parent has controlling interest.

The Company's parent company, Valcon Business Development A/S, acts as administration company in relation to the joint taxation and thus settles all corporate tax payments with the tax authorities.

The current Danish corporation tax is allocated among the jointly taxed companies in proportion to their respective taxable income. Companies contributing a tax loss being set off against taxable income in another company receive a cash payment equal to the tax value of the loss from the Company using the loss to reduce its own taxable income.

Tax for the year that comprises current joint taxation contributions and changes in deferred tax is recognised in the Income Statement.

Notes

Balance

Impairment of fixed assets

The carrying amounts of intangible assets, investment in associates and property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

If so, the asset or the group of assets is written down. If so, the asset or the group of assets is written down to its lower recoverable amount.

Recoverable amount for the asset is determined as the highest value of net sales price and the net present value. Net present value is determined as the present value of expected net cash flows from the use of the asset or the group of assets.

Receivables

Receivables are recognised at the lower of amortised cost.

Provisions for estimated bad debts are made based on an individual impairment assessment of a receivable or group of receivables.

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and short-term securities with a duration less than three months that are readily convertible to cash and are subject to an insignificant risk of changes in value.

Equity – dividend

Proposed dividends for the year are recognised as a liability when approved by the Annual General Meeting (declaration date). Dividend proposed for the year is disclosed as a separate equity item.

Corporation tax and deferred tax

Receivables and payable joint taxation contributions are recognised in the balance sheet in receivables/payables from group enterprises.

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the accounting and tax bases of assets and liabilities. However, deferred income tax of temporary differences related to non-deductible goodwill, office premises or other items where temporary differences occur at the time of acquisition without influencing results or taxable income is not recognised. In case the value for tax purposes can be determined following alternative tax rules, deferred tax is measured on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets including the tax base of tax losses to be carried forward are recognised at the expected value of their utilisation, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity and jurisdiction.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation in the countries in question at the balance sheet date when the deferred tax is expected to crystallise as current tax.

Notes

Debt

Financial debts are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, financial debts are measured at amortised cost. Other debts are measured at net realisable value.

Other long-term provisions

Other long-term provisions include warranty obligations in respect of recognized revenue. Provisions are measured and recognised based on experience with similar work.

Key figures and financial highlights

Ratios stated in financial highlights have been prepared as follows:

Profit margin:	$\text{Operating profit/loss} \times 100 / \text{net revenue}$
Invested capital:	Total assets less cash and cash equivalents and other interest-bearing assets (including shares)
Gross margin:	$\text{Gross profit} \times 100 / \text{net revenue}$
Solvency ratio:	$\text{Equity at the end of the year} \times 100 / \text{total liabilities and equity at the end of the year}$
Return on equity:	$\text{Net profit for the year} \times 100 / \text{average equity}$
Return on invested capital:	$\text{Operating profit/loss} \times 100 / \text{average invested capital}$