TKRV Holding ApS

Sahara 4, 6700 Esbjerg

CVR no. 39 90 63 84

Annual report 2021

Approved at the Company's annual general meeting on 30 June 2022

Chair of the meeting:

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Mathilda Dam Jacobsen

Contents

Statement by the Executive Board	**2**
Independent auditor's report	**3**
Management's review	**5**
Consolidated financial statements and parent company financial statements 1 January - 31 December	**10**
Income statement	10
Balance sheet	11
Statement of changes in equity	13
Cash flow statement	14
Notes to the financial statements	15

Statement by the Executive Board

Today, the Executive Board has discussed and approved the annual report of TKRV Holding ApS for the financial year 1 January - 31 December 2021.

The annual report is 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 Company at 31 December 2021 and of the results of the Group's and the Company's operations and of the consolidated cash flows for the financial year 1 January - 31 December 2021.

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

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

Esbjerg, 30 June 2022
Executive Board:

Tonny Klein	Rune Værndal

Independent auditor's report

To the shareholders of TKRV Holding ApS

Opinion

We have audited the consolidated financial statements and the parent company financial statements of TKRV Holding ApS for the financial year 1 January - 31 December 2021, which comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies, for 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 2021, and of the results of the Group's and Parent Company's operations as well as the consolidated cash flows for the financial year 1 January - 31 December 2021 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 consolidated financial statements and the parent Company financial statements" (herinafter 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 the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

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 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:

Independent auditor's report

- 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.

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.

Esbjerg, 30 June 2022
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Morten Østergaard Koch State Authorised Public Accountant mne35420	Mads Klausen State Authorised Public Accountant mne46588

Management's review

Company details

Name	TKRV Holding ApS
Address, Postal code, City	Sahara 4, 6700 Esbjerg
CVR no.	39 90 63 84
Established	1 October 2018
Registered office	Esbjerg
Financial year	1 January - 31 December
Executive Board	Tonny Klein
	Rune Værndal
Auditors	EY Godkendt Revisionspartnerselskab
	Bavnehøjvej 5, 6700 Esbjerg, Denmark

Management's review

Financial highlights for the Group

DKK'000	2021 12 months	2020 12 months	2019 12 months	2018 4 months
Key figures				
Gross profit/loss	40,225	45,091	58,670	11,942
Profit before interest and tax (EBIT)	-9,899	481	15,246	2,688
Operating profit/loss	-9,045	-906	15,126	2,688
Net financials	-636	-449	-1,031	-343
Profit/loss for the year	**-8,198**	**826**	**11,015**	**1,714**
Total assets	51,793	45,449	34,698	50,614
Equity	**5,438**	**13,636**	**12,809**	**1,794**
Cash flows from operating activities	-8,419	5,432	25,026	-4,273
Net cash flows from investing activities	-1,809	-14,156	-3,680	-26,303
Amount relating to investments in property, plant and equipment	-3,684	-12,646	-3,049	-1,152
Cash flows from financing activities	10,145	8,709	-21,231	30,576
Total cash flows	**-83**	**-15**	**115**	**0**
Financial ratios				
Return on assets	-18.6%	-2.3%	35.5%	5.3%
Equity ratio	7.4%	21.0%	25.9%	2.5%
Return on equity	-85.8%	6.2%	150.9%	95.5%
Average number of full-time employees	**67**	**61**	**54**	**14**

The financial ratios stated under "Financial highlights" have been calculated as follows:

Ordinary operating profit/loss: Profit/loss before financial items adjusted for other operating income and other operating expenses

Return on assets: $\frac{\text{Profit/loss from operating activites x 100}}{\text{Average assets}}$

Equity ratio: $\frac{\text{Equity excl. non-controlling interests, year-end x 100}}{\text{Total equity and liabilities, year-end}}$

Return on equity: $\frac{\text{Profit/loss for the year after tax ex. non-controlling interests x 100}}{\text{Average equity ex. non-controlling interests}}$

Management's review

Business review

TKRV Holding ApS owns shares in Offshore Capital Partners ApS, which invested in SubC Partner A/S at 3 October 2018. The SubC Partner Group 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 Partner A/S (SubC) is engaged in the on and offshore Energy sectors. SubC is a full scope Contractor focusing on innovative technological approaches to deliver efficient and sustainable services.

As a full scope contractor SubC Engineer, Manufacture, Repair and Maintain process modules, structures, process equipment and supply complete turnkey solutions for the entire energy sector.

SubCs in-house competences covers the entire value chain from engineering to installations and commissioning.

Further to being a full scope contractor we also operate a high technological subsea business. Using our proprietary knowhow we perform 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.

Financial review

The revenue and result for 2021 is affected negative by the COVID-19 Pandemic. The Group's strategy for globalizing a various range of the innovative solutions have been offset due to COVID-19 lockdowns in most of the world. Adding to the COVID restrictions The Group also experienced existing projects was postponed into 2022.

The Group has maintained all Staff and facilities during 2021 to secure capabilities going in to 2022.

Profit after tax amounted to DKK -8.198 thousand compared to DKK 826 thousand last year. Equity at 31 December 2021 amounted to DKK 5,438 thousand compared to DKK 13,636 thousand at 31 December 2020.

Development of new concept/products

The Group will review existing product lines and optimize the value propositions related to these. The three product lines are JibFlex, Subsea Robots and Walkway system. Further to this SubC is currently developing below solutions.

- ACOMAR:
  The Group is currently researching a next generation autonomous inspection robot. This research project is jointly developed with the University of Aalborg and Sihm Højtryk that provides a bespoke cleaning method.

  The aim of the project is to develop a sensing next generation inspection robot that will greatly autonomize the inspection and reduce the human workload and specialist knowledge involved today.

- SubC Coala Cleaning Robot:
  In collaboration with Shell Deepsea Robotics, we are developing a new Robot that aims to make cleaning of subsea risers a task so simple that the equipment is simply installed on every FPSO/platform without the need to involve outside assistance when cleaning. The design is grounded in the original Crawler technology.

  A pathfinder prototype has already been built and the next seaworthy prototype is being brought online after the summer. Initial contact has shown a great potential for this product outside Shell also.

  The matured product is on track for summer campaign in 2022 with a new customer.

Management's review

Future expectations

The Group enters 2022 with a strong organization, a clear strategy, and the outlook to an increased activity level, with a strong backlog of projects. Based hereon, Management expects an increased level of activity - that is, more than 70%increase in revenue in 2022 compared to 2021and a positive result for 2022. The development in 2022 will – together with the long-term, Fabric Maintenance Contract (FMC) for TotalEnergies cf. below – have a Positive-Impact on The Group going forward.

Unchanged strategy

SubC expect unchanged execution of the strategy in 2022. SubC will continue to establish its strong position as a service provider delivering a long value chain from engineering to installation/operation and commissioning - A 360-degree position that continuingly is sought for in the market. The focus will be on offshore oil/gas, renewables, and other energy sectors, including "power-to-x".

Events after the balance sheet date

After the balance sheet date, the Group has acquired a blacksmithing business from a local competitor in order to further-strengthened its position within these activities. The asset deal comprises tangible assets, work in progress, goodwill, knowhow and employees.

The Group was awarded a long-term, Fabric Maintenance Contract (FMC) for TotalEnergies in Denmark along with our partner Altrad. This will have a significant effect on the activities and revenue from 2023.

No further events materially affecting the Group's financial position have occurred subsequent to the financial year-end.

Financial risks and use of financial instruments

General risks

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 Company 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's interest bearing debt, moderate changes in the interest rates will only have minor effect on the Groups's earnings.

The ongoing operations are exposed to currency exchange risks. The Group invoices in DKK and EUR, whereas a large share of purchasing is in DKK and EUR. Currency risks are mainly hedged by purchasing and invoicing in the same currency.

Knowledge resources

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

In addition, the Company owns worldwide Intellectual Property Rights.

Management's review

Impact on the external environment

The Group's vision is to provide the most innovative, flexible, and cost-effective solutions in the offshore industry. With focus on high level of expertise, a strong innovative approach, and focus on highly technical solutions, the Group contribute to a reduced environmental footprint.

The Group is committed to achieving the best Health, Safety & Environment performance in the industry and promote a culture that continuously improves Health, Safety & Environment performance.

To support the Group's goals within Health, Safety, Environment and Quality, the Group is working according to a DS/ EN ISO 9001:2015 certified Management system and a DS/ EN ISO 14001:2015 & DS/ EN ISO 45001:2018 certified Environment and Occupational Health & Safety system.

The Group has set out ambitious objectives in relation to Health, Safety and Environment.

Amongst these are:

•ZERO long-term sick (Work Related)
•ZERO Lost Time Injury – LTI
•ZERO impact to the environment

Research and development activities

The Group has no research activities. The development activities include new welding procedures and technical solutions within splashzone and subsea activities.

Unusual matters having affected the financial statements

The Group has received compensation for fixed costs of DKK 0 million in 2021 (2020: DKK 1.2 million), recognized as other operating income in the income statements. Reference is made to note 2 for further information.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Income statement

Note	DKK'000	Group 2021	Group 2020	Parent company 2021	Parent company 2020
	Gross profit/loss	40,225	45,091	-8	-7
3	Staff costs	-43,883	-38,158	0	0
	Amortisation/depreciation and impairment of intangible assets and property, plant and equipment	-6,241	-6,452	0	0
	Profit/loss before net financials	-9,899	481	-8	-7
	Income from investments in group enterprises	0	0	-5,733	584
	Financial income	0	6	0	0
	Financial expenses	-636	-455	-2	-2
	Profit/loss before tax	-10,535	32	-5,743	575
4	Tax for the year	2,337	794	2	2
	Profit/loss for the year	-8,198	826	-5,741	577
	Specification of the Group's results of operations:				
	Shareholders in TKRV Holding ApS	-5,741	576		
	Non-controlling interests	-2,457	250		
		-8,198	826		

Consolidated financial statements and parent company financial statements 1 January - 31 December

Balance sheet

Note	DKK'000	Group 2021	Group 2020	Parent company 2021	Parent company 2020
	ASSETS				
	Fixed assets				
5	**Intangible assets**				
	Completed development projects	2,648	3,655	0	0
	Acquired intangible assets	113	179	0	0
	Goodwill	651	1,023	0	0
		3,412	4,857	0	0
6	**Property, plant and equipment**				
	Fixtures and fittings, other plant and equipment	12,151	16,283	0	0
	Leasehold improvements	1,036	744	0	0
		13,187	17,027	0	0
7	**Investments**				
	Investments in group enterprises	0	0	3,775	9,508
	Deposits	220	220	0	0
		220	220	3,775	9,508
	Total fixed assets	16,819	22,104	3,775	9,508
	Non-fixed assets				
	Inventories				
	Raw materials and consumables	6,548	6,376	0	0
		6,548	6,376	0	0
	Receivables				
	Trade receivables	21,025	10,922	0	0
8	Work in progress for third parties	3,907	2,499	0	0
10	Deferred tax assets	1,581	2,277	4	2
	Corporation tax receivable	112	0	112	0
	Other receivables	869	685	0	0
9	Prepayments	915	486	0	0
		28,409	16,869	116	2
	Cash	17	100	17	100
	Total non-fixed assets	34,974	23,345	133	102
	TOTAL ASSETS	51,793	45,449	3,908	9,610

Consolidated financial statements and parent company financial statements 1 January - 31 December

Balance sheet

		Group		Parent company	
Note	**DKK'000**	**2021**	**2020**	**2021**	**2020**
	EQUITY AND LIABILITIES				
	Equity				
	Share capital	50	50	50	50
	Net revaluation reserve according to the equity method	0	0	3,705	9,438
	Retained earnings	3,771	9,512	65	73
	Shareholders in TKRV Holding ApS' share of equity	3,821	9,562	3,820	9,561
	Non-controlling interests	1,617	4,074	0	0
	Total equity	5,438	13,636	3,820	9,561
	Provisions				
	Liabilities other than provisions				
11	**Non-current liabilities other than provisions**				
	Other payables	7,925	1,864	0	0
		7,925	1,864	0	0
	Current liabilities other than provisions				
	Bank debt	22,215	18,131	0	0
8	Work in progress for third parties	2,084	481	0	0
	Trade payables	4,404	3,532	0	0
	Payables to group enterprises	0	0	62	23
	Other payables	9,727	7,805	26	26
		38,430	29,949	88	49
	Total liabilities other than provisions	46,355	31,813	88	49
	TOTAL EQUITY AND LIABILITIES	51,793	45,449	3,908	9,610

1 Accounting policies
2 Special items
12 Contractual obligations and contingencies, etc.
13 Collateral
14 Related parties
15 Appropriation of profit/loss

Consolidated financial statements and parent company financial statements 1 January - 31 December

Statement of changes in equity

Note	DKK'000	Group Share capital	 Retained earnings	 Total	 Non-controlling interests	 Total equity
	Equity at 1 January 2021	50	9,512	9,562	4,074	13,636
	Transfer through appropriation of loss	0	-5,741	-5,741	-2,457	-8,198
	Equity at 31 December 2021	50	3,771	3,821	1,617	5,438

Note	DKK'000	Parent company Share capital	 Net revaluation reserve according to the equity method	 Retained earnings	 Total
	Equity at 1 January 2021	50	9,438	73	9,561
15	Transfer, see "Appropriation of profit/loss"	0	-5,733	-8	-5,741
	Equity at 31 December 2021	50	3,705	65	3,820

The share capital comprises 50,000 shares of DKK 1 each. All shares rank equally.

The parent's share capital has remained unchanged DKK 50 thousand since the establishment.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Cash flow statement

Note	DKK'000	Group 2021	Group 2020
	Profit/loss for the year	-8,198	826
16	Adjustments	5,393	5,930
	Cash generated from operations (operating activities)	-2,805	6,756
17	Changes in working capital	-7,927	-420
	Cash generated from operations (operating activities)	-10,732	6,336
	Interest paid, etc.	-608	-449
	Income taxes paid/received	2,921	-455
	Cash flows from operating activities	-8,419	5,432
	Additions of intangible assets	-416	-1,757
	Additions of property, plant and equipment	-3,684	-12,646
	Disposals of property, plant and equipment	2,291	182
	Changes in deposits	0	65
	Cash flows to investing activities	-1,809	-14,156
	Proceeds of long-term liabilities	6,061	0
	Cash flow overdraft	4,084	8,709
	Cash flows from financing activities	10,145	8,709
	Net cash flow	-83	-15
	Cash and cash equivalents at 1 January	100	115
	Cash and cash equivalents at 31 December	17	100

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

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of TKRV Holding ApS for 2021 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to medium-sized reporting class C entities.

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

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.

Reporting currency

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

Consolidated financial statements

The consolidated financial statements comprise the Parent Company and subsidiaries controlled by the Parent Company.

Control means a parent company's power to direct a subsidiary's financial and operating policy decisions. Besides the above power, the parent company should also be able to yield a return from its investment.

In assessing if the parent company controls an entity, de facto control is taken into consideration as well.

The existence of potential voting rights which may currently be exercised or converted into additional voting rights is considered when assessing if an entity can become empowered to direct another entity's financial and operating decisions.

Non-controlling interests

On initial recognition, non-controlling interests are measured at the fair value of the non-controlling interests' equity interest.

Goodwill relating to the non-controlling interests' share of the acquiree is recognised.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

1 **Accounting policies (continued)**

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

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

Income statement

Revenue

Income from the sale of goods for resale and finished goods is recognised in revenue when the most significant rewards and risks have been transferred to the buyer and provided the income can be measured reliably and payment is expected to be received. The date of the transfer of the most significant rewards and risks is based on standardised terms of delivery based on Incoterms® 2020.

Income from construction contracts involving a high degree of customisation is recognised as revenue by reference to the stage of completion. Accordingly, revenue corresponds to the market value of the contract work performed during the year (percentage-of-completion method). This method is used where the total income and expenses and the degree of completion of the contract can be measured reliably.

Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts and rebates granted are recognised in revenue.

Gross profit/loss

The items revenue, cost of sales, other operating income and external expenses have been aggregated into one item in the income statement called gross profit/loss in accordance with section 32 of the Danish Financial Statements Act.

Other operating income

Other operating income comprise items of a secondary nature relative to the Company's core activities, including gains on the sale of fixed assets.

Cost of sales

Cost of sales includes the cost of goods used in generating the year's revenue.

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.

Staff costs

Staff costs include wages and salaries, including compensated absence and pension to the Company's employees, as well as other social security contributions, etc. The item is net of refunds from public authorities.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

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
Acquired intangible assets	5-7 years
Goodwill	5 years
Fixtures and fittings, other plant and equipment	2-10 years
Leasehold improvements	5 years

Profit/loss from investments in subsidiaries

A proportionate share of the underlying entities' profit/loss after tax is recognised in the income statement according to the equity method. Shares of profit/loss after tax in subsidiaries are presented as separate line items in the income statement. Full elimination of intra-group gains/losses is made for equity investments in subsidiaries.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts that relate to the financial reporting period. The items comprise interest income and expenses, e.g. from group entities and associates, declared dividends from other securities and investments, financial expenses relating to finance leases, realised and unrealised capital gains and losses relating to other securities and investments, exchange gains and losses and amortisation of financial assets and liabilities.

Tax

The parent company is covered by the Danish rules on mandatory joint taxation of the Group's Danish subsidiaries. Subsidiaries are included in the joint taxation arrangement from the date at which they are included in the consolidated financial statements and up to the date when they are no longer consolidated.

The parent company acts as management company for the joint taxation arrangement and consequently settles all corporate income tax payments with the tax authorities.

On payment of joint taxation contributions, the Danish corporate income tax charge is allocated 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.

Tax for the year, which comprises the current income tax charge, joint taxation contributions and deferred tax adjustments, including adjustments arising from changes in tax rates, is recognised in the income statement as regards the portion that relates to the profit/loss for the year and directly in equity as regards the portion that relates to entries directly in equity.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Balance sheet

Intangible assets

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.

Other intangible assets include development projects and other acquired intangible rights, including software licences, distribution rights and development projects.

Other intangible assets are measured at cost less accumulated amortisation and impairment losses.

Development costs comprise expenses, salaries and amortisation directly or indirectly attributable to development activities.

Development projects that are clearly defined and identifiable, where the technical feasibility, sufficient resources and a potential future market or development opportunities are identifiable and where the Company intends to produce, market or use the project, are recognised as intangible assets provided that the cost can be measured reliably and that there is sufficient assurance that future earnings can cover production costs, selling costs and administrative expenses and development costs. Other development costs are recognised in the income statement as incurred.

Development costs that are recognised in the balance sheet are measured at cost less accumulated amortisation and impairment losses.

On completion of a development project, development costs are amortised on a straight-line basis over the estimated useful life. The amortisation period is 5-7 years.

Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use.

The cost of self constructed assets includes the cost of direct materials and labour, etc. directly used in the production process and a portion of the relating production overheads.

Gains or losses are calculated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses from the disposal of property, plant and equipment are recognised in the income statement as other operating income or other operating expenses.

Leases

Leases that do not transfer substantially all the risks and rewards incident to the ownership to the Company are classified as operating leases. Payments relating to operating leases and any other rent agreements are recognised in the income statement over the term of the lease. The Company's aggregate liabilities relating to operating leases and other rent agreements are disclosed under "Contingent liabilities".

Investments

Deposits are recognised at cost.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

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 deduced from the carrying amount.

Impairment of fixed assets

The carrying amount of intangible assets, property, plant and equipment and investments in subsidiaries is assessed for impairment on an annual basis.

Impairment tests are conducted on assets or groups of assets when there is evidence of impairment. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable 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 calculated 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 cost in accordance with the FIFO method. Where the net realisable value is lower than cost, inventories are written down to this lower value. The net realisable value of inventories is calculated as the sales amount less costs of completion and expenses required to effect the sale and is determined taking into account marketability, obsolescence and development in the expected selling price.

The cost of raw materials and consumables comprises the cost of acquisition plus delivery costs.

Receivables

Receivables are measured at amortised cost.

An impairment loss is recognised if 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 recognised on an individual basis.

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

Contract work in progress for third parties are measured at the market value of the work performed less progress billings. The market value is calculated based on the stage of completion at the balance sheet date and the total expected income from the relevant contract. The stage of completion is calculated based on the expenses incurred relative to the expected total expenses relating to the relevant contract.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Where the outcome of contract work in progress cannot be estimated reliably, the market value is measured at the lower of expenses incurred and the net realisable value.

Where the total expenses relating to the work in progress are expected to exceed the total market value, the expected loss is recognised as a loss-making agreement under "Provisions" and is expensed in the income statement.

The value of work in progress less progress billings is classified as assets when the selling price exceeds progress billings and as liabilities when progress billings exceed the market value.

Prepayments

Prepayments recognised under "Assets" comprise prepaid expenses regarding subsequent financial reporting years.

Cash

Cash comprise cash and short term securities which are readily convertible into cash and subject only to minor risks of changes in value.

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 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. 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.

As management company for all the entities in the joint taxation arrangement, the parent company is liable for payment of the subsidiaries' income taxes vis à vis the tax authorities as the subsidiaries pay their joint taxation contributions. Joint taxation contributions payable or receivable are recognised in the balance sheet as income tax receivables or payables.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Liabilities

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. On subsequent recognition, 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. Financial liabilities also include the capitalised residual lease liability in respect of finance leases.

Other liabilities are measured at net realisable value.

Liabilities that fall due later than a year from balance sheet date are classified as non-current liabilities.

Cash flow statement

The cash flow statement shows the Company's net cash flows broken down according to operating, investing and financing activities, the year's changes in cash and cash equivalents as well as the cash and cash equivalents at the beginning and the end of the year.

Cash flows from operating activities are calculated as the profit/loss for the year adjusted for non cash operating items, changes in working capital and paid corporate income tax.

Cash flows from investing activities comprise payments in connection with acquisitions and disposals of entities and activities and of intangible assets, property, plant and equipment and investments.

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

Cash and cash equivalents comprise cash, short term bank loans and short term securities which are readily convertible into cash and which are subject only to insignificant risks of changes in value.

2 Special items

Special items comprise significant income and expenses of a special nature in relation to the Group's ordinary activities, special items also include other significant non-recurring amounts.

The Group received COVID-19 compensation for fixed costs in the amount of DKK 0 million (2020: DKK 1.2 million) which has been recognized as other operating income.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

DKK'000	Group 2021	Group 2020	Parent company 2021	Parent company 2020
3 Staff costs				
Wages/salaries	40,335	35,161	0	0
Pensions	2,877	2,655	0	0
Other social security costs	671	342	0	0
	43,883	38,158	0	0
Average number of full-time employees	67	61	0	0

By reference to section 98b(3), (ii), of the Danish Financial Statements Act, remuneration to the group Management is not disclosed.

DKK'000	Group 2021	Group 2020	Parent company 2021	Parent company 2020
4 Tax for the year				
Deferred tax adjustments in the year	-2,337	-794	-2	-2
	-2,337	-794	-2	-2

5 Intangible assets

	Group			
DKK'000	Completed development projects	Acquired intangible assets	Goodwill	Total
Cost at 1 January 2021	13,143	1,470	1,860	16,473
Additions	416	0	0	416
Cost at 31 December 2021	13,559	1,470	1,860	16,889
Impairment losses and amortisation at 1 January 2021	9,488	1,291	837	11,616
Amortisation for the year	1,423	66	372	1,861
Impairment losses and amortisation at 31 December 2021	10,911	1,357	1,209	13,477
Carrying amount at 31 December 2021	2,648	113	651	3,412

Completed development projects

Completed development projects include different concepts, systems and innovative technology platforms for operations and inspections in the hazardous Splash Zone environemnt.

All development projects have been completed and launched to market.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

6 Property, plant and equipment

	Group		
DKK'000	**Fixtures and fittings, other plant and equipment**	**Leasehold improvements**	**Total**
Cost at 1 January 2021	39,470	2,988	42,458
Additions	3,169	515	3,684
Disposals	-3,972	0	-3,972
Cost at 31 December 2021	38,667	3,503	42,170
Impairment losses and depreciation at 1 January 2021	23,187	2,244	25,431
Depreciation	4,157	223	4,380
Reversal of accumulated depreciation of assets disposed	-828	0	-828
Impairment losses and depreciation at 31 December 2021	26,516	2,467	28,983
Carrying amount at 31 December 2021	12,151	1,036	13,187

7 Investments

	Group
DKK'000	**Deposits**
Cost at 1 January 2021	220
Cost at 31 December 2021	220
Carrying amount at 31 December 2021	220

	Parent company
DKK'000	**Investments in group enterprises**
Cost at 1 January 2021	70
Cost at 31 December 2021	70
Value adjustments at 1 January 2021	9,438
Profit/loss for the year	-5,733
Value adjustments at 31 December 2021	3,705
Carrying amount at 31 December 2021	3,775

Parent company

Name	**Domicile**	**Interest**
Subsidiaries		
Offshore Capital Partners ApS	Esbjerg	70.00%
SubC Partner A/S	Esbjerg	70.00%

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

DKK'000	Group 2021	Group 2020	Parent company 2021	Parent company 2020
8 Work in progress for third parties				
Selling price of work performed	18,309	13,053	0	0
Progress billings	-16,486	-11,035	0	0
	1,823	2,018	0	0
recognised as follows:				
Work in progress for third parties (assets)	3,907	2,499	0	0
Work in progress for third parties (liabilities)	-2,084	-481	0	0
	1,823	2,018	0	0

9 Prepayments

Prepayments include accrual of expenses relating to subsequent financial years, including insurance, plocies, rent, staffhealthcare and subscriptions.

DKK'000	Group 2021	Group 2020	Parent company 2021	Parent company 2020
10 Deferred tax				
Deferred tax at 1 January	-2,277	-1,483	-2	0
Deferred tax on profit/loss for the year	-2,337	-794	-2	-2
Adjustment due to use of tax credit conversion	3,033	0	0	0
Deferred tax at 31 December	-1,581	-2,277	-4	-2

Defered tax assets comprises timing differences on intangible assets, property, plant and equipment, contract work in progress and tax losses. Management has based on budgets for the coming 3-5 years evaluated that future taxable income will be available for utilization of the defered tax asset.

11 Non-current liabilities other than provisions

DKK'000	Group Total debt at 31/12 2021	Group Repayment, next year	Group Long-term portion	Group Outstanding debt after 5 years
Other payables	7,925	0	7,925	1,703
	7,925	0	7,925	1,703

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

12 Contractual obligations and contingencies, etc.

Contingent liabilities

Group

The Group has entered into leases with a combined lease payment of DKK 1,738 thousand.
The remaining term of the leases is 3-12 months.

Parent company

As management company, the Company is jointly taxed with other Danish group entities. The Company is jointly and severally with other jointly taxed group entities for payment of income taxes and withholding taxes falling due for payment in the group of jointly taxed entities.

13 Collateral

Group

The Group has provided a company charge of DKK 39,000 thousand as collateral for bank loans, etc. of DKK 22,215 thousand. The company charge comprises unsecured claims, inventories, property, plant and equipment and intangible assets with a carrying amount of DKK 47,428 thousand at 31 December 2021.

Parent company

The parent Company has not placed any assets or other as security for loans at 31 December 2021.

14 Related parties

Related party transactions

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.

All transactions have been carried out on an arm's length basis.

		Parent company	
	DKK'000	2021	2020
15	**Appropriation of profit/loss**		
	Recommended appropriation of profit/loss		
	Net revaluation reserve according to the equity method	-5,733	584
	Retained earnings/accumulated loss	-8	-7
		-5,741	577

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

		Group	
	DKK'000	2021	2020
16	**Adjustments**		
	Amortisation/depreciation and impairment losses	6,241	6,450
	Gain/loss on the sale of non-current assets	853	-175
	Financial income	0	-6
	Financial expenses	636	455
	Tax for the year	-2,337	-794
		5,393	5,930
17	**Changes in working capital**		
	Change in inventories	-172	-9
	Change in receivables and work in progress for third parties	-10,521	-4,932
	Change in trade and other payables	2,766	4,521
		-7,927	-420

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Direktion
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IP: 165.225.xxx.xxx
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