

Fusievoorstel	Merger plan	Fusjonsplan
betreffende de grensoverschrijdende fusie tussen DeepOcean Norway AS en Tricer NL Bidco 3 B.V. 17. september 2021	regarding the cross border merger between DeepOcean Norway AS and Tricer NL Bidco 3 B.V. 17 September 2021	vedrørende den grenseoverskridende fusjonen mellom DeepOcean Norway AS og Tricer NL Bidco 3 B.V. 17. september 2021

Bijlagen	Appendices		Vedlegg
1	Statuten van DeepOcean Norway AS (huidige versie)	1	Articles of association for DeepOcean Norway AS (current version)
2	Statuten van DeepOcean Norway AS (na de fusie)	2	Articles of association for DeepOcean Norway AS (after the Merger)
3	DeepOcean Norway AS, jaarverslag over boekjaar 2018	3	DeepOcean Norway AS, annual report for the financial year 2018
4	DeepOcean Norway AS, jaarverslag over boekjaar 2019	4	DeepOcean Norway AS, annual report for the financial year 2019
5	DeepOcean Norway AS, jaarverslag over boekjaar 2020	5	DeepOcean Norway AS, annual report for the financial year 2020
6	DeepOcean Norway AS, tussentijdse vermogensopstelling per 30 juni 2021	6	DeepOcean Norway AS, interim financial statements t as of 30 June 2021
7	Tricer NL Bidco 3 B.V., jaarverslag over boekjaar 2018	7	Tricer NL Bidco 3 B.V., annual report for the financial year 2018
8	Tricer NL Bidco 3 B.V., jaarverslag over boekjaar 2019	8	Tricer NL Bidco 3 B.V., annual report for the financial year 2019
9	Tricer NL Bidco 3 B.V., jaarverslag over boekjaar 2020	9	Tricer NL Bidco 3 B.V., annual report for the financial year 2020
10	Tricer NL Bidco 3 B.V., tussentijdse vermogensopstelling per 30 juni 2021	10	Tricer NL Bidco 3 B.V., interim financial statements as of 30 June 2021
11	Toestemming om af te wijken van het vereiste voor een deskundigenrapport over het fusieplan van DeepOcean Group Holding B.V.	11	Consent to deviate from the requirement of an expert statement of the Merger Plan from DeepOcean Group Holding B.V.

12	Toestemming om af te wijken van het vereiste voor een deskundigenrapport over het fusieplan van Tricer Lux Bidco 1 S.à.r.l., Tricer MipCo 2 AS en Tricer MipCo 3 AS	12	Consent to deviate from the requirement of an expert statement of the Merger Plan from Tricer Lux Bidco 1 S.à.r.l., Tricer MipCo 2 AS and Tricer MipCo 3 AS	12	Samtykke til å fravike krav til sakkyndig redegjørelse for Fusjonsrapporten fra Tricer Lux Bidco 1 S.à.r.l., Tricer MipCo 2 AS og Tricer MipCo 3 AS
13	Overeenkomst tussen aandeelhouders van Tricer NL Bidco 3 B.V., Tricer Lux Bidco 1 S.à.r.l., Tricer MipCo 2 AS en Tricer MipCo 3 AS, om af te zien van hun recht op vergoeding	13	Agreement between shareholders of Tricer NL Bidco 3 B.V., Tricer Lux Bidco 1 S.à.r.l., Tricer MipCo 2 AS and Tricer MipCo 3 AS, to waive their compensation rights	13	Avtale mellom aksjeeierne i Tricer NL Bidco 3 B.V., Tricer Lux Bidco 1 S.à.r.l., Tricer MipCo 2 AS og Tricer MipCo 3 AS, om å fravike deres rett til kompensasjon
14	Accountantsverklaring	14	Accountant's statement	14	Regnskapsførers bekreftelse

1	FUSERENDE VENNOOTSCHAPPEN	1	PARTICIPATING COMPANIES	1	DELTAKENDE SELSKAP
1.1	De Verkrijgende Vennootschap	1.1	The Assignee Company	1.1	Overtakende Selskap
Naam:	DeepOcean Norway AS	Name:	DeepOcean Norway AS	Navn:	DeepOcean Norway AS
Registratienummer:	896 696 262	Registration number:	896 696 262	Organisasjonsnummer:	896 696 262
Rechtsvorm:	Besloten vennootschap met beperkte aansprakelijkheid	Company form:	Private limited liability company	Selskapsform:	Aksjeselskap
Geregistreerd adres:	Karmsundgata 74, 5529 Haugesund, Norway	Registered address:	Karmsundgata 74, 5529 Haugesund, Norway	Registrert adresse:	Karmsundgata 74, 5529 Haugesund, Norge
	P.O. Box 2144, N-5504 Haugesund, Norway		P.O. Box 2144, 5504 Haugesund, Norway		Postboks 2144, 5504 Haugesund, Norge
Kantooradres:	Karmsundgata 74, N-5529 Haugesund, Norway	Registered office:	Karmsundgata 74, 5529 Haugesund, Norway	Forretningskontor:	Karmsundgata 74, 5529 Haugesund, Norge
Register:	Het Noorse handelsregister (<i>Foretaksregisteret</i>), P.O. Box 900, N-8910 Brønnøysund, Norway	Registration authority:	The Norwegian Register of Business Enterprises, P.O. Box 900, 8910 Brønnøysund, Norway (the	Registreringsmyndighet:	Foretaksregisteret, Postboks 900, 8910 Brønnøysund

("Foretaksregisteret")		("NRBE")		("Foretaksregisteret")	
1.2	De Verdwijnende Vennootschap	1.2	The Assignor Company	1.2	Overdragende Selskap
Naam:	Tricer NL Bidco 3 B.V.	Name:	Tricer NL Bidco 3 B.V.	Navn:	Tricer NL Bidco 3 B.V.
Registratienummer:	67303846	Registration number:	67303846	Organisasjonsnummer:	67303846
Rechtsvorm:	Besloten vennootschap met beperkte aansprakelijkheid	Company form:	Private limited liability company	Selskapsform:	Selskap med begrenset ansvar
Geregistreerd adres:	Overtoom 141, 1054 HG Amsterdam, Nederland	Registered address:	Overtoom 141, 1054 HG Amsterdam, the Netherlands	Registrert adresse:	Overtoom 141, 1054 HG Amsterdam, Nederland
Kantooradres:	Overtoom 141, 1054 HG Amsterdam, Nederland	Registered office:	Overtoom 141, 1054 HG Amsterdam, the Netherlands	Forretningskontor:	Overtoom 141, 1054 HG Amsterdam, Nederland
Register:	Handelsregister van de Kamer van Koophandel	Registration authority:	Dutch trade register of the Chamber of Commerce	Registreringsmyndighet:	Det nederlandske handelsregisteret
Dit fusievoorstel (het " Fusievoorstel ") is aangegaan op __ September 2021 tussen:		This merger plan (the " Merger Plan ") has been entered into on __ September 2021 between:		Denne fusjonsplanen (" Fusjonsplanen ") er inngått den __. september 2021 mellom:	
(1) DeepOcean Norway AS (" DONO " of de " Verkrijgende Vennootschap "); en		(1) DeepOcean Norway AS (" DONO " or the " Assignee "); and		(1) DeepOcean Norway AS (" DONO " eller det " Overtakende Selskap "); og	
(2) Tricer NL Bidco 3 B.V. (" Tricer 3 " of de " Verdwijnende Vennootschap ").		(2) Tricer NL Bidco 3 B.V. (" Tricer 3 " or the " Assignor ").		(2) Tricer NL Bidco 3 B.V. (" Tricer 3 " eller det " Overdragende Selskap ").	
DONO en Tricer 3 worden hierna tezamen ook genoemd de " Fuserende Vennootschappen ".		DONO and Tricer 3 are hereinafter jointly referred to as the " Merging Companies ".		DONO og Tricer 3 omtales i det følgende i fellesskap som de " Fusjonerende Selskapene ".	
2	HOOFDKENMERKEN VAN DE FUSIE	2	MAIN FEATURES OF THE MERGER	2	HOVEDTREKK VED FUSJONEN
2.1	Inleiding	2.1	Introduction	2.1	Introduksjon
De raden van bestuur van DONO en Tricer 3 stellen		The boards of directors of DONO and Tricer 3 propose		Styrene i DONO og Tricer 3 foreslår å gjennomføre en	
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voor om een grensoverschrijdende fusie tot stand te brengen tussen DONO en Tricer 3 in de zin van Richtlijn (EU) 2017/1132 van het Europees Parlement en de Raad van 14 juni 2017 aangaande bepaalde aspecten van het vennootschapsrecht (de "Richtlijn"), artikel 2:309 en 2:333b van het Nederlands Burgerlijk Wetboek (het "BW") en de Noorse Wet op Besloten Vennootschappen nr. 44 van 13 juni 1997 (de "Particuliere NVW") artikelen 13-25 cf. de Noorse wet op Naamloze Vennootschappen nr. 45 van 13 juni 1997 (de "NVW") artikelen 13-25 tot en met 13-36, op zodanige wijze dat het gehele vermogen van de Verdwijnende Vennootschap onder algemene titel aan de Verkrijgende Vennootschap wordt overgedragen (de "Fusie"). DONO is de overblijvende vennootschap in de Fusie, terwijl Tricer 3 ophoudt te bestaan op de Ingangsdatum (zoals hieronder gedefinieerd). De raden van bestuur van de Fuserende Vennootschappen hebben gezamenlijk het Fusieplan opgesteld, waarin de fusiemethode en andere gegevens met betrekking tot de Fusie zijn uiteengezet. Het besluit om de Fusie uit te voeren wordt genomen door middel van besluiten van de algemene vergadering van elk van de Fuserende Vennootschappen in overeenstemming met de voorschriften uiteengezet in het BW en de NVW, waar van toepassing.	to implement a cross-border merger between DONO and Tricer 3 within the meaning of Directive (EU) 2017/1132 of the European Parliament and of the Council of 14 June 2017 relating to certain aspects of company law (the "Directive"), sections 2:309 and 2:333b of the Dutch Civil Code (the "DCC") and the Norwegian Private Limited Liability Companies Act of 13 June 1997 no. 44 (the "Private NCA") Section 13-25 cf. the Norwegian Public Limited Liability Companies Act of 13 June 1997 no. 45 (the "NCA") Sections 13-25 to 13-36, in such way that all assets and liabilities (<i>gehele vermogen</i>) of the Assignor shall pass to the Assignee under universal succession of title (<i>algemene titel</i>) (the "Merger"). DONO shall be the surviving company in the Merger, while Tricer 3 shall cease to exist at the Effective Date (as defined below). The boards of directors of the Merging Companies have jointly prepared the Merger Plan, which sets out the merger method and other details concerning the Merger.	grensoverskridende fusjon mellom DONO og Tricer 3 i tråd med reglene i Europaparlaments- og rådsdirektiv (EU) 2017/1132 av 14. juni 2017 vedrørende ulike aspekter av selskapsretten ("Direktivet"), 2:309 og 2:333b i den nederlandske sivilloven ("DCC"), samt aksjeloven § 13-25 jf. allmennaksjeloven § 13-25 til § 13-36, hvoretter alle eiendeler og forpliktelser i det Overdragende Selskapet skal overføres til det Overtakende Selskapet gjennom en fusjon ("Fusjonen"). DONO skal være det overtakende selskapet i Fusjonen, mens Tricer 3 skal oppløses på Ikrafttredelsestidspunktet (som definert nedenfor). Styrene i de Fusjonerende Selskapene har i felleskap utarbeidet Fusjonsplanen, som angir fusjonsmetoden og andre detaljer vedrørende Fusjonen.
2.2 Doel van de Fusie De Fuserende Vennootschappen hebben beide vennootschappen in de DeepOcean-groep (de "Groep"). De Fusie zal worden uitgevoerd als onderdeel van een reorganisatie van de Groep waarbij <i>onder meer</i> bepaalde Nederlandse vennootschappen van de Groep zullen verdwijnen uit de Groepsstructuur (via een reeks fusies) en het bestuur	2.2 Objective of the Merger The Merging Companies are both holding companies in the DeepOcean-group (the "Group"). The Merger shall be carried out as part of a reorganization of the Group whereby <i>inter alia</i> certain Dutch companies in the Group shall be eliminated from the Group structure (through a series of mergers) and the Group's management shall be relocated to Norway	2.2 Formålet med Fusjonen De Fusjonerende Selskapene er begge holdingselskaper i DeepOcean-konsernet ("Konsernet"). Fusjonen skal gjennomføres som ledd i en reorganisering av Konsernet hvor blant annet enkelte av Konsernets nederlandske selskaper skal elimineres fra konsernstrukturen (ved en serie av fusjoner) og Konsernets ledelse skal flyttes til Norge ("Reorganiseringen"). Som en del av

van de Groep zal worden verplaatst naar Noorwegen (de "Reorganisatie"). Als onderdeel van de Reorganisatie en voorafgaand aan de voltooiing van de Fusie, zal DONO's moedermaatschappij, DeepOcean Group Holding B.V., fuseren met Tricer NL Bidco 4 B.V. ("Tricer 4"), waarna Tricer 4 zal worden gefuseerd in Tricer 3 (de "Nederlandse Binnenlandse Fusies"). De Fusie is noodzakelijk om de gewenste groeps- en bestuursstructuur na de Reorganisatie te realiseren.	(the "Reorganization"). As part of the Reorganization and prior to completion of the Merger, DONO's parent company, DeepOcean Group Holding B.V., will be merged into Tricer NL Bidco 4 B.V. ("Tricer 4"), following which Tricer 4 will be merged into Tricer 3 (the "Dutch Domestic Mergers"). The Merger is necessary to achieve the desired group- and management structure following the Reorganization.	Reorganiseren og før gjennomføringen Fusjonen, skal DONOs morselskap, DeepOcean Group Holding B.V., fusjoneres inn i Tricer NL Bidco 4 B.V. ("Tricer 4"), etterfulgt av at Tricer 4 fusjoneres inn i Tricer 3 (de "Nederlandske Innlandske Fusjonene"). Fusjonen er nødvendig for å oppnå den ønskede konsern- og ledelsesstrukturen i Konsernet etter Reorganiseringen.
2.3 Fusieprocedure De Fusie wordt uitgevoerd overeenkomstig de regels en procedures voor grensoverschrijdende fusies zoals uiteengezet in de Richtlijn, titel 2.7, artikel 2, 3 en 3A van het BW en artikel 13-25 van de Particuliere NVW, cf. artikel 13-25 tot 13-36 van de NVW. Na de Nederlandse Binnenlandse Fusies is Tricer 3 de directe moedermaatschappij van DONO en bezit alle uitgegeven aandelen van DONO. De Fusie houdt in dat de moedermaatschappij Tricer 3 downstream wordt gefuseerd in haar dochteronderneming DONO (downstream moeder-dochterfusie). Na de Fusie zijn de aandeelhouders van Tricer 3 de nieuwe aandeelhouders van DONO, met een eigendomsbelang gelijk aan hun respectieve eigendomsbelangen in Tricer 3 voorafgaand aan de Fusie. Vanaf en met inbegrip van de ingangsdatum (zoals hieronder aangegeven) vormen Tricer Lux Bidco 1 S.à.r.l. ("Tricer Lux"), Tricer MIPco 2 AS ("MIPco 2") en Tricer MIPco 3 AS ("MIPco 3") en gezamenlijk met Tricer Lux en MIPco 2 the "Tricer-aandeelhouders") de aandeelhouders van DONO, die in totaal 100% van de uitgegeven aandelen bezitten. De aandelen van DONO zullen na de Fusie worden	2.3 Merger procedure The Merger shall be implemented in accordance with the rules and procedures for cross-border mergers set out in the Directive, Title 2.7 sections 2, 3 and 3A of the DCC and section 13-25 of the Private NCA, cf. sections 13-25 to 13-36 of the NCA. Following the Dutch Domestic Mergers, Tricer 3 will be the direct parent company of DONO and own all of the issued shares of DONO. The Merger entails that the parent company Tricer 3 is merged downstream into its subsidiary DONO (downstream parent-subsiary merger). Following the Merger, the shareholders of Tricer 3 will be the new shareholders of DONO, with an ownership interest equal to their respective ownership interests in Tricer 3 prior to the Merger. From and including the Effective Date (as defined below), Tricer Lux Bidco 1 S.à.r.l. ("Tricer Lux"), Tricer MIPco 2 AS ("MIPco 2") and Tricer MIPco 3 AS ("MIPco 3"), and together with Tricer Lux and MIPco 2 the "Tricer Shareholders" will constitute the shareholders of DONO, holding in total 100% of the issued shares. The shares of DONO will following the Merger be	2.3 Fusjonsmetoden Fusjonen skal gjennomføres etter reglene for grenseoverskridende fusjoner i Direktivet, Tittel 2.7 paragrafene 2, 3 og 3A i DCC, og aksjeloven § 13-25, jf. allmennaksjeloven § 13-25 til § 13-36. Etter gjennomføringen av de Nederlandske Innlandske Fusjonene vil Tricer 3 være det direkte morselskapet til DONO og eie samtlige utstedte aksjer i DONO. Fusjonen innebærer at morselskapet Tricer 3 fusjoneres ned i sitt datterselskap DONO (s.k. omvendt mor-datter fusjon). Aksjonærene i Tricer 3 blir de nye eierne av DONO, med et tilsvarende eierforhold som de har i Tricer 3 før Fusjonen. Fra og med Ikrafttredelsestidspunktet (som definert nedenfor) vil Tricer Lux Bidco 1 S.à.r.l ("Tricer Lux"), Tricer MIPco 2 AS ("MIPco 2") og Tricer MIPco 3 AS ("MIPco 3"), og sammen med Tricer Lux og MIPco 2 "Tricer Aksjonærene") være aksjonærer i DONO, og vil sammen eie 100 % av de utstedte aksjene. Aksjene i DONO vil etter Fusjonen fordele seg i henhold

toegewezen in overeenstemming met de ruilverhouding vermeld in punt 2.4 hieronder, wat leidt tot de onderstaande toewijzing:	allocated in accordance with the exchange ratio set out in item 2.4 below, resulting in the below allocation:	til bytteforholdet i punkt 2.4 nedenfor, som resulterer i følgende fordeling:
A-aandelen (" Gewone Aandelen "):	A-shares (" Ordinary Shares "):	A-aksjer (" Ordinære Aksjer "):
• Tricer Lux: 90%	• Tricer Lux: 90%	• Tricer Lux: 90 %
• MIPco 2: 10%	• MIPco 2: 10%	• MIPco 2: 10 %
B-aandelen (" Preferente Aandelen "):	B-shares (" Preference Shares "):	B-aksjer (" Preferanseaksjer "):
• Tricer Lux: 90%	• Tricer Lux: 90%	• Tricer Lux: 90 %
• MIPco 2: 10%	• MIPco 2: 10%	• MIPco 2: 10 %
C-aandelen (" SS Preferente Aandelen "):	C-shares (" SS Preference Shares "):	C-aksjer (" SS Preferanseaksjer "):
• Tricer Lux: 90%	• Tricer Lux: 90%	• Tricer Lux: 90 %
• MIPco 3: 10%	• MIPco 3: 10%	• MIPco 3: 10 %
D-aandelen (" US Preferente Aandelen "):	D-shares (" US Preference Shares "):	D-aksjer (" US Preferanseaksjer "):
• Tricer Lux: 100%	• Tricer Lux: 100%	• Tricer Lux: 100 %
De klasse van Preferente Aandelen zal worden vastgesteld vóór de voltooiing van de Fusie, zoals hieronder verder wordt beschreven.	The class of Preference Shares will be established prior to completion of the Merger, as further described below.	Som nærmere beskrevet nedenfor vil aksjeklassen med Preferanseaksjer vil bli etablert før gjennomføringen av Fusjonen.
Er zullen geen andere maatregelen worden genomen dan de registratie van de Aandeelhouders van Tricer in het aandeelhoudersregister van DONO om de overgang van de eigendom naar de aandelen van DONO te bewerkstelligen. Het aandeelhoudersregister van DONO vermeldt dat de aandelen zijn overgegaan op de aandeelhouders van Tricer als gevolg van de Fusie. In het aandeelhoudersregister van Tricer 3	No other measures than the registration of the Tricer Shareholders in the shareholders' register of DONO will be taken to effectuate the transfer of the ownership to the shares of DONO. The shareholders' register of DONO will state that the shares were transferred to the Tricer Shareholders as a result of the Merger. It shall be stated in the shareholders' register of Tricer 3 that it has ceased to exist as a	Ingen andre handlinger enn å registrere Tricer Aksjonærene som eiere i aksjeeierboken til DONO vil bli utført for å effektivere overføringen av aksjene i forbindelse med Fusjonen. Det vil fremgå av aksjeeierboken at aksjene ble overført til Tricer Aksjonærene ved Fusjonen. Aksjeeierboken i Tricer 3 skal reflektere at selskapet er slettet som følge av

wordt opgenomen dat de vennootschap is opgehouden te bestaan als gevolg van de Fusie.	result of the Merger.	Fusjonen.
2.4 Fusievergoeding Na de Fusie ontvangt DONO eigen aandelen (ingekochte eigen aandelen), in totaal 10.000.000 Gewone Aandelen, 10.000.000 Preferente Aandelen, 30.000.000 SS Preferente Aandelen en 15.000.000 US Preferente Aandelen, elk met een nominale waarde van NOK 1,10 (de "Ingekochte Eigen Aandelen"). De Ingekochte Eigen Aandelen worden in hun geheel gebruikt als fusievergoeding voor de aandeelhouders van Tricer in ruil voor de aandelen die door de fusie zijn ingetrokken (de "Fusievergoeding"). De ruilverhouding is 1:50 voor Gewone Aandelen, waarbij houders van gewone aandelen in Tricer 3 50 Gewone Aandelen in DONO ontvangen voor elk gewoon aandeel in Tricer 3 voorafgaand aan de Fusie. De ruilverhouding is 1:1 voor Preferente Aandelen, waarbij houders van preferente aandelen, één Preferent Aandeel in DONO ontvangen voor elk preferent aandeel dat ze voorafgaand aan de Fusie in Tricer 3 bezaten. De Preferente Aandelen in DONO zullen worden gecreëerd door 10.000.000 bestaande gewone aandelen (van de in totaal 20.000.000 bestaande gewone aandelen) in DONO te herclassificeren als Preferente Aandelen voorafgaand aan de voltooiing van de Fusie, door de statuten te wijzigen in de tekst opgenomen in <u>bijlage 2</u> hiertoe. De statuten van DONO worden gewijzigd na de datum van die Fusievoorstel, maar voorafgaand aan de Fusie. De ruilverhouding is 1:1 voor SS Preferente Aandelen, waarbij houders van Klasse I Aandelen in Tricer 3,	2.4 Merger Consideration Upon completion of the Merger, DONO will receive own shares (treasury shares), in total 10,000,000 Ordinary Shares, 10,000,000 Preference Shares, 30,000,000 SS Preference Shares and 15,000,000 US Preference Shares, each with a par value of NOK 1.10 (the "Treasury Shares"). The Treasury Shares will in their entirety be utilized as merger consideration to the Tricer Shareholders in exchange for the shares redeemed through the Merger (the "Merger Consideration"). The exchange ratio shall be 1:50 for Ordinary Shares, where holders of ordinary shares in Tricer 3 will receive 50 Ordinary Shares in DONO for each ordinary share held in Tricer 3 prior to the Merger. The exchange ratio shall be 1:1 for Preference Shares, where holders of preference shares will receive one Preference Share in DONO for each preference share held in Tricer 3 prior to the Merger. The Preference Shares in DONO will be created by reclassifying 10,000,000 Ordinary Shares (out of the total 20,000,000 Ordinary Shares) in DONO into Preference Shares prior to completion of the Merger, by amending the articles of association to read as set out in <u>Appendix 2</u> hereto. The amendment of DONO's articles of association will take place after the date of this Merger Plan, but prior to completion of the Merger. The exchange ratio shall be 1:1 for SS Preference Shares, where holders of Class I Shares in Tricer 3	2.4 Fusjonsvederlag Ved ikrafttredelse av Fusjonen vil DONO motta egne aksjer, til sammen 10.000.000 Ordinære Aksjer, 10.000.000 Preferanseaksjer, 30.000.000 SS Preferanseaksjer og 15.000.000 US Preferanseaksjer, hver pålydende NOK 1,10 ("Egne Aksjer"). De Egne Aksjene skal i sin helhet benyttes som fusjonsvederlag til Tricer Aksjonærene i bytte mot de aksjene som innløses i Fusjonen ("Fusjonsvederlaget"). Bytteforholdet skal være 1:50 for Ordinære Aksjer, hvor eiere av ordinære aksjer i Tricer 3 vil motta 50 Ordinære Aksjer i DONO for hver ordinær aksje som eies i Tricer 3 før Fusjonen. Bytteforholdet skal være 1:1 for Preferanseaksjer, hvor eiere av preferanseaksjer vil motta én Preferanseaksje i DONO for hver preferanseaksje som eies i Tricer 3 før Fusjonen. Preferanseaksjene i DONO vil bli etablert ved å reklassifisere 10.000.000 Ordinære Aksjer (av totalt 20.000.000 Ordinære Aksjer) i DONO til Preferanseaksjer før gjennomføringen av Fusjonen, ved å endre vedtektene til å lyde slik det fremgår av <u>Vedlegg 2</u>. Endringen av DONOs vedtekter vil gjennomføres etter datoen for denne Fusjonsplanen, men før gjennomføringen av Fusjonen. Bytteforholdet skal være 1:1 for SS Preferanseaksjer, hvor eiere av Class I aksjer i Tricer 3 vil motta én SS

één SS Preferent Aandeel in DONO ontvangen voor elk Klasse I aandeel in Tricer 3 voorafgaand aan de Fusie. De ruilverhouding is 1:1 voor US Preferente Aandelen, waarbij houders van Klasse I Aandelen in Tricer 3, één SS Preferent Aandeel in DONO ontvangen voor elk Klasse I aandeel in Tricer 3 voorafgaand aan de Fusie. De Fusievergoeding wordt als volgt verdeeld:	will receive one SS Preference Share in DONO for each Class I Share held in Tricer 3 prior to the Merger. The exchange ratio shall be 1:1 for US Preference Shares, where holders of Class I Shares in Tricer 3 will receive one US Preference Share in DONO for each Class I Share held in Tricer 3 prior to the Merger. The Merger Consideration shall be distributed as follows:	Preferanseaksje i DONO for hver Class I aksje som eies i Tricer 3 før Fusjonen. Bytteforholdet vil være 1:1 for US Preferanseaksjer, hvor eiere av Class I aksjer i Tricer 3 vil motta én US Preferanseaksje i DONO for hver Class I aksje som eies i Tricer 3 før Fusjonen. Fusjonsvederlaget skal fordeles som følger:
Tricer Lux: • 9.000.000 Gewone Aandelen, elk met een nominale waarde van NOK 1,10. • 9.000.000 Preferente Aandelen, elk met een nominale waarde van NOK 1,10. • 27.000.000 SS Preferente Aandelen, elk met een nominale waarde van NOK 1,10. • 15.000.000 US Preferente Aandelen, elk met een nominale waarde van NOK 1,10. MIPco 2: • 1.000.000 Gewone Aandelen, elk met een nominale waarde van NOK 1,10. • 1.000.000 Preferente Aandelen, elk met een nominale waarde van NOK 1,10. MIPco 3:	Tricer Lux: • 9,000,000 Ordinary Shares, each with a nominal value of NOK 1.10. • 9,000,000 Preference Shares, each with a nominal value of NOK 1.10. • 27,000,000 SS Preference Shares, each with a nominal value of NOK 1.10. • 15,000,000 US Preference Shares, each with a nominal value of NOK 1.10. MIPco 2: • 1,000,000 Ordinary Shares, each with a nominal value of NOK 1.10. • 1,000,000 Preference Shares, each with a nominal value of NOK 1.10. MIPco 3:	Tricer Lux: • 9.000.000 Ordinære Aksjer, hver pålydende NOK 1,10. • 9.000.000 Preferanseaksjer, hver pålydende NOK 1,10. • 27.000.000 SS Preferanseaksjer, hver pålydende NOK 1,10. • 15.000.000 US Preferanseaksjer, hver pålydende NOK 1,10. MIPco 2: • 1.000.000 Ordinære Aksjer, hver pålydende NOK 1,10. • 1.000.000 Preferanseaksjer, hver pålydende NOK 1,10. MIPco 3:

• 3.000.000 SS Preferente Aandelen, elk met een nominale waarde van NOK 1,10.	• 3,000,000 SS Preference Shares, each with a nominal value of NOK 1.10	• 3.000.000 SS Preferanseaksjer, hver pålydende NOK 1,10
Er wordt geen extra betaling gedaan voor de overdracht van aandelen van DONO, als bedoeld in artikel 2:325 lid 2 BW.	No additional payment for the transfer of shares in DONO, as referred to in section 2:325 (2) of the DCC, shall be made.	Ingen ytterligere betaling for overføringen av aksjene i DONO, slik det er angitt i 2:325 (2) i DCC, skal utføres.
Op de Ingangsdatum worden geen aandelen in het aandelenkapitaal van DONO, als de Verkrijgende Vennootschap, geannuleerd.	At the Effective Date, no shares in the share capital of DONO, as the Assignee, shall be cancelled.	Ingen aksjer i DONO, som Overtagende Selskap, skal slettes på Ikrafttredelsestidspunktet.
Vanaf en met inbegrip van de Ingangsdatum (zoals hieronder gedefinieerd), hebben de Aandeelhouders van Tricer volledige aandeelhoudersrechten in DONO, waaronder rechten op dividenden, naar verhouding van hun respectieve belang in Tricer 3 vóór de Fusie.	From and including the Effective Date (as defined below), the Tricer Shareholders will have full shareholders rights, including rights to dividends, in DONO pro rata to their respective shareholding in Tricer 3 before the Merger.	Fra og med Ikrafttredelsestidspunktet (som definert nedenfor) vil Tricer Aksjonærene få fulle aksjeeierrettigheter i DONO, inkludert rett til utbytte, pro rata med deres respektive eierandel i Tricer 3 før Fusjonen.
In overeenstemming met artikel 2:333d, sub f en 2:333h BW, en voor zover van toepassing, kan een aandeelhouder van Tricer 3 die tegen het Fusieplan heeft gestemd schadeloosstelling vragen per aandeel in Tricer 3 dat vervalt (het " Recht op Schadeloosstelling "). Op 17 September 2021 heeft iedere aandeelhouder van Tricer 3 afstand gedaan van zijn Recht op Schadeloosstelling. Voor zover nodig kan een betreffende Aandeelhouder van Tricer schadeloosstelling vragen voor een bedrag dat overeenkomt met de nominale waarde van de aandelen. Hun afstanddoening is opgenomen in <u>Bijlage 13</u> .	In accordance with sections 2:333d(f) and 2:333h of the DCC, and to the extent applicable, a shareholder of Tricer 3 who has voted against the Merger Plan can request a compensation per share in Tricer 3 it must refrain from (the " Compensation Right "). On 17 September 2021 each of the Tricer 3 Shareholders has waived its Compensation Right. To the extent necessary only, such Tricer Shareholder can request a compensation in an amount corresponding to the nominal value of the shares. Their waiver is included in <u>Appendix 13</u> .	I samsvar med 2:333d(f) og 2:333h i DCC, og i den grad det er aktuelt, kan en aksjonær i Tricer 3 som har stemt imot Fusjonsplanen kreve kompensasjon for aksjene i Tricer 3 som må gis opp i forbindelse med Fusjonen (" Kompensasjonsretten "). Hver av Tricer Aksjonærene har den 17. september 2021 gitt avkall på sin respektive Kompensasjonsrett. Kun i den grad det er nødvendig kan hver av Tricer Aksjonærene kreve kompensasjon for et beløp som tilsvarer aksjenes nominelle verdi. Deres avkall er inntatt som <u>Vedlegg 13</u> .
Er zijn geen stemrechtloze of winstrechtloze aandelen in Tricer 3 en daarom verstrekt het Fusieplan geen informatie over eventuele gevolgen die de Fusie zou hebben gehad voor houders van dergelijke aandelen.	There are no non-voting or non-profit shares in Tricer 3, and therefore, the Merger Plan does not provide information on any consequences the Merger would have had for holders of such shares.	Det er ingen aksjer i Tricer 3 som ikke har stemmerett eller rett til utbytte, og Fusjonsplanen gir derfor ingen informasjon om hvilke konsekvenser Fusjonen ville hatt for eiere av slike aksjer.

2.5	Werkgelegenheidsgevolgen van de Fusie en wijze waarop werknemers worden betrokken	2.5	Repercussions of the merger on employment and employee involvement arrangements	2.5	Fusjonens virkninger for sysselsettingen og regler for ansattes innflytelse
	Geen van de Fuserende Vennootschappen heeft werknemers of een (groeps)ondernemingsraad. De Fusie zal daarom geen gevolgen hebben voor de werkgelegenheid in de Fuserende Vennootschappen. Dienovereenkomstig zijn de bepalingen met betrekking tot werknemersparticipatie bij de Verkrijgende Vennootschap als bedoeld in artikel 2:333k BW en de artikelen 13-11 en 13-34 van de NVW niet van toepassing en hoeven er geen regelingen te worden getroffen voor eventuele betrokkenheid van werknemers van de Verkrijgende Vennootschap.	Neither of the Merging Companies have employees or a (group) work council. The Merger will therefore not have any repercussions on employment in the Merging Companies. Accordingly, the provisions with respect to employees' participation in the Assignee as referred to in section 2:333k of the DCC and sections 13-11 and 13-34 of the NCA do not apply, and there will not be any need to make arrangements for any employee involvement in the Assignee.	Ingen av de Fusjonerende Selskapene har ansatte eller et arbeidsråd/arbeidsgrupper. Fusjonen vil derfor ikke ha noen virkninger for sysselsettingen i de Fusjonerende Selskapene. Bestemmelsene om arbeidstakeres rett til deltakelse i fusjonen i det Overtakende Selskapet i 2:333k av DCC og allmennaktsjeloven §§ 13-11 og 13-24 gjelder ikke, og det er følgende ikke grunnlag for å fastsette nærmere regler for arbeidstakernes innflytelse i det Overtakende Selskapet.		

3	UITVOERING	3	IMPLEMENTATION	3	GJENNOMFØRING
3.1	De ingangsdatum van de Fusie De Fusie zal van kracht worden wanneer (i) de aandeelhouders van de Fuserende Vennootschappen hebben besloten tot de Fusie in een buitengewone algemene vergadering nadat het Fusievoorstel een maand ter inzage heeft gelegen, (ii) de statuten van DONO zijn gewijzigd in verband met de herclassificatie van aandelen in de vennootschap, (iii) de respectieve kennisgevingstermijnen voor crediteuren in Noorwegen en Nederland verlopen zijn (minimaal zes weken vanaf aankondiging van de Fusie in de betreffende landen), (iv) de Fuserende Vennootschappen een fusieverklaring hebben ontvangen in overeenstemming met artikel 13-31 van de NVW en artikel 2:333i lid 3 BW, en (v) de Fusie is geregistreerd als voltooid in het Noorse Handelsregister (<i>Foretaksregisteret</i>), cf. respectievelijk artikel 13-32 lid 1 van de NVW en artikel 2:333i lid 1 BW (de " Ingangsdatum "). De	3.1	The effective date of the Merger The Merger will take effect when (i) the shareholders of the Merging Companies have approved the Merger in extraordinary general meetings after the Merger Plan has been made public for one month, (ii) the amendment of the articles of association of DONO in connection with the reclassification of shares in the company is completed, (iii) the respective creditor notice periods in Norway and the Netherlands have expired (minimum six weeks from the Merger is filed in the respective countries), (iv) the Merging Companies have received a merger certificate in accordance with section 13-31 of the NCA and section 2:333i (3) of the DCC, and (v) the Merger has been registered as completed with the NRBE, cf. section 13-32 (1) of the NCA and section 2:333i (1) of the DCC, respectively (the " Effective Date "). The Effective Date is expected to be on or around 10	3.1	Dato for gjennomføring av Fusjonen Fusjonen vil tre i kraft når (i) aksjonærene i de Fusjonerende Selskapene har godkjent Fusjonen i ekstraordinære generalforsamlinger etter at Fusjonsplanen har vært offentlig tilgjengelig i én måned, (ii) vedtektsendringen i DONO vedrørende reklassifisering av aksjeklasser i selskapet er gjennomført, (iii) kreditorfristen i henholdsvis Norge og Nederland har løpt ut (minimum seks uker fra tidspunktet Fusjonen meldes i hvert land), (iv) de Fusjonerende Selskapene har mottatt en fusjonsattest i henhold til allmennaktsjeloven § 13-31 og 2:333i (3) i DCC, og (v) Fusjonen er registrert som gjennomført i Foretaksregisteret, jf. allmennaktsjeloven § 13-32 (1) og 2:333i (1) i DCC (" Ikrafttredelsestidspunktet "). Ikrafttredelsestidspunktet forventes å være omkring 10. desember 2021.

Ingangsdatum wordt verwacht op of rond 10 December 2021.

Op de ingangsdatum treden de volgende gevolgen van de Fusie op: On the Effective Date, the following effects of the Merger will occur: På Ikrafttredelsestidspunktet inntre følgende virkninger av Fusjonen:

(i)	Tricer 3 houdt op te bestaan;	(i)	Tricer 3 will cease to exist;	(i)	Tricer 3 oppløses;
(ii)	De activa, rechten en verplichtingen van Tricer 3 gaan onder algemene titel over op DONO;	(ii)	The assets, rights and liabilities of Tricer 3 are transferred to DONO under the universal succession of title;	(ii)	Eiendeler, rettigheter og forpliktelser i Tricer 3 overføres til DONO ved suksesjon;
(iii)	De ingetrokken aandelen in Tricer 3 worden ingeruild voor aandelen in DONO in de volgende ruilverhouding (1) 1:50 voor Gewone Aandelen, (2) 1:1 voor Preferente Aandelen, (3) 1:1 voor SS Preferente Aandelen en (4) 1:1 voor US Preferente Aandelen;	(iii)	The redeemed shares in Tricer 3 are exchanged for shares in DONO in the following exchange ratios (1) 1:50 for Ordinary Shares, (2) 1:1 for Preference Shares; (3) 1:1 for SS Preference Shares, and (4) 1:1 for US Preference Shares;	(iii)	De innløste aksjene i Tricer 3 byttes ut med aksjer i DONO med følgende bytteforhold (1) 1:50 for Ordinære Aksjer, (2) 1:1 for SS Preferanseaksjer, (3) 1:1 for SS Preferanseaksjer og (4) 1:1 for US Preferanseaksjer;
(iv)	De aandelen in DONO (de Ingekochte Eigen Aandelen) worden overgedragen aan de aandeelhouders van Tricer in overeenstemming met de in punt 2.4 hierboven (Fusievergoeding) aangegeven toewijzing;	(iv)	The shares in DONO (the Treasury Shares) are transferred to the Tricer Shareholders in accordance with the allocation set out under item 2.4 (Merger Consideration) above;	(iv)	Aksjene i DONO (Egne Aksjer) overføres til Tricer Aksjonærene i henhold til den allokering som følger av pkt. 2.4 (Fusjonsvederlag) ovenfor;
(v)	Andere gevolgen waarin dit Fusieplan voorziet, treden in bij het van kracht worden van de Fusie; en	(v)	Other effects provided for in this Merger Plan to occur when the Merger becomes effective; and	(v)	Andre virkninger som etter Fusjonsplanen skal inntre ved Fusjonens ikrafttredelse; og
(vi)	De bedrijfsactiviteiten van Tricer 3 worden door DONO op dezelfde manier voortgezet als voortgaand aan de Fusie.	(vi)	The business operations of Tricer 3 shall be continued by DONO in the same manner as prior to the Merger.	(vi)	Virksomheten i Tricer 3 skal drives videre av DONO i samme utstrekning som før Fusjonen.

3.2 Boekhoudkundige uitvoering

De verwachte datum voor het van kracht worden van de Fusie vanuit boekhoudkundig perspectief is 1

3.2 Accounting implementation

The expected date to implement the Merger from an accounting perspective is 1 January 2021, to the

3.2 Regnskapsmessig gjennomføring

Det er forventet at Fusjonen gjennomføres med regnskapsmessig virkning fra 1. januar 2021, med den

januari 2021, met als gevolg dat vanaf 1 januari 2021 de financiële gegevens met betrekking tot Tricer 3 voor de periode vanaf 1 januari 2021 tot de Ingangsdatum, verantwoord worden in de jaarrekening van DONO, wat betekent dat alle transacties van Tricer 3 (als de Verdwijnende Vennootschap) voor boekhoudkundige doeleinden worden behandeld als die van DONO (als de Verdwijnende Vennootschap).	effect that as of 1 January 2021 the financial information pertaining to Tricer 3 with respect to the period running from 1 January 2021 up until the Effective Date shall be accounted for in the annual accounts of DONO, meaning that any transactions of Tricer 3 (as the Assignor) for accounting purposes will be treated as being those of DONO (as the Assignee).	følge at all finansiell informasjon tilknyttet Tricer 3 i perioden fra og med 1. januar 2021 til Ikrafttredelsestidspunktet skal tilordnes DONO i dets årsregnskap, som innebærer at transaksjoner i Tricer 3 (som det Overdragende Selskap) fra og med 1. januar 2021 regnskapsmessig tilordnes til DONO (som det Overtakende Selskap).
Er is geen goodwill bij de Verdwijnende Vennootschap en de Verkrijgende Vennootschap. De uitkeerbare reserves van de Verkrijgende Vennootschap zullen toenemen met ten minste het saldo van de uitkeerbare reserves van de Verdwijnende Vennootschap op de datum van de fusie. De uitkeerbare reserves van de Verkrijgende Vennootschap zullen bij de fusie met NOK 306 066 147 toenemen.	There is no goodwill on the part of the Assignor and the Assignee. The Assignee's distributable reserves will increase by at least the balance of the Assignor's distributable reserves on the date of the merger. The Assignee's distributable reserves will thus increase by NOK 306,066,147 upon the Merger.	Det er ingen goodwill for det Overdragende Selskapet og det Overtakende Selskapet. Det Overtakende Selskapets frie egenkapital vil som minimum øke med summen av det Overdragende Selskapets frie egenkapital. Det Overtakende Selskapets frie egenkapital vil dermed øke med NOK 306.066.147 ved Fusjonen.
3.3 Belastingtechnische uitvoering Voor Nederlandse en Noorse belastingdoeleinden wordt de Fusie van kracht vanaf de Ingangsdatum. Voor belastingdoeleinden in Nederland en Noorwegen houdt de Fusie een volledige realisatie in van alle activa, rechten en verplichtingen die Tricer 3 in bezit heeft, aangezien de Fusie niet kan worden uitgevoerd met continuïteit voor belastingdoeleinden in Nederland en bijgevolg ook niet in Noorwegen.	3.3 Tax implementation The Merger will take effect for Dutch and Norwegian tax purposes as of the Effective Date. For Dutch and Norwegian tax purposes, the Merger will imply a full realization of all assets, rights and liabilities held by Tricer 3 as the Merger cannot be carried out with continuity for tax purposes in the Netherlands and, consequently, neither in Norway.	3.3 Skattemessig gjennomføring Fusjonen vil få virkning for nederlandske og norske skatteformål fra Ikrafttredelsestidspunktet. For nederlandske og norske skatteformål, vil Fusjonen innebære en fullstendig realisasjon av alle eiendeler, rettigheter og forpliktelser eid av Tricer 3, da Fusjonen ikke kan gjennomføres med skattemessig kontinuitet i Nederland og følgelig heller ikke i Norge.
De Fusie betekent ook een realisatie van de aandelen in Tricer 3 en DONO voor de aandeelhouders in Tricer 3 en DONO voor respectievelijk Nederlandse en Noorse belastingdoeleinden. De realisatie mag geen nadelige fiscale gevolgen hebben voor aandeelhouders die in aanmerking komen voor Nederlandse deelnemingsvrijstelling. Noorwegen legt	The Merger will also imply a realization of the shares in Tricer 3 and DONO for the shareholders in Tricer 3 and DONO for Dutch and Norwegian tax purposes, respectively. The realization should not entail adverse tax consequences for shareholders qualifying for Dutch participation exemption. Norway does currently	Fusjonen vil også innebære realisasjon av aksjene i Tricer 3 og DONO for aksjonærene i Tricer 3 og DONO for nederlandske og norske skatteformål. Realisasjonen bør ikke medføre negative skattemessige konsekvenser for aksjonærer som kvalifiserer for den nederlandske fritaksmetoden. Norge legger på nåværende tidspunkt

momenteel geen bronheffing op vermogenswinsten op.	not impose withholding tax on capital gains.	ikke kildeskatt på kapitalgevinster.
4 BEHANDELING VAN HOUDERS VAN BIJZONDERE RECHTEN Tricer 3 (de Verdwijnende Vennootschap) heeft geen uitstaande warrants, converteerbare leningen of andere effecten die houders recht geven op nieuwe aandelen of andere bijzondere rechten in de vennootschap als bedoeld in artikel 2:320 cf. artikel 2:312 lid 2, sub c BW, anders dan in de hoedanigheid van aandeelhouder van Tricer 3. Daarom zijn er geen houders van bijzondere rechten in Tricer 3 die rechten dienen te verkrijgen in DONO (de Verkrijgende Vennootschap).	4 TREATMENT OF HOLDERS OF SPECIAL RIGHTS Tricer 3 (the Assignor) has no outstanding warrants, convertible loans or other securities that give holders rights to new shares or other special rights in the company as referred to in section 2:320 cf. section 2:312(2)(c) of the DCC, other than in the capacity as shareholder of Tricer 3. As such, no holders of special rights in Tricer 3 need to be assured any rights in DONO (the Assignee).	4 BEHANDLING AV INNEHAVERE AV SÆRSKILTE RETTIGHETER Tricer 3 (det Overdragende Selskapet) har ingen utestående tegningsretter, konvertible lån eller andre verdipapirer som gir innehaverne rett til nye aksjer eller andre særskilte rettigheter slik anvist i 2:320 jf. 2:312(2)(c) i DCC, foruten det som følger av å være aksjonær i Tricer 3. Følgelig er det ingen innehavere av særskilte rettigheter i Tricer 3 som behøver å sikres i DONO (det Overtakende Selskapet).
5 VERGOEDINGEN EN ANDERE BIJZONDERE VOORDELEN In verband met de Fusie worden geen vergoedingen of andere bijzondere voordelen of rechten uitgekeerd of toegekend aan bestuursleden, leden van een controlerend of toezichhoudend orgaan, directeuren of een andere soortgelijke bestuurders van een van de Fuserende Vennootschappen. Bovendien zijn geen accountants of onafhankelijke deskundigen ingeschakeld voor de Fusie, anders dan als vereist op grond van artikel 2:328 lid 1 BW, dat een accountantsonderzoek en -verklaring vereist dat (i) de voorgestelde ruilverhouding van de aandelen in Tricer 3 naar zijn mening redelijk is en (ii) het totale eigen vermogen van Tricer 3 op de dag waarop de jaarrekening of de tussentijdse vermogensopstelling, indien van toepassing, betrekking heeft, ten minste overeen komt met het totale nominaal gestorte bedrag van de Ingekochte Eigen Aandelen (de	5 FEES AND OTHER SPECIAL ADVANTAGES No fees or other special advantages or rights shall be payable or granted in connection with the Merger to any board member, member of a control or supervisory body, managing director or other similar executive in either of the Merging Companies. Moreover, no auditor or independent experts have been engaged in connection with the Merger, other than as required pursuant to section 2:328(1) of the DCC, which requires the auditor's verification that (i) the proposed exchange ratio of the shares in Tricer 3 in his opinion is reasonable and (ii) the total equity in Tricer 3 on the date of the annual accounts is at least equal to the total nominal paid-up amount of the Treasury Shares (being the Merger Consideration), and, to the extent applicable, with addition of any payments the Tricer Shareholders are entitled to pursuant to the exchange ratio and the total amount	5 GODTGJØRELSE OG ANDRE SÆRSKILTE FORDELER Det skal ikke betales eller bevilges noen godtgjørelse eller andre særskilte fordeler i forbindelse med Fusjonen til noen styremedlemmer, medlemmer av et kontroll- eller tilsynsorgan, daglig leder eller andre tilsvarende ledende ansatte i de Fusjonerende Selskapene. Det er ikke engasjert revisor eller uavhengige eksperter i forbindelse med Fusjonen, foruten det som følger av 2:328(1) i DCC, som krever revisors bekreftelse på at (i) det foreslåtte bytteforholdet for aksjene i Tricer 3 etter revisors vurdering er rimelig og (ii) den totale egenkapitalen i Tricer 3 på datoen for det aktuelle årsregnskapet minst tilsvarer det samlede pålydende for de Egne Aksjene (som er Fusjonsvederlaget), og, i den grad det er aktuelt, med tillegg av annen utbetaling Tricer Aksjonærene har krav på etter bytteforholdet og deres respektive Kompensasjonsrett (dette er ikke tilfellet for Fusjonen). Utgiftene i denne forbindelse

Fusievergoeding), en, voor zover van toepassing, met toevoeging van betalingen die de Aandeelhouders van Tricer toekomen op grond van de ruilverhouding en het totale bedrag van hun respectieve recht op schadevergoeding (wat niet het geval is voor deze Fusie). De kosten in dit verband bedragen naar verwachting EUR 10.000, en deze worden gedragen door DONO. Anders dan het voorgaande, zijn er geen vergoedingen of andere bijzondere voordelen of rechten te betalen aan een dergelijke persoon.	of their respective Compensation Right (which is not the case for this Merger). The expenses in this regard are expected to amount to EUR 10,000, and will be carried by DONO. Other than the aforementioned, there are no fees or other special advantages or rights payable to any such person.	estimeres til å utgjøre EUR 10.000, og skal betales av DONO. Foruten forannevnte er det ingen godtgjørelser eller andre særskilte fordeler som skal betales til slike personer.
6 VENNOOTSCHAPPELIJKE INFORMATIE EN STATUTEN	6 CORPORATE INFORMATION AND ARTICLES OF ASSOCIATION	6 SELSKAPSRETTLIG INFORMASJON OG VEDTEKTER
DONO, als gefuseerde vennootschap, zal na de Fusie haar geregistreeerde naam wijzigen. De nieuwe naam van de vennootschap wordt DeepOcean Group Holding AS, zoals aangegeven in de hierbij als <u>bijlage 2</u> gevoegde statuten. Anders dan de naamswijziging wordt geen van de bedrijfsgegevens opgenomen in punt 1.1 hierboven gewijzigd.	DONO, as the merged company, will change its registered name in connection with completion of the Merger. The new company name will be DeepOcean Group Holding AS, as is reflected in the articles of association attached hereto as <u>Appendix 2</u>. Other than the name change, none of the corporate information included in item 1.1 above will be altered.	Det registrerte navnet til DONO, som det fusjonerte selskapet, skal endres i forbindelse med Fusjonen. Det nye selskapsnavnet vil være DeepOcean Group Holding AS, slik det fremgår av vedtektene inntatt i <u>Vedlegg 2</u>. Foruten denne navneendringen vil det ikke gjøres noen andre endringer i selskapsinformasjonen inntatt i punkt 1.1 ovenfor.
De statuten van DONO, als de gefuseerde vennootschap, zullen in verband met de Fusie worden gewijzigd en de gewijzigde versie is opgenomen in de hierbij als <u>Bijlage 2</u> gevoegde statuten.	The articles of association of DONO, as the merged company, will in connection with the Merger be amended to read as those attached hereto as <u>Appendix 2</u>.	Vedtektene til DONO, som det fusjonerte selskapet, skal i forbindelse med Fusjonen endres til å lyde slik det fremgår av vedtektene inntatt i <u>Vedlegg 2</u>.
De samenstelling van het bestuur van DONO wordt naar aanleiding van de Fusie niet gewijzigd. Het is echter wel de bedoeling dat de raad van bestuur van DONO voorafgaand aan de Fusie zal worden gewijzigd en dan bestaat uit de volgende personen: Jo Olav Lunder als voorzitter, met Terje Askvig, Øyvind Mikaelson, Kristian Diesen, Marc van der Plas, Mike Winkel en Colette Cohen als bestuursleden.	The composition of the board of DONO shall not be changed on the occasion of the Merger. It is however planned that the board of directors of DONO will be changed prior to the completion of the Merger, and will comprise the following persons: Jo Olav Lunder as chairman, with Terje Askvig, Øyvind Mikaelson, Kristian Diesen, Marc van der Plas, Mike Winkel and Colette Cohen as board members.	Styresammensettingen i DONO skal ikke endres i forbindelse med Fusjonen. Det er imidlertid planlagt at styret i DONO skal endres før gjennomføringen av Fusjonen, slik at det skal bestå av følgende: Jo Olav Lunder som styreleder, med Terje Askvig, Øyvind Mikaelson, Kristian Diesen, Marc van der Plas, Mike Winkel og Colette Cohen som styremedlemmer.
De Fusie is onderhevig aan het besluit tot Fusie van	The Merger is subject to the shareholders of the	Fusjonen er betinget av at Aksjonærene i de

de Aandeelhouders van de Fuserende Vennootschappen in een buitengewone algemene vergadering, nadat het Fusievoorstel een maand ter inzage heeft gelegen in Noorwegen. Er zijn geen andere toestemmingsvereisten of voorwaarden voor de Fusie.

Merging Companies resolving upon the Merger in extraordinary general meeting, after the Merger Plan has been made public in Norway for one month. There are no other consent requirements or conditions for completion of the Merger.

Fusjonerende Selskapene godkjenner Fusjonen i ekstraordinære generalforsamlinger etter at Fusjonsplanen har vært offentlig tilgjengelig i én måned. Fusjonen er ikke betinget av andre samtykker eller godkjenninger.

7 WAARDERING VAN OVERGEDRAGEN ACTIVA EN PASSIVA

De waardering van de activa en passiva van Tricer 3 is gedaan op basis van de marktwaarde van de aan DONO overgedragen activa en passiva na de Fusie.

7 VALUATION OF TRANSFERRED ASSETS AND LIABILITIES

The valuation of Tricer 3's assets and liabilities has been made on basis of the fair market value of the assets and liabilities transferred to DONO upon completion of the Merger.

Verdivurderingen av eiendeler og forpliktelser i Tricer 3 er basert på markedsverdien av de eiendeler og forpliktelser som overføres til DONO ved gjennomføringen av Fusjonen.

8 JAARREKENING ALS BASIS VOOR DE FUSIE

De datum van de jaarrekeningen voor elk van de Fuserende Vennootschappen die de basis hebben gevormd voor het vaststellen van de voorwaarden van de Fusie is 31 december 2020.

8 ACCOUNTS AS THE BASIS FOR THE MERGER

The relevant date of the accounts for each of the Merging Companies which have formed the basis for determining the terms of the Merger is 31 December 2020.

8 REGNSKAPER SOM DANNER GRUNNLAGET FOR FUSJONEN

Datoen for de Fusjonerende Selskapenes årsregnskap som har dannet grunnlag for fastsettelsen av vilkårene for Fusjonen er 31. desember 2020.

9 AANVULLENDE INFORMATIE

Exemplaren van de jaarrekeningen en verslagen van DONO voor de afgelopen drie boekjaren, inclusief de accountantsverklaring, zijn bijgevoegd als bijlage 3, 4 en 5. De tussentijdse vermogensopstelling per 30 juni 2021 is opgenomen in Bijlage 6.

9 SUPPLEMENTARY INFORMATION

A copy of DONO's annual accounts and reports, including the auditor's report, for the past three financial years are attached hereto as Appendix 3, 4 and 5. The interim financial statements as of 30 June 2021 is attached as Appendix 6.

9 TILLEGGSINFORMASJON

En kopi av DONOs årsregnskap og årsrapport, inkludert revisors beretning, for de tre siste regnskapsårene er vedlagt som Vedlegg 3, 4 og 5. Perioderegnskapet og rapporten per 30. juni 2021 er vedlagt som Vedlegg 6.

Exemplaren van de jaarrekeningen en verslagen van Tricer 3 voor de afgelopen twee boekjaren, inclusief de accountantsverklaring, zijn bijgevoegd als bijlage 7, 8 en 9. De tussentijdse vermogensopstelling per 30

A copy of Tricer 3's annual accounts and reports, including the auditor's report, for the past three financial years are attached hereto as Appendix 7, 8 and 9. The interim financial statements as of 30 June

En kopi av Tricer 3s årsregnskap og årsrapport, inkludert revisors beretning, for de tre siste regnskapsårene er vedlagt som Vedlegg 7, 8 og 9. Perioderegnskapet og rapporten per 30. juni 2021 er vedlagt som Vedlegg 10.

juni 2021 is opgenomen in Bijlage 10.

2021 is attached as Appendix 10.

10	ACCOUNTANTSVERKLARING	10	STATEMENT OF THE AUDITOR	10	ERKLÆRING FRA REVISOR
	De verplichting van de Fuserende Vennootschappen om ervoor te zorgen dat een deskundigenverklaring over het fusieplan wordt opgesteld door een onafhankelijke accountant in overeenstemming met artikel 13-28 lid 1 - lid 3 van de NVW is niet van toepassing aangezien de aandeelhouders van de Fuserende Vennootschappen hebben toegestemd om af te wijken van deze verplichting, cf. artikel 13-28 lid 4. Dit volgt ook uit artikel 2:328 lid 6 BW, met uitzondering van de accountantsverklaring onder 2:338 lid 1, tweede volzin waarnaar wordt verwezen onder punt 5 hierboven. Alle aandeelhouders van de Fuserende Vennootschappen hebben ingestemd met het buiten toepassing laten van de bepalingen van artikel 2:328 lid 1, eerste volzin en 2:328 lid 2 BW. De toestemming van de aandeelhouders is bijgevoegd als respectievelijk <u>bijlage 11</u> en <u>12</u>.		The Merging Companies obligation to ensure that an expert statement of the merger plan is prepared by an independent auditor in accordance with section 13-28 (1) - (3) of the NCA does not apply as the shareholders of the Merging Companies have given their consent to deviate from such requirement, cf. section 13-28 (4). This also follows from section 2:328(6) of the DCC, with the exception of the auditor's statement under 2:338(1) second sentence as referred to in item 5 above. All shareholders of the Merging Companies have given their consent to deviate from the provisions of section 2:328(1), first sentence and 2:328(2) of the DCC. The shareholders' consents are attached as <u>Appendix 11</u> and <u>12</u>, respectively.		De Fusjonerende Selskapes forpliktelse til å sørge for at en uavhengig revisor utarbeider en sakkyndig redegjørelse for fusjonsplanen i samsvar med reglene i allmennaksjeloven § 13-28 (1) til (3) gjelder ikke ettersom aksjonærene i hver av de Fusjonerende Selskapene har samtykket til å fravike dette kravet, jf. § 13-28 (4). Tilsvarende følger også av 2:238(6) i DCC, med unntak av revisors bekreftelse slik angitt i punkt 5 ovenfor. Aksjonærene i de Fusjonerende Selskapene har samtykket til å fravike kravene i 2:328(1) første setning og 2:328(2) i DCC. Samtykke fra aksjonærene er inntatt som henholdsvis <u>Vedlegg 11</u> og <u>12</u>.
11	WIJZIGINGEN IN HET FUSIEPLAN	11	CHANGES TO THE MERGER PLAN	11	ENDRINGER TIL FUSJONSPLANEN
	De raad van bestuur van de Fuserende Vennootschappen kunnen gezamenlijk, namens de algemene vergaderingen, kleine en immateriële wijzigingen in het Fusieplan doorvoeren, voor zover nodig of wenselijk, en zolang dit geen schade of nadelen veroorzaakt voor de Fuserende Vennootschappen of hun aandeelhouders.		The board of directors in the Merging Companies can jointly, on behalf of the general meetings, carry out minor and non-material changes to the Merger Plan, to the extent necessary or desirable, and as long as it does not cause any damage or disadvantages to the Merging Companies or their shareholders.		Styrene i de Fusjonerende Selskapene kan i fellesskap, på vegne av generalforsamlingene, gjennomføre mindre og ikke-materielle endringer i Fusjonsplanen dersom dette finnes nødvendig eller ønskelig, og dersom det ikke er til skade eller ulempe for de Fusjonerende Selskapene eller deres aksjonærer.
12	TALEN	12	LANGUAGES	12	SPRÅK
	Dit Fusieplan is opgesteld in een Noorse versie, samen met vertalingen naar het Engels en het		This Merger Plan has been prepared in a Norwegian version, together with translations into English and		Denne Fusjonsplanen er utarbeidet i en norsk versjon, i tillegg til oversettelser til engelsk og nederlandsk.

Nederlands. In het geval van afwijkingen is de Noorse Dutch. In case of any discrepancies, the Norwegian Dersom det er uoverensstemmelser skal den norske versie doorslaggevend. version shall prevail. versjonen gjelde.

Dit Fusieplan wordt ondertekend in twee (2) identieke This merger plan has been executed in two (2) Denne fusjonsplanen er utferdiget i to (2) likelydende exemplaren, één voor elk van de Fuserende identical copies, of which each of the Merging eksemplarer, ett til hver av de Fusjonerende Vennootschappen. Companies has taken one copy. Selskapene.

[Aparte pagina met ondertekening volgt]

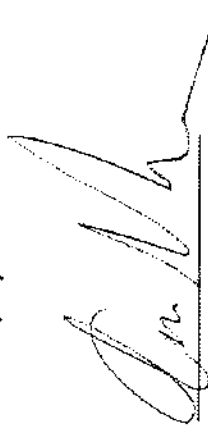
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Oslo, Norway, 17 September 2021

Het bestuur/the board of directors/styret

DeepOcean Norway AS



Øyvind Mikaelson (styreleder/chair)

Frode Garlid

_____, September 2021

Oslo, Norway 17 September 2021

Het bestuur/the board of directors/styret

DeepOcean Norway AS

.....
Oyvind Mikaelson (styreleder/chair)


Frode Garlid

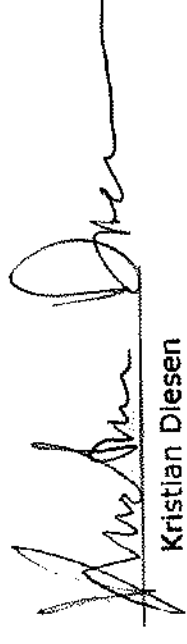
..... September 2021

Het bestuur /the board of directors /styret

Tricer NL Bidco 3 B.V.


Terje Askvig

* * *


Kristian Diesen

(OFFICE TRANSLATION)

VEDTEKTER
FOR
DEEPOCEAN NORWAY AS

(org. nr. 896 696 262)

Per 17. september 2021

§ 1 Selskapets navn

Selskapets navn er DeepOcean Norway AS.

§ 2 Forretningskontor

Selskapets forretningskontor er i Haugesund kommune.

§ 3 Selskapets formål

Selskapets formål er å drive rederivirksomhet og alt som står i forbindelse med dette, herunder å eie aksjer og andeler i tilsvarende eller beslektet virksomhet. Selskapet skal også drive produksjon, tjenesteyting og handel i tilknytning til undervannsvirksomhet, samt hva hermed står i forbindelse, herunder å delta i andre foretak som driver tilsvarende virksomhet.

§ 4 Aksjekapital og aksjeklasser

Selskapets aksjekapital er NOK 71.500.000 fordelt på:

- (i) 10.000.000 A-aksjer hver pålydende NOK 1,1 ("**Ordinære Aksjer**"), totalt NOK 11.000.000;
- (ii) 10.000.000 B-aksjer hver pålydende NOK 1,1 ("**Preferanseaksjer**"), totalt NOK 11.000.000;
- (iii) 30.000.000 C-aksjer, hver pålydende NOK 1,1 ("**SS Preferanseaksjer**"), totalt NOK 33.000.000; og
- (iv) 15.000.000 D-aksjer, hver pålydende NOK 1,1 ("**US Preferanseaksjer**"), totalt NOK

ARTICLES OF ASSOCIATION
OF

DEEPOCEAN NORWAY AS

(reg. no. 896 696 262)

Per 17 September 2021

§ 1 Name of the company

The company's name is DeepOcean Norway AS.

§ 2 Registered office

The company's registered office is in the municipality of Haugesund.

§ 3 Purpose of the company

The objective of the company is to carry out shipping activity and everything related to this, including to own shares or ownership interests in similar or related business. The company shall also operate in production, services and commerce associated with subsea operations and related activities, including participation in other companies that manage equivalent business operations.

§ 4 Share capital and share classes

The share capital of the company is NOK 71,500,000, divided into:

- (i) 10,000,000 A-shares, each with a nominal value of NOK 1.1 ("**Ordinary Shares**"), NOK 11,000,000 in total;
- (ii) 10,000,000 B-shares, each with a nominal value of NOK 1.1 ("**Preference Shares**"), NOK 11,000,000 in total;
- (iii) 30,000,000 C-shares, each with a nominal value of NOK 1.1 ("**SS Preference Shares**"), NOK 33,000,000 in total; and
- (iv) 15,000,000 D-shares, each with a nominal value of NOK 1.1 ("**US Preference Shares**"),

16.500.000.

NOK 16,500,000 in total.

§ 5 Økonomiske og organisatoriske rettigheter

§ 5 Economic and organizational rights

Følgende skal gjelde for de fire aksjeklassene:

The following characteristics shall apply to the four share classes:

A. Definisjoner

A. Definitions

Følgende definisjoner skal gjelde for denne § 5:

The following definitions shall apply to this § 5:

"Opptjeningsperiode" skal bety, for hver Preferanseaksje, SS Preferanseaksje og US Preferanseaksje, (i) perioden fra og med Investeringsdatoen og frem til, men ikke medregnet, datoen som faller tolv måneder etter slik dato og (ii) for den andre og øvrige påfølgende opptjeningsperioder, perioden fra og med datoen som følger umiddelbart etter avslutningen av den forrige opptjeningsperioden frem til, men ikke medregnet, datoen som faller tolv måneder etter slik dato.

"Accrual Period" shall mean, with respect to each Preference Share, SS Preference Share and US Preference Share, (i) the period from and including the Investment Date to but excluding the date that falls twelve months after such date and (ii) with respect to the second and any subsequent accrual periods, the period from and including the date immediately following the end of the previous accrual period to but excluding the date that falls twelve months after such date.

"Basisbeløpet" skal bety:

"Base Amount" shall mean:

- (i) For hver Preferanseaksje, per bestemmelsesdatoen, NOK 136,3751
- (ii) For hver SS Preferanseaksje, pr. bestemmelsesdatoen, NOK 8,5769.
- (iii) for hver US Preferanseaksje, pr. bestemmelsesdatoen NOK 8,5779.

- (i) For each Preference Share, as of the date of determination, NOK 136.3751
- (ii) For each SS Preference Share, as of the date of determination, NOK 8.5769.
- (iii) For each US Preference Share, as of the date of determination, NOK 8.5779.

"Investeringsdatoen" skal bety:

"Investment Date" shall mean:

- (i) For hver Preferanseaksje, 17. september 2021.
- (ii) For hver SS Preferanseaksje, 30. november 2018.
- (iii) For hver US Preferanseaksje, 22. januar 2021.

- (i) For each Preference Share, 17 September 2021.
- (ii) For each SS Preference Share, 30 November 2018.
- (iii) For each US Preference Share, 22 January 2021.

"Avkastning" skal bety:

- (i) For hver Preferanseaksje, for hver Opptjeningsperiode, det beløp som opptjenes hver dag i denne perioden med en årlig sats på 8 % (beregnet på grunnlag av et 365-dagers år) av summen av (i) Basisbeløpet; pluss (ii) eventuell ikke-utbetalt Avkastning for tidligere Opptjeningsperioder.
- (ii) For hver SS Preferanseaksje, for hver Opptjeningsperiode, det beløp som opptjenes hver dag i denne perioden med en årlig sats på 5 % (beregnet på grunnlag av et 360-dagers år) av summen av (i) Basisbeløpet; pluss (ii) eventuell ikke-utbetalt Avkastning for tidligere Opptjeningsperioder.
- (iii) For hver US Preferanseaksje, for hver Opptjeningsperiode, det beløp som opptjenes hver dag i denne perioden med en årlig sats på 8 % (beregnet på grunnlag av et 365-dagers år) av summen av (i) Basisbeløpet; pluss (ii) eventuell ikke-utbetalt Avkastning for tidligere Opptjeningsperiode.

B. Økonomiske rettigheter

I Prinsipper for allokering av beløp til hver aksje

Når et beløp skal utdeles til aksjonærene, skal det allokere i følgende rekkefølge:

- (a) først, for hver utestående US Preferanseaksje, den opptjente og ikke-utbetalte Avkastning;
- (b) dernest, etter betaling av opptjent og ikke-utbetalt Avkastning på alle utestående US Preferanseaksjer, for hver US Preferanseaksje, Basisbeløpet; og
- (c) dernest, for hver utestående SS

"Preferred Dividend" shall mean:

- (i) For each Preference Share, for each Accrual Period, an amount accruing each day during such period at an annual rate of 8% per annum (calculated on the basis of a 365-day year) of the sum of (i) the Base Amount; plus (ii) any unpaid Preferred Dividend for previous Accrual Periods.
- (ii) For each SS Preference Share, for each Accrual Period, an amount accruing each day during such period at an annual rate of 5% per annum (calculated on the basis of a 360-day year) of the sum of (i) the Base Amount; plus (ii) any unpaid Preferred Dividend for previous Accrual Periods.
- (iii) For each US Preference Share, for each Accrual Period, an amount accruing each day during such period at an annual rate of 8% per annum (calculated on the basis of a 365-day year) of the sum of (i) the Base Amount; plus (ii) any unpaid Preferred Dividend for previous Accrual Periods.

B. Economic rights

I Principles for the allocation of amounts in respect of each share

When any amount is to be distributed to the shareholders, it shall be allocated in accordance with the following order of priority:

- (a) first, in respect of each outstanding US Preference Share, the accrued and unpaid Preferred Dividend;
- (b) then, after the payment of the accrued and unpaid Preferred Dividend on all outstanding US Preference Shares, in respect of each outstanding US Preference Share, the Base Amount; and
- (c) then, in respect of each outstanding SS

Preferanseaksje, den opptjente og ikke-utbetalte Avkastning; (d) dernest, etter betaling av opptjent og ikke-utbetalt Avkastning på alle utestående SS Preferanseaksjer, for hver SS Preferanseaksje, Basisbeløpet; (e) dernest, for hver utestående Preferanseaksje, den opptjente og ikke-utbetalte Avkastning; (f) dernest, etter betaling av opptjent og ikke-utbetalt Avkastning på alle utestående Preferanseaksjer, for hver Preferanseaksje, Basisbeløpet; og (g) endelig, etter betaling av opptjent og ikke-utbetalt Avkastning og Basisbeløpet på US Preferanseaksjene, SS Preferanseaksjene og Preferanseaksjene i henhold til rekkefølgen i (a) til (f) over, skal eventuelt restbeløp i hvert tilfelle og med samme prioritet allokteres på hver utestående Ordinære Aksje.	Preference Share, the accrued and unpaid Preferred Dividend; (d) then, after the payment of the accrued and unpaid Preferred Dividend on all outstanding SS Preference Shares, in respect of each outstanding SS Preference Share, the Base Amount; (e) then, in respect of each outstanding Preference Share, the accrued and unpaid Preferred Dividend; (f) then, after the payment of the accrued and unpaid Preferred Dividend on all outstanding Preference Shares, in respect of each outstanding Preference Share, the Base Amount; and (g) finally, after the payment of the accrued and unpaid Preferred Dividend and the Base Amount on the US Preference Shares, the SS Preference Shares and the Preference Shares in the order of priority set out in (a) to (f) above, any remaining amount shall in each case and with the same priority be allocated in respect of each outstanding Ordinary Share.

Ovenstående prinsipper for utdeling på de ulike aksjene er ikke ment å påvirke hvorvidt en utbetaling, i henhold til norsk selskapsrett og/eller skatterett, er gjort av innbetalt aksjekapital/overkurs eller opptjent egenkapital.

II Avkastning

Avkastning skal opptjenes for hver US Preferanseaksje, SS Preferanseaksje og Preferanseaksje i hver Opptjeningsperiode. Avkastningen skal kun utbetales dersom og i den grad generalforsamlingen har besluttet utdeling av utbytte eller dersom Avkastningen ellers skal utbetales i henhold til disse vedtektene. Eventuelt ikke-utbetalt Avkastning ved slutten av hver

The above principles of allocation between the different shares are not intended to affect whether a payment is, from a Norwegian company law and/or tax law perspective, made out of paid-in share capital/share premium or out of retained earnings.

II Preferred Dividend

The Preferred Dividend shall accrue on each US Preference Share, SS Preference Share and Preference Share during each Accrual Period. The Preferred Dividend shall be due and payable only if and to the extent it is declared as a dividend distribution by the general meeting or otherwise payable in accordance with these articles of association. Any Preferred Dividend that is unpaid

Opptjeningsperiode skal anses som opptjent.

at the end of an Accrual Period shall be considered as accrued.

III Utbytte

US Preferanseaksjene, SS Preferanseaksjene og Preferanseaksjene skal gi fortrinnsrett til ethvert utbytte i de prinsipper for allokering som følger av § 5(B)(I). Selskapet har kun lov til å dele ut utbytte dersom det har tilstrekkelig fri egenkapital beregnet i henhold til aksjelovens kapittel 8. Selskapet har ingen plikt til å dele ut utbytte selv om det har fri egenkapital.

III Dividends

The US Preference Shares, the SS Preference Shares and the Preference Shares shall have preferential rights to any dividends in accordance with the allocation principles set forth in § 5(B)(I). The company is only permitted to pay a dividend if it has sufficient distributable reserves, determined in accordance with chapter 8 of the Norwegian Private Limited Companies Act. The company has no obligation to distribute dividends even if such distributable reserves should be available.

Intet utbytte kan fastsettes eller utbetales på de Ordinære Aksjene med mindre, eller inntil, beløpet under § 5(B)(I)(a) til (f) er betalt i sin helhet.

No dividend may be declared or paid in respect of the Ordinary Shares unless and until the amounts under § 5(B)(I)(a) to (f) have been paid in full.

IV Likvidasjonspreferanse

Ved eventuell likvidasjon av selskapet, enten det er frivillig eller ufrivillig, solvent eller insolvent, skal likvidasjonsvederlag for hver aksje utbetales i henhold til prinsippene som fremgår under § 5(B)(I) over.

IV Liquidation preference

Upon a liquidation of the company whether voluntary or involuntary, solvent or insolvent, the liquidation proceeds shall be allocated in respect of each share in accordance with the principles set out under § 5(B)(I) above.

V Annen utdeling eller tilbakekjøp av aksjer

Dersom annen utdeling og/eller tilbakekjøp av aksjer skal gjennomføres i henhold til aksjeloven, skal det utdelte beløp, eller prisen betalt til eller kreditert aksjonærene, allokere til hver aksje i henhold til prinsippene som fremgår under § 5(B)(I) over.

V Any other distribution or repurchase of shares

In case of any other distribution and/or repurchase in accordance with the Norwegian Private Limited Companies Act, the amount distributed, or the price paid or credited to shareholders, shall be allocated in respect of each share in accordance with the principles set out under § 5(B)(I) above.

C. Organisatoriske rettigheter

Bortsett fra det som fremgår i denne § 5, skal de Ordinære Aksjene, Preferanseaksjene, SS Preferanseaksjene og US Preferanseaksjene likebehandles og ha samme rettigheter, herunder hva gjelder stemmerett på en slik måte at hver

C. Organizational rights

Except as set forth in this § 5, the Ordinary Shares, the Preference Shares, the SS Preference Shares and the US Preference Shares shall rank pari passu, including in respect of voting rights in such a way

aksje skal gi én stemme.

that each share shall carry one vote.

§ 6 Innløsning av Preferanseaksjer

Styret i selskapet har til enhver tid rett til å beslutte en innløsning av Preferanseaksjene, SS Preferanseaksjene og/eller US Preferanseaksjene ved nedsettelse av selskapets aksjekapital. Så langt det er praktisk mulig, skal enhver slik innløsning fordeles pro rata mellom aksjonærene basert på den enkelte aksjonærs andel av det totale antall Preferanseaksjer, SS Preferanseaksjer eller US Preferanseaksjer i selskapet. Innløsningssummen per Preferanseaksje, SS Preferanseaksje og US Preferanseaksje skal fastsettes i henhold til prinsippene som fremgår under § 5(B)(I) over.

Når det for en US Preferanseaksje er utbetalt slikt beløp som følger av § 5(B)(I)(a) og (b), skal US Preferanseaksjen innløses uten ytterligere vederlag, og når det for en SS Preferanseaksje er utbetalt slikt beløp som følger av § 5(B)(I)(c) og (d), skal SS Preferanseaksjen innløses uten ytterligere vederlag, og når det for en Preferanseaksje er utbetalt slikt beløp som følger av § 5(B)(I)(e) og (f), skal Preferanseaksjen innløses uten ytterligere vederlag.

§ 7 Styre

Selskapets styre skal bestå av minst ett og inntil ni styremedlemmer, som velges av generalforsamlingen. Styret kan utpeke styrets leder.

§ 8 Signatur

Selskapets firma tegnes av daglig leder alene, styrets leder alene eller to styremedlemmer i fellesskap.

§ 6 Redemption of Preference Shares

The board of directors of the company has the right to, at any time, resolve to redeem the Preference Shares, the SS Preference Shares and/or the US Preference Shares by way of reduction of the company's share capital. To the extent practically possible, any such redemption shall take place with a pro rata part of each shareholder's holding of Preference Shares, SS Preference Shares or US Preference Shares based on its proportionate part of the total number of Preference Shares, SS Preference Shares or US Preference Shares in the company. The redemption amount per Preference Share, SS Preference Share and US Preference Share shall be determined in accordance with the principles set out under § 5(B)(I) above.

When the amounts under § 5(B)(I)(a) and (b) have been paid in full with respect to a US Preference Share, then that US Preference Share shall be redeemed without any further consideration, and when the amounts under § 5(B)(I)(c) and (d) have been paid in full with respect to a SS Preference Share, then that SS Preference Share shall be redeemed without any further consideration, and when the amounts under § 5(B)(I)(e) and (f) have been paid in full with respect to a Preference Share, then that Preference Share shall be redeemed without any further consideration.

§ 7 Board of directors

The board of directors shall consist of minimum one and up to nine members to be elected by the shareholders meeting. The board of directors may appoint the chairman of the board of directors.

§ 8 Signatory rights

The general manager alone, the chairman of the board alone or two board members jointly have the authorisation to sign on behalf of the company.

§ 9 Overdragelse av aksjer

Samtykke fra styret kreves ikke for erverv av aksjer i selskapet, jf. aksjeloven § 4-15 (2). Ved overdragelse av aksjer skal øvrige aksjonærer ikke ha forkjøpsrett, jf. aksjelovens § 4-15 (3).

§ 9 Transfer of shares

Consent from the board of directors is not required in connection with an acquisition of shares in the company, cf. section 4-15 (2) of the Norwegian Private Limited Companies Act. In connection with transfer of shares by a shareholder, the other shareholders shall not have a pre-emptive right, cf. section 4-15 (3) of the Norwegian Private Limited Companies Act.

§ 10 Ordinær generalforsamling

Den ordinære generalforsamlingen skal behandle og beslutte:

- a) godkjenning av årsregnskapet og styrets årsberetning, herunder utdeling av utbytte til aksjonærene,
- b) valg av styremedlemmer, og
- c) alle andre saker som i henhold til lov eller vedtekter skal behandles av generalforsamlingen.

§ 10 Annual general meeting

The annual general meeting shall handle and resolve the following:

- a) approve the annual accounts and directors' report, including distribution of dividend to the shareholders,
- b) election of board members, and
- c) any other business that, by law or pursuant to the articles of association, is to be transacted at the general meeting.

* * *

(OFFICE TRANSLATION)

VEDTEKTER
FOR
DEEPOCEAN GROUP HOLDING AS

(org. nr. 896 696 262)

Per _____

§ 1 Selskapets navn

Selskapets navn er DeepOcean Group Holding AS.

§ 2 Forretningskontor

Selskapets forretningskontor er i Oslo kommune.

§ 3 Selskapets formål

Selskapets formål er å drive rederivirksomhet og alt som står i forbindelse med dette, herunder å eie aksjer og andeler i tilsvarende eller beslektet virksomhet. Selskapet skal også drive produksjon, tjenesteyting og handel i tilknytning til undervannsvirksomhet, samt hva hermed står i forbindelse, herunder å delta i andre foretak som driver tilsvarende virksomhet.

§ 4 Aksjekapital og aksjeklasser

Selskapets aksjekapital er NOK 71.500.000 fordelt på:

- (i) 10.000.000 A-aksjer hver pålydende NOK 1,1 ("**Ordinære Aksjer**"), totalt NOK 11.000.000;
- (ii) 10.000.000 B-aksjer hver pålydende NOK 1,1 ("**Preferanseaksjer**"), totalt NOK 11.000.000;
- (iii) 30.000.000 C-aksjer, hver pålydende NOK 1,1 ("**SS Preferanseaksjer**"), totalt NOK 33.000.000; og
- (iv) 15.000.000 D-aksjer, hver pålydende NOK 1,1

ARTICLES OF ASSOCIATION
OF

DEEPOCEAN GROUP HOLDING AS

(reg. no. 896 696 262)

Per _____

§ 1 Name of the company

The company's name is DeepOcean Group Holding AS.

§ 2 Registered office

The company's registered office is in the municipality of Oslo.

§ 3 Purpose of the company

The objective of the company is to carry out shipping activity and everything related to this, including to own shares or ownership interests in similar or related business. The company shall also operate in production, services and commerce associated with subsea operations and related activities, including participation in other companies that manage equivalent business operations.

§ 4 Share capital and share classes

The share capital of the company is NOK 71,500,000, divided into:

- (i) 10,000,000 A-shares, each with a nominal value of NOK 1.1 ("**Ordinary Shares**"), NOK 11,000,000 in total;
- (ii) 10,000,000 B-shares, each with a nominal value of NOK 1.1 ("**Preference Shares**"), NOK 11,000,000 in total;
- (iii) 30,000,000 C-shares, each with a nominal value of NOK 1.1 ("**SS Preference Shares**"), NOK 33,000,000 in total; and
- (iv) 15,000,000 D-shares, each with a nominal

("US Preferanseaksjer"), totalt NOK 16.500.000.

value of NOK 1.1 ("US Preference Shares"), NOK 16,500,000 in total.

§ 5 Økonomiske og organisatoriske rettigheter

Følgende skal gjelde for de fire aksjeklassene:

A. Definisjoner

Følgende definisjoner skal gjelde for denne § 5:

"Opptjeningsperiode" skal bety, for hver Preferanseaksje, SS Preferanseaksje og US Preferanseaksje, (i) perioden fra og med Investeringsdatoen og frem til, men ikke medregnet, datoen som faller tolv måneder etter slik dato og (ii) for den andre og øvrige påfølgende opptjeningsperioder, perioden fra og med datoen som følger umiddelbart etter avslutningen av den forrige opptjeningsperioden frem til, men ikke medregnet, datoen som faller tolv måneder etter slik dato.

"Basisbeløpet" skal bety:

- (i) For hver Preferanseaksje, per bestemmelsesdatoen, NOK 136,3751
- (ii) For hver SS Preferanseaksje, pr. bestemmelsesdatoen, NOK 8,5769.
- (iii) for hver US Preferanseaksje, pr bestemmelsesdatoen NOK 8,5779.

"Investeringsdatoen" skal bety:

- (i) For hver Preferanseaksje, 17. september 2021.
- (ii) For hver SS Preferanseaksje, 30. november 2018.
- (iii) For hver US Preferanseaksje, 22. januar 2021.

§ 5 Economic and organizational rights

The following characteristics shall apply to the four share classes:

A. Definitions

The following definitions shall apply to this § 5:

"Accrual Period" shall mean, with respect to each Preference Share, SS Preference Share and US Preference Share, (i) the period from and including the Investment Date to but excluding the date that falls twelve months after such date and (ii) with respect to the second and any subsequent accrual periods, the period from and including the date immediately following the end of the previous accrual period to but excluding the date that falls twelve months after such date.

"Base Amount" shall mean:

- (i) For each Preference Share, as of the date of determination, NOK 136.3751
- (ii) For each SS Preference Share, as of the date of determination, NOK 8.5769.
- (iii) For each US Preference Share, as of the date of determination, NOK 8.5779.

"Investment Date" shall mean:

- (i) For each Preference Share, 17 September 2021.
- (ii) For each SS Preference Share, 30 November 2018.
- (iii) For each US Preference Share, 22 January 2021.

"Avkastning" skal bety:

- (i) For hver Preferanseaksje, for hver Opptjeningsperiode, det beløp som opptjenes hver dag i denne perioden med en årlig sats på 8 % (beregnet på grunnlag av et 365-dagers år) av summen av (i) Basisbeløpet; pluss (ii) eventuell ikke-utbetalt Avkastning for tidligere Opptjeningsperioder.
- (ii) For hver SS Preferanseaksje, for hver Opptjeningsperiode, det beløp som opptjenes hver dag i denne perioden med en årlig sats på 5 % (beregnet på grunnlag av et 360-dagers år) av summen av (i) Basisbeløpet; pluss (ii) eventuell ikke-utbetalt Avkastning for tidligere Opptjeningsperioder.
- (iii) For hver US Preferanseaksje, for hver Opptjeningsperiode, det beløp som opptjenes hver dag i denne perioden med en årlig sats på 8 % (beregnet på grunnlag av et 365-dagers år) av summen av (i) Basisbeløpet; pluss (ii) eventuell ikke-utbetalt Avkastning for tidligere Opptjeningsperiode.

B. Økonomiske rettigheter

I Prinsipper for allokering av beløp til hver aksje

Når et beløp skal utdeles til aksjonærene, skal det allokere i følgende rekkefølge:

- (a) først, for hver utestående US Preferanseaksje, den opptjente og ikke-utbetalte Avkastning;
- (b) dernest, etter betaling av opptjent og ikke-utbetalt Avkastning på alle utestående US Preferanseaksjer, for hver US Preferanseaksje, Basisbeløpet; og
- (c) dernest, for hver utestående SS

"Preferred Dividend" shall mean:

- (i) For each Preference Share, for each Accrual Period, an amount accruing each day during such period at an annual rate of 8% per annum (calculated on the basis of a 365-day year) of the sum of (i) the Base Amount; plus (ii) any unpaid Preferred Dividend for previous Accrual Periods.
- (ii) For each SS Preference Share, for each Accrual Period, an amount accruing each day during such period at an annual rate of 5% per annum (calculated on the basis of a 360-day year) of the sum of (i) the Base Amount; plus (ii) any unpaid Preferred Dividend for previous Accrual Periods.
- (iii) For each US Preference Share, for each Accrual Period, an amount accruing each day during such period at an annual rate of 8% per annum (calculated on the basis of a 365-day year) of the sum of (i) the Base Amount; plus (ii) any unpaid Preferred Dividend for previous Accrual Periods.

B. Economic rights

I Principles for the allocation of amounts in respect of each share

When any amount is to be distributed to the shareholders, it shall be allocated in accordance with the following order of priority:

- (a) first, in respect of each outstanding US Preference Share, the accrued and unpaid Preferred Dividend;
- (b) then, after the payment of the accrued and unpaid Preferred Dividend on all outstanding US Preference Shares, in respect of each outstanding US Preference Share, the Base Amount; and
- (c) then, in respect of each outstanding SS

Preferanseaksje, den opptjente og ikke-utbetalte Avkastning; (d) dernest, etter betaling av opptjent og ikke-utbetalt Avkastning på alle utestående SS Preferanseaksjer, for hver SS Preferanseaksje, Basisbeløpet; (e) dernest, for hver utestående Preferanseaksje, den opptjente og ikke-utbetalte Avkastning; (f) dernest, etter betaling av opptjent og ikke-utbetalt Avkastning på alle utestående Preferanseaksjer, for hver Preferanseaksje, Basisbeløpet; og (g) endelig, etter betaling av opptjent og ikke-utbetalt Avkastning og Basisbeløpet på US Preferanseaksjene, SS Preferanseaksjene og Preferanseaksjene i henhold til rekkefølgen i (a) til (f) over, skal eventuelt restbeløp i hvert tilfelle og med samme prioritet allokteres på hver utestående Ordinære Aksje.	Preference Share, the accrued and unpaid Preferred Dividend; (d) then, after the payment of the accrued and unpaid Preferred Dividend on all outstanding SS Preference Shares, in respect of each outstanding SS Preference Share, the Base Amount; (e) then, in respect of each outstanding Preference Share, the accrued and unpaid Preferred Dividend; (f) then, after the payment of the accrued and unpaid Preferred Dividend on all outstanding Preference Shares, in respect of each outstanding Preference Share, the Base Amount; and (g) finally, after the payment of the accrued and unpaid Preferred Dividend and the Base Amount on the US Preference Shares, the SS Preference Shares and the Preference Shares in the order of priority set out in (a) to (f) above, any remaining amount shall in each case and with the same priority be allocated in respect of each outstanding Ordinary Share.

Ovenstående prinsipper for utdeling på de ulike aksjene er ikke ment å påvirke hvorvidt en utbetaling, i henhold til norsk selskapsrett og/eller skatterett, er gjort av innbetalt aksjekapital/overkurs eller opptjent egenkapital.

II Avkastning

Avkastning skal opptjenes for hver US Preferanseaksje, SS Preferanseaksje og Preferanseaksje i hver Opptjeningsperiode. Avkastningen skal kun utbetales dersom og i den grad generalforsamlingen har besluttet utdeling av utbytte eller dersom Avkastningen ellers skal utbetales i henhold til disse vedtektene. Eventuelt ikke-utbetalt Avkastning ved slutten av hver

The above principles of allocation between the different shares are not intended to affect whether a payment is, from a Norwegian company law and/or tax law perspective, made out of paid-in share capital/share premium or out of retained earnings.

II Preferred Dividend

The Preferred Dividend shall accrue on each US Preference Share, SS Preference Share and Preference Share during each Accrual Period. The Preferred Dividend shall be due and payable only if and to the extent it is declared as a dividend distribution by the general meeting or otherwise payable in accordance with these articles of association. Any Preferred Dividend that is unpaid

Opptjeningsperiode skal anses som opptjent.

at the end of an Accrual Period shall be considered as accrued.

III Utbytte

US Preferanseaksjene, SS Preferanseaksjene og Preferanseaksjene skal gi fortrinnsrett til ethvert utbytte i de prinsipper for allokering som følger av § 5(B)(I). Selskapet har kun lov til å dele ut utbytte dersom det har tilstrekkelig fri egenkapital beregnet i henhold til aksjelovens kapittel 8. Selskapet har ingen plikt til å dele ut utbytte selv om det har fri egenkapital.

III Dividends

The US Preference Shares, the SS Preference Shares and the Preference Shares shall have preferential rights to any dividends in accordance with the allocation principles set forth in § 5(B)(I). The company is only permitted to pay a dividend if it has sufficient distributable reserves, determined in accordance with chapter 8 of the Norwegian Private Limited Companies Act. The company has no obligation to distribute dividends even if such distributable reserves should be available.

Intet utbytte kan fastsettes eller utbetales på de Ordinære Aksjene med mindre, eller inntil, beløpet under § 5(B)(I)(a) til (f) er betalt i sin helhet.

No dividend may be declared or paid in respect of the Ordinary Shares unless and until the amounts under § 5(B)(I)(a) to (f) have been paid in full.

IV Likvidasjonspreferanse

Ved eventuell likvidasjon av selskapet, enten det er frivillig eller ufrivillig, solvent eller insolvent, skal likvidasjonsvederlag for hver aksje utbetales i henhold til prinsippene som fremgår under § 5(B)(I) over.

IV Liquidation preference

Upon a liquidation of the company whether voluntary or involuntary, solvent or insolvent, the liquidation proceeds shall be allocated in respect of each share in accordance with the principles set out under § 5(B)(I) above.

V Annen utdeling eller tilbakekjøp av aksjer

Dersom annen utdeling og/eller tilbakekjøp av aksjer skal gjennomføres i henhold til aksjeloven, skal det utdelte beløp, eller prisen betalt til eller kreditert aksjonærene, allokere til hver aksje i henhold til prinsippene som fremgår under § 5(B)(I) over.

V Any other distribution or repurchase of shares

In case of any other distribution and/or repurchase in accordance with the Norwegian Private Limited Companies Act, the amount distributed, or the price paid or credited to shareholders, shall be allocated in respect of each share in accordance with the principles set out under § 5(B)(I) above.

C. Organisatoriske rettigheter

Bortsett fra det som fremgår i denne § 5, skal de Ordinære Aksjene, Preferanseaksjene, SS Preferanseaksjene og US Preferanseaksjene likebehandles og ha samme rettigheter, herunder hva gjelder stemmerett på en slik måte at hver

C. Organizational rights

Except as set forth in this § 5, the Ordinary Shares, the Preference Shares, the SS Preference Shares and the US Preference Shares shall rank pari passu, including in respect of voting rights in such a way

aksje skal gi én stemme.

that each share shall carry one vote.

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Styret i selskapet har til enhver tid rett til å beslutte en innløsning av Preferanseaksjene, SS Preferanseaksjene og/eller US Preferanseaksjene ved nedsettelse av selskapets aksjekapital. Så langt det er praktisk mulig, skal enhver slik innløsning fordeles pro rata mellom aksjonærene basert på den enkelte aksjonærs andel av det totale antall Preferanseaksjer, SS Preferanseaksjer eller US Preferanseaksjer i selskapet. Innløsningssummen per Preferanseaksje, SS Preferanseaksje og US Preferanseaksje skal fastsettes i henhold til prinsippene som fremgår under § 5(B)(I) over.

Når det for en US Preferanseaksje er utbetalt slikt beløp som følger av § 5(B)(I)(a) og (b), skal US Preferanseaksjen innløses uten ytterligere vederlag, og når det for en SS Preferanseaksje er utbetalt slikt beløp som følger av § 5(B)(I)(c) og (d), skal SS Preferanseaksjen innløses uten ytterligere vederlag, og når det for en Preferanseaksje er utbetalt slikt beløp som følger av § 5(B)(I)(e) og (f), skal Preferanseaksjen innløses uten ytterligere vederlag.

§ 7 Styre

Selskapets styre skal bestå av minst ett og inntil ni styremedlemmer, som velges av generalforsamlingen. Styret kan utpeke styrets leder.

§ 8 Signatur

Selskapets firma tegnes av daglig leder alene, styrets leder alene eller to styremedlemmer i fellesskap.

§ 6 Redemption of Preference Shares

The board of directors of the company has the right to, at any time, resolve to redeem the Preference Shares, the SS Preference Shares and/or the US Preference Shares by way of reduction of the company's share capital. To the extent practically possible, any such redemption shall take place with a pro rata part of each shareholder's holding of Preference Shares, SS Preference Shares or US Preference Shares based on its proportionate part of the total number of Preference Shares, SS Preference Shares or US Preference Shares in the company. The redemption amount per Preference Share, SS Preference Share and US Preference Share shall be determined in accordance with the principles set out under § 5(B)(I) above.

When the amounts under § 5(B)(I)(a) and (b) have been paid in full with respect to a US Preference Share, then that US Preference Share shall be redeemed without any further consideration, and when the amounts under § 5(B)(I)(c) and (d) have been paid in full with respect to a SS Preference Share, then that SS Preference Share shall be redeemed without any further consideration, and when the amounts under § 5(B)(I)(e) and (f) have been paid in full with respect to a Preference Share, then that Preference Share shall be redeemed without any further consideration.

§ 7 Board of directors

The board of directors shall consist of minimum one and up to nine members to be elected by the shareholders meeting. The board of directors may appoint the chairman of the board of directors.

§ 8 Signatory rights

The general manager alone, the chairman of the board alone or two board members jointly have the authorisation to sign on behalf of the company.

§ 9 Overdragelse av aksjer

Samtykke fra styret kreves ikke for erverv av aksjer i selskapet, jf. aksjeloven § 4-15 (2). Ved overdragelse av aksjer skal øvrige aksjonærer ikke ha forkjøpsrett, jf. aksjelovens § 4-15 (3).

§ 9 Transfer of shares

Consent from the board of directors is not required in connection with an acquisition of shares in the company, cf. section 4-15 (2) of the Norwegian Private Limited Companies Act. In connection with transfer of shares by a shareholder, the other shareholders shall not have a pre-emptive right, cf. section 4-15 (3) of the Norwegian Private Limited Companies Act.

§ 10 Ordinær generalforsamling

Den ordinære generalforsamlingen skal behandle og beslutte:

- a) godkjenning av årsregnskapet og styrets årsberetning, herunder utdeling av utbytte til aksjonærene,
- b) valg av styremedlemmer, og
- c) alle andre saker som i henhold til lov eller vedtekter skal behandles av generalforsamlingen.

§ 10 Annual general meeting

The annual general meeting shall handle and resolve the following:

- a) approve the annual accounts and directors' report, including distribution of dividend to the shareholders,
- b) election of board members, and
- c) any other business that, by law or pursuant to the articles of association, is to be transacted at the general meeting.

* * *



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2018 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer: 896 696 262
Organisasjonsform: Aksjeselskap
Foretaksnavn: DEEPOCEAN NORWAY AS
Forretningsadresse: Karmsundgata 74
5529 HAUGESUND

Regnskapsår

Årsregnskapets periode: 01.01.2018 - 31.12.2018

Konsern

Morselskap i konsern: Ja
Konsernregnskap lagt ved: Ja

Regnskapsregler

Regler for små foretak benyttet: Nei
Benyttet ved utarbeidelsen av årsregnskapet til selskapet: Regnskapslovens alminnelige regler
Benyttet ved utarbeidelsen av årsregnskapet til konsernet: -

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Øyvind Apeland
Dato for fastsettelse av årsregnskapet: 19.07.2019

Grunnlag for avgivelse

År 2018: Årsregnskapet er elektronisk innlevert
År 2017: Tall er hentet fra elektronisk innlevert årsregnskap fra 2018

Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.

Brønnøysundregistrene, 10.09.2021



Resultatregnskap

Beløp i: NOK	Note	2018	2017
RESULTATREGNSKAP			
Inntekter			
Annen driftsinntekt		12 266	182 420
Sum inntekter		12 266	182 420
Kostnader			
Varekostnad		104 192	461 910
Lønnskostnad		-62 703	22 562
Annen driftskostnad		3 475 769	239 599
Sum kostnader		3 517 258	724 071
Driftsresultat		-3 504 992	-541 651
Finansinntekter og finanskostnader			
Renteinntekt fra foretak i samme konsern		5 128 832	528 535
Annen renteinntekt		575 002	14 424
Sum finansinntekter		5 703 834	542 959
Rentekostnad til foretak i samme konsern		37 149 268	32 832 123
Annen rentekostnad		10 492 771	10 403 567
Annen finanskostnad		5 366 323	-2 156 861
Sum finanskostnader		53 008 362	41 078 828
Netto finans		-47 304 528	-40 535 869
Ordinært resultat før skattekostnad		-50 809 520	-41 077 520
Skattekostnad på ordinært resultat			23 372
Ordinært resultat etter skattekostnad		-50 809 520	-41 100 892
Årsresultat		-50 809 520	-41 100 892
Årsresultat etter minoritetsinteresser		-50 809 520	-41 100 892
Totalresultat		-50 809 520	-41 100 892
Overføringer og disponeringer			



Resultatregnskap

Beløp i: NOK	Note	2018	2017
Overføringer til/fra annen egenkapital		-50 809 520	-41 100 892
Sum overføringer og disponeringer		-50 809 520	-41 100 892



Balanse

Beløp i: NOK	Note	2018	2017

BALANSE - EIENDELER

Anleggsmidler

Immaterielle eiendeler

Finansielle anleggsmidler

Investering i datterselskap	1 262 928 005	1 262 928 005
Lån til tilknyttet selskap og felles kontrollert virksomhet	103 490 148	55 824 844
Andre fordringer	2 788 933	2 726 230
Sum finansielle anleggsmidler	1 369 207 086	1 321 479 079

Sum anleggsmidler	1 369 207 086	1 321 479 079

Omløpsmidler

Varer

Fordringer

Kundefordringer	1 728 994	3 306 216
Andre fordringer		2 797 054
Sum fordringer	1 728 994	6 103 270

Bankinnskudd, kontanter og lignende

Bankinnskudd, kontanter og lignende	249 633 638	21 339 735
Sum bankinnskudd, kontanter og lignende	249 633 638	21 339 735

Sum omløpsmidler	251 362 632	27 443 005

SUM EIENDELER	1 620 569 719	1 348 922 085

BALANSE - EGENKAPITAL OG GJELD

Egenkapital

Innskutt egenkapital

Selskapskapital	55 000 000	22 000 000
Overkurs	643 354 069	469 930 602
Sum innskutt egenkapital	698 354 069	491 930 602



Balanse

Beløp i: NOK	Note	2018	2017
Opptjent egenkapital			
Annen egenkapital			-74 013
Sum opptjent egenkapital			-74 013
 Sum egenkapital		698 354 069	491 856 589
 Gjeld			
Langsiktig gjeld			
Annen langsiktig gjeld			
Gjeld til kredittinstitusjoner		159 819 531	136 494 999
Øvrig langsiktig gjeld		698 384 961	624 906 949
Sum annen langsiktig gjeld		858 204 492	761 401 948
 Sum langsiktig gjeld		858 204 492	761 401 948
 Kortsiktig gjeld			
Leverandørgjeld		62 478 744	46 016 562
Skyldige offentlige avgifter		-480 033	316 387
Annen kortsiktig gjeld		2 012 447	49 330 598
Sum kortsiktig gjeld		64 011 157	95 663 547
 Sum gjeld		922 215 649	857 065 496
 SUM EGENKAPITAL OG GJELD		1 620 569 719	1 348 922 085



MOTTATT

11 JAN. 2016

Skattedirektoratet

Saksbehandler
Torstein Kinden Helleland

Deres dato
05.01.2016

Vår dato
07.01.2016

Telefon
22078139

Deres referanse
Øyvind Apeland

Vår referanse
2012/430841

DEEPOCEAN NORWAY AS
Postboks 2144
5504 HAUGESUND

Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk språk

Vi viser til deres brev av 5. januar 2016 der det søkes om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk for følgende selskaper;

DeepOcean Norway AS	org. nr. 896 696 262
DeepOcean AS	org. nr. 980 722 805
DeepOcean Management AS	org. nr. 987 538 880
DeepOcean Maritime AS	org. nr. 948 230 798
Deep Ocean Shipping AS	org. nr. 979 456 107
DeepOcean Shipping II AS	org. nr. 992 035 870
DeepOcean Shipping III AS	org. nr. 977 289 483
DeepOcean Shipping IV AS	org. nr. 976 854 020
DeepOcean Shipping V AS	org. nr. 914 883 164
DeepOcean Shipping VI AS	org. nr. 914 937 590
Northwest Maritime AS	org. nr. 966 250 380
DeepOcean 1 UK Ltd (norsk NUF)	org. nr. 997 914 775

Skattedirektoratet gir på bakgrunn av en konkret helhetsvurdering de overnevnte selskaper dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk, jf. regnskapsloven § 3-4 tredje ledd. Dispensasjonen forutsetter at opplysningene som vedtaket baserer seg på ikke endres vesentlig.

Kopi av dette brevet må sendes Regnskapsregisteret i Brønnøysund sammen med årsregnskapet. Det påligger den regnskapspliktige å dokumentere ved dette brev at tillatelsen er gitt.

Bakgrunn

DeepOcean Norway AS (tidligere DeepOcean Group Holding AS) er nå det norske morselskapet i DeepOcean gruppen og 100 % datterselskap av konsernspissen DeepOcean Group Holding BV. DeepOcean Group Holding BV er 100 % eid av amerikanske obligasjonsfond. Konsernet fikk i vedtak av 15. august 2012 tillatelse til å benytte engelsk språk. Konsernet er et integrert oljeservicekonsern som driver internasjonal virksomhet innen områdene Subsea Services, Subsea Trenching and Protection. Konsernet driver innen en bransje hvor engelsk benyttes i

Postadresse
Postboks 9200 Grønland
0134 Oslo

Besøksadresse:
Se www.skatteetaten.no
Org.nr: 996250318
E-post: skatteetaten.no/sendepost

Sentralbord
800 80 000
Telefaks
22 17 08 60



all kommunikasjon med forretningsforbindelser. Det interne arbeidsspråket i selskapene er også engelsk og all intern rapportering skjer på dette språket. Alle selskapene har styreleder og/eller styremedlemmer som ikke er norskspråklige. Alle sentrale aktører og samarbeidspartnere innen denne bransjen behersker og benytter engelsk. En norsk oversettelse vil kun ha til formål å oppfylle regnskapslovens språkkrav.

Skattedirektoratets vurdering

Etter regnskapsloven § 3-4 tredje ledd skal *"årsregnskapet og årsberetningen ... være på norsk. Departementet kan ved ... enkeltvedtak bestemme at årsregnskapet og/eller årsberetningen kan være på et annet språk."*

I Ot. prp. nr. 42 (1997-1998) Om lov om årsregnskap m.v., er det uttalt følgende om regnskapslovens formål, jf. pkt. 1.1:

"Regjeringen har som siktemål at regnskapsloven skal bidra til informative regnskaper for ulike grupper av regnskapsbrukere. Regnskapsbrukerne er dels investorer og kreditorer som tilfører kapital til foretakene, og dels andre grupper som har interesse av å vite hvordan foretaket drives, f.eks. de ansatte og lokalsamfunnet. Informasjonen til kapitalmarkedet skal gi grunnlag for riktig prising av finansielle objekter. Riktig prisdannelse på aksjer er en forutsetning for at ressursbruken i samfunnsøkonomien skal bli best mulig. Gode regnskaper vil også gjøre det vanskeligere for markedsdeltakere å ta ut spekulasjonsgevinster med basis i skjevt fordelt informasjon."

Det fremgår således at et av hovedformålene med regnskapsloven er å bidra til *"informative regnskaper for ulike grupper av regnskapsbrukere"*. Regnskapsbrukere vil omfatte, jf. uttalelsen i proposisjonen, blant andre investorer, kreditorer, ansatte og lokalsamfunnet.

Det er etter Skattedirektoratets vurdering derfor avgjørende ved vurdering av om dispensasjon fra kravet til å utarbeide årsregnskap og/eller årsberetning på norsk kan gis, at det ikke foreligger mulige brukere av regnskapsinformasjon som blir vesentlig berørt negativt ved en eventuell dispensasjon.

Det er særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I denne vurderingen har Skattedirektoratet lagt særlig vekt på at selskapet er 100 % eid av amerikanske obligasjonsfond. Konsernet er tidligere innvilget dispensasjon. Det vesentlige av virksomheten foregår i utlandet. Selskapets arbeidsspråk er engelsk og all kommunikasjon skjer på engelsk. Videre er det vektlagt at selskapet driver virksomhet i en internasjonal bransje der alle aktører behersker og benytter engelsk språk.



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Vennligst oppgi vår referanse ved henvendelser i saken.

Med hilsen

Rune Tystad
seniorrådgiver
Rettsavdelingen, foretaksskatt
Skattedirektoratet

Torstein Kinden Helleland

Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer





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DeepOcean Norway AS
896 696 262
ANNUAL REPORT
2018

DEEPOCEAN



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DeepOcean Norway AS

Directors Report 2018

The Company

These are the annual report and audited financial statements for DeepOcean Norway AS (the "Company") for the year ended 31 December 2018. The Company's office is in Haugesund, and it is a direct subsidiary of DeepOcean Group Holding BV which is a private limited Dutch company.

The Company is the holding company for the 100% subsidiaries DeepOcean AS and DeepOcean Shipping IV AS.

Going concern

The Financial statements have been prepared on the basis of historical cost, at fair value through profit or loss. Income and expenses are accounted for on an accrual basis.

Current market conditions have their effect on DeepOcean Group and the ability to generate stable cash flows and profits for the next few years. To address potential effects of this on the Group's prevailing covenant levels, both current and forecasted covenant levels are continually monitored with internal thresholds for effecting actions plans. Based on the current forecast/budget, management does not see an immediate risk to breaking the bank loan covenants in the course of normal business throughout 2019. Based on the above, management believes it is appropriate to prepare the financial statements using the going concern assumption.

The Company is a subsidiary in DeepOcean Group and is impacted by the Group's financing and intercompany loans and borrowings. The Company is also an obligor in the Credit Facility arrangement and all assets are pledged.

For further details reference is made to note 15.

Equality between men and women in the Company

The Company has no employees.

Both the Board of Directors and the management are aware of the social expectations about efforts for equality between men and women in The Company and the Board. The Company commitment is to meet society's expectations of gender equality.

The board of Directors consists of three (3) men.

Research and development activities

The Company has no ongoing research and development projects.

Environment

The Company is committed to conducting its business activities without harm to the environment.



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DeepOcean Norway AS

Market outlook

DeepOcean is confident in the future of the industries it operates in and continues to focus on business in its heartland, in the Greater North Sea, Central America, West Africa and in other geographical areas. DeepOcean will continue its efforts and investments in projects that support its strategy and increase its operational efficiency across all business areas.

Credit risk

100% of the Company's receivables come from other DeepOcean companies, and the credit risk is acceptable.

For further details reference is made to the Balance sheet statement and Notes 2, 3, 13 and 14.

Liquidity risk

The Group's approach to managing liquidity is to ensure that there are sufficient funds to meet the financial obligations when they fall due under both normal and stressed conditions, without incurring unacceptable losses or risking damage to its reputation.

To ensure it is sufficient cash to meet expected operational expenses, including the servicing of financial obligations the Group continuously monitor the actual and future cash flow requirements taking into account the maturity profiles of financial assets and liabilities and the rolling forecast of the Group's liquidity reserve, which comprises cash and cash equivalents and an undrawn credit facility.

For further details reference is made to Notes 2,3, 13 and 14.

Cash flow

Net cash from operation is minus NOK 32,2 million in 2018 compared with minus NOK 15,3 million in 2017.

Repayment of external loan under the credit facility is financed by increasing loans from group companies.

Financial Information

The Company has an external loan in USD. The foreign exchange unrealized and realized loss on this loan in 2018 was NOK 5,4 million compared with NOK 8,7 million gain in 2017.

A value in use computation has been prepared as basis for the impairment calculations. The impairment charge is sensitive to changes to key assumptions such as future revenues and estimated margins and the WACC applied. The Company has not made any impairment of shares in subsidiaries in 2018. For further details reference is made to Note 1.

The Company has been capitalized with NOK 257.307.000 in 2018.

The Company equity ratio was 43,1% as of 31.12.2018 compared to 36,5 % as of 31.12.2017.

The total capital was NOK 1.620.569.719 at the end of 2018, compared with NOK 1.348.922.085 at end of 2017.



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DeepOcean Norway AS

Net income and Disposals

The Board of Directors proposes that the loss of NOK 50.809.520 is treated as follows:

Transferred from share premium	<u>NOK 50.809.520</u>
Total transfer	<u>NOK 50.809.520</u>

Haugesund, 19.July 2019
The Board of DeepOcean Norway AS

Ottar Mæland
Chairman of the Board

Frode Garlid
Board Member
Managing director

Øyvind Mikaelson
Board Member



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DeepOcean Norway AS

Income statement			
Note		2018	2017
	Operating revenues and expenses		
3,8	Sales revenues	12 266	182 420
	Gross operating revenues	12 266	182 420
3	Project costs	104 192	634 691
9	Personnel costs	-62 703	-150 219
9	Other operating costs	3 476 069	239 601
	Operating expenses	3 517 558	724 073
	Operating result	-3 505 292	-541 653
	Finance income and expenses		
3	Interest income from group companies	5 128 832	528 535
	Interest income	575 002	14 424
3	Interest expenses to group companies	-37 149 268	-32 832 123
10	Net foreign exchange gain/loss	-5 441 736	8 656 242
	Other interest expenses	-10 417 057	-10 241 274
	Derivative non-hedge income	2 796 754	26 825 213
	Derivative non-hedge costs	-2 796 754	-26 825 213
	Other financial expenses	0	-6 661 672
	Net financial items	-47 304 228	-40 535 868
	Profit / (loss) before tax	-50 809 520	-41 077 520
7	Tax	0	23 372
	Net profit/(loss)	-50 809 520	-41 100 892
	Transfer from share premium	50 809 520	41 100 892
	Allocations	50 809 520	41 100 892



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DeepOcean Norway AS

Balance Sheet

Note	ASSETS	31.12.2018	31.12.2017
	Fixed assets		
	Financial fixed assets		
1	Investment in subsidiaries	1 262 928 005	1 262 928 005
3	Loan to group companies	103 490 148	55 824 844
6	Pension fund	2 788 933	2 726 230
	Total financial fixed assets	1 369 207 086	1 321 479 079
	Total fixed assets	1 369 207 086	1 321 479 079
	Current assets		
	Receivables		
3	Receivables from group companies	1 728 994	6 103 270
	Total receivables	1 728 994	6 103 270
11	Bank and cash	249 633 638	21 339 735
	Total current assets	251 362 632	27 443 005
	TOTAL ASSETS	1 620 569 719	1 348 922 085

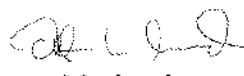


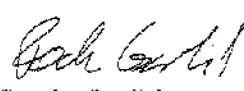
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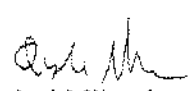
DeepOcean Norway AS

Note	EQUITY AND LIABILITIES	31.12.2018	31.12.2017
	Equity		
5	Share capital	55 000 000	20 000 000
	Share premium	643 354 070	241 948 962
4,5	Not registered capital increase		229 981 640
	Total paid-in-capital	698 354 070	491 930 602
	Other equity	0	-74 013
	Total retained earnings	0	-74 013
4	Total equity	698 354 070	491 856 589
	Liabilities		
	Non-current liabilities		
2,14	Liabilities to financial institutions	159 819 531	136 494 999
3	Long term loan from group companies	698 384 961	624 902 773
	Other non-current liabilities	0	4 176
	Total non-current liabilities	858 204 492	761 401 948
	Current liabilities		
	Accounts payable	1 385 550	0
14	Liabilities to financial institutions	0	45 899 043
3	Liabilities to group companies	61 093 194	46 016 562
	Public duty payable	-480 033	316 387
15	Other current liabilities	2 012 446	3 431 555
	Total current liabilities	64 011 157	95 663 547
	Total liabilities	922 215 649	857 065 496
	TOTAL EQUITY AND LIABILITIES	1 620 569 719	1 348 922 085

Haugesund, 19.July 2019


Ottar Mæland
Chairman of the Board


Frode Garlid
Board Member


Øyvind Mikaelsen
Board Member



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DeepOcean Norway AS

Cash flow statement

NOTE	Cash flow from operating activities	2018	2017
	Result before taxes	-50 809 520	-41 077 520
	Changes in accounts payable	1 385 550	-105 763
3	Changes in current receivables/payables to related parties	16 654 154	26 329 416
	Change in pension fund/liabilities/OCI	-62 703	-71 553
	Changes in other current assets and liabilities	581 225	-386 754
	Net cash flow from operational activities	-32 251 294	-15 312 175
Cash flows from financing activities			
3	Net change in financing received from group companies	25 816 884	27 465 583
4,5	New equity received	257 307 000	0
	Derivatives	-4 176	-152 962
	Net borrowings	-22 574 511	-51 161 437
	Net cash flow from financing activities	260 545 197	-23 848 817
	Net (decrease)/increase in cash	228 293 903	-39 160 991
	Cash and cash equivalents at the beginning of the period	21 339 735	60 500 727
	Cash and cash equivalents at the end of the period	249 633 638	21 339 735



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DeepOcean Norway AS

Accounting principles

The annual accounts have been prepared in compliance with the Accounting Act and accounting principles generally accepted in Norway.

The company has been given consent by the Norwegian Tax Directorate to prepare financial statements in English language.

DeepOcean Norway AS is a subsidiary of DeepOcean Group Holding BV with Tricer HoldCo S.C.A. as the ultimate parent.

Use of estimates

The preparation of financial statements in compliance with the Accounting Act requires the use of estimates. The application of the company's accounting principles also require management to apply assessments. Areas which to a great extent contain such assessments, a high degree of complexity, or areas in which assumptions and estimates are significant for the financial statements, are described in the notes.

Revenues

Sales revenues are recognized upon delivery. Revenue from services are recognized upon performance.

Classification of balance sheet items

Assets intended for long term ownership or use have been classified as long term assets. Assets relating to the trading cycle have been classified as current assets. Other receivables are classified as current assets if they are to be repaid within one year after the transaction date. Similar criteria apply to liabilities. First year's instalments on long term liabilities and long term receivables are, however, not classified as short term liabilities and current assets.

Purchase costs

The purchase cost of assets includes the cost price for the asset, adjusted for bonuses, discounts and other rebates received. Purchases in foreign currencies are reflected in the balance sheet at the exchange rate at the transaction date.

Pensions

The company has a defined benefit pension plan. The pension scheme is financed through payments to insurance companies.

A defined benefit plan is a pension scheme which defines a pension payment which an employee will receive at pension age. The pension payments are normally dependent on one or more factors such as age, number of years in the company, and salary. The commitment relating to the defined benefit plan on the balance sheet is the present value of the defined benefits at the balance sheet date less fair value of the pension funds (amount paid to an insurance company), adjusted for estimate differences and expenses relating to former period's pension earnings not recognised in the income statement. The pension commitments are calculated annually by an independent actuary on a straight-line earning profile basis.

Investments in other companies

The cost method is applied to investments in other companies. The cost price is increased when funds are added through capital increases or when group contributions are made to subsidiaries. Dividends received are initially taken to income. Dividends exceeding the portion of retained equity after the purchase are reflected as a reduction in purchase cost. Dividend/group contribution from subsidiaries are reflected in the same year as the subsidiary makes a provision for the amount. Dividend from other companies are reflected as financial income when it has been approved.



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DeepOcean Norway AS

Accounting principles

Debtors

Trade debtors are recognised in the balance sheet after provision for bad debts. The bad debts provision is made on basis of an individual assessment of each debtor and an additional provision is made for other debtors to cover expected losses. Significant financial problems at the customers, the likelihood that the customer will become bankrupt or experience financial restructuring and postponements and insufficient payments, are considered indicators that the debtors should be written down.

Other debtors, both current and long term, are recognised at the lower of nominal and net realisable value. Net realisable value is the present value of estimated future payments. When the effect of a writedown is insignificant for accounting purposes this is, however, not carried out. Provisions for bad debts are valued the same way as for trade debtors.

Foreign currencies

Assets and liabilities in foreign currencies are valued at the exchange rate on the balance sheet date. Exchange gains and losses relating to sales and purchases in foreign currencies are recognised as financial income or expenses.

Liabilities

Liabilities, with the exception of certain liability provisions, are recognised in the balance sheet at nominal amount.

Taxes

The tax charge in the income statement includes both payable taxes for the period and changes in deferred tax. Deferred tax is calculated at relevant tax rates on the basis of the temporary differences which exist between accounting and tax values, and any carry forward losses for tax purposes at the year-end. Tax enhancing or tax reducing temporary differences, which are reversed or may be reversed in the same period, have been eliminated. The disclosure of deferred tax benefits on net tax reducing differences which have not been eliminated, and carry forward losses, is based on estimated future earnings. Deferred tax and tax benefits which may be shown in the balance sheet are presented net.

Tax reduction on group contributions given and tax on group contribution received, booked as a reduction of cost price or taken directly to equity, are booked directly against tax in the balance sheet (offset against payable taxes if the group contribution has affected payable taxes, and offset against deferred taxes if the group contribution has affected deferred taxes).

Deferred tax is reflected at nominal value.

Cash flow statement

The cash flow statement has been prepared according to the indirect method. Cash and cash equivalents include cash, bank deposits, and other short term investments which immediately and with minimal exchange risk can be converted into known cash amounts, with due date less than three months from purchase date.



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DeepOcean Norway AS

Notes to the financial statements

Note 1 Subsidiaries, associated companies and joint ventures

Subsidiaries	Location	Ownership	Equity current year (100 %)	Net income current year (100 %)	Book value
DeepOcean AS	Haugesund, Norway	100 %	1 094 386 853	-40 147 902	1 262 928 005
DeepOcean Shipping IV AS	Haugesund, Norway	100 %	18 300 522	10 450 846	0
Book value 31.12.17			1 112 687 376	-29 697 056	1 262 928 005

The calculated fair value of DeepOcean AS is higher than the book value of the shares and no impairment of the shares has been done per 31.12.18.

Note 2 Assets and liabilities

The Company has no receivables due more than one year after the balance sheet date.

The Company has no long-term liabilities later than 5 years.

All assets in the subsidiaries in DeepOcean Group are pledged as security for the external debt.

Further reference is made to note 14 for more details regarding Group financing.

Note 3 Transactions and balances with group companies

Related party transactions:

The Company entered into transactions with group companies, as summarised below.

Revenue	2018	2017
Personnel charges	0	172 782
Other revenue	12 266	9 638
Total	12 266	182 420

Expenses	2018	2017
Management fee	103 692	461 910
Other costs	500	0
Total	104 192	461 910

Financial items	2018	2017
Interest income	5 128 832	528 535
Interest costs	-37 149 268	-32 832 123
Net financial items	-32 020 436	-32 303 588

Balance sheet	2018	2017
Loans to group companies	103 490 148	55 824 844
Loans from group companies	-698 384 961	-624 902 773
Group contributions to/from group companies	0	300
Account Receivable group companies	1 728 994	3 306 216
Derivatives Receivables group companies	0	2 796 754
Accounts Payable group companies	-61 093 194	-46 016 562
Total	-654 259 013	-608 991 221

Repayment plans for intercompany loans are included in signed loan agreements.



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DeepOcean Norway AS

Notes to the financial statements

Note 4 Equity

	Share Capital	Share premium	Capital increase not registered	Other Equity	Total
Change in equity					
Equity 01.01	20 000 000	241 948 962	229 981 640	-74 013	491 856 589
IAS 19R actuarial gains/losses				0	0
Capital increase not registered	2 000 000	227 981 640	-229 981 640		0
Capital contribution	33 000 000	224 307 000			257 307 000
Profit (loss) this year	0	-50 809 520			-50 809 520
Equity 31.12	55 000 000	643 428 083	0	-74 013	698 354 070

Note 5 Share Capital and shareholder information

The Share Capital was increased on 30.11.2018 by NOK 33.000.000 to NOK 55.000.000 by issuing of 30.000.000 shares of par value NOK 1,10.

The Share Capital of NOK 55.000.000 comprises of 50.000.000 shares with par value NOK 1,10. All shares have equal rights.

Shareholders	Shares	Total	Share
DeepOcean Group Holding BV	50 000 000	50 000 000	100,0 %

Note 6 Pensions

The Company has a pension schemes which covers a total of 2 persons. The schemes give right to defined future benefits. These are mainly dependent on the number of qualifying employment years, salary level at pension age, and the amount of benefits from the National Insurance Scheme. The commitment related to the group pension scheme is covered through an insurance company. The company's pension schemes meet the requirements of the law on compulsory occupational pension. Calculations are in accordance with IAS 19R Employee Benefits and the Norwegian Society of Actuaries standards for actuarial calculations.

	31.12.2018	31.12.2017
Present value of accrued pension obligations at 01.01. (PBO)	-854 060	-987 227
Pension fund assets at 01.01.	3 580 290	3 739 289
Net pension fund at 01.01.	2 726 230	2 752 062
Employer's National Insurance contributions		
Net pension fund at 01.01. posted in BS incl NIC	2 726 230	2 752 062
Present value of pension accrued in the period	0	0
Capital cost of previously accrued pensions	0	0
Gross pension cost for the year	0	0
Expected return on pension fund assets	-62 703	-71 554
Administration cost	0	0
Net pension cost for the year after adm cost	-62 703	-71 554
Apportioned employer's Nat Ins contr for the period	0	0
Net pension cost for the year incl employers NIC	-62 703	-71 554
Pensions paid during the year	222 800	222 800
Investment in pension fund assets	0	0
Estimated present value of accrued pension obl at 31.12	-647 510	-854 060
Estimated pension fund assets at 31.12.	3 436 443	3 580 290
Net pension fund at 31.12.	2 788 933	2 726 230
Employer's National Insurance contributions	0	0
Net pension fund at 31.12. posted in BS incl NIC	2 788 933	2 726 230
No of active members	-	-
No of pensioners	2	2



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DeepOcean Norway AS

Notes to the financial statements

Financial assumptions:

Discount rate	2,30 %	2,30 %
Expected return on pension fund assets	2,30 %	2,30 %
Anticipated rise in salaries	2,50 %	2,50 %
Anticipated rise in National Insurance base rate	2,25 %	2,25 %
Anticipated rise in pensions	0,40 %	0,40 %
Turnover	0,00 %	0,00 %
Employer's National Insurance contributions	14,10 %	14,10 %

The actuarial assumptions relating to demographic factors are based on assumptions generally applied to insurance.

Note 7 Taxes

Temporary differences	Change	2018	2017
Fixed assets	-45 802	-142 737	-188 539
Transaction costs	0	0	0
Profit & loss account	-10 441	-41 765	-52 207
Pensions	-62 703	2 788 933	2 726 230
Net temporary differences	-118 947	2 604 431	2 485 484
Interest expenses restrictions	0	-30 374 334	-30 374 334
Tax losses carried forward	13 953 466	-26 903 611	-12 950 145
Basis for deferred tax		-54 673 514	-40 838 995
Deferred tax based on nominal tax rate (22%/23%)		-12 028 173	-9 392 969
Deferred tax benefit not shown in the balance sheet		12 028 173	9 392 969
Deferred tax in the balance sheet	0	0	0

Basis for income tax expense, changes in deferred tax and tax payable	2018	2017
Result before taxes	-50 809 520	-41 077 520
Permanent differences (1)	36 975 000	37 897 385
Basis for the tax expense for the year	-13 834 520	-3 180 135
Change in temporary differences	-118 947	7 125 299
Basis for payable taxes in the income statement	-13 953 466	3 945 164
Interest expenses restrictions	0	0
Tax losses carried forward	13 953 466	-3 945 164
+/- Group contributions received/given		0
Taxable income (basis for payable taxes in the balance sheet)	0	0

Components of the income tax expense	2018	2017
Payable tax on this year's result	0	0
Total payable tax	0	0
Change in taxes prior year		0
Tax expense divergence pension estimate	0	23 372
Change in deferred tax	0	
Tax expense	0	23 372

Payable taxes in the balance sheet		
Payable tax in the tax charge	0	0
Payable tax in the balance sheet	0	0

(1) Permanent differences includes non-deductible interest costs NOK 36.975.000.



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DeepOcean Norway AS

Notes to the financial statements

Note 8 Sales revenues

Segments	2018	2017
Reimbursable marine crew	12 266	182 420
Total	12 266	182 420
Geographical segments		
Norway	12 266	182 420
Total	12 266	182 420

Note 9 Payroll expenses, number of employees, remuneration, loans to employees, etc.

Payroll expenses	2018	2017
Social security fees	0	-78 666
Pension expenses	-62 703	-71 553
Total	-62 703	-150 219

Average number of employees	0	0

Auditor	2018	2017
Allocation of auditor fee:		
Statutory audit excl VAT	25 000	86 000
Other assurance services excl VAT	24 500	77 450
Total fee auditor excl VAT	49 500	163 450

The General Manager receives considerations in other group companies.

No loans/sureties have been granted to the general manager, Board chairman or other related parties.

Note 10 Specification of financial income and expenses

Foreign exchange gains and losses	2018	2017
Foreign exchange gains		8 656 242
Foreign exchange losses	-5 441 736	
Net financial gains and losses	-5 441 736	8 656 242

Note 11 Restricted cash

	2018	2017
Withheld employee taxes	1 336	35 027
Total restricted cash	1 336	35 027



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DeepOcean Norway AS

Notes to the financial statements

Note 12 Group information

DeepOcean Norway AS is a subsidiary of DeepOcean Group Holding BV with Tricer HoldCo S.C.A as its ultimate shareholder. Tricer HoldCo S.C.A is having its statutory seat in Luxembourg, and is registered with the Registre de Commerce et des Sociétés under number B210246.

The smallest group for which group financials are prepared is DeepOcean Group Holding BV, Herengracht 433, 1017 BR Amsterdam, The Netherlands.

Note 13 Financial risk management

Overview

The Group's activities expose it to a variety of financial risks, which can be categorised as market risk, credit risk and liquidity risk. Whereas market risk includes foreign exchange risks and interest rate risks. Management policies have been established to identify, analyse and monitor these risks, and to set appropriate risk limits and controls. Financial risk management is carried out in accordance with the Group Risk Management policy approved by the Executive Management. The written principles and policies are reviewed periodically to reflect changes in market conditions, the activities of the business and laws and regulations affecting our business.

Market risk - Foreign exchange risk

The Company operates internationally and conducts its business in multiple currencies, and is primarily exposed to foreign exchange risks with respect to the US Dollar (USD), British Pound (GBP) and Euro (EUR).

Management has evaluated the foreign exchange risks of the Company against its functional currency Norwegian Kroner (NOK). Cash inflows and outflows of the Company are offset if they are denominated in the same currency. This means that revenue generated in a particular currency typically balances out costs in the same currency, even if the revenues arise from a different transaction than that in which the costs are incurred. As a result, only the unmatched amounts are subject to foreign exchange risk.

The Company's Credit Facility loan is in US Dollar (USD) and there are not sufficient USD cash inflows to cover the USD cash outflows related to this loan.

Market risk - Interest rate risk profile

The Company's interest rate risk arises primarily from the Credit Facility; refer to note 14 for the details of the Credit Facility. This Credit Facility has a floating interest based on LIBOR plus a spread and for amounts drawn in EUR the floating interest is based on EURIBOR.

Credit risk

Credit risk arises primarily from cash and cash equivalents held at financial institutions, and to a certain extent, from trade receivables.

Cash balances are only held with large recognised financial institutions.

The Company's exposure of trade receivables is managed through Group established proper credit limits, continuous credit risk assessments for each individual customer. If customers are independently rated, these ratings are used. If there is no independent rating, the credit quality is based on past experience, their financial position and other factors. The utilisation of the credit limits is regularly monitored.

The Company's receivables are primarily from Group companies and the credit risk is acceptable.

Liquidity risk

The Group's approach to managing liquidity is to ensure that there are sufficient funds to meet the financial obligations when they fall due under both normal and stressed conditions, without incurring unacceptable losses or risking damage to its reputation.

To ensure it is sufficient cash to meet expected operational expenses, including the servicing of financial obligations the Group continuously monitor the actual and future cash flow requirements taking into account the maturity profiles of financial assets and liabilities and the rolling forecast of the Group's liquidity reserve, which comprises cash and cash equivalents and an undrawn credit facility.



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DeepOcean Norway AS

Notes to the financial statements

Note 14 Group financing

At 31 December 2018, total interest-bearing debt for DeepOcean Group amounted to USD 109.0M (2017 USD 79.9M), consisting of the drawn amount on the Revolving Credit Facility (RCF) of USD 90.7M and USD 18.4M of the term loan. The borrowing base under on the credit facility is fully drawn. The Group has an ancillary facility of EUR 45.0M that can conditionally be increased up to EUR 70.0M, with a non-reversible transfer of commitment from the RCF. In addition, there is an option to request a EUR 20.0M accordion facility to the RCF. The purpose of the Credit Facility is to finance the Group's working capital, a part of our capital expenditures and for general corporate purposes.

The Group's liquidity situation has been challenging, and discussions with owners and lenders were conducted during the summer and fall of 2018. On 30th of November, the lenders agreed to postpone instalments on the term loan, extending the maturity, and revising the financial covenants with the purpose of achieving a sustainable solution, giving DeepOcean time to restructure its business. As per 31st of December 2018, financial covenants for the Group's debt instruments were within the applicable thresholds.

The Company is a subsidiary in DeepOcean Group and is impacted by the Group's financing and intercompany loans and borrowings.

The Company is also an obligor in the Credit Facility arrangement and all assets are pledged.

Note 15 Basis for preparation - Going Concern

The Financial statements have been prepared on the basis of historical cost through profit or loss. Income and expenses are accounted for on an accrual basis.

The Company is a subsidiary in DeepOcean Group and is impacted by the Group's financing and intercompany loans and borrowings.

The Company is also an obligor in the Credit Facility arrangement and all assets are pledged.

The financial statements have been prepared on a going concern basis. Throughout the year 2018, a major concern was that the Group would breach its loan covenants. These were restated in the latest credit facility agreement in Q4 2018 and are focused around liquidity and Last Twelve Months (LTM) EBITDA. Based on the current forecast/budget, management does not see an immediate risk to breaking the bank loan covenants in the course of normal business throughout 2019. To mitigate this risk of covenant breach further, the company will remain focused on stringent cash management and further cost reductions. Based on the above, management believes it is appropriate to prepare the financial statements using the going concern assumption.



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Ernst & Young AS

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INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of DeepOcean Norway AS

Report on the audit of the financial statements

Opinion

We have audited the financial statements of DeepOcean Norway AS, which comprise the balance sheet as at 31 December 2018 the income statement and statements of cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements have been prepared in accordance with laws and regulations and present fairly, in all material respects, the financial position of the Company as at 31 December 2018 and its financial performance and cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Basis for opinion

We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing (ISAs). Our responsibilities under those standards 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 ethical requirements that are relevant to our audit of the financial statements in Norway, and we have fulfilled our ethical responsibilities as required by law and regulations. We have also complied with our other ethical obligations in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other matters

The financial statements for the Company for the year ended 31 December 2017, were audited by another auditor who expressed an unmodified opinion on those statements on 31 July 2018.

Other information

Other information consists of the information included in the Company's annual report other than the financial statements and our auditor's report thereon. The Board of Directors and Chief Executive Officer (management) are responsible for the other information. Our opinion on the audit of the financial statements does not cover the other information, 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 other information, and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, 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, 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 laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing (ISAs) 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 in accordance with law, regulations and generally accepted auditing principles in Norway, including ISAs, 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, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

Report on other legal and regulatory requirements

Opinion on the Board of Directors' report

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors' report concerning the financial statements, the going concern assumption and proposal for the allocation of the result is consistent with the financial statements and complies with the law and regulations.

Opinion on registration and documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements (ISAE) 3000, *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*, it is our opinion that management has fulfilled its duty to ensure that the Company's accounting information is properly recorded and documented as required by law and bookkeeping standards and practices accepted in Norway.

Independent auditor's report - DeepOcean Norway AS

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Other matters

We wish to emphasize that the financial statements were not presented by the statutory deadline.

Bergen, 19 July 2019
ERNST & YOUNG AS

The auditor's report is signed electronically

Øyvind Nore
State Authorised Public Accountant (Norway)

Perineo Dokumenttrekkel: N01P2-LPUEN-ISXCN-BETAN-WTX07-2IMG2

Independent auditor's report - DeepOcean Norway AS

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Øyvind Nore

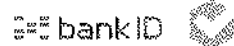
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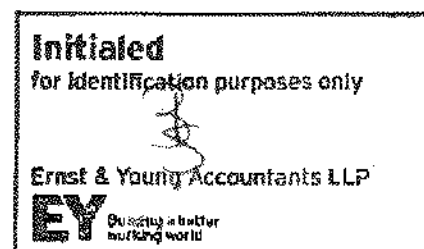
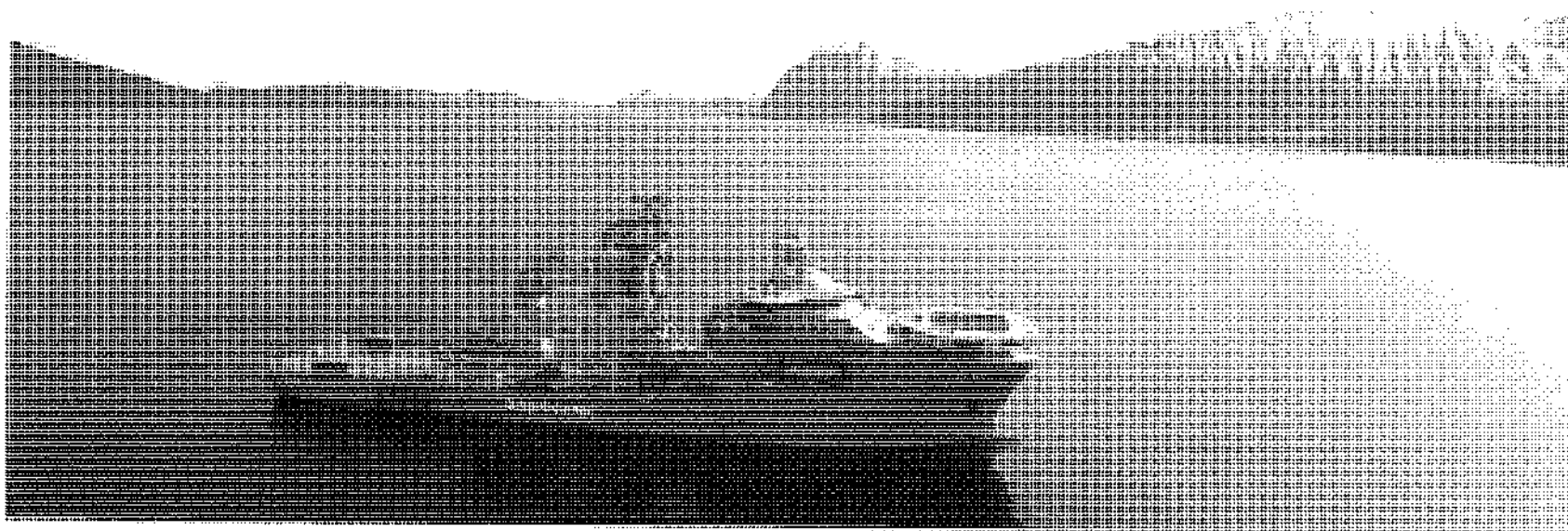
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Consolidated Financial Statements for the year 2018

DEEPOCEAN





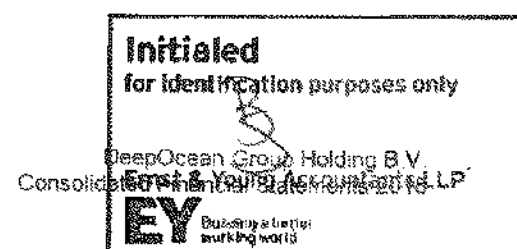
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DEEPOCEAN

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DEEPOCEAN

A.1 Overview

About us

The leading, pure play subsea services provider in the areas of Survey, IMR (Inspection, Maintenance and Repair), Subsea Construction and Cable Lay & Trenching. DeepOcean Group (The Company & the Group) offers a breadth of subsea services to cover the full lifecycle, from early studies to decommissioning, for the oil and gas as well as renewable offshore industries.

This strong portfolio of services, coupled with a fleet of 18 owned and chartered vessels and an extensive mission equipment portfolio comprising of 50+ Subsea Intervention Assets, such as ROVs, Trenchers, Module Handling Systems as well as Dredging and Excavation Systems, enables DeepOcean to bundle its subsea services to deliver cost-effective, tailored solutions to meet individual client needs.

DeepOcean is independent of any equipment, technique or manufacturer and therefore is able to focus on the best solutions for its clients. With a global track record for safety, cost-efficiency, flawless operations and innovation, DeepOcean is the preferred pure play subsea service provider for its oil and gas as well as renewable energy customers across the globe.

The company is a leading global IMR, Subsea Construction and Cable Lay & Trenching operator and has a global presence with offices in Norway, UK, the Netherlands, the US, Mexico, Trinidad and Tobago, Ghana, France, Gabon and Congo.

A.2 Financial Review

Financial highlights

The Group realised US\$505.8M of Revenue (2017: US\$429.3M) from continuing operations with a loss for the period from continuing operations of US\$45.9M (2017: US\$54.0M loss). The loss resulted from the continuing downturn in the market (reduced work and depressed margins), restructuring expenses, and oversupply of vessels in the market and some operational issues in larger lump sum projects. No revenue (2017: nil) and US\$2.3 M loss (2017: nil) for the period were realized from discontinued operations.

Backlog

Our accounting backlog represents the aggregated value of signed contracts until the end of the relevant contract period (excluding extension options and letters of intent). Backlog as at 31 December 2018 amounted to US\$190.6M, which is a decrease of 36%, compared to 2017 (US\$298.9M). We expect to recognize US\$120M of this backlog in 2019.

Financial debt and liquidity

At 31 December 2018, total interest-bearing debt amounted to US\$109.0M (2017 US\$79.9M), consisting of the drawn amount on the Revolving Credit Facility (RCF) of US\$90.7M and US\$18.4M of the term loan. The borrowing base under the credit facility is fully drawn. The Group has an ancillary facility of EUR45.0M that can conditionally be increased up to EUR70.0M, with a non-reversible transfer of commitment from the RCF. In addition, there is an option to request a EUR20.0M accordion facility to the RCF. For information about terms on the credit facilities, see note 21. Cash and cash equivalents totalled US\$70.4M (2017 US\$86.3M) at the end of the year.

Financially, the Group's liquidity situation has been challenging, and discussions with owners and lenders were conducted during the summer and fall of 2018. On 30th of November, the lenders agreed to postpone instalments on the term loan, extending the maturity, and revising the financial covenants with the purpose of achieving a sustainable solution, giving DeepOcean time to restructure its business. During this time period, there was also an equity injection of US\$30.0M from the owners to support the restructuring of the business. As per 31st of December 2018, financial covenants for the Group's debt instruments were within the applicable thresholds.

Current market conditions, as indicated in the outlook paragraph below, have their effect on the Group and its ability to generate stable cash flows for the next few years. To address potential effects



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covenant levels, both current and forecasted covenant levels are continually monitored with internal thresholds for effecting action plans.

A.3 Human Resources

As of 31 December 2018 DeepOcean had 1070 full time employees worldwide (2017: 919; 2016: 997), of which 1049 (2017:899, 2016: 976) work outside of The Netherlands, divided as follows:

Number of employees	2018	2017
Onshore	505	431
Offshore	565	488
Total	1,070	919

A.4 Risk Management

DeepOcean's financial and operational performance may be adversely affected by a variety of risks and economic developments. DeepOcean's Board of Directors sets, and periodically reviews, the level of risk that the Board is willing to take in pursuit of the company's objectives. The CEO together with Executive Management drives the risk management process and facilitates the assessment of strategic risks. The Board of Directors evaluates the effectiveness of DeepOcean's risk management, which results in an appropriate level of objectivity in the assessment of risks.

Group risk profile

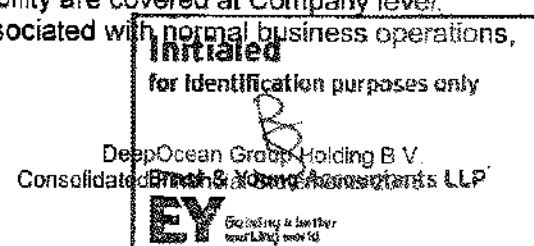
Below is an overview of material risks that are of most relevance for achieving DeepOcean's long-term goals and strategy. This risk overview is not exhaustive. There may be risks which are currently not deemed material, but which could have a substantial adverse effect. (See note 3 – Financial statement)

Risk category	DeepOcean's Risk Appetite	Key Risk Areas
Business & Marketing Risk	For both Business & Marketing risk and Commercial risks, acceptable risk levels vary depending on the subject at hand, where expected rewards have to justify the risk.	Customer and geographical concentration
Commercial Risk		- Demand from oil & gas and offshore renewables companies - Inability to be (price) competitive - Contracting risk
Operational Risk	Operational risks are handled with a moderate risk appetite. However, all risks related to HSEQS are subject to low risk appetite.	- Fleet flexibility - Innovation - Unsuccessful project execution - HSEQS incidents - Asset unreliability - Inability to attract and retain key employees - Organizational alignment - Cyber security
Regulatory Risk	Compliance is subject to a very low risk appetite as DeepOcean strives for a 100% compliance with legal and regulatory requirements.	- Non-Compliance with law and regulation - Countries of operation
Financial Risk	Financial risk appetite is low, with the intent to limit financial risks and maintain long-term solvency.	- Liquidity & Credit Risk - Currency Risk - Interest rate risk

Insurance & legal

DeepOcean is insured against a variety of risks. Risks related to general liability are covered at Company level. Vessels and equipment are insured and local cover is arranged for risks associated with normal business operations.

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such as insurance for the buildings and for employees. Some operating companies are involved in claims, either as the claimant or the defendant, within the context of normal business operations. Where necessary proper provisions have been accounted for in the financial statements (refer to note 10.4 and 24). Based on developments thus far, it is not anticipated that DeepOcean's financial position will be noticeably affected by any of these proceedings.

A.5 Governance

Corporate Governance

The Board of Directors is composed of at least three and up to seven board members, of which at least one non-Executive Director and at least one Executive Director. As of 31 December 2018 the Board of Directors consisted of one Executive Director and six non-Executive Directors. The Board members are jointly responsible for the management of the Company and the enterprise connected with it.

2018 has seen a lot of changes in both the Board of Directors and executive management to lead the 'turn around' of DeepOcean.

In 2018 the composition of the Board of Directors changed. Ottar Mæland resigned as Executive Director and changed from the interim Chief Executive Officer position to the position of Chief Operating Officer. Øyvind Mikaelson was appointed as the Chief Executive Officer and Executive Director. Furthermore, Hugh O'Donnell and Bart Heijermans resigned as Non-Executive Directors. In their place German Cura and Jo Lunder were elected as Non-Executive Directors. Mr. Lunder also took over as Chairman of the Board from Terje Askvig, who is continuing to serve as a non-executive member of the Board.

Board of directors as of 31 December 2018:

- Jo Lunder (Chairman)
- Terje Askvig
- Øyvind Mikaelson
- Fredrik Brynildsen
- Chris Cooper
- German Cura
- Amardeep Singh Chandi

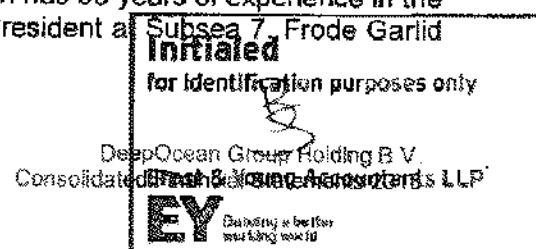
In the composition of its executive management team as well as its board of directors, DeepOcean has a strategy of equal opportunities, whereby the principle of the best person for the job is leading. The nature of the industry that DeepOcean is operating in as well as DeepOcean's profile as an offshore service provider, with a majority male employee population, led to a board of directors with seven male directors as per 31 December 2018. Øyvind Mikaelson was appointed as CEO and executive director during 2018 as he was found the most suitable candidate, considering his expertise, knowledge and experience in the field of Offshore Energy. No equivalent female candidate was found. The same applied to the other two director appointments (Mr. Cura and Mr. Lunder) in 2018, where DeepOcean and its board ensured that the expertise, experience and various competencies of the added members of the board would contribute to proper supervision of the company's management and general performance. Mr. Cura has invaluable experience in the energy sector, gained in various senior management as well as board positions for Tenaris and associated companies and Mr. Lunder brings extensive management and general business experience from Norwegian and international corporations to the DeepOcean board, making them the most suitable candidates for these positions. During this period there was also further corporate level management changes.

The goal for the composition of the board is to aim as much as possible for a diverse composition, where possible, in age and gender, taking into account the statutory requirements and the requirements related to education and experience. The composition of the board of directors is continuously evaluated and will be amended if needed.

Executive Management Team

During 2018 DeepOcean hired experienced executive management personnel to lead the 'turn around' of the business and financial operations. Per previously stated above, Øyvind Mikaelson was appointed as CEO and executive director during 2018 as he was found the most suitable candidate, considering his expertise, knowledge and experience in the field of Offshore Energy. Øyvind Mikaelson has 30 years of experience in the global subsea business. His most recent position was as Executive Vice President at

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was appointed CFO during 2018 considering his expertise, and experience in the field of Offshore Energy to contribute to the restructuring of the business and general performance. Frode Garlid has over 15 years of experience within finance and operations in the oil & gas industry. He has previously worked in Schlumberger, NOV and Fjords Processing. His most recent position was as CFO & Chief of Staff at Fjords Processing.

General Meetings

The Annual General Meeting of Shareholders ('AGM') shall be held in principle once per year within six months after the end of the financial year, in accordance with the articles of association of DeepOcean Group Holding B.V. The meeting shall be held at such time as the Directors shall designate. The meeting shall be held at the municipality in which the Company has its official seat or in another location, provided that in such case all of the Company's issued capital is represented and each person with meeting rights, to the extent required by law, has been duly convened or has given consent thereto.

A.6 Research and Development

The Company is continually working to improve the current product/service portfolio and is developing several new products and services in order to stay competitive (reduced project costs, increased efficiencies, improved operational results) in the markets serviced by DeepOcean (e.g. onshoring of ROV activities, or autonomous ROVs). In addition, these developments will support DeepOcean in potentially entering new markets, by being able to provide an additional range of services (e.g. rapid UXO scan). In 2018, Andries Ferla has been promoted to Group Technology Manager in order to further progress these developments and support DeepOcean's continued competitiveness in the market.

A.7 Outlook

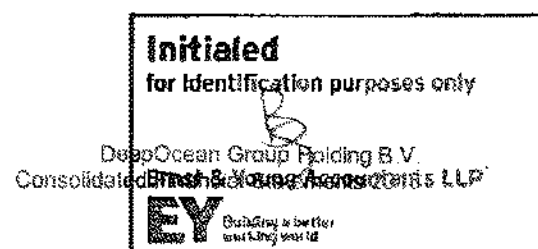
2018 saw an oil price improvement with an average closing price per barrel Brent Crude of US\$71.34, a 30% improvement from 2017 and a 58% improvement from 2016. This has had a minor effect on DeepOcean's 2018 top line at a 4% year over year revenue increase from 2017 (excluding revenue from 2018 acquisition of Delta Subsea). Nevertheless, in December 2018 the oil price dropped to a 2018 low of US\$50.57/bbl which dampens 2019 spend expectations of DeepOcean's customers and reflects in a stable 2019 revenue budget (no top line growth versus 2018). In addition, the offshore wind and particularly cable lay market is forecasted to be weak in 2019, due to a lack of larger projects, which further supports DeepOcean's conservative 2019 budgeted revenue projection.

Despite this extended downturn with weak market conditions, the forecast for post 2019 offshore spend shows a significant upwards trend. Projections regarding the predicted oil demand, which is outpacing currently producing and sanctioned developments and opens up a widening gap of demand and supply, support this view. Furthermore, the industry has seen an increasing number of major FIDs (Final Investment Decisions) regarding offshore projects, which will move into execution over the next years. Moreover, DeepOcean's 'pure play service provider' strategy, focused on IMR will further de-risk DeepOcean from the volatility of the oil price, as a large portion of DeepOcean's service offering is geared towards optimizing and maintaining existing infrastructure and thus supporting operators in reduction their CAPEX spend.

DeepOcean has great confidence in the future of the industries it operates in and continues to focus on its core markets and regions. In addition, the company has strengthened its position in the Gulf of Mexico by acquiring Delta Subsea in 2018 and will continue to opportunistically evaluate further investments in strengthening existing regions and/or expanding into new markets.

In the course of 2018 DeepOcean has run a rigorous cost reduction exercise and will continue to cut cost and leverage operational efficiencies in order to support improved financial results as well as to ensure competitiveness even under a prolonged low oil price.

DeepOcean's strategy sees significant organic growth along with the forecasted market recovery and supported by key cost reduction as well as technology initiatives. As part of the strategy, DeepOcean aims to become a US\$1B company.





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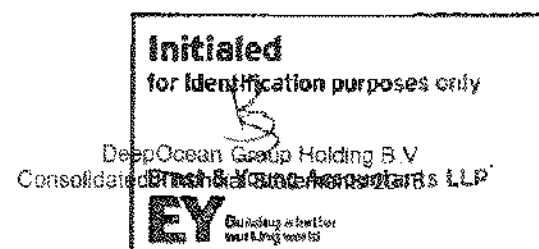
In the short term the weak financial results have forced DeepOcean to selectively reduce its workforce, but it is expected that the workforce will increase along with the forecasted revenue increase over the next few years.

A.8 Subsequent events

After year end 2018 the board of directors of DeepOcean Group Holding B.V. has changed its composition. In February 2019 two non-executive board members, Fredrik Brynildsen (effective 12th February 2019) and Amardeep Singh Chandi (effective 11th February 2019), left the board and Kristian Diesen (effective 12th February 2019) joined as new non-executive board member. Subsequently, the group's board consists of six board members, namely: Jo Olav Lunder (non-executive chairman); Øyvind Mikaelson (executive director); Terje Askvig (non-executive director); Christopher Colin Cooper (non-executive director); German Horacio Cura (non-executive director); Kristian Diesen (non-executive director);

DeepOcean held shares in its own capital. Those were cancelled and the capital reduced on 12 February 2019.

DeepOcean has decided to move its Group Holding entity from a Dutch entity (currently DeepOcean Group Holding B.V.) to a Norwegian entity in the course of 2019. This will involve a series of mergers resulting in DeepOcean Group Holding B.V. ceasing to exist and DeepOcean Norway AS becoming the ultimate parent of the DeepOcean Group.





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Board of Directors

The members of the Board of Directors have signed the financial statements pursuant to their statutory obligations under Section 2:101 sub 2 The Netherlands Civil Code.

Oslo, 16th. July 2019

Board of Directors

J. Lunder, Chairman Board of Directors

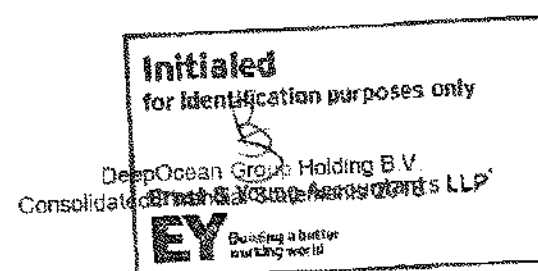
Ø. Mikaelson, Executive Director

G. Cura, Non-Executive Director

C.C. Cooper, Non-Executive Director

K. Diesen, Non-Executive Director

T. Askvig, Non-Executive Director





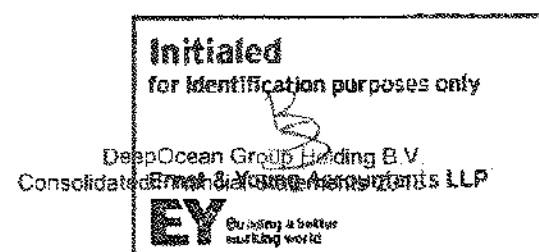
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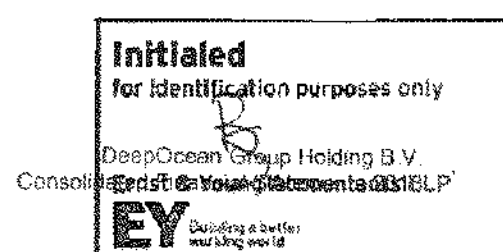
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B.1 Consolidated statement of profit or loss for the year ended 31 Dec 2018

USD (thousands)	Note	2018	2017
Revenue from contracts with customers	5	505 817	429 268
Direct operating expenses	6	(457 618)	(388 033)
Depreciation and amortisation	11,12	(29 749)	(30 670)
Gross profit		18 450	10 565
Sales, general and administrative expenses	6	(33 564)	(28 027)
Impairment of fixed assets	6	(138)	(13 239)
Other expenses	6	(11 471)	(13 905)
Share of net income from investments accounted for using the equity method	13	948	819
Loss from operating activities		(25 775)	(43 787)
Finance income		353	189
Finance expense		(18 673)	(9 686)
Net finance expense	9	(18 320)	(9 497)
Loss before tax		(44 095)	(53 284)
Corporate income tax expense	10	(1 810)	(726)
Loss for the period from continuing operations		(45 905)	(54 010)
Discontinued operations			
Result/(loss) for the period from discontinued operations	4	(2 347)	-
Loss for the period		(48 252)	(54 010)
Total loss attributable to:			
Shareholders of the parent		(47 313)	(53 423)
Non-controlling interests		(939)	(587)
		(48 252)	(54 010)

The accompanying notes are an integral part of these consolidated financial statements.





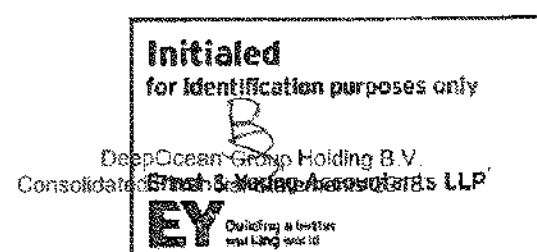
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B.2 Consolidated statement of comprehensive income for the year ended 31 Dec 2018

USD (thousands)	Note	2018	2017
Loss for the period		(48 252)	(54 010)
Items that will not be reclassified to profit or loss			
Reclass external loan to IC loan	22	17 930	-
		17 930	-
Items that may be reclassified subsequently to profit or loss			
Net investment hedge	27	(1)	5 237
Foreign currency translation differences of foreign operations		7 867	6 633
		7 866	11 870
Total comprehensive loss for the period, net of tax		(22 456)	(42 140)
Total comprehensive loss attributable to:			
Shareholders of the parent		(23 871)	(41 744)
Non-controlling interests		1 415	(396)
Total comprehensive loss for the period, net of tax		(22 456)	(42 140)
Total comprehensive loss for the period, net of tax arises from:			
Continuing operations		(20 109)	(42 140)
Discontinued operations		(2 347)	-
Total comprehensive loss for the period, net of tax		(22 456)	(42 140)

The accompanying notes are an integral part of these consolidated financial statements.





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B.3 Consolidated statement of financial position as at 31 Dec 2018

		31 December	31 December
USD (thousands)	Note	2018	2017
Assets			
Vessels and equipment	11	155 787	140 117
Intangible assets	12	2 914	2 646
Equity accounted investees	13	987	892
Post-employment benefit asset	23	421	483
Prepaid charter costs	16	2 772	3 739
Deferred tax assets	10	7 552	7 106
Total non-current assets		170 433	154 983
Inventories	17	3 566	2 327
Trade receivables and contract assets	18	98 683	95 322
Current income tax receivable	10	694	2 770
Assets held for sale	11	(0)	1 629
Cash and cash equivalents	19	70 391	86 269
Total current assets		173 334	188 317
Total assets		343 767	343 300
Equity			
Share capital	20	880	564
Share premium	20	371 655	359 191
Other reserves		11 146	256
Accumulated losses		(272 714)	(255 268)
Total equity attributable to owners of the Company		110 967	104 743
Non-controlling interests		(8 778)	(10 193)
Total equity		102 189	94 550
Liabilities			
Non-current portion of loans and borrowings	21	31 924	35 631
Non-current portion of loans and borrowings from related parties	22	1 580	22 266
Other non-current liabilities		707	743
Non-current portion of post-employment benefit obligation	23	259	1 153
Non-current portion of derivative financial liabilities	25	0	1
Non-current provisions	24	317	338
Non-current income tax liabilities	10	116	122
Deferred income tax liabilities	10	1 215	560
Total non-current liabilities		36 118	60 814
Current portion of loans and borrowings	21	92 871	63 225
Current portion of post-employment benefit obligation	23	(0)	2
Current portion of derivative financial liabilities	25	3 833	2 490
Trade and other payables	26	105 607	119 350
Current provisions	24	3 150	2 409
Current income tax liabilities	10	(1)	460
Total current liabilities		205 460	187 937
Total liabilities		241 578	248 750
Total equity and liabilities		343 767	343 300

The accompanying notes are an integral part of these consolidated financial statements.





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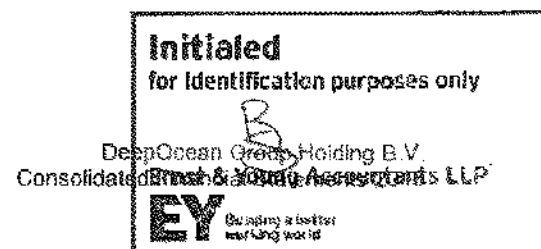
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B.4 Consolidated statement of changes in equity for the year ended 31 December 2018

Attributable to shareholders of the Company										
USD (thousands)	Notes	Share capital	Share premium	Translation reserve Foreign operations	Translation reserve Other	RSU and GSO reserves	GSO reserve	Accumulated losses	Total	Non-controlling interest
Balance at 1 January 2017		494	314 822	(62 922)	60 552	10 571		(177 031)	146 487	(9 797)
Comprehensive income										
Loss for the period		-	-	-	-	-	-	(53 423)	(53 423)	(587)
Other comprehensive income										
Net investment hedges	27	-	-	5 237	-	-	-	-	5 237	-
Foreign currency translation differences of foreign operations		-	-	6 442	-	-	-	-	6 442	191
Total comprehensive loss		-	-	11 679	-	-	-	(53 423)	(41 744)	(396)
Transactions with owners										
Capital contribution				-	-	-	-	-	-	-
Share-based payments				-	-	-	-	-	-	-
RSU-vested and issued				-	-	-	-	-	-	-
Foreign currency movement		70	44 389	(7 684)	(13 431)	1 490		(24 814)	-	-
Total transactions with owners of the Company		70	44 389	(7 684)	(13 431)	1 490		(24 814)	-	-
Balance at 31 December 2017		564	359 191	(58 927)	47 121	12 061		(255 268)	104 743	(10 193)

Attributable to shareholders of the Company										
USD (thousands)	Notes	Share capital	Share premium	Translation reserve Foreign operations	Translation reserve Other	RSU and GSO reserves	GSO reserve	Accumulated losses	Total	Non-controlling interest
Balance at 1 January 2018		564	359 191	(58 927)	47 121	12 061	-	(255 268)	104 743	(10 193)
Comprehensive income										
Loss for the period		-	-	-	-	-	-	(47 313)	(47 313)	(939)
Net investment hedges	27	-	-	(1)	-	-	-	-	(1)	-
Reclass external loan to IC loan (AXA)								17 930	17 930	
Foreign currency translation differences of foreign operations		-	-	3 872	-	-	-	1 542	5 514	2 354
Total comprehensive loss for the period		-	-	3 871	-	-	-	(27 841)	(23 870)	1 415
Transactions with owners										
Capital contribution	343	29 752		-	-	-	-	-	30 095	-
Foreign currency movement	(27)	(17 268)		2 836	4 664	(581)	-	10 395	(1)	-
Total transactions with owners of the Company	316	12 484		2 836	4 664	(581)	-	10 395	30 094	-
Balance at 31 December 2018		880	371 655	(52 120)	51 785	11 480	-	(272 714)	110 967	(8 778)

The accompanying notes are an integral part of these consolidated financial statements.





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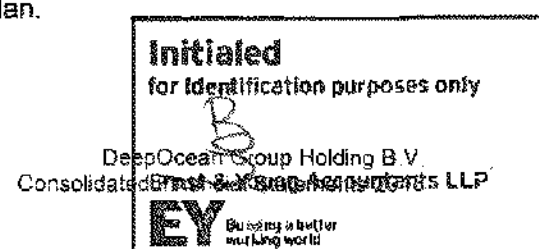
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B.5 Consolidated statement of cash flows for the year ended 31 December 2018

USD (thousands)	Notes	2018	2017
Cash flows from continuing operations			
Cash flows from operating activities			
Loss from operating activities		(25 775)	(43 787)
Depreciation and amortisation	11	29 749	30 670
Share of net income from investments accounted for using the equity method	13	(948)	(819)
Profit on sale of fixed assets	6	(777)	(1 653)
Impairment losses	6,11	138	13 238
RSU and GSOP income/(expenses) (1)		358	(314)
		2 745	(2 564)
Changes in working capital:			
Inventories	17	(1 239)	972
Trade and other receivables	18	(3 361)	12 121
Prepayments	16		(337)
Trade and other payables	26	(12 401)	(18 788)
Provisions and employee benefits	23,24	(148)	900
Cash used in operating activities		(14 404)	(7 796)
Interest and other finance costs paid	21	(14 996)	(4 282)
Interest and other finance income received		318	-
Income taxes (paid)/received		1 618	(1 187)
Net cash used in operating activities		(27 464)	(13 265)
Cash flows from investing activities			
Proceeds from sale of fixed assets	11	1 628	8 967
Purchase of vessels and equipment	11	(16 091)	(11 269)
Acquisition of Group companies	11,15	(36 344)	(3 189)
Dividends received from equity accounted investees		875	678
Net cash used in investing activities		(49 931)	(4 803)
Cash flows from financing activities			
Proceeds from issuance of shares	20	30 000	-
Proceeds of borrowings	21	35 531	56 750
Repayment of borrowings	21		(86 825)
Transaction costs related to loans and borrowings	21		(2 157)
Payment of finance lease		(4 037)	(2 339)
Settlement of derivatives			(1 532)
Net cash (used in)/generated from financing activities		61 494	(38 103)
Net decrease in cash and cash equivalents from continuing operations		(15 901)	(56 171)
Cash flows from discontinued operations			
Net change in cash and cash equivalents from discontinued operations		-	-
Net decrease in cash and cash equivalents		(15 901)	(56 171)
Cash and cash equivalents at 1 January		86 268	142 524
Translation differences on cash and cash equivalents		24	(85)
Cash and cash equivalents at 31 December	19	70 391	86 268

The accompanying notes are an integral part of these consolidated financial statements.

(1) RSU = Restricted Stock-Unit Plan; GSOP = Growth Stock Option Plan.





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B.6 Notes to the Consolidated Financial Statements

1. General information

DeepOcean Group Holding B.V., hereinafter to be referred to as 'the Company', has its statutory seat in Amsterdam, The Netherlands. The address of the Company's registered office is Herengracht 433, 1017 BR, Amsterdam, The Netherlands. The Company is registered with the trade register of the Chamber of Commerce under number 55630561. Its ultimate shareholder is Tricer HoldCo S.C.A., having its statutory seat in Luxembourg, and is registered with the Registre de Commerce et des Sociétés under number B210246.

These consolidated financial statements as at and for the year ended 31 December 2018 comprise the Company and its subsidiaries and joint ventures (together referred to as the 'Group' or 'DeepOcean' and individually as 'Group entities').

The Company is the leading, pure play subsea services provider in the areas of Survey, IMR (Inspection, Maintenance and Repair), Subsea Construction and Cable Lay & Trenching.

2. Significant accounting policies

The principal accounting policies applied in the preparation of consolidated financial statements are set out below. These policies have been applied consistently to all periods presented in these consolidated financial statements, unless otherwise stated.

2.1 Statement of compliance

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and with Part 9 of Book 2 of the Dutch Civil Code. The Group presents its financial information in USD x 1,000, except when indicated otherwise.

The consolidated financial statements have been prepared by the Executive Management and were approved by the Board of Directors on Tuesday 16th July 2019.

2.2 Basis of preparation – Going Concern

The financial statements have been prepared on a going concern basis. Throughout the year 2018, a major concern was that the Company would breach its loan covenants. However, in the latest addendum to the credit facility agreement agreed on in Q4 2018 the covenants are focused around liquidity and LTM EBITDA. Based on the current forecast/budget, management does not see an immediate risk to breaking the bank loan covenants in the course of normal business throughout 2019. To mitigate this risk of covenant breach further, the Company will remain focused on stringent cash management and further cost reductions. Based on the above, management believes it is appropriate to prepare the financial statements using the going concern assumption.

2.3 Changes in accounting policy and disclosures

New standards, amendments and interpretations adopted by the Company

The Company applied IFRS 15 and IFRS 9 for the first time in 2018, starting on the 1st of January 2018. The nature and effect of the changes caused by the adoption of these new accounting standards are described below.

Several other amendments and interpretations apply for the first time in 2018, but do not have an impact on the consolidated financial statements of the Company. The Company has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

IFRS 15, 'Revenue from contracts with customers'

IFRS 15 supersedes IAS 11 Construction Contracts, IAS 18 Revenue and related Interpretations and it applies, with limited exceptions, to all revenue arising from contracts with customers. IFRS 15 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue is recognised at an amount





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that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

IFRS 15 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires extensive disclosures.

The Company adopted IFRS 15 using the modified retrospective method. The Company has initiated and completed an implementation project for the IFRS 15 implementation, hereof performed a GAP-assessments of its revenue streams, comparing accounting treatment of the previous revenue recognition standards IAS 11 and IAS 18 and related Interpretation, with the IFRS 15 Revenue from Contracts with Customers revenue recognition standard. For both its revenue streams (disclosed in separate section of this Note), the Company has not identified any material deviations between IAS 11 and IAS 18 with IFRS 15, hence no IFRS 15 implementation effect directly booked against equity at 1st of January 2018 have been recognized for the Company.

Use of practical expedient when implementing IFRS 15:

The Company has applied IFRS 15 only to contracts that are not completed at the date of initial application of the standard.

Contract modifications occurred before the earliest period presented will be reflected on the aggregate effect of all such contract modifications, when:

- identifying the satisfied and unsatisfied performance obligations
- determining the transaction price; and
- allocating the transaction price to the satisfied and unsatisfied performance obligations.

IFRS 9 Financial Instruments replaces IAS 39 Financial Instruments: Recognition and Measurement for annual periods beginning on or after 1 January 2018, IFRS 9 bring together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.

The impact of the transition from IAS 39 to IFRS 9 on the Company's Statement of Financial Position is limited. The expected credit losses model has an impact on the way the Company calculates its provision for bad debt, however taking into account a default rate based on credit ratings the bad debt provision is not material. The Company utilizes the simplified method of calculating ECL for its trade receivables, being its sole financial assets held at amortized cost.

Under IFRS 9 a substantial modification of the terms of an existing financial liability can have a significant impact on the Company's financial statements. The Company's outstanding loans were modified in November 2018. The loan modifications are, amongst others, an extension of the term of the credit facility and is not considered to be substantial as they do not differ more than 10 per cent of the original (expected) cash flows. In the treatment of financial liability modifications, there is no gap between IFRS 9 and IAS 39. However, under the new guidance in IFRS 9 the company should recognize the non-substantial difference between the new and the old loan in their statement of profit and loss. The extension of the Term Loan does not result in a different present value of the loan. Therefore, no amount is recognized in the Company's statement of profit and loss.

Furthermore, there is no impact of IFRS 9 on the Company's hedge of a net investment in foreign operations. Under IAS 39 the Company uses its revolving credit facility as a hedge instrument to hedge its net investments in foreign operations. The accounting under IFRS 9 is similar to IAS 39, hence no implementation effect under IFRS 9. Under IAS 39 a net investment hedge was accounted for similar to a cash flow hedge, namely through other comprehensive income for gains and losses relating to the effective part of the hedge and through the statement of profit or loss for the ineffective part of the hedge.

Although IFRS 9 (combined with the regulations in IFRS 7) does result in more disclosure requirements in the Company's annual financial statements, the complexity and the limited number of the Company's financial instruments does not result in significantly different disclosures.

Changes in accounting policies resulting from the adoption of IFRS 9 has generally been applied retrospectively, except as described below.

- The Company takes advantage of the exemption allowing it not to restate comparative information for prior periods with respect to classification and measurement (including impairment) changes. As no material



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implementation effect of IFRS 9 has been identified, no effect has been recognized at 1st of January 2018 directly against the Company's equity.

The total impact on the Company's retained earnings due to classification and measurement of financial instruments as of 1 January 2018 is as follows:

USD (thousands)	1 January 2018
Opening accumulated losses - IAS 39	(255 268)
Reclassify investments from amortized cost to FVPL	-
Increase in provision for trade receivables	-
Increase in provision for debt instruments at amortized cost	-
Increase in provision for debt instruments at FVOCI	-
Adjustments to retained earnings from adoption of IFRS 9	-
Opening accumulated losses - IFRS 9	(255 268)

On 1 January 2018 the Company's management assesses which business models apply to the financial assets held by the Company at the date of initial application of IFRS 9 (1 January 2018) and classifies its financial instruments into appropriate IFRS 9 categories. The main effects resulting from this reclassification are as follows:

USD (thousands)	Fair value through profit or loss	Fair value through other comprehensive income	Amortized cost	Total financial assets
Opening balance - IAS 39	-	-	147 849	147 849
Reclassify investments from amortized cost to FVPL	-	-	-	-
Opening balance - IFRS 9	-	-	147 849	147 849

All loans issued, trade and other receivables, and cash and cash equivalents are recognized at amortized cost and reclassified to the same category under IFRS 9 at the total amount of USD 147.8 million. At the date of initial application, the Company's business model is to hold these financial assets for collection of contractual cash flows, and the cash flows represent solely payments of principal and interest on the principal amount.

At the date of initial application, 1 January 2018, the financial instruments of the Company are as follows:

	Note	Carrying amount	
		Mandatorily at FVTPL	Amortised costs
1 January 2018			
Financial assets not at fair value			
Net trade receivables	18	-	61 580
Cash and cash equivalents	B.5	-	86 259
		-	147 849
Financial liabilities at fair value			
Derivatives	25	2 491	-
		2 491	-
Financial liabilities not at fair value			
Loans and borrowings	21	-	121 122
Trade payables	26	-	62 947
Other payables	26	-	7 006
		-	-



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Trade receivables are the Company's only financial asset that is subject to IFRS 9's new expected credit loss model. The Company applies the approach of providing for expected credit losses which requires the use of the lifetime expected loss provision for trade receivables grouped by type of business with similar conditions of recognition and settlement, taking into consideration each countries' specific risk profile.

The loss allowance provision for trade receivables per 31 December 2017 under IAS 39 is the same as the opening balance of the loss allowance provision at 1 January 2018 under IFRS 9, hence no IFRS 9 implementation effect has been recognized.

New standards, amendments and interpretations not yet adopted by the Company:

IFRS 16, 'Leases' introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are optional exemptions for short-term leases and leases of low value items. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases.

IFRS 16 replaces existing leases guidance including IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases—Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

The standard is effective for annual periods beginning on or after 1 January 2019. Early adoption is permitted for entities that apply IFRS 15 Revenue from Contracts with Customers at or before the date of initial application of IFRS 16. The Company will apply IFRS 16 initially on 1 January 2019.

The Company has performed an initial assessment of the potential impact on its consolidated financial statements. So far, the most significant impact identified is that the Company will recognise new assets and liabilities for its operating leases of vessels, equipment and buildings. In addition, the nature of expenses related to those leases will now change as IFRS 16 replaces the straight-line operating lease expense with a depreciation charge for right-of-use assets and interest expense on lease liabilities. The Company has decided it will use the optional exemptions for low-value leases and short-term leases. No significant impact is expected for the Company's finance leases.

On transition to IFRS 16, the Company can choose whether to:

- Apply the IFRS 16 definition of a lease to all its contracts, meaning that for all its contracts the Company needs to make new assessment whether they contain a lease; or
- Apply a practical expedient to "grandfather" their previous assessment of which existing contracts are or contain, lease

The Company has decided to apply the practical expedient in its consolidated financial statements and will not reassess existing lease contracts.

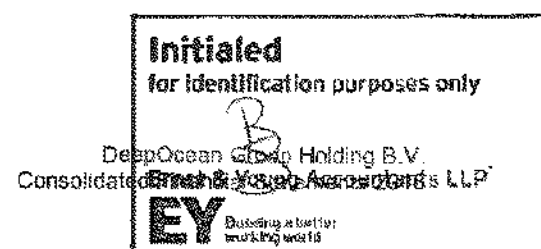
As a lessee, the Company can either apply the standard using a:

- Retrospective approach; or
- Modified retrospective approach with optional practical expedients.

The lessee applies the election consistently to all of its leases. The Company has determined to apply the modified retrospective approach. The Company has quantified the impact on its reported assets and liabilities of adoption of IFRS 16 based on the 31 December 2018 numbers. The indicative impact of IFRS 16 adoption is shown in note 28.04.

The Company expects that adoption of IFRS 16 will not affect its ability to comply with the covenants described in note 21 as these still will be calculated in accordance with IAS 17.

There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Company.





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2.4 Use of estimates and judgments

The preparation of the consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities and disclosure of contingent assets and liabilities as of the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results may differ materially from these estimates. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 3.

2.5 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control is achieved where the Company has the power to govern the financial and operating policies of an entity to affect and obtain benefits from its activities.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred to the former owners of the acquired business, equity interests issued by the Group, fair value of any asset or liability resulting from a contingent consideration arrangement, and fair value of any pre-existing equity interest in the subsidiary. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated, when necessary amounts reported by subsidiaries have been adjusted to conform to the Group's accounting policies.

On the loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interest and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, it is accounted for as investments accounted for using the equity method or as financial asset at fair value through profit and loss depending on the level of influence retained.

Non-controlling interests

The Group recognises any non-controlling interest on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquirer's identifiable net assets.

Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions - that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

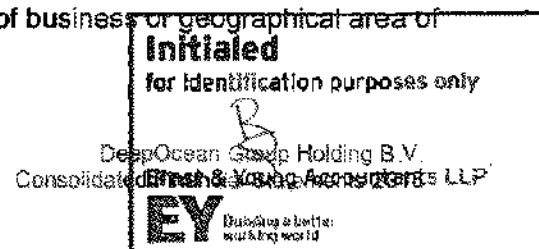
Transactions eliminated on consolidation

Intercompany transactions, intercompany balances and income/expenses on transactions between Group companies are eliminated. Profits and losses resulting from intercompany transactions that are recognised in assets are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

2.6 Discontinued operations

A discontinued operation is a component of the Group's business, the operation and cash flows of which can be clearly distinguished from the rest of the Group and which:

- Represents a separate major line of business or geographical area of operations
- Is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations; or





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- Is a subsidiary acquired exclusive with a view to resale.

Classification as a discontinued operation occurs on disposal, abandonment, termination or when the operation meets the criteria to be classified as held for sale, if earlier. When an operation is classified as a discontinued operation, the comparative statement of comprehensive income has been re-presented as if the operation had been discontinued from the start of the comparative year.

2.7 Foreign currency

Functional and presentation currency

These consolidated financial statements are presented in USD, which is the currency of the primary stakeholders. Items included in the financial information of individual entities in the Group are measured using the individual entity's functional currency, which is the currency of the primary economic environment in which the entity operates. The Group is primarily exposed to fluctuations in the foreign currency exchange rates of the Norwegian Kroner, United States Dollar, British Pound and the Euro.

Transaction and balances

Transactions in foreign currencies are translated into the respective functional currencies of Group entities at exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of profit or loss. Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the statement of profit or loss within finance income or expense.

Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet,
- Income and expenses for each statement of profit or loss are translated at average exchange rates (unless this average is not reasonable approximation of the cumulative effect of the rate prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions),
- All resulting exchange differences are recognised in other comprehensive income,

Share capital and share premium, for each balance sheet presented are translated at the closing rate at the date of that balance sheet. Resulting exchange differences are recognised directly in equity.

2.8 Revenue from contracts with customers

DeepOcean Company Holding B.V. ("the Company"), is an integrated provider of subsea and marine support vessels and services, such as inspection, maintenance and repair of subsea infrastructures, survey and seabed mapping, seabed intervention, including subsea trenching and protection services, and subsea installation (SURF) and decommissioning services.

Revenue from contracts with customers is recognized when control of the services is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for services.

In general, the Company's revenue streams can be divided into day-rate projects and lump-sum projects.

The Company has, in relation to its IFRS 15 implementation project for the implementation of IFRS 15 at 1st of January 2018, evaluated the revenue streams of the Company, and concluded that both its day-rate projects and its lump-sum projects is in the scope of IFRS 15. There has not been identified any lease nor sub-lease components in the Company's revenue streams.

1. Day-rate projects:

Day-rate projects relate to the activity in which the Company and its customer have agreed on a daily fee for the services to be provided by the Company in relation to the project. The performance obligation for day-rate projects



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is considered the daily delivery of the required service by the vessel to the customer of the company. Promises made in the contract with the customer are assessed as whether such promises are capable of being distinct, hereof distinct in the context of the contract, and the transaction price allocated accordingly. The Company recognizes revenue from day-rate project contracts over time, because the customer simultaneously receives and consumes the benefits provided by the Company. The revenue is as such recognized linear on a day-by-day basis over the contract period, and the transaction price is estimated at the contract inception, including any variable considerations.

2. Lump-sum projects:

Lump-sum projects concern projects in which the Company and its customers have agreed on a fixed fee for the services to be provided by the Company in relation to the project. This can be a mixture of the services as described above.

The performance obligation of the Company's lump-sum contracts is assessed on a contract-by-contract basis, evaluation whether any promises made in the contract are capable of being distinct, hereof distinct in the context of the contract. The Company have evaluated that the promised goods or services provided in contracts is capable of being distinct, however not distinct within the context of the project. IFRS 15 states that if a promised good or service is not distinct, an entity shall combine that good or service with other promised goods or services until it identifies a bundle of goods or services that is distinct. In some cases, that would result in the entity accounting for all the goods or services promised in a contract as a single performance obligation. Hence, the Company assess that the bundle of services provided on lump-sum contracts, is one performance obligation.

The Company recognizes revenue from lump-sum project contracts over time, because the customer simultaneously receives and consumes the benefits provided by the Company. The transaction price is estimated at the contract inception, including any variable considerations

The revenue is recognized in accordance with the stage of completion of a contract using a cost-to-cost input model to measure percentage of completion. The method relies on the Company's ability to estimate future costs in an accurate manner. The estimate to complete (ETC) is based on the schedule of the remaining work and its value, and the ETC is updated monthly. The reviews monitor actual cost of work performed project to date, the estimate cost to complete and the estimate cost at completion. This enables a reliable estimate for the likely outcome in terms of profitability of each project.

Variation considerations

If the consideration in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the services to the customer. Such variation considerations

The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

Contract modifications

A contract modification occurs when the Company and the customer approve a change in the contract scope, price or both. The accounting for a contract modification depends on whether distinct goods or services are added to the arrangement, and on the related pricing in the modified arrangement.

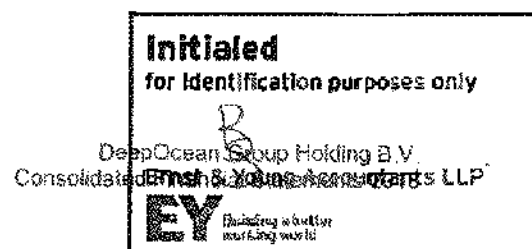
The Company recognize revenue from contract with customers arising from variation orders in the case the Company concludes that rights and obligations created or changed by a modification are enforceable, considering all relevant facts and circumstances including the terms of the contract and other evidences.

Warranty obligations

The Company provides warranties related to its performed services. In case the Company has not met the required criteria in the contract, additional required works are generally for the account of the Company. Such assurance-type warranties are accounted for as a provision under IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

Principal versus agent

The Company has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.





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Contract balances

Contract assets: A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Trade receivables: A receivable represents the Company's right to an amount of consideration that is unconditional.

Contract liabilities:

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognized when the payment is made. Contract liabilities are recognized as revenue when the Company fulfils the performance obligation (s) under the contract.

2.9 Leasing

The Group as lessee (operating lease)

The Group leases certain vessels and mission equipment. Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the statement of profit or loss on a straight-line basis over the period of the lease. Prepayments made before the commencement of the lease are recognised as prepaid charter costs and amortised over the firm lease period.

The Group as lessee (finance lease)

Leases of equipment where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease commencement at the lower of the fair value of the leased asset and the present value of the minimum lease payments.

Each lease payment is allocated between the liability and finance charges. The corresponding rental obligations, net of finance charges, are included in loans and borrowings. The interest element of the finance cost is charged to the statement of profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The asset acquired under finance lease is depreciated over the shorter of the useful life of the asset and the lease term.

2.10 Employee benefits

Pension obligations

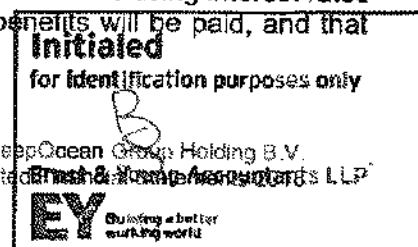
The Group operates various defined contribution pension schemes and three defined benefit pension schemes.

Defined contribution plans

With a defined contribution plan the Group pays contributions to an insurance company. After the contribution has been made, the Group has no further commitment to pay. The contribution is recognised as employee expenses. Prepaid contributions are reflected as an asset (pension fund) to the degree the contribution can be refunded or will reduce future payments. The assets of the scheme are held separately from those of the Group in an independently administered fund. The amount recognised in the Statement of the profit or loss account represents the contributions payable to the scheme in respect of the financial year.

Defined benefit plans

A defined benefit plan is a pension scheme which is not a defined contribution plan. A defined benefit plan is a pension scheme which defines a pension payment which an employee will receive at pension age. The pension payments are normally dependent on one or more factors such as age, number of years in the company, and salary. The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that





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have terms to maturity approximating to the terms of the related pension obligation. In countries where there is no deep market in such bonds, the market rates on government bonds are used.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise. Past-service costs are recognised immediately in income.

One of the defined benefit schemes operated by one of the Group companies represents amounts payable to the Merchant Navy Officers Pension Fund ('MNOFF') in UK. The MNOFF is an industry-wide, multi-employer defined benefit scheme. The Group is unable to identify its share of the scheme's underlying assets and liabilities on a consistent and reasonable basis. The Group accrues an estimated future liability based on the last valuation received and makes payments during the year. Contributions are charged to the profit or loss account in the year in which they are payable, as communicated by the MNOFF.

The two other defined benefit schemes are operated by Norwegian entities. These pension plans are administered by a pension insurance company. The schemes carry, based on present social security regulations, an entitlement to an old-age pension corresponding to a percentage of pensionable income at the time of retirement. The pensions are coordinated with those under the Norwegian National Insurance Scheme.

In the US the group maintains a contributory 401(k) plan.

Bonus plan

In 2018 there was no bonus plan in place.

2.11 Expenses

Direct operating expenses

Direct operating expenses are charged to profit or loss as incurred. Direct operating expenses principally include operating expenses associated with vessels charter, equipment lease, crew costs and consumable or project related materials. Direct operating expenses are reduced by the amount of partial reimbursements of labour costs received from any government (such as the Norwegian Government) and income from insurance claims.

Sales, general and administrative expenses

Sales, general and administrative expenses are charged to profit or loss as incurred. DeepOcean's sales, general and administrative expenses consist principally of:

- Salaries for employees not allocated to direct expenses, as well as expenses related to share-based compensation;
- Professional fees for independent auditors, lawyers and other consulting expenses;
- Premises, office and travel costs;
- Marketing costs;
- IT and communication expenses.

Other income and expenses

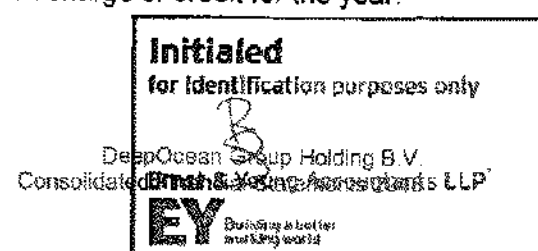
Other income and expenses are charged to profit or loss as incurred. Other income and expenses consist principally of restructuring costs, profit and loss on the sale of fixed assets, impairments, allowance for doubtful debt, and other extraordinary expenses.

Finance income and costs

Finance income and costs consist of finance cost, finance income and foreign currency gains and losses. Finance income comprises interest income on funds invested. Interest income is recognised in profit or loss as it accrues, using the effective interest method. Finance cost comprises interest expense on borrowings, amortised finance charges that are recognised in the statement of profit or loss, and financial instruments carried at fair value through profit and loss.

2.12 Taxation

Taxation expense or income recorded in the Consolidated Income Statement or Consolidated Statement of Other Comprehensive Income represents the sum of the current tax and deferred tax charge or credit for the year.





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Current tax

Current tax is based on the taxable income for the year, together with any adjustments to tax payable in respect of prior years. Taxable income differs from income before taxes as reported in the Consolidated Income Statement because it excludes items of income or expense that are taxable or deductible in other periods and further excludes items that are never taxable or deductible. The tax laws and rates used to compute the amount of current tax payable are those that are enacted or substantively enacted at the balance sheet date. Current tax relating to items recognised directly in equity is recognised in equity and not the Consolidated Statement of Other Comprehensive Income.

Current tax assets or liabilities are representative of taxes being owed by, or owing to, local tax authorities. In determining current tax assets or liabilities the Group takes into account the impact of uncertain tax positions and whether additional taxes or penalties may be due.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amount of assets and liabilities in the Consolidated Financial Statements and the corresponding tax bases used in the computation of taxable income, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable, temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable income will be available against which deductible temporary differences can be utilised. Deferred tax assets are derecognised or reduced to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the asset to be recovered. Such assets or liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition of other assets or liabilities in a transaction (other than in a business combination), that does not affect either the taxable income or the accounting income before taxes.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and interests in associates, and joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the near future.

The carrying amount of deferred tax assets is reviewed at each reporting date.

Deferred tax is calculated at the tax rates that are substantively enacted and expected to apply in the period when the asset is realised or the liability is settled. Deferred tax is charged or credited to the Consolidated Income Statement, except when it relates to items charged or credited directly in the Consolidated Statement of Comprehensive Income in which case the deferred tax is also recognised within the Consolidated Statement of Comprehensive Income.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set-off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current income tax assets and liabilities on a net basis.

2.13 Owned vessels and equipment (Fixed Assets)

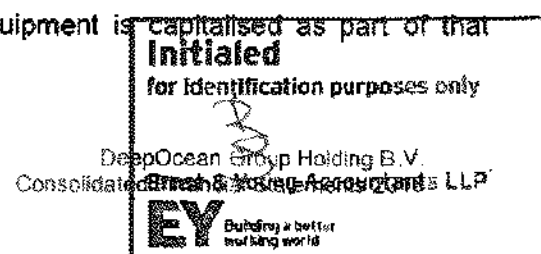
Recognition and measurement

Vessels and equipment are stated at cost less accumulated depreciation and impairments, if any. The cost of assets includes the costs of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located as well as capitalised borrowing costs.

Dry-dock expenditure incurred to maintain a vessel's classification is capitalised as a distinct component of the asset and amortised over the period until the next dry docking is scheduled for the asset (usually 2½ to 5 years). All other repair and maintenance costs are recognised in the profit or loss as incurred.

Vessels and equipment that are being constructed or developed for future use are classified as assets under construction. Assets under construction are carried at cost, less recognised impairment loss, if any. The assets under construction are reclassified to the relevant asset category upon completion.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.





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Depreciation

Depreciation for vessels and equipment commences once the asset is placed in service for its intended use. Depreciable lives are determined through economic analysis, reviewing existing business plans and comparison to similar assets. For the vessels, depreciation is calculated per significant component, as the depreciable lives of the different components may vary. The identification of significant components requires management judgment (refer to note 3). Depreciation is calculated as the cost of vessels and equipment less their estimated residual values using the straight-line basis over their estimated useful lives.

Category	Asset Type/Component	Years
Surface vessels	Vessel hull	30
Surface vessels	Loading and unloading equipment	15
Surface vessels	Main engine	20
Surface vessels	Residential containers	15
Surface vessels	Other equipment	15
Surface vessels	Dry docking	2.5 - 5
Subsea equipment	Equipment (ROV, trenchers, etc.)	10
Other	Furniture and fittings	3 - 10
Other	Office equipment	2 - 5
Other	Vehicles	3 - 5

Residual values are estimated based on historical experience with regard to these assets and are established in conjunction with the estimated useful lives of the asset. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. Major modifications, which extend the useful life of marine vessels, are capitalised and amortised over the adjusted remaining useful life of the vessel. Marine inspection costs are expensed in the period incurred.

Non-current assets (or disposal groups) are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs to sell.

2.14 Intangible assets and goodwill

Recognition and measurement

Goodwill

Goodwill on subsidiaries and joint ventures is recognised separately as intangible assets and carried at cost less accumulated impairment losses.

Research and development

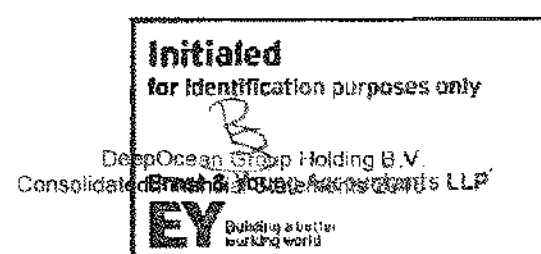
Expenditure on research activities is recognised in profit or loss as incurred. Development expenditure is capitalised only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Group intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognised in profit or loss as incurred.

Other intangible assets

Other intangible assets, including customer relationships, backlog, patents and trademarks, that are acquired by the Group and have finite useful lives, are measured at cost less accumulated amortisation and any accumulated impairment losses.

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.





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Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values, using the straight-line method, over their estimated useful lives, and is recognised in profit or loss. Goodwill is not amortised, but assessed for impairment annually.

Category	Asset Type/Component	Years
Intangible assets	Goodwill	-
Intangible assets	Customer relationships	10
Intangible assets	Backlog	10

2.15 Interests in equity-accounted investees

Interests in equity-accounted investees can comprise associates or joint ventures (refer to 2.16.1).

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies. Interests in associates are accounted for using the equity method. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of equity-accounted investees, until the date on which significant influence ceases.

2.16 Joint arrangements

Joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor. The Group recognises its direct right to the assets, liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses. These have been incorporated in the financial statements under the appropriate headings.

2.16.1 Joint ventures

Joint ventures are accounted for using the equity method, where interests in joint ventures are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses and movements in other comprehensive income. When the Group's share of losses in a joint venture equals or exceeds its interests in the joint ventures (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint ventures), the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint ventures.

The Group determines at each reporting date whether there is any objective evidence that the investment, using the equity method, needs to be impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the investments and its carrying value and recognises the amount adjacent to share of profit/(loss) of an investee in the statement of profit or loss.

Profits and losses resulting from upstream and downstream transactions between the Group and its investments are recognised in the Group's financial statements only to the extent of unrelated investor's interests in the investments.

2.16.2 Joint operations

The Group recognises its direct right to the assets, liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses and incorporates this in the financial statements under the appropriate headings.

When the Group participates in, but does not have joint control of, a joint operation it shall also account for its interest in the arrangement in accordance with the above if the Group has rights to the assets, and obligations for the liabilities, relating to the joint operation.

2.17 Impairment of non-financial assets

Non-financial assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets



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are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). Prior impairments of non-financial assets (other than goodwill) are reviewed for possible reversal at each reporting date.

2.18 Financial assets

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

The Company classified its financial assets in four categories:

- Financial assets at amortised cost
- Financial assets at fair value through profit or loss
- Derivatives at fair value designated as hedging instruments

Financial assets at amortised cost:

The Company measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows and,
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Company's financial assets at amortised cost includes trade receivables and other short-term deposit. Trade receivables that do not contain a significant financing component are measured at the transaction price determined under IFRS 15 Revenue from contracts with customers.

The Company's financial assets classified in the category 'amortized cost' comprise 'trade receivables', 'restricted cash' and 'cash and cash equivalents'.

Financial assets at fair value through profit or loss:

Financial assets at fair value through profit or loss are acquired principally for the purpose of selling in the short term. Derivatives are also in this category unless they are designated as hedging instruments. Derivatives are initially recognized at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Derivatives are classified as current liability or current asset if they are expected to be settled within 12 months, otherwise they are classified as non-current. Changes in fair value of the derivatives, which are not used as hedging instrument, are recorded in the statement of profit or loss and presented under other finance (expense)/income.

Derivatives at fair value designated as hedging instruments:

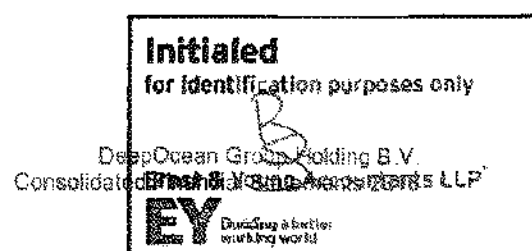
Derivatives at fair value are carried in the statement of financial position at fair value with net changes in fair value in OCI.

Impairment of financial assets:

The Company recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For trade receivables and contract assets, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date.

Derecognition of financial assets:





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A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e., removed from the Company's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired, or
- the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either
- the Company has transferred substantially all the risks and rewards of the asset, or
- the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

2.19 Inventories

Inventories consist of fuel, spare parts and other supplies to be consumed in the rendering of services. These supplies are measured at the lower of cost and net realisable value. The cost of inventories is based on the First-in-First-out (FIFO) principle, and includes expenditure incurred in acquiring the inventories and other costs incurred in bringing them to their existing location and condition. Within spare parts a distinction is to be made between 'immaterial' and material spare parts. The immaterial spare parts are to be carried as inventories and recognised as an expense as they are consumed. Material spare parts will qualify for recognition as vessels and equipment. For clarification purposes the useful life (and depreciation) of these material spare parts will commence when it is put in use rather than when it is acquired.

2.20 Trade receivables

Trade receivables are amounts due from customers for services performed in the ordinary course of business representing a right to an amount of consideration that is unconditional.

At initial recognition trade receivables without a significant finance component are recognized at their transaction price and subsequently at amortized cost. If collection is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets. For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

2.21 Cash and cash equivalents

In the consolidated balance sheet cash and cash equivalents comprise cash in hand and deposits held at call with banks. Bank overdrafts, if any, are shown within borrowings in current liabilities.

2.22 Share capital

Ordinary shares are classified as equity. The term 'shares' as used in the consolidated financial statements means ordinary shares issued by the Company. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

2.23 Financial liabilities

Financial liabilities are classified, at initial recognition, as loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. Derivatives are recognised initially at fair value. Loans, borrowings and payables are recognised at fair value net of directly attributable transaction costs.

Derivatives are financial liabilities when the fair value is negative, accounted for similarly as derivatives as assets.

Loans, borrowings and payables:

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.





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Payables are measured at their nominal amount when the effect of discounting is not material.

Derecognition of financial liabilities:

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial assets and liabilities:

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

Hedge accounting:

Hedges of net investments in foreign operations are accounted for similarly to cash flow hedges. Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognized in other comprehensive income and accumulated in the translation reserves in equity. The gain or loss relating to the ineffective portion is recognized immediately in profit or loss under other finance (expense)/income. Gains and losses accumulated in equity are reclassified to profit or loss when the foreign operation is partially disposed of or sold.

2.24 Loans and borrowings

Loans and borrowings are recognised initially at carrying amount, less attributable transaction costs. Subsequent to initial recognition, borrowings are measured at amortised cost using the effective interest method. The amount due within one year is presented under current liabilities.

Attributable transaction costs include costs associated with the issuance of debt and are amortised using the effective interest rate method of amortisation over the expected life of the related debt agreement or on a straight-line basis over the expected life of the related debt agreement if the straight-line method approximates the effective-interest rate method of amortisation.

2.25 Provisions

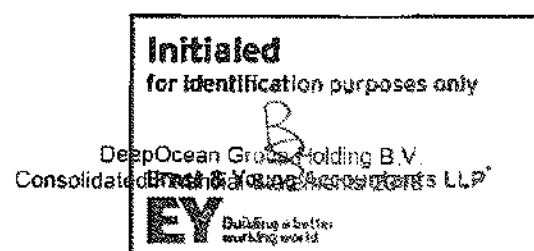
Provisions are recognised when: (i) the Group has a present legal or constructive obligation as a result of past events; (ii) it is probable that an outflow of resources will be required to settle the obligation; (iii) the amount has been reliably estimated. Provisions are not recognised for future operating losses. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

Onerous contracts

A provision for onerous contracts is recognised when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract.

2.26 Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade and other payables are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade and other payables are recognised initially at fair value plus any directly attributable transaction costs if any. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.





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2.27 Statement of cash flows

The consolidated statement of cash flows is prepared using the indirect method. The consolidated statement of cash flows distinguishes between operating, investing and financing activities. Cash flows in foreign currencies are converted at the exchange rate at the dates of the transactions. Currency exchange differences on cash held are separately shown. Payments and receipts of corporate taxes are included as cash flow from operating activities.

In the consolidated statement of cash flows, cash and cash equivalents includes cash in hand, deposits held at call with banks and bank overdrafts. In the consolidated balance sheet, bank overdrafts are shown within borrowings in current liabilities.

3. Accounting estimates and judgments

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items that are more likely to be materially adjusted due to estimates and assumptions turning out to be wrong. Detailed information about each of these estimates and judgements is included in other notes together with information about the basis of calculation for each affected line item in the financial statements.

3.1 Revenue recognition on long term contracts

The Group accounts for long-term construction, engineering and project management contracts using the input method based on cost incurred (cost method), which is standard for the Group's industry. Contract revenues and total cost estimates are reviewed and revised periodically as work progresses. Adjustments based on the input method are reflected in contract revenues in the reporting period. To the extent that these adjustments result in a reduction or elimination of previously reported contract revenues or costs, a charge or credit is recognised against current earnings; amounts in prior periods are not restated. Such a charge or credit may be significant depending on the size of the project or the adjustment.

The input method requires the Group to make reliable estimates of progress toward completion of contracts and contract revenues and contract costs. The Group believes it assesses its business risks in a manner that allows it to evaluate the outcome of projects for purposes of making reliable estimates. The Group's business risks have involved, and will continue to involve, unforeseen difficulties including weather, economic instability, labour strikes, localised civil unrest, and engineering and logistical changes, particularly in major projects.

3.2 Corporate income taxes

The Group is subject to taxation in numerous jurisdictions and different taxation regimes, including tax regimes covered by production sharing contracts of our customers, the Norwegian tonnage tax regime and deemed profit regimes. Significant judgement is required in calculating the consolidated tax provision. There are transactions for which the ultimate tax determination is uncertain and for which the Group makes provisions based on an assessment of internal estimates and/or appropriate external advice, including decisions regarding whether to recognise deferred tax assets in respect of tax losses. Each year the Group completes a detailed review of uncertain tax positions across the Group and makes provisions based on the probability of the liability arising. Where the final tax outcome of these matters differs from the amounts that were initially recorded, the difference will impact the tax charge in the period in which the outcome is determined.

The Group also recognises the increased scrutiny applied by tax authorities on intercompany transactions. As such, the Group has considered its key transactions with affiliates and has reasonable grounds for concluding that the prices used are at arm's length. This is supported by internal transfer pricing documentation that is consistent with the OECD Guidelines (OECD Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations).

3.3 Vessels and equipment

Vessels and equipment are recorded at cost, and depreciation is recorded on a straight-line basis over the useful lives of the assets. Management uses their experience to estimate the remaining useful life and residual value of an asset. Reassessment particularly takes place when an asset has been upgraded or does not serve its original



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purpose anymore. When events or changes in circumstances indicate that the carrying value of vessels and equipment may not be recoverable a test for impairment is carried out by management. Where the 'value-in-use' method is used to determine the recoverable amount of an asset, management use their judgment in determining asset utilisation, profitability, remaining life, and the discount rate when performing the calculation. The determination and identification of different components of the vessels is subject to judgment from management. Each part of the vessel that forms a significant part and has a different depreciable life is considered a significant component.

3.4 Allowance for doubtful debt

Trade receivables are shown net of impairment losses arising from identified doubtful receivables from customers. Trade receivables were impaired taking into account the financial position of the debtors, the days outstanding and expected outcome of negotiations and legal proceedings against debtors. Unbilled revenue on (completed) projects does not include impairment losses.

3.5 Fair value of derivatives

The fair value of financial instruments that are not traded in an active market (e.g.: over-the-counter derivatives) is determined by using valuation techniques. The Group uses its judgement to select a variety of methods and makes assumptions that are mainly based on market conditions existing at the end of each reporting period. The Group has used discounted cash flow analysis for various foreign exchange contracts that are not traded in active markets. For definition of fair value hierarchy please see note 27.6.1.

3.6 Defined benefit pension schemes

The present value of the pension obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. Management utilises the services of various qualified actuaries to calculate an estimate of the defined benefit pension liability. Any changes in assumptions made (such as the discount rate) will impact the carrying amount of pension obligations. Other key assumptions for pension obligations are based in part on current market conditions.

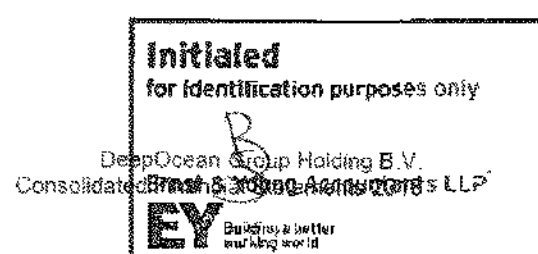
3.7 Recognition of provisions and disclosure of contingent liabilities

The Group, in the ordinary course of business, may be subject to various claims and lawsuits involving service providers, employees, tax authorities and others. In consultation with internal and external advisors, management will recognise a provision for related expenses and claims, if information available prior to issuance of the consolidated financial statements indicates a probable event and if the amount of the loss/cost can be reasonably estimated. Contingent liabilities for which a possible obligation exists are disclosed but not recognised.

4. Discontinued operations

2018 saw DeepOcean's Brazilian operations cease operations. Thus, all operations related to AXA Engenharia Submarina Ltda, the Brazilian legal entity of which the group owns 60%, are reported as discontinued operations.

The financial performance from discontinued operations is presented below and resulted in a net loss of \$2.35M:





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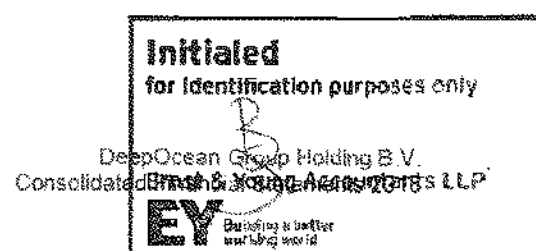
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USD (thousands)	2018	2017
Revenue		
Direct operating expenses	(1 528)	
Depreciation and amortisation	(13)	
Gross results/(loss)	(1 541)	-
Sales, general and administrative expenses	(35)	
Other income		
Results/(loss) from operating activities	(1 576)	-
Finance income	4	
Finance expense	(775)	
Net finance income/(expense)	(771)	-
Results/(loss) before tax	(2 347)	-
Corporate income tax credit		
Results/(loss) for the period	(2 347)	-
Results/(loss) attributable to:		
Shareholders of the parent	(2 347)	
Non-controlling interests		
Results/(loss) for the period	(2 347)	-

The operating expenses in AXA Enghenaria Submarina Ltda, the discontinued operation, are mainly comprised of an accrual for a potential legal dispute.

5. Revenue

For management purposes, the Group is organised in various operating segments, based on a combination of geographical regions and service/product lines. The Executive Director of the Board fulfil the role of Chief Operating Decision Maker (CODM) in the Group, and monitor the operating results of its business units separately for the purpose of decision making and performance assessment. Financial information for this exists in management accounting, however individually the segments do not meet the quantitative thresholds required by IFRS 8.22 (a) for reportable segments. The regions all have similar characteristics in terms of economic, nature of service, type of customer, methods of distribution and regulatory environment. Therefore, the operating segments are combined into one reportable segment as presented in this consolidated statement. Net Income measures the Group's performance.





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5.1 Geographic Information

Revenue

The Group operates highly mobile vessels, which operate in multiple jurisdictions. Revenues from external customers are allocated based on the country of the registered office of the Group subsidiary executing the services.

USD (thousands)	2018	2017
Norway	210 352	188 632
United Kingdom	210 248	186 111
Netherlands	5 620	21 598
Americas	40 316	6 155
Africa	39 281	26 772
Total revenue	505 817	429 268

Non-current assets

The allocation of assets is based on the country of the registered office of the Group subsidiary.

USD (thousands)	31 December 2018	31 December 2017
Norway	100 855	112 838
United Kingdom	27 376	29 560
Netherlands	1 318	2 372
Americas	37 342	5 221
Africa	3 543	4 992
Total non-current assets	170 434	154 983

5.2 Major customers

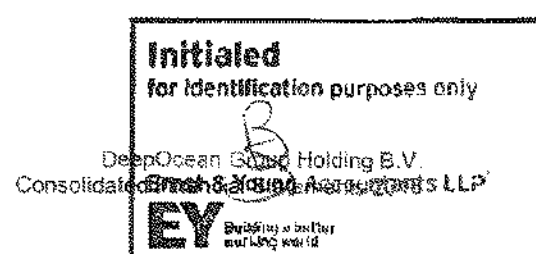
Revenue from customers contributing more than 10% to the total revenue is summarised below:

USD (thousands)	2018	2017
Revenue	238,121	236,140
Number of customers	3	3

The three customers contributing more than 10% of overall group revenue each in 2018 are: Equinor Energy AS; J-Power Systems Corp.; Ørsted Wind Power A/S;

5.3 Seasonality of operations

The Group's activities in all segments are subject to seasonal fluctuations as a result of weather conditions. During the winter months, the possibility of adverse weather conditions is significantly higher compared to the summer months. As a result, the Group's revenues and results typically are lower in the first and fourth quarter of the year, particularly in operations in the northern hemisphere.





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6. Expenses by nature

The direct operating; sales, general and administrative expenses; and other (income)/expenses are presented below:

• Direct operating expenses:

USD (thousands)	2018	2017
Employee costs	198 778	165 200
Vessel charter costs	150 113	126 270
Other rentals	18 429	13 902
Parts, materials and consumables	89 947	58 313
Other direct operating expenses	21 879	24 348
Total Direct operating expenses	459 146	388 033
From continuing operations	457 618	388 033
From discontinued operations	1 528	-

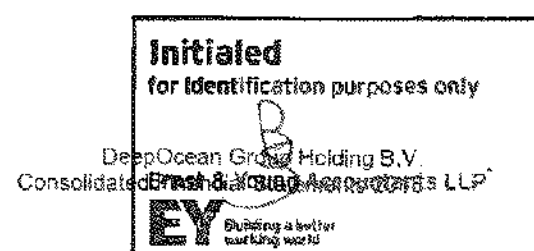
• Sales, general and administrative expenses:

USD (thousands)	2018	2017
Employee costs	19 638	16 704
Premises and office costs	4 187	3 970
Travel cost	2 349	2 528
Professional fees	4 570	3 966
IT and communications	2 456	2 311
Marketing	795	707
Other (income)/expense	(404)	(2 159)
Total Sales, general and administrative expenses	33 699	28 027
From continuing operations	33 664	28 027
From discontinued operations	35	-

• Other expenses / (income):

USD (thousands)	2018	2017
Profit on the sale of fixed assets	(777)	(1 653)
Restructuring costs	12 248	14 925
Impairment of loans to related parties	-	-
Allowance for doubtful debt	-	633
Other extraordinary costs	-	-
Total other expense	11 471	13 905
From continuing operations	11 471	13 905
From discontinued operations	-	-
 Impairment of fixed assets	 138	 13 239
Total other expense, including impairments of fixed assets	11 609	27 144

The restructuring costs comprise mainly of fees paid to advisors of the Company, severance payments, specific costs such as salaries related to clearly defined restructuring activities and costs related to the cold stacking of certain vessels.





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7. Employee costs

The employee costs include cost related to the Group's long-term incentive plans and pensions.

USD (thousands)	2018	2017
Pensions - defined contribution plans	4 544	3 527
Pensions - defined benefit plans	990	1 550
Long term incentive plan (RSU)	358	(314)

8. Independent auditor's remuneration

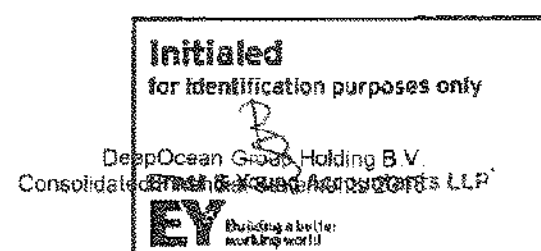
With reference to Section 2:382a of The Netherlands Civil Code, fees billed to the Group by the principal auditing firm PricewaterhouseCoopers Accountants N.V. as the independent statutory auditor of the Group and other member firms of PwC International Limited, were:

USD (thousands)	2018	2017
Audit - Statutory	601	545
Other related services	-	-
Tax advisory services	44	208
Other services	85	86
Total	730	839

Note that the Board of Directors has appointed new statutory auditors for the 2018 financials and the Group will be utilizing Ernst & Young's (EY) services going forward.

9. Net finance income/(expenses)

USD (thousands)	2018	2017
Finance income		
Interest income on bank and loans	(318)	(90)
Other finance income	(39)	(99)
Total finance income	(357)	(189)
Finance expense		
Interest expense on bank loans and overdrafts	7 719	5 801
Interest expense on finance lease	853	1 240
Unrealised result of currency derivatives	1 505	(4 113)
Realised result of currency derivatives	125	1 719
Net foreign exchange expense	6 543	1 725
Other finance expense	2 703	3 314
Total finance expense	19 448	9 687
Net finance expense recognised in statement of profit or loss	19 091	9 498
From continuing operations	18 320	9 487
From discontinued operations	771	-





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10. Corporate income tax

10.1 Current corporate income tax

USD (thousands)	2018	2017
Current income tax on loss for the year	344	734
Adjustments with respect to prior years	36	(1 624)
Non-deductible withholding tax	1 398	2 635
Current corporate income tax expense	1 778	1 745
Origination and reversal of temporary differences	32	(1 019)
Deferred income tax expense/(credit)	32	(1 019)
Total income tax expense	1 810	726
From continuing operations	1 810	726
From discontinued operations	-	-

The income tax expense recognised in the period can be reconciled to the accounting profit as follows:

USD (thousands)	2018	2017
Loss before tax from continuing operations	(44 095)	(53 284)
Loss before tax from discontinued operations	(2 347)	-
Loss before tax for the period	(46 442)	(53 284)
Corporate income tax expense calculated at 25%	(11 611)	(13 321)
Effect of different income tax rates in other jurisdictions	3 964	7 134
Permanent differences/(non-deductible expenses)	(461)	3 661
Non-taxable income	-	(1 468)
Unrecognised DTA	6 348	5 820
Prior year adjustments	36	(1 624)
Other	3 534	524
Total	1 810	726

	2018	2017
Corporate income tax expense calculated at 25%	25.0%	25.0%
Effect of different income tax rates in other jurisdictions	-8.5%	-13.4%
Permanent differences/(non-deductible expenses)	1.0%	-6.9%
Non-taxable income	0.0%	2.8%
Unrecognised DTA	-13.7%	-10.9%
Prior year adjustments	-0.1%	3.0%
Other	-7.6%	-1.0%
Total	-3.9%	-1.4%

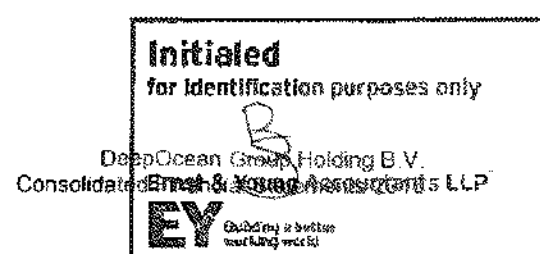
Effective tax rate analysis

2018

For the year ended 31 December 2018 the Group recorded a net tax of \$1.8 million. This resulted in an effective tax rate of minus 3.9%.

2017

For the year ended 31 December 2017 the Group recorded a net tax of \$0.7 million. This resulted in an effective tax rate of minus 1.4%.





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10.2 Recognized deferred tax assets and liabilities

The net movement on the deferred income tax account is as follows:

	Balance 1	Recognised in	Recognised in	Exchange	Balance 31
<i>USD (thousands)</i>	January 2017	profit or loss	other comprehensive income	differences	December 2017
Vessels and equipment	776	(2 915)	2 045	220	126
Receivables	(36)	(12)	1	33	(14)
Post employment benefits	548	(242)	110	27	443
Provisions	578	75	(13)	29	669
Tax losses carried forward	1 530	4 119	(1 051)	(288)	4 312
Impairments	2 045	(1 291)	(850)	96	-
Other	511	1 285	(843)	57	1 010
Total	6 952	1 019	(601)	176	6 546

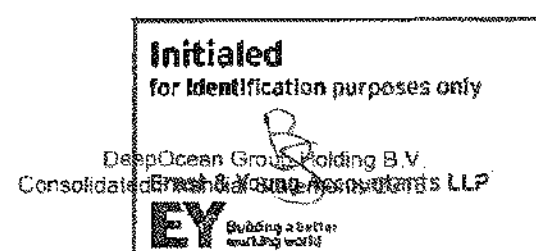
	Balance 1	Recognised in	Recognised in	Exchange	Balance 31
<i>USD (thousands)</i>	January 2018	profit or loss	other comprehensive income	differences	December 2018
Vessels and equipment	126	(58)	-	(6)	62
Receivables	(14)	(48)	-	0	(60)
Post employment benefits	443	(198)	(239)	(10)	(4)
Provisions	669	(429)	459	(57)	642
Tax losses carried forward	4 312	924	-	(427)	4 809
Other	1 010	(226)	(36)	21	769
Total	6 546	(33)	184	(479)	6 218

The movement in deferred income tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

Deferred tax assets and liabilities

	Assets		Liabilities		Net	
	31 December	31 December	31 December	31 December	31 December	31 December
<i>USD (thousands)</i>	2018	2017	2018	2017	2018	2017
Vessels and equipment	61	126	-	-	61	126
Receivables	(60)	(14)	-	-	(60)	(14)
Post employment benefits	(14)	443	-	-	(14)	443
Provisions	641	669	-	-	641	669
Tax losses carried forward	5 179	4 312	-	-	5 179	4 312
Other	1 745	1 570	(1 334)	(560)	411	1 010
Set off of tax components	-	-	-	-	-	-
Total	7 552	7 106	(1 334)	(560)	6 218	6 546
To be recovered after 12 months	7 552	7 106	(1 334)	(560)		
Total	7 552	7 106	(1 334)	(560)		

The recognised deferred tax assets are dependent on future taxable profits in excess of profits arising from the reversal of existing taxable temporary differences. Based on forecasted results for each relevant entity, management considered it probable that sufficient future taxable profits will be generated to utilise deferred tax assets.





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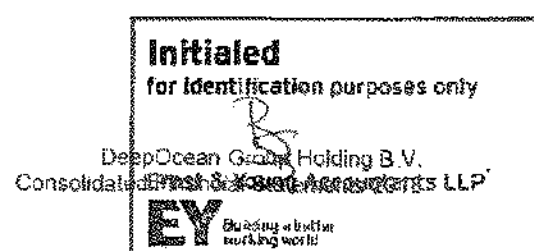
10.3 Unrecognised deferred tax assets

USD (thousands)	2018	2017
Deductible temporary differences	2 444	289
Tax losses	10 855	16 746
Capital allowances	12	795
Total	13 341	17 830

Unrecognised deferred tax assets relate to temporary differences and tax losses carried forward in certain entities where it is currently not probable that future taxable profits will be generated to utilise these assets.

10.4 Tax liabilities

Group companies receive enquiries from tax authorities and tax audits are performed by tax authorities with Group companies, which may result in disputes in respect of filed tax returns. Tax liabilities are recognised when it is considered probable that there will be a future outflow of funds to a tax authority. In such cases, a provision is made for the amount that is expected to be settled, where this can be reasonably estimated. This requires the application of judgement as to the ultimate outcome, which can change over time depending on facts and circumstances. A change in estimate of the likelihood of a future outflow and/or in the expected amount to be settled would be recognised in income in the period in which the change occurs.





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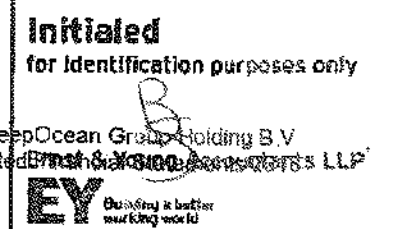
11. Vessels and equipment

USD (thousands)	Vessels	Mission equipment	Other	Assets under construction	Total
Costs					
Balance at 1 January 2017	207 943	223 310	8 755	4 607	444 615
Additions	1 427	9 642	2 437	(2 237)	11 269
Acquisition of business	-	2 006	1 010	61	3 077
Asset classified as held for sale	(1 629)	-	-	-	(1 629)
Retirement and disposals	(16 144)	(18 195)	(2 109)	-	(36 448)
Impairments	11 388	-	-	-	11 388
Exchange differences	3 348	15 759	687	637	20 431
Balance at 31 December 2017	206 333	232 522	10 780	3 068	452 703
Balance at 1 January 2018	206 333	232 522	10 780	3 068	452 703
Additions	6 255	3 722	1 514	4 962	16 453
Acquisition of business	-	39 649	2 310	35	41 994
Retirement and disposals	-	(6 889)	(195)	(762)	(7 846)
Exchange differences	(3 100)	(13 178)	(1 593)	(763)	(18 634)
Balance at 31 December 2018	209 488	255 826	12 816	6 540	484 670
Accumulated depreciation					
Balance at 1 January 2017	(117 433)	(152 112)	(6 839)	-	(276 384)
Depreciation charge	(13 886)	(15 492)	(1 292)	-	(30 670)
Acquisition of business	-	(1 043)	(267)	-	(1 310)
Retirement and disposals	16 144	17 040	2 118	-	35 302
Impairments	(24 627)	-	-	-	(24 627)
Exchange differences	(2 301)	(12 040)	(557)	-	(14 898)
Balance at 31 December 2017	(142 103)	(163 647)	(6 837)	-	(312 587)
Balance at 1 January 2018	(142 103)	(163 647)	(6 837)	-	(312 587)
Depreciation charge	(9 888)	(18 277)	(1 617)	-	(29 782)
Retirement and disposals	-	6 458	408	-	6 866
Impairments	-	-	(138)	-	(138)
Exchange differences	2 827	2 438	1 473	-	6 738
Balance at 31 December 2018	(149 144)	(173 028)	(6 711)	-	(328 883)
Carrying amounts					
At 1 January 2017	90 510	71 198	1 916	4 607	168 231
At 31 December 2017	64 230	68 875	3 943	3 068	140 116
At 1 January 2018	64 230	68 875	3 943	3 068	140 116
At 31 December 2018	60 344	82 798	6 105	6 540	155 787

Impairment vessels and equipment

In 2017 there were indications that the carrying amount of certain vessels and mission equipment might exceed the estimated recoverable amount (the higher of its value in use and fair value less costs to sell), the possible existence of an impairment loss was investigated. This resulted in a 2017 impairment of USD 13.2 million.

In the reporting period, management assessed the fair value of these assets and concluded that no further impairments would be necessary.





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Assets held for sale

In the reporting period, there were no assets held for sale.

12. Goodwill and intangible assets

USD (thousands)	Goodwill	Customer relationships	Backlog	Total
Costs				
Balance at 1 January 2017				-
Acquisition of business	1,009	1,221	290	2,520
Exchange differences	50	61	15	126
Balance at 31 December 2017	1,059	1,282	305	2,646
Balance at 1 January 2018	1,059	1,282	305	2,646
Additions		318		318
Reclassification		305	(305)	-
Exchange differences	(50)		-	(50)
Balance at 31 December 2018	1,009	1,905	-	2,914
Accumulated Amortisation				
Balance at 1 January 2017				-
Balance at 31 December 2017	-	-	-	-
Balance at 1 January 2018	-	-	-	-
Balance at 31 December 2018	-	-	-	-
Carrying amounts				
At 1 January 2017	-	-	-	-
At 31 December 2017	1,059	1,282	305	2,646
At 1 January 2018	1,059	1,282	305	2,646
At 31 December 2018	1,009	1,905	-	2,914

On 28 July 2017 the Company acquired all shares of SEAROV Offshore, an agile and cost effective Remotely Operated Vehicles (ROVs) service provider with a strong focus on West Africa. As a result of this acquisition the Company identified and recognised intangible assets. Refer to note 15 for more information on the acquisition and the recognition of the intangible assets.

In 2018 there was no further Goodwill recognized, but minor intangible asset additions to the Customer Relationship were booked as result of the Delta Subsea acquisition in April 2018.

13. Equity-accounted investees

13.1 Joint ventures

On 1 December 2014 the Group entered into a joint venture agreement with Technip Norge AS, resulting in the incorporation of Technip-DeepOcean PRS JV DA ('PRS') in Norway, in which both parties own 50% of the shares. The main purpose of the joint venture is to execute the PRS Framework Agreement. The parties have joint control.

In 2018 the Group entered into a joint venture with Level Personal AS, resulting in the incorporation of Level Offshore AS in Norway, in which both parties hold 50% of the shares. The main purpose of the joint venture is to provide staffing services to the offshore industry and the marine market.



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USD (thousands)	Share	Profit/(loss)	Assets	Liabilities	Equity	DeepOcean's share in equity	Carrying value
31 December 2018							
Technip-DeepOcean PRS JV DA	50 %	1 860	4 601	(2 744)	(1 857)	(928)	928
Level Offshore AS	50 %	36	1 864	(1 418)	(446)	(223)	58
Total		1 896	6 465	(4 162)	(2 304)	(1 151)	987

USD (thousands)	2018	2017
At 1 January	892	702
Capital increase	58	-
Share of net income	948	819
Dividend paid	(783)	(678)
Exchange differences	(128)	49
At 31 December	987	892

During the year ended 31 December 2018, the Group did receive dividend from its equity-accounted investments amounting US\$0.8 million (2017: US\$0.7 million). None of these companies are publicly listed and consequently do not have published price quotations. There are no contingent liabilities relating to the Group's interest in the investments accounted for using the equity method.

14. Joint operations

In 2015 the Group entered into an agreement with a Ghanaian partner resulting in the incorporation of DeepOcean Ghana Ltd in Ghana, in which DeepOcean owns 49% of the shares. The main purpose of the joint operations is to execute contracts in Ghana. Despite the fact that the Group only holds 49% of the shares, the parties have joint control.

The shareholder agreement in relation to DeepOcean Ghana Ltd requires consent from both parties for all significant decisions. The two partners have rights to substantially all of the economic benefits of the assets held in the separate vehicle. This entity, as well as its fully owned subsidiary DeepOcean Ghana B.V. is therefore classified as a joint operation.

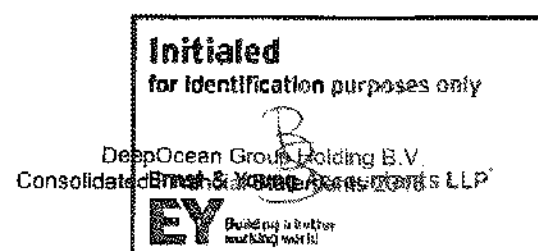
DeepOcean Ghana Ltd is 100% consolidated in DeepOcean Group.

15. Changes in consolidated interests

On 23 April 2018, the Company acquired all shares of Delta Subsea, a US company specialized in IMR and subsea work. Delta Subsea's operations are based in the US, Trinidad & Tobago, Mexico and Israel using local branches in Israel to ensure rapid response, closeness to clients, logistical support and quality of operational monitoring. Delta Subsea owns and operates ten ROVs and is considered to have a #2 market position behind Oceaneering in the US GoM market. In addition to its ROV services business segment, Delta Subsea also generates revenues from its Tooling Solutions as well as Consulting & Engineering units.

The Group expects that DeepOcean will be able to leverage this acquisition as a GoM platform and thus extend its footprint in this region. The Americas region is a key area of growth for DeepOcean as it is considered a leading deep-water basin with opportunities for DeepOcean to provide core life of field subsea services. Further, due to its milder climate, the GoM area also provides an opportunity for winter utilization of North Sea assets. Furthermore, the client base of Delta Subsea, which contains a majority of the Houston based Oil and Gas operators (e.g. Anadarko, Noble Energy, Hess) is a complementary fit to DeepOcean's existing customer range and is considered to strengthen the Group's relationship portfolio.

For the nine-month period ended 31 December 2018, Delta Subsea contributed revenue of US\$28.0 million and net loss of US\$0.8 million to the Group's results. If the acquisition had occurred on 1 January 2018, management estimates that consolidated revenue would have been US\$34.7, and consolidated net loss for the year would have been US\$2.5 million.





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15.1 Identifiable assets acquired and liabilities assumed

The following table summarizes the recognized amounts of assets acquired and liabilities assumed at the date of acquisition:

USD (thousands)	01/04/2018
Cash	36,344
Total consideration transferred	36,344

USD (thousands)	01/04/2018
Property, plant and equipment	34,171
Financial assets	3,605
Inventories	17
Trade and other receivables	3,857
Cash and cash equivalents	1,361
Trade and other payables	(3,077)
Total net identifiable net assets acquired	39,934

15.1.1 Measurement of fair values

The valuation techniques used for measuring the fair value of material assets acquired were as follows.

Assets acquired	Valuation technique
Property, plant and equipment	Market comparison technique and cost technique: The valuation model considers quoted market prices for similar items when they are available, and depreciated replacement cost when appropriate. Depreciated replacement cost reflects adjustments for physical deterioration as well as functional and economic obsolescence.
Current assets and liabilities	Current assets and liabilities are acquired at book value, since there were no indicators that book value were overstated or that the fair values exceed book values.

The trade receivables comprise gross contractual amounts due of US\$3.6 million, of which all is expected to be collectible at the date of acquisition.

Fair values measured on a provisional basis

No amounts have been measured on a provisional basis.

15.2 Goodwill

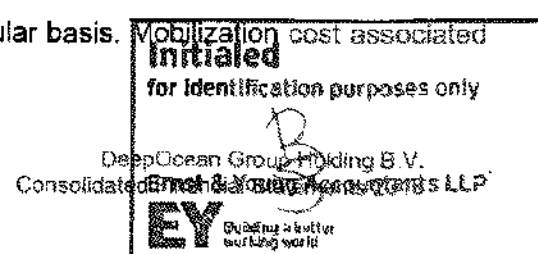
The Company paid less than book value of the equity in Delta Subsea. This suggests that the fair values are lower than the book values. The fair value estimates show that this is not the case, which means that there are unidentified values that gives a negative goodwill (badwill). The badwill is recognized in the consolidated profit and loss for the period.

USD (thousands)	01/04/2018
Consideration transferred	36,344
Fair value of identifiable net assets	(39,934)
Goodwill / (Badwill)	(3,590)

16. Prepaid charter costs

The Group enters into new charter agreements with ship owners on a regular basis. With a new charter are capitalized and amortized over the term of the lease.

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17. Inventories

The inventories comprise of the following:

USD (thousands)	31 December 2018	31 December 2017
Fuel and oil	3,372	2,327
Spare parts	194	0
Total	3,566	2,327

At 31 December 2018 no inventory was written off (31 December 2017: nil). The inventories are for internal use only and not for re-sale. The cost of inventories utilised is recognised as an expense in direct operating expenses.

18. Trade receivables and contract assets

USD (thousands)	31 December 2018	31 December 2017
Trade receivables		
Receivables from third-party customers	46 807	60 497
Receivables from associates and joint-ventures	681	1 134
Allowance for expected credit losses	(47)	(50)
Net trade receivables	47 441	61 580
Contracts assets		
Other receivables	3 526	1 341
Other current financial assets	47 717	32 401
Net contract assets	51 243	33 741
Total	98 684	95 322

Allowance for expected credit losses on trade receivables and contract assets

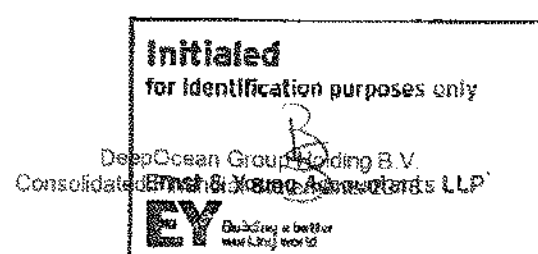
USD (thousands)	2018	2017
Balance at 1 January	(50)	(794)
Provision for expected credit losses		(11)
Write-off	-	780
Foreign currency movement	3	(25)
Balance at 31 December	(47)	(50)

19. Cash and cash equivalents

Unrestricted cash and cash equivalents are available for immediate use by the Group. Cash and cash equivalents in the joint operations in Ghana are available for immediate use subject to approval by both partners in the joint arrangement.

Restricted cash

USD (thousands)	2018	2017
Withheld employee taxes Norway	2 319	2 457





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20. Share capital and premium

USD (thousands)	Number of shares	Share capital	Share premium
On issue at 1 January 2017	47 036 451	494	314 822
Foreign currency movement	-	70	44 369
On issue at 31 December 2017 - fully paid	47 036 451	564	359 191
Treasury shares	(54 043)	-	-
Outstanding at 31 December 2017 - fully paid	46 982 408	564	359 191
On issue at 1 January 2018	47 036 451	564	359 191
New shares issued	30 000 000	343	29 752
Foreign currency movement	-	(27)	(17 288)
On issue at 31 December 2018 - fully paid	77 036 451	880	371 655
Treasury shares	-	-	-
Outstanding at 31 December 2018 - fully paid	77 036 451	880	371 655

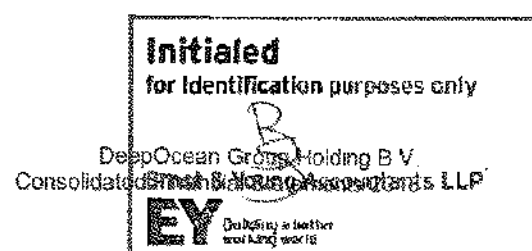
The Board of Directors proposes no dividend for 2018 (2017: nil).

21. Loans and borrowings

This note provides information about the contractual terms of the Group's interest-bearing loans and borrowings, which are measured at amortised cost. For more information about the Group's exposure to currency risk, interest rate risk, liquidity risk and operational risk, reference is made to note 27. On 30 November 2018 the Group's Credit Facility Agreement was amended.

USD (thousands)	31 December 2018	31 December 2017
Non-current borrowings		
Secured bank loans - Credit Facility - Facility B	18 387	16 636
Finance charges being amortised ¹	(2 198)	-
Finance lease liabilities	15 735	18 995
	31 924	35 631
Current borrowings		
Secured bank loans - Credit Facility - Facility A	90 657	57 650
Secured bank loans - Credit Facility - Facility B	-	5 594
Finance charges being amortised ¹	-	(3 375)
Bank loan acquired through business combination	-	126
Finance lease liabilities	2 215	3 230
	92 872	63 225
Total	124 796	98 856

¹ The carrying amount of borrowings includes directly attributable costs which are amortized over the term of the loans.





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21.1 Secured bank loans

	31 December 2018	31 December 2017
<i>USD (thousands)</i>		
At 1 January	79 880	114 502
Repayment of borrowings	(2 774)	(88 425)
Proceeds of new borrowings	36 988	57 776
Exchange differences	(5 050)	(3 973)
At 31 December	109 044	79 880

The Credit Facility of EUR 155.0 million (US\$177.1 million) consists of EUR 80.0 million revolving credit facility (the "Facility A") a EUR 45.0 million performance guarantee facility (the "Facility C"), and a EUR 30.0 million term loan facility (the "Facility B").

In the Credit Facility an additional EUR 20.0 million (US\$22.9 million) feature is available under Facility A. It is also possible to transfer up to EUR 25.0 million from Facility A to a committed performance guarantee facility (the "Facility D"), the transfer/utilization date being the Facility D Increase Date. The committed amount may not be reversed to Facility A. The Credit Facility is secured by all of the assets of the Group including the assets of its present and future subsidiaries.

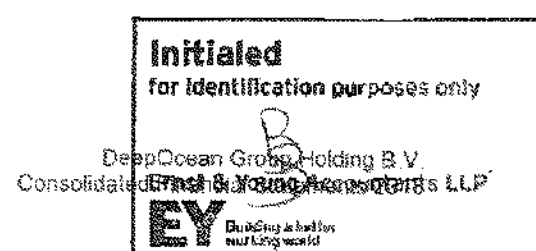
The Credit Facility contains customary operating and financial covenants, including restrictions on each obligor (and where expressly provided, the subsidiaries of such obligors) with regard to the extent to which we may, among other things, (i) incur additional indebtedness or guarantees; (ii) create liens or other encumbrances on our property; (iii) enter into a merger or similar transaction; (iv) sell or transfer property except in the ordinary course of business; (v) make dividend and other restricted payments; (vi) repurchase Ordinary Shares; and (vii) make acquisitions.

The key financial covenant requirements applicable before the amended agreement can be summarised as follows:

Leverage Suspension Period	A Leverage Suspension Period up to July 2018.
Minimum liquidity	Cash in hand plus available balance in the Facility. During Leverage Suspension Period liquidity should be USD 30.0 million at any other time other than the months December and January. In December and January liquidity should be USD 50.0 million at any time.
Maximum leverage	Net Financial Debt/Adjusted EBITDA. A maximum of 3.0x up to 1 January 2019 and 2.50x thereafter.
Minimum equity ratio	Total equity attributable to owners of the Company/total assets $\geq$ 30%.

The Group was granted a waiver from the minimum liquidity and leverage covenants from 1 July 2018 until the amendment agreement was effected on 30 November 2018. In effect from 30 November 2018 the key financial covenant requirements can be summarised as follows:

Minimum liquidity	Cash in hand + available balance in the Facility should at all times exceed USD 7.5 million
Minimum Adjusted EBITDA	Total last 12 months adjusted EBITDA for the group up to and including 31 December 2018 shall not be less than USD 7.5 million





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At 31 December 2018 the financial covenants for the Company's debt instruments were within their applicable thresholds.

Current and forecasted covenants are monitored continuously. With the revised credit facility agreement, some ease in the financial covenants was given while monitoring of the Company's ability to meet its debt service obligations was tightened (also see note 27.5 on Liquidity), and where necessary action will be taken to ensure access to funding.

The carrying amounts per currency and year of maturity are as follows:

USD (thousands)	Currency	Nominal interest rate	Year of maturity	31 December 2018	31 December 2017
				Carrying amount	Carrying amount
Facility A - Credit Facility	USD	LIBOR + 4.75%	2023	90 657	57 650
Facility B - Term loan	USD	LIBOR + 4.75%	2023	18 387	22 230
Total				109 044	79 880

The fair value of the outstanding borrowings in 2018 is estimated to approximate their carrying amount as the impact of discounting is not significant.

The maturity date for the Facilities is 28 February 2023, being the revised maturity date.

The availability period for the Facility A is up to and including 27 November 2022, or, in case of an extension of the maturity date for Facility A, up to and including the date falling three months before the final maturity date for Facility A.

The availability period for Facility C is up to and including 27 January 2023.

The availability period for Facility D is the period from and including the Facility D Increase Date to and including 27 January 2023.

The repayment schedule on the remaining part of the Facility B term loan of EUR 25.0 million, drawn in USD, was adjusted in the amendment of 30 November 2018 to 2 annual instalments of EUR 6.5, of which the first is due in 2021. Each instalment is to be repaid in the USD equivalent of the EUR reduction.

The interest is in line with market conditions and is based on LIBOR plus a margin of 3.50% to 4.75% (the level of the margin depends on the leverage of the Group). On the undrawn amount of the Facility A revolver loan interest is charged at 40% of margin, on the Facility C and Facility D performance guarantee loan interest (Guarantee Fee) is charged at 2.125% and a commitment fee on the undrawn Facility C and Facility D is charged at 40% of the Guarantee Fee. The credit facility agreement prior to amendment on 30 November 2018 included a Leverage Suspension Period that ended 1 July 2018. As a condition to Leverage Suspension Period the margin and the Guarantee Fee the company paid were increased with 0.75% for as long as the Leverage Suspension Period was applicable. With the amendment of the agreement the margins were kept at the levels of the Leverage Suspension Period and the Guarantee Fee was increased.

For the drawn amounts of committed loan facility, refer to note 28. The Group has the following undrawn borrowing facilities as per 31 December 2018:

USD (thousands)	31 December 2018	31 December 2017
Facility C - Ancillary loan commitment	18 945	23 399
Total	18 945	23 399

The Facility A may be drawn in multiple tranches provided that each tranche must be at least EUR 5.0 million. This minimum amount does not apply to the performance guarantee facility issues. In addition, the Group may add an additional EUR 20.0 million (USD 22.8 million) accordion facility to the Facility A.





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21.2 Finance lease liabilities

DeepOcean did not enter any new financial lease agreements during 2018 and had per 31 December 2018, 7 lease agreements all classified as financial leases under IFRS. The lease liabilities are effectively:

USD (thousands)	31 December 2018	31 December 2017
Gross finance lease liabilities - minimum lease payments		
- No later than 1 year	3 145	4 098
- Between 1 and 5 years	14 381	17 118
- Later than 5 years	2 972	4 112
Total gross finance lease liabilities	20 498	25 328
Future finance charge on finance lease	(2 548)	(3 103)
Present value of finance lease liabilities	17 950	22 225

The present value of the finance lease liabilities are as follows:

USD (thousands)	31 December 2018	31 December 2017
No later than 1 year	2 215	3 230
Between 1 and 5 years	12 873	15 108
Later than 5 years	2 862	3 887

22. Loans and borrowings from related parties

USD (thousands)	31 December 2018	31 December 2017
At 1 January	22 266	21 118
Repayment of borrowings - reclass as Intercompany	(18 412)	-
Loans and borrowings from related parties		1 434
Exchange differences	(2 274)	(286)
At 31 December	1 580	22 266

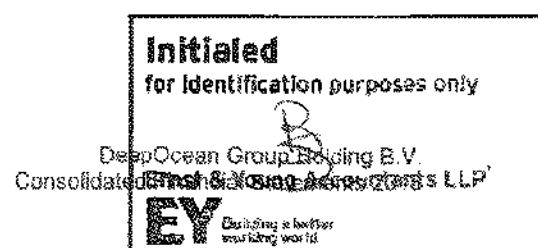
Loans and borrowings from related parties solely consists of a loan from DeepOcean Brasil Serviços Ltda, which was disposed of and deconsolidated from the Group per 30 December 2016, to AXA Engenharia Submarina Ltda.

23. Post-employment benefits

The pension plans expose the Group to actuarial risks, such as longevity risk, currency risk, interest rate risk and market (investment) risk.

The amounts recognised in the statement of financial position are determined as follows:

USD (thousands)	31 December 2018	31 December 2017
Present value of funded obligations	9,602	8,818
Less: Fair value of plan assets	9,905	8,382
(Surplus)/ deficit in the plan	(303)	436
MNOPE & MNRP scheme	224	239
Other post-employment benefits	(83)	(3)
Total	(162)	672





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The movement in the defined benefit obligation over the year is as follows:

USD (thousands)	2018	2017
Defined benefit obligations at 1 January	8,818	8,982
Benefits paid by the plan	(179)	(189)
Current service costs	827	657
Interest (income)/expense	204	3
Remeasurement, excluding amounts included in interest (income)/ expense	526	(1,254)
Payroll tax	(39)	146
Exchange differences	(555)	473
Defined benefit obligations at 31 December	9,602	8,818

The movement in the fair value of plan assets of the year is as follows:

USD (thousands)	2018	2017
Fair value of plan assets at 1 January	8,382	7,388
Contributions paid by the employer	1,283	956
Benefits paid by the plan	(179)	(162)
Administration costs	(20)	(29)
Interest (income)/expense	211	72
Remeasurement, excluding amounts included in interest (income)/ expense	805	(204)
Exchange differences	(577)	360
Fair value of plan assets at 31 December	9,905	8,382

The amounts recognised in the statement of profit or loss is as follows:

USD (thousands)	2018	2017
Current service costs	827	657
Interest (income)/expense	(8)	(70)
Administration costs	20	29
Payroll tax of net pension cost	(39)	146
Exchange differences	22	112
Total	822	875

The expected rate of return on plan assets is equal to the discount rate as used to calculate the corresponding defined benefit obligation, and is based on high quality bonds.

The Group's defined benefit plan assets combined comprise the following asset categories:

	31 December 2018	31 December 2017
Equity instruments	9.5%	9.9%
Bonds	16.5%	21.5%
Hold to maturity bonds	60.3%	57.1%
Property	12.2%	10.0%
Other	1.5%	1.5%
Total	100.0%	100.0%

Investments are well diversified, such that the failure of any single investment would not have a material impact on the overall level of assets. The largest proportion of assets is invested in hold to maturity bonds, although the pension fund also invests in equity, property, bonds and other.



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The IAS 19R calculations of the defined benefit pension schemes are carried out by the insurance companies. The principal actuarial assumptions used in the calculations are as follows:

	31 December 2018	31 December 2017
Discount rate	2.60%	2.40%
Future salary increases	2.75%	2.50%
Future increase in payroll tax base	0.00%	0.00%

A change of 1% in the assumptions stated above will not have a significant impact on the recognised pension liability in the balance sheet or on the movement recognised in the balance sheet or other comprehensive income.

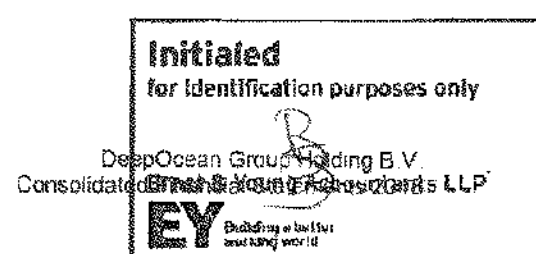
	defined benefit obligation	
	1 percent increase	1 percent decrease
Discount rate	(1,021)	1,351
Future salary growth	748	(739)
Future pension growth	334	(240)
Life expectancy	48	(54)

Assumptions regarding future mortality experience are set based on actuarial advice in accordance with published statistics and experience. The mortality rates used are in accordance with Nordea Liv's basis of calculation for Group pension insurance, K2013.

	31 December 2018		31 December 2017	
	Men	Women	Men	Women
Age 20	88.6	92.4	88.6	92.4
Age 40	87.0	90.6	87.0	90.6
Age 60	86.0	89.4	86.0	89.4
Age 65	83.5	86.8	83.5	86.8
Age 80	89.3	91.6	89.3	91.6

The number of participants of the defined benefit plans and the corresponding average age are stated below:

	31 December 2018		31 December 2017	
	Active	Pensioners	Active	Pensioners
Number of participants	263	20	270	26
Average age	44	64	43	63





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24. Provisions

USD (thousands)	Onerous contracts	Dilapidations	Total
Balance at 1 January 2018	2 500	247	2 747
Additional provisions recognised	969	-	969
Provisions utilised during the year	(98)	-	(98)
Provisions reversed during the year	-	-	-
Exchange differences	(157)	-	(157)
Balance at 31 December 2018	3 214	247	3 461
Analysis of provisions			
Current	3 150	-	3 150
Non-current	64	247	311
Total	3 214	247	3 461

The provision are related to employee retention bonuses, property leases and realized losses on customer projects.

25. Derivative financial instruments

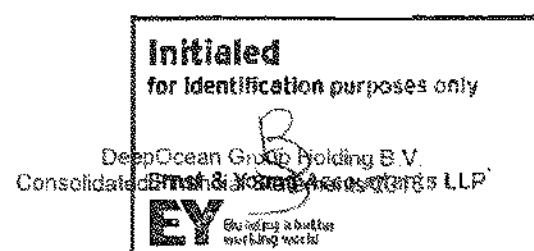
USD (thousands)	31 December 2018	31 December 2017
Non-current portion of derivative liabilities		
Forward foreign exchange contracts and swaps	0	1
	0	1
Current portion of derivative liabilities		
Forward foreign exchange contracts and swaps	3,833	2,490
	3,833	2,490
Total	3,833	2,491

The interest rate swaps are related to the term B loan of the Credit Facility and swaps a floating interest for a fixed interest rate as described in note 21. The Group does not apply hedge accounting in relation to the interest risk; the change in fair value is recognised in the statement of profit or loss.

26. Trade and other payables

USD (thousands)	31 December 2018	31 December 2017
Trade payables	55 004	62 947
Contract liabilities	43 757	49 397
Wage taxes and social securities	6 441	6 228
Other payables	405	778
Total	105 607	119 350

Trade and other payables have decreased slightly at the end of 2018 compared to 2017. This is mainly caused by a decrease in trade payables due to a lower credit stretch at year end 2018 than 2017.





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27. Financial risk management

27.1 Overview

The Group's activities expose it to a variety of financial risks, which can be categorised as market risk, credit risk and liquidity risk. Whereas market risk includes foreign exchange risks and interest rate risks. Management policies have been established to identify, analyse and monitor these risks, and to set appropriate risk limits and controls. Financial risk management is carried out in accordance with the Group Risk Management policy approved by the Executive Management. The written principles and policies are reviewed periodically to reflect changes in market conditions, the activities of the business and laws and regulations affecting our business.

27.2 Market risk - Foreign exchange risk

The Group's revenues are earned in NOK, USD, GBP, and EUR. Sales and expenses in the same currency contribute to mitigating some of the currency risk. The Group continually assesses its exposure and currency derivatives may be used to further reduce this risk.

The main exchange rates used throughout the Group at the balance sheet date, compared to the USD, were as follows:

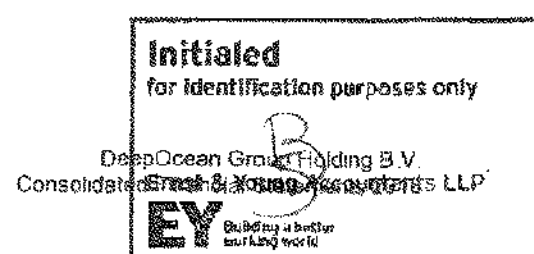
	NOK		GBP		EUR	
	closing	average	closing	average	closing	average
2017	0.12188	0.12098	1.35135	1.28971	1.20048	1.12585
2018	0.11505	0.12290	1.26816	1.33567	1.14270	1.18119

Exposure

A 5% strengthening/weakening of the USD as of the reporting date against the currencies listed above would have increased/(decreased) profit or loss before tax by the amount shown in the next table. This analysis assumes that all other variables remain constant. The analysis was performed on the same basis for 2018 and 2017.

	Equity		Profit or loss before tax	
	strengthening	weakening	strengthening	weakening
31 December 2017				
EUR	16,534	(16,534)	(1,162)	1,162
GBP	1,983	(1,983)	(174)	174
NOK	22,465	(22,465)	(32)	32
31 December 2018				
EUR	16,414	(16,414)	(866)	866
GBP	1,497	(1,497)	(383)	383
NOK	22,131	(22,131)	(604)	604

The effect on profit and loss arises in connection with monetary balances denominated in currencies other than the relevant entity's functional currency; the effect on equity arises principally from the translation of assets and liabilities of entities that are not USD functional.





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27.3 Market risk - Interest rate risk profile

The Group is exposed to interest-rate risk to borrowings and cash deposits. Primarily, floating-interest rate loans under the Group's Credit Facility involve risk exposure for the Group's future cash flow. The terms of the Group's loans are described in note 21.

At the end of the reporting period the interest rate profile of the Group's interest-bearing assets and liabilities is as follows:

USD (thousands)	Nominal amount	
	31 December 2018	31 December 2017
Variable rate instruments		
Facility A - Credit Facility	90 657	57 650
Facility B - Term loan	18 387	22 230
Finance lease liabilities	17 950	22 225
	126 994	102 105

The Group assesses its interest rate sensitivity at fair value through profit or loss. A potential change of 100 basis points in interest rates at the end of the reporting period shows the Groups sensitivity to potential changes in interest rates which is reasonably possible:

Interest expense	8 571 374
Average rate	4,75 %
Interest change 100 base points	1,00 %
Change interest (+/-)	1 804 500

27.4 Credit risk

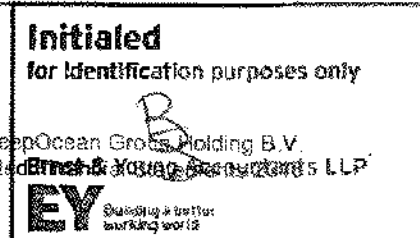
Credit risk arises primarily from cash and cash equivalents held at financial institutions, and to a certain extent, from trade receivables.

Cash balances are only held with large recognised financial institutions in each demographic area where the Group operates.

The Group's exposure of trade receivables is managed through establishing proper credit limits, continuous credit risk assessments for each individual customer. If customers are independently rated, these ratings are used. If there is no independent rating, the credit quality is based on past experience, their financial position and other factors. The utilisation of the credit limits is regularly monitored.

The following table sets out details of the age of the trade receivable and related allowance for doubtful debt.

USD (thousands)	31 December 2018	31 December 2017
0 - 60 days	43,452	57,372
60 - 90 days	3,250	963
90 - 120 days	980	1,174
120+ days	(193)	2,121
Gross trade receivable	47,489	61,630
Allowance for doubtful debt	(50)	(50)
Net trade receivables	47,439	61,580





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27.5 Liquidity risk

Liquidity risk is the risk that the Group will be unable to fulfil its operational and financial obligations as they fall due. Liquidity risk has become the most significant risk, both for the Group and the business in general. The Subsea business has been through a severe downturn, which has had a major impact on cash flow and cash reserves. Previous strategies with goals for the Group's leverage ratio, have been replaced by a reality where minimum cash covenants in the credit facility agreement being the measuring point. The Group monitors the risk of lack of available capital/cash and cash equivalents through continued evaluations of its liquidity position combined with a rolling cash flow forecast of its operational activities, including the servicing of its financial obligations.

The Group's liquidity reserve comprises cash and cash equivalents and an undrawn credit facility of USD 70.4 million (USD 122.0 million) (note 21.1).

The table below analyses the Group's non-derivative financial liabilities and net-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. Derivative financial liabilities are included in the analysis if their contractual maturities are essential for an understanding of the timing of the cash flows. The amounts disclosed in the table are the contractual undiscounted cash flows.

USD (thousands)	1 year or less	1 - 5 years	Over 5 years
31 december 2017			
Secured bank loans - Credit Facility - Facility B	5 594	16 636	-
Secured bank loans - Credit Facility - Facility A	57 650	-	-
Finance lease (including interest)	4 098	17 118	4 112
Derivative financial instruments (excluding interest rate swaps)	2 490	-	-
Trade and other payables	69 953	-	-
Total	139 785	33 754	4 112
31 december 2018			
Secured bank loans - Credit Facility - Facility B	-	18 387	-
Secured bank loans - Credit Facility - Facility A	90 657	-	-
Finance lease (including interest)	3 145	14 381	2 972
Derivative financial instruments (excluding interest rate swaps)	3 833	0	-
Trade and other payables	61 850	-	-
Total	159 485	32 768	2 972

The interest included in the above table is based on the current amounts borrowed with current interest rates and interest rate swaps. No assumptions are included for possible future changes in borrowings or interest payments.

27.6 Fair value estimation

27.6.1 Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the group has classified its financial instruments into the three levels prescribed under the accounting standards. An explanation of each level follows underneath the table.

USD (thousands)	31 December 2018			
	Level 1	Level 2	Level 3	Total
Liabilities				
Derivatives at fair value through profit or loss	-	-	3 833	3,833
Net asset/(liability)	-	-	(3,833)	(3,833)

The table above analyses financial instruments carried at fair value by valuation method and presents the changes in Level 3 instruments for the year ended 31 December 2018. The different levels have been defined as follows:





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- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

There were no transfers between level 1, 2 and 3.

Fair values reflect the credit risk of the instrument and include adjustments to take account of the credit risk of the Group entity and counterparty when appropriate.

27.6.2 Valuation techniques used to determine fair values

The fair value of the forward currency exchange contracts and currency options are primarily based on the fair value quote given by the specialised counterparty. Those quotes are tested for reasonableness by comparison with the Group's own valuation models. The fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date.

27.6.3 Fair value measurements using significant unobservable inputs (level 3)

The following table presents the changes in level 3 items for the period ended 31 December 2018:

USD (thousands)	Level 1	Level 2	Level 3	Total
At 1 January 2017	-	-	(2 490)	(2 490)
- statement of profit or loss	-	-	(1 706)	(1 706)
- exchange differences	-	-	363	363
At 31 December 2017	-	-	(3 833)	(3 833)

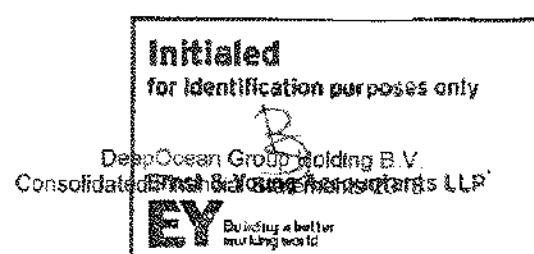
27.7 Capital risk

The Group's objectives when managing capital is to maintain a capital structure that enables the Group to achieve its strategic objectives and daily needs, and to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders.

In order to maintain or adjust the capital structure, the Group may issue new shares, adjust its dividend policy, return capital to shareholders or sell assets to reduce debt taking into account relevant interest cover and leverage covenants of our external borrowings.

The Group monitors capital on the basis of the debt to adjusted EBITDA ratio. This leverage ratio is calculated as (net) debt divided by adjusted EBITDA. Net debt is calculated as total borrowings less cash and cash equivalents. Adjusted EBITDA is defined as EBITDA from continuing operations adjusted for one-off events including restructuring cost and other non-recurring events which are included in other expenses.

USD (thousands)	31 December 2018	31 December 2017
Total borrowings	124,796	102,231
Less: cash and cash equivalents	70,391	86,269
Net debt	54,405	15,962
Debt to adjusted EBITDA ratio	9.31	7.29
Net debt to adjusted EBITDA ratio	4.06	1.14





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27.8 Financial instruments by category

USD (thousands)	Financial assets/ liabilities at amortised cost	Assets/ liabilities at fair value through profit or loss	Total
31 December 2017			
Assets			
Trade receivables	61 580	-	61 580
Cash and cash equivalents	86 269	-	86 269
Total financial assets	147 849	-	147 849
Liabilities			
Borrowings	121 122	-	121 122
Derivative financial liabilities	-	2 491	2 491
Trade payables	62 947	-	62 947
Total financial liabilities	184 069	2 491	186 560
31 December 2018			
Assets			
Trade receivables	47 441	-	47 441
Cash and cash equivalents	70 391	-	70 391
Total financial assets	117 832	-	117 832
Liabilities			
Borrowings	124 796	-	124 796
Derivative financial liabilities	-	3 833	3 833
Trade payables	55 004	-	55 004
Total financial liabilities	179 800	3 833	183 633

The fair value of the receivables and payables approximates their carrying value.

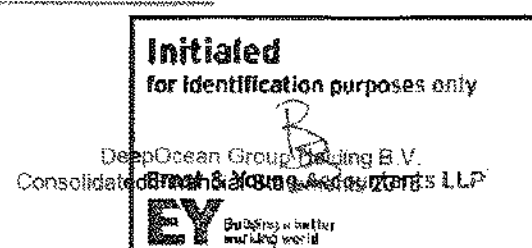
28. Commitments

28.1 Operating leases and time charter commitments

The Group leases various vessels under non-cancellable lease agreements. The majority of the contracts are renewable at the end of the lease period at market rate. The Group also leases various office spaces, vehicles, office equipment and other assets under non-cancellable operating lease agreements. The lease expenditure charged to the statement of profit or loss during the year is disclosed in note 6. Effects of the implementation of IFRS 16 can be found in note 28.4.

The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

USD (thousands)	31 December 2018
Within one year	103,880
Between one and five years	236,853
More than 5 years	5,431
Total	346,164





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28.2 Capital commitments

At period end the Group had contractual obligations related to upgrade vessels and equipment as follows:

	31 December 2018	31 December 2017
<i>USD (thousands)</i>		
Within one year	253	3,618
Total	253	3,618

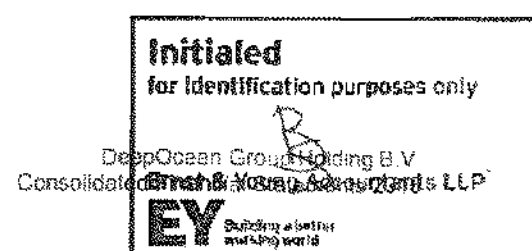
28.3 Ancillary loan commitment

The Group uses the Ancillary Facility for contract guarantees and warranties:

	31 December 2018	31 December 2017
<i>USD (thousands)</i>		
Within one year	7 852	5 216
Between one and five years	24 625	25 407
Total	32 477	30 623

28.4 IFRS 16 Indicative impact on balance sheet and income statement

Balance sheet				Profit or loss			
<i>USD (thousands)</i>	31.12.2018	IFRS 16 Impact	Adjusted	<i>USD (thousands)</i>	31.12.2018	IFRS 16 Impact	Adjusted
Assets				Assets			
Vessels and equipment	155 787		155 787	Revenue from contracts with customers	505 817		505 817
Right-of-use assets		338 113	338 113	Direct operating expenses	(457 618)	90 304	(367 314)
Other non-current assets	14 646		14 646	Depreciation and amortisation	(29 749)	(77 200)	(106 949)
Total non-current assets	170 433	338 113	508 546	Gross profit	18 450	13 104	31 554
Total current assets	173 334		182 135				
Total assets	343 767	338 113	681 880	Sales, general and other expenses	(44 225)		(44 225)
Equity				Profit/(loss) from operating activities	(25 775)	13 104	(12 671)
Total equity	102 189	-	102 189				
Liabilities				Net finance expense	(18 320)	(13 104)	(31 424)
Lease liability non-current		237 787	237 787				
Other non-current liabilities	36 118		36 118	Loss before tax	(44 095)	-	(44 095)
Total non-current liabilities	36 118	237 787	273 905				
Lease liability current		100 326	100 326				
Other current liabilities	205 460		205 460				
Total current liabilities	205 460	100 326	305 786				
Total liabilities	241 578	338 113	579 691				
Total equity and liabilities	343 767	338 113	681 880				





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29. Contingencies

The Company forms part of a fiscal unity for corporate income tax and transaction tax purposes with its Dutch subsidiary. Each company within the fiscal unity is jointly and severally liable for the fiscal liability of the fiscal unity.

The Company has guaranteed the debts and liabilities of DeepOcean 2 UK Limited and DeepOcean 3 UK Limited, under and prescribed by section 479A and 479C of the Companies Act 2006 existing as at 31st December 2018.

Tax contingencies and provisions

Business operations are carried out in several countries, through subsidiaries and branches of subsidiaries, and the Group is subject to the jurisdiction of a significant number of tax authorities. Furthermore, the mobile offshore nature of the Group's operations means that the Group routinely has to manage complex international tax issues.

The Group is subject to taxation in numerous jurisdictions. In the ordinary course of events operations and transactions will be subject to audit, enquiry and possible re-assessment by different tax authorities. The Group provides for the amount of taxes that it considers probable of being payable as a result of these audits and for which a reasonable estimate can be made. Significant judgement is required in calculating the tax provision. The Group's policy is to co-operate fully with the relevant tax authorities while seeking to defend its tax positions. It is possible that the ultimate resolution of these matters could result in tax charges that are materially higher or lower than the amount provided.

30. Related parties

Key management of the Group includes the members of Board of Directors and the Executive Management Team. The compensation paid or payable to key management for employee services is shown below.

USD (thousands)	2018	2017
Salary and other short term employee benefits	1 272	2 050
Post-employment benefits	22	77
Severance pay		680
Total	1 294	2 807

For further information about the remuneration of the Board of Directors, reference is made to the note 46 in the company financial statements.

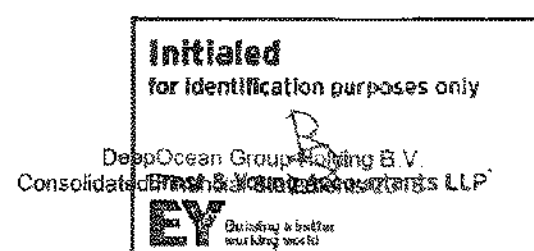
The Company furthermore received operational, financial, legal and tax services from its related parties West Park Management Services Limited amounting to USD 0.6 million during 2018.

31. Subsequent events

After year end 2018 the board of directors of DeepOcean Group Holding B.V. has changed its composition. In February 2019 two non-executive board members, Fredrik Brynildsen (effective 12th February 2019) and Amardeep Singh Chandi (effective 11th February 2019), left the board and Kristian Diesen (effective 12th February 2019) joined as new non-executive board member. Subsequently, the Company's Board consists of six board members, namely: Jo Olav Lunder (non-executive chairman); Øyvind Mikaelson (executive director); Terje Askvig (non-executive director); Christopher Colin Cooper (non-executive director); German Horacio Cura (non-executive director); Kristian Diesen (non-executive director);

DeepOcean held shares in its own capital. Those were cancelled and the capital reduced on 12 February 2019.

DeepOcean has decided to move its Group Holding entity from a Dutch entity (currently DeepOcean Group Holding B.V.) to a Norwegian entity in the course of 2019. This will involve a series of mergers resulting in DeepOcean Group Holding B.V. ceasing to exist and DeepOcean Norway AS becoming the ultimate parent of the DeepOcean Group.





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32. Subsidiaries and investments of the Group

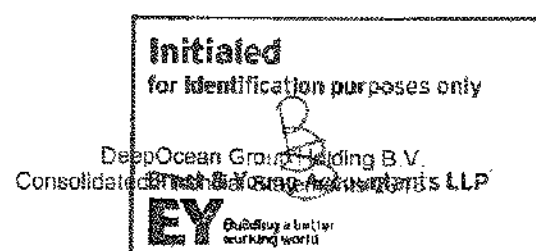
Company	Country	31 December 2018	31 December 2017
ADUS DeepOcean Ltd	UK	100 %	100 %
AXA Enghenaria Submarina Ltda	Brasil	60 %	60 %
CTC Marine Projects (Guernsey) Ltd	Guernsey	100 %	100 %
DeepOcean 1 UK Ltd	UK	100 %	100 %
DeepOcean 2 UK Ltd ¹	UK	100 %	100 %
DeepOcean 3 UK Ltd ²	UK	100 %	100 %
DeepOcean AS	Norway	100 %	100 %
DeepOcean BV	Netherlands	100 %	100 %
DeepOcean de Mexico, S de RL de CV	Mexico	100 %	100 %
DeepOcean Ghana BV	Ghana	[A]	[A]
DeepOcean Ghana Ltd	Ghana	49 %	49 %
DeepOcean Guernsey Ltd	Guernsey	100 %	100 %
DeepOcean Middle East DMCC	UAE	100 %	100 %
DeepOcean Norway AS	Norway	100 %	100 %
DeepOcean Management AS	Norway	100 %	100 %
DeepOcean Maritime AS	Norway	100 %	100 %
DeepOcean Shipping AS	Norway	100 %	100 %
DeepOcean Shipping II AS	Norway	100 %	100 %
DeepOcean Shipping III AS	Norway	100 %	100 %
DeepOcean Shipping IV AS	Norway	100 %	100 %
DeepOcean Shipping V AS	Norway	100 %	100 %
DeepOcean Shipping VI AS	Norway	100 %	100 %
DOMX Maritima, S de RL de CV ³	Mexico	49 %	49 %
Northwest Maritime AS	Norway	100 %	100 %
DeepOcean Subsea Services Limited	UK	100 %	100 %
SeaRov Offshore SAS	France	100 %	100 %
SeaRov Offshore Co Ltd	Myanmar	99 %	99 %
SeaRov Offshore Limited	UK	100 %	100 %
SeaRov Offshore Group	Gabon	100 %	100 %
Delta SubSea LLC	US	100 %	
Delta SubSea International Guyana Inc.	Guyana	100 %	
Subsea Trinidad and Tobago Limited	T&T	100 %	
Level Offshore AS	Norway	50 %	
Technip DeepOcean FRS JV DA	Norway	50 %	50 %

¹ DeepOcean 2 UK Limited, Company Registration Number 01275998, is a subsidiary company that is exempt from the requirement to have a Company Audit on their accounts, in accordance with section 479A of the Companies Act

² DeepOcean 3 UK Limited, Company Registration Number SC240196, is a subsidiary company that is exempt from the requirement to have a Company Audit on their accounts, in accordance with section 479A of the Companies Act 2006.

³ Although the Group has 49% of the shares in DOMX Maritima S. de R.L. de C.V. it is fully consolidated

[A] 100% subsidiary of DeepOcean Ghana Ltd





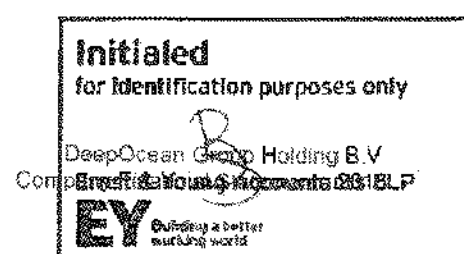
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C. DeepOcean Group Holding B.V. – Company Financial Statements for the year 2018

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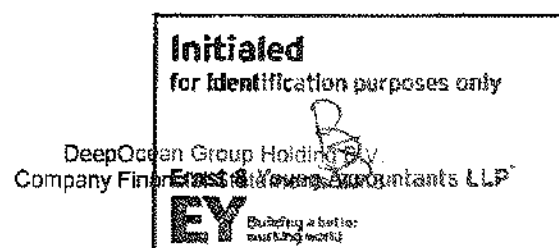
C.1 Company statement of profit or loss of DeepOcean Group Holding B.V. for the year ended 31 December 2018

USD (thousands)		2018	2017
Share in results from participating interests, after tax	37	(38 273)	(45 155)
Other income and expenses after taxation	35	(9 040)	(8 268)
Impairment of intercompany loans receivable	38	(8 642)	(12 739)
Profit/(loss) for the period		(55 955)	(66 162)

C.2 Company statement of financial position of DeepOcean Group Holding B.V. as at 31 December 2018

USD (thousands)		31 December 2018	31 December 2017
Assets			
Subsidiaries	37	55 541	38 101
Non-current loan receivables to related parties	38	117 555	79 942
Total non-current assets		173 096	118 043
Trade receivables and contract assets	40	17	-
Receivables from related parties	40	12 567	946
Current income tax receivable		10	-
Cash and cash equivalents		179	29 604
Total current assets		12 773	30 550
Total assets		185 869	148 593
Equity			
Share capital		880	554
Share premium		371 655	359 191
Reserves		11 146	256
Retained earnings		(294 096)	(268 007)
Total equity	41	89 585	92 004
Liabilities			
Other non-current liabilities		707	743
Total non-current liabilities		707	743
Current portion of loans and borrowings	42	88 459	54 275
Trade and other payables	43	2 198	1 165
Payables to related parties	43	4 791	374
Current provisions	43	102	-
Other taxes and social securities		27	32
Total current liabilities		95 577	55 846
Total liabilities		96 284	56 589
Total equity and liabilities		185 869	148 593

The accompanying notes are an integral part of these company financial statements.





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C.3 Notes to the Company Financial Statements

33. General information

The description of the activities of DeepOcean Group Holding B.V. (the "Company") and the Company structure, as included in the notes to the consolidated financial statements, also apply to the company financial statements.

34. Accounting policies

The Company has prepared its company financial statements in accordance with part 9 of Book 2 of The Netherlands civil code, and specifically, in accordance with section 362.8 of the code. In doing so it has applied the principles of recognition and measurement as adopted in the consolidated financial statements (IFRS). For the Company statement of profit or loss the Company adopted the exemption as described in section 402 of the Netherlands civil code.

Subsidiaries are stated at their net asset value.

Long-term loans and other long-term receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method; less any impairment losses.

35. Other income and expenses after taxation

Other income and expenses after tax includes amongst others the remuneration of the Executive Management and Board of Directors. The Executive Management as well as the Board of Directors form part of the key management employees of the Group.

36. Proposal regarding the appropriation of profit

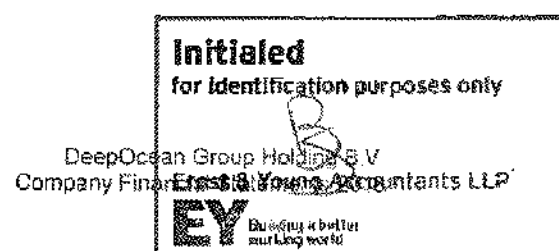
The Board of Directors proposes to add the net loss to the accumulated losses.

37. Subsidiaries

The movements in the investments in subsidiaries were as follows:

	31 December 2018	31 December 2017
<i>USD (thousands)</i>		
Balance at beginning of the period	38 101	58 271
Capital contributions and acquisition	30 000	27 650
Reclass external loan to internal loan	17 930	-
Share in result of subsidiaries	(38 273)	(45 155)
Exchange differences	7 783	(2 665)
Balance at end of the period	55 541	38 101

A list of subsidiaries and affiliated companies is prepared in accordance with the relevant legal requirements (The Netherlands Civil Code Book 2, part 9, Sections 379 and 414) and disclosed in note 32 of the consolidated financial statements.





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38. Non-current loan receivables to related parties

USD (thousands)	31 December 2018	31 December 2017
At 1 January	79,942	97,684
Loans provided	59,133	22,338
Impairments	(21,382)	(12,739)
Redemptions	(4,913)	(27,283)
Exchange differences	4,775	(37)
At 31 December	117,555	79,942

During the year the Company impaired loans to DeepOcean B.V. and DOMX Maritima S de RL de CV amounting to USD 8.7 million due to the negative outlook for these entities. Interest receivable amounts to Libor +5%.

39. Deferred tax asset

No deferred tax asset was recognized in 2018.

USD (thousands)	2018	2017
At 1 January	-	3 149
Recognised in statement of profit or loss	-	(3 149)

40. Related party receivables

The trade and other receivables contain US\$12.6 million (2017: US\$0.9 million) of receivables from related parties. This balance is the result of at arm's length transactions during the normal course of business. The fair value of the receivables and payables approximates their carrying value.

41. Equity

For the movement in equity we refer to the consolidated statement of changes in equity. Additional information on the share capital and premium is disclosed in note 20 in the consolidated financial statements.

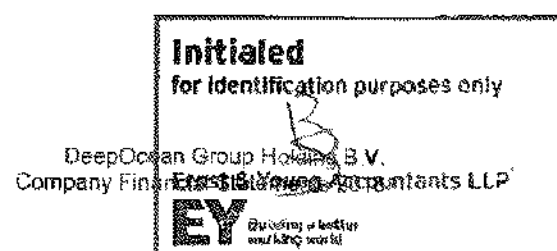
The revaluation reserve qualifies as a legal reserve in accordance with Part 9 of Book 2 of The Netherlands Civil Code.

The difference between equity according to the company balance sheet and equity according to the consolidated balance sheet of USD 21.4 million (2017: USD 12.8 million), as well as the result according to the company income statement and result according to the consolidated income statement of USD 8.6 million (2017: USD 12.8 million) is due to the impairment of non-current loan receivables to related parties.

42. Long-term liabilities

The long-term liabilities consisted of a credit facility usage in the period.

USD (thousands)	2018	2017
At 1 January	54,275	87,000
Repayment of borrowings	-	(81,368)
Proceeds of new borrowings	36,988	57,650
Financing fees	1,177	(3,375)
Exchange differences	(3,981)	(5,632)
At 31 December	88,459	54,275





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43. Trade and other payables

The trade and other payables contain external advisory and insurance costs, and payables to related parties containing of intercompany payables to subsidiaries. This balance is the result of at arm's length transactions during the normal course of business. The fair value of the receivables and payables approximates their carrying value.

44. Corporate income tax

At year-end the total of the compensable losses amount to USD 13.3 million (2017: USD 18.0 million) for which no deferred tax asset is recognised (note 10.3).

45. Commitments and contingencies

The Company forms part of a fiscal unity for corporate income tax and transaction tax purposes with its Dutch subsidiary. Each company within the fiscal unity is jointly and severally liable for the fiscal liability of the fiscal unity.

The Company leases office space and office equipment under non-cancellable operating lease agreements. The future aggregate minimum lease payments under non-cancellable operating leases is USD 0.2 million (2017: USD 0.2 million).

46. Board remuneration

The remuneration of the Board of Directors in 2018 and the comparative period is as follows:

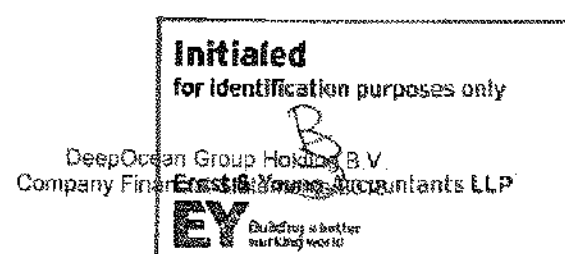
USD (thousands)	2018	2017
Current Non-executive members	152	145
Former Non-executive members	157	77
Current Executive members	445	370
Former Executive members	130	239
Total	885	832

47. Subsequent events

After yearend 2018 the board of directors of DeepOcean Group Holding B.V. has changed its composition. In February 2019 two non-executive board members, Fredrik Brynildsen (effective 12th February 2019) and Amardeep Singh Chandi (effective 11th February 2019), left the board and Kristian Diesen (effective 12th February 2019) joined as new non-executive board member. Subsequently, the group's board consists of six board members, namely: Jo Olav Lunder (non-executive chairman); Øyvind Mikaelson (executive director); Terje Askvig (non-executive director); Christopher Colin Cooper (non-executive director); German Horacio Cura (non-executive director); Kristian Diesen (non-executive director).

DeepOcean held shares in its own capital. Those were cancelled and the capital reduced on 12 February 2019.

DeepOcean has decided to move its Group Holding entity from a Dutch entity (currently DeepOcean Group Holding B.V.) to a Norwegian entity in the course of 2019. This will involve a series of mergers resulting in DeepOcean Group Holding B.V. ceasing to exist and DeepOcean Norway AS becoming the ultimate parent of the DeepOcean Group.





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Board of Directors

The members of the Board of Directors have signed the company financial statements pursuant to their statutory obligations under Section 2:101 sub 2 of The Netherlands Civil Code.

Oslo, 16th July 2019

Board of Directors

J. Lunder, Chairman Board of Directors

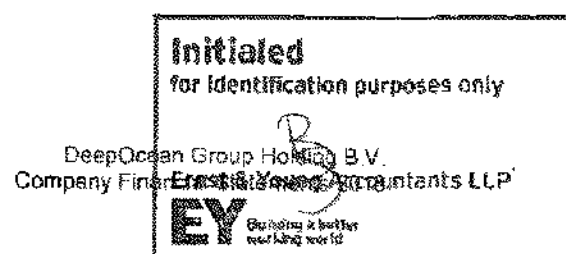
Ø. Mikaelson, Executive Director

G. Cura, Non-Executive Director

C.C. Cooper, Non-Executive Director

K. Diesen, Non-Executive Director

T. Askvig, Non-Executive Director





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Other information

Statutory provisions regarding the appropriation of profit

From the Articles of Association,

Article 17.1.

The allocation of profits accrued in a financial year shall be determined by the General Meeting. If the General Meeting does not adopt a resolution regarding the allocation of the profits prior to or at latest immediately after the adoption of the annual accounts, the profits will be reserved.

Article 17.2.

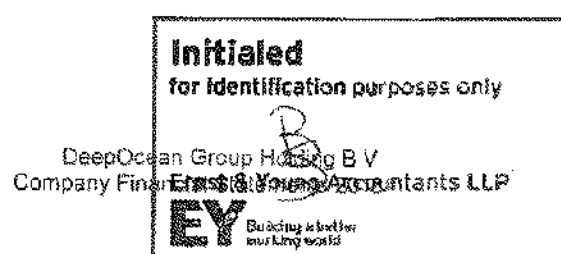
The General Meetings has the authority to make distributions. If the Company is required by law to maintain reserves, this authority only applies to the extent that the equity exceeds these reserves. No resolution of the General Meeting to distribute shall have effect without the consent of the Board. The Board may withhold such consent only if it knows or reasonably should expect that after the distribution, the Company will be unable to continue the payment of its due debts.

Article 17.3

The General Meeting may resolve to make interim distributions on Shares and/or make distributions on Shares at the expense of any reserves of the Company. In addition, the Board may decide to make interim distributions on Shares.

Independent auditor's report

Reference is made to the independent auditor's report included on the next page.





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Boompjes 258
3011 XZ Rotterdam, Netherlands
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3000 CG Rotterdam, Netherlands

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ey.com

The board of directors of
DeepOcean Group Holding B.V.
Herengracht 433
1017 BR AMSTERDAM

Rotterdam, 16 July 2019

REQ3584151/ntb

Dear Mr. Mikaelson,

Please find enclosed an authenticated copy of the annual report DeepOcean Group Holding B.V. for the financial year ended 31 December 2018 and our auditor's report thereon dated 16 July 2019. We also send you two copies of the aforementioned auditor's report.

We consent, under the conditions as set out in the enclosed information sheet Publication of auditor's report, to include and publish our auditor's report as enclosed, in the section Other information of copies of the annual report for the financial year ended 31 December 2018, provided that they are identical to the enclosed authenticated copy of the annual report, subject to adoption of the audited financial statements, without modification, by the general meeting. The annual report to be filed with the Trade Register of the Chamber of Commerce, including the audited financial statements should be filed within one month of 16 July 2019. Publication of our auditor's report is only allowed together with the corresponding complete set of the annual report.

Our auditor's report states the name of our firm and the name of the responsible audit partner but without a handwritten signature. We kindly request you to include our auditor's report without handwritten signature in the version of the annual financial reporting that will be filed and published. We have enclosed one copy of our auditor's report including an original handwritten signature. This copy is meant for your own filing purposes. It is not allowed to file or publish the authenticated copy of annual financial reporting (initialed by us for identification purposes).

The annual report to be filed with the Trade Register of the Chamber of Commerce needs to be filed no later than eight days after adoption of the financial statements by the general meeting and prior to 1 January 2019. Please note that it is legally required to (timely) file the annual report including the audited financial statements with the Trade Register of the Chamber of Commerce and that non-compliance is an offence punishable by law. In certain situations not complying with the publication requirements could even lead to personal liability for the board of directors (and for the supervisory board).

If prior to the general meeting circumstances arise that require a modification to the financial statements, please note that such modifications should be made prior to the general meeting. In this situation, of course, we withdraw our consent granted above.

Ernst & Young Accountants LLP is a limited liability partnership incorporated under the laws of England and Wales and registered with Companies House under number 00335594. The term partner in relation to Ernst & Young Accountants LLP is used to refer to (the representative of) a member of Ernst & Young Accountants LLP. Ernst & Young Accountants LLP has its registered office at 6 More London Place, London, SE1 2DA, United Kingdom, its principal place of business at Boompjes 258, 3011 XZ Rotterdam, the Netherlands and is registered with the Chamber of Commerce Rotterdam number 24432544. Our services are subject to general terms and conditions, which contain a limitation of liability clause.



All members of board of directors (including the non-executive directors) sign a copy of the financial statements. If a signature is missing, the reason is included in the annual report to be filed. In order to prevent the abuse of signatures we discourage the filing of a signed copy of the annual report. The annual report to be filed with the Trade Register of the Chamber of Commerce should include the general meeting's adoption date of the financial statements.

If you wish to publish the annual report including the audited financial statements on the internet, it is your responsibility to ensure proper separation of the annual report from other information on the website. For example, by presenting the annual report as a separate read-only file, or by issuing a warning if readers switch from the web page containing the annual report ("You are now leaving the secured page containing the annual report, including the audited financial statements").

Yours sincerely,
Ernst & Young Accountants LLP



D.A.M. Eberharter

Initial for identification purposes:



Enclosures: Auditor's report without handwritten signature to be included in the annual report
Signed auditor's report for your files
Annual report initialed for identification purposes
Information sheet Publication of auditor's report



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Independent auditor's report

To: the shareholder, the non-executive board and the board of directors of DeepOcean Group Holding B.V.

Report on the audit of the financial statements 2018 included in the annual report

Our opinion

We have audited the financial statements 2018 of DeepOcean Group Holding B.V., based in Amsterdam.

In our opinion the accompanying financial statements give a true and fair view of the financial position of DeepOcean Group Holding B.V. as at 31 December 2018, and of its result and its cash flows for 2018 in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and with Part 9 of Book 2 of the Dutch Civil Code.

The financial statements comprise:

- The consolidated and company statement of financial position as at 31 December 2018
- The consolidated and company statement of profit or loss, the consolidated and company statements of comprehensive income, changes in equity and cash flows
- The notes comprising a summary of the significant accounting policies and other explanatory information

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the "Our responsibilities for the audit of the financial statements" section of our report.

We are independent of DeepOcean Group Holding B.V. in accordance with the Wet toezicht accountantsorganisaties (Wta, Audit firms supervision act), the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (VIO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

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

Report on other information included in the annual report

In addition to the financial statements and our auditor's report thereon, the annual report contains other information that consists of:

- The report of the Board of Directors
- Other information as required by to Part 9 of Book 2 of the Dutch Civil Code

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Based on the following procedures performed, we conclude that the other information:

- Is consistent with the financial statements and does not contain material misstatements
- Contains the information as required by Part 9 of Book 2 of the Dutch Civil Code

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements. By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

Management is responsible for the preparation of the other information, including the management report in accordance with Part 9 of Book 2 of the Dutch Civil Code and other information as required by Part 9 of Book 2 of the Dutch Civil Code.

Description of responsibilities for the financial statements

Responsibilities of management and the non-executive board for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with EU-IFRS and Part 9 of Book 2 of the Dutch Civil Code. Furthermore, management is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, management is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting frameworks mentioned, management should prepare the financial statements using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so. Management should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

The non-executive board is responsible for overseeing the company's financial reporting process.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

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. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.



We have exercised professional judgment and have maintained professional skepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included among others:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining 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
- Obtaining 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
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management
- Concluding 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, 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 a company to cease to continue as a going concern
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures
- Evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

Because we are ultimately responsible for the opinion, we are also responsible for directing, supervising and performing the group audit. In this respect we have determined the nature and extent of the audit procedures to be carried out for group entities. Decisive were the size and/or the risk profile of the group entities or operations. On this basis, we selected group entities for which an audit or review had to be carried out on the complete set of financial information or specific items.

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

Rotterdam, 16 July 2019

Ernst & Young Accountants LLP

O.A.M. Eberharter



Independent auditor's report

To: the shareholder, the non-executive board and the board of directors of DeepOcean Group Holding B.V.

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- The consolidated and company statement of profit or loss, the consolidated and company statements of comprehensive income, changes in equity and cash flows
- The notes comprising a summary of the significant accounting policies and other explanatory information

Basis for our opinion

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

Report on other information included in the annual report

In addition to the financial statements and our auditor's report thereon, the annual report contains other information that consists of:

- The report of the Board of Directors
- Other information as required by to Part 9 of Book 2 of the Dutch Civil Code



Based on the following procedures performed, we conclude that the other information:

- Is consistent with the financial statements and does not contain material misstatements
- Contains the information as required by Part 9 of Book 2 of the Dutch Civil Code

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements. By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

Management is responsible for the preparation of the other information, including the management report in accordance with Part 9 of Book 2 of the Dutch Civil Code and other information as required by Part 9 of Book 2 of the Dutch Civil Code.

Description of responsibilities for the financial statements

Responsibilities of management and the non-executive board for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with EU-IFRS and Part 9 of Book 2 of the Dutch Civil Code. Furthermore, management is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, management is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting frameworks mentioned, management should prepare the financial statements using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so. Management should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

The non-executive board is responsible for overseeing the company's financial reporting process.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

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. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.



We have exercised professional judgment and have maintained professional skepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included among others:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining 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

- Obtaining 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

- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management

- Concluding 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, 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 a company to cease to continue as a going concern

- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures

- Evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

Because we are ultimately responsible for the opinion, we are also responsible for directing, supervising and performing the group audit. In this respect we have determined the nature and extent of the audit procedures to be carried out for group entities. Decisive were the size and/or the risk profile of the group entities or operations. On this basis, we selected group entities for which an audit or review had to be carried out on the complete set of financial information or specific items.

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

Rotterdam, 16 July 2019

Ernst & Young Accountants LLP

signed by O.A.M. Eberharter



Publication of auditor's report

1 Conditions

Authorization to publish the auditor's report is granted subject to the following conditions:

- Further consultation with the auditor is essential if, after this authorization has been granted, facts and circumstances become known which materially affect the view given by the financial statements.
- The authorization concerns inclusion of the auditor's report in the annual report to be tabled at the Annual General Meeting (hereafter AGM) incorporating the financial statements as drawn up.
- The authorization also concerns inclusion of the auditor's report in the annual report to be filed with the Trade Registrar, provided consideration of the financial statements by the AGM does not result in any amendments.
- Financial statements for filing at the offices of the Trade Registrar which have been abridged in accordance with Section 397 of Book 2 of the Dutch Civil Code must be derived from the financial statements adopted by the AGM and a draft version of these financial statements for filing purposes must be submitted to us for inspection.
- The auditor's report can also be included if the financial statements are published electronically, such as on the internet. In such cases, the full financial statements should be published and these should be easily distinguishable from other information provided electronically at the same time.
- If the published financial statements are to be included in another document which is to be made public, authorization to include the auditor's report must again be granted by the auditor.

2 Explanations to the conditions

2.1 Board of supervisory directors and board of executive directors

The auditor usually forwards his report to the board of supervisory directors and to the board of executive directors. This is pursuant to Book 2 of the Dutch Civil Code, section 393 which stipulates inter alia: "The auditor sets out the outcome of his examination in a report". "The auditor reports on his examination to the board of supervisory directors and the board of executive directors".

2.2 Annual General Meeting (AGM)

Publication of the auditor's report will only be permitted subject to the auditor's express consent. Publication is understood to mean: making available for circulation among the public or to such group of persons as to make it tantamount to the public. Circulation among shareholders or members, as appropriate, also comes within the scope of the term "publication", so that inclusion of the auditor's report in the annual report to be tabled at the AGM similarly requires authorization by the auditor.

2.3 Auditor's reports and financial statements

The authorization concerns publication in the annual report incorporating the financial statements that are the subject of the auditor's report. This condition is based on the auditors' rules of professional practice, which state that the auditor will not be allowed to authorize publication of his report except together with the financial statements to which this report refers.

The auditor will also at all times want to see the rest of the annual report, since the auditor is not allowed to authorize publication of his report if, owing to the contents of the documents jointly published, an incorrect impression is created as to the significance of the financial statements.

2.4 Events between the date of the auditor's report and the AGM

Attention should be paid to the fact that between the date of the auditor's report and the date of the meeting at which adoption, as appropriate, of the financial statements is considered, facts or circumstances may have occurred which materially affect the view given by the financial statements. Under COS 560, the auditor must perform audit procedures designed to obtain sufficient audit evidence to ensure that all events occurring before the date of the auditor's report that warrant amendment of or disclosure in the financial statements have been identified.

If the auditor becomes aware of events that may be of material significance to the financial statements, the auditor must consider whether those events have been adequately recognized and sufficiently disclosed in the notes to the financial statements. If between the date of the auditor's report and the date of publication of the financial statements, the auditor becomes aware of a fact that may have a material impact on the financial statements, the auditor must assess whether the financial statements should be amended, discuss the matter with management and act as circumstances dictate.

2.5 Trade Registrar

The financial statements are tabled at the AGM (legal entities coming within the scope of Title 9 of Book 2 of the Dutch Civil Code table the directors' report and the other information as well). The AGM considers adoption of the financial statements. Only after the financial statements have been adopted, do they become the statutory (i.e., the company) financial statements. As a rule, the statutory financial statements will be adopted without amendment. The auditor's report must be attached to the statutory financial statements as part of the other information. As a rule, the text of this report will be the same as that issued earlier. The documents to be made public by filing at the offices of the Trade Registrar will consist of the statutory financial statements, the directors' report and the other information. The auditor's report which refers to the unabridged financial statements will then have to be incorporated in the other information. If consideration of the financial statements by the AGM does not result in any amendments, the auditor's report may be attached to the financial statements adopted, by the AGM and, provided the annual report and financial statements are filed promptly at the offices of the Trade Registrar, published as part of these annual report and financial statements.

2.6 Other manner of publication

The financial statements may also be published other than by filing at the offices of the Trade Registrar. In that event, too, inclusion of the auditor's report is permitted, provided the financial statements are published in full. If publication concerns part of the financial statements or if the financial statements are published in abridged form, publication of any report the auditor has issued on such financial statements will be prohibited, unless:

- a. He has come to the conclusion that, in the circumstances of the case, the document concerned is appropriate
- Or
- b. Based on legal regulations, publication of the document concerned is all that is required

If less than the full financial statements are published, further consultation with the auditor is essential. If the financial statements and the auditor's report are published on the internet, it should be ensured that the financial statements are easily distinguishable from other information contained on the internet site. This can be achieved, for example, by including the financial statements as a separate file in a read-only format or by including a warning message when the reader exits the financial statements document.

2.7 Inclusion in another document

If the published financial statements are to be included in another document which is to be made public, this is considered a new publication and authorization must again be obtained from the auditor. An example of this situation is the publication of an offering circular which includes the financial statements, after these financial statements have been filed at the office of the Trade Registrar together with the other annual reports. For each new publication, authorization must again be obtained from the auditor.

2.8 Events after the AGM

Even if facts and circumstances have become known after the adoption of the financial statements as a result of which they no longer give the statutory true and fair view, the auditor must stand by the report issued on the financial statements as adopted and by the auditor's report filed at the offices of the Trade Registrar. In that event, the legal entity is required to file a statement at the offices of the Trade Registrar on these facts and circumstances accompanied by an auditor's report. In this situation, too, further consultation with the auditor is essential.



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2019 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer: 896 696 262
Organisasjonsform: Aksjeselskap
Foretaksnavn: DEEPOCEAN NORWAY AS
Forretningsadresse: Karmsundgata 74
5529 HAUGESUND

Regnskapsår

Årsregnskapets periode: 01.01.2019 - 31.12.2019

Konsern

Morselskap i konsern: Ja
Konsernregnskap lagt ved: Ja

Regnskapsregler

Regler for små foretak benyttet: Nei
Benyttet ved utarbeidelsen av årsregnskapet til selskapet: Regnskapslovens alminnelige regler
Benyttet ved utarbeidelsen av årsregnskapet til konsernet: -

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Øyvind Apeland
Dato for fastsettelse av årsregnskapet: 23.06.2020

Grunnlag for avgivelse

År 2019: Årsregnskapet er elektronisk innlevert
År 2018: Tall er hentet fra elektronisk innlevert årsregnskap fra 2019

Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.

Brønnøysundregistrene, 10.09.2021



Resultatregnskap

Beløp i: NOK	Note	2019	2018
RESULTATREGNSKAP			
Inntekter			
Annen driftsinntekt		74 300 870	12 266
Sum inntekter		74 300 870	12 266
Kostnader			
Varekostnad		81 439 867	104 192
Lønnskostnad		301 927	-62 703
Nedskrivning av varige driftsmidler og immaterielle eiendeler		93 151	
Annen driftskostnad		11 234 621	3 475 769
Sum kostnader		93 069 567	3 517 258
Driftsresultat		-18 768 697	-3 504 992
Finansinntekter og finanskostnader			
Renteinntekt fra foretak i samme konsern		10 842 251	5 128 832
Annen renteinntekt		3 288 885	575 002
Annen finansinntekt		39 902 583	
Sum finansinntekter		54 033 719	5 703 834
Rentekostnad til foretak i samme konsern		73 383 795	37 149 268
Annen rentekostnad		11 935 798	10 492 771
Annen finanskostnad		-457 949	5 366 323
Sum finanskostnader		84 861 645	53 008 362
Netto finans		-30 827 926	-47 304 528
Ordinært resultat før skattekostnad		-49 596 622	-50 809 520
Skattekostnad på ordinært resultat		-2 011 086	
Ordinært resultat etter skattekostnad		-47 585 536	-50 809 520
Årsresultat		-47 585 536	-50 809 520
Årsresultat etter minoritetsinteresser		-47 585 536	-50 809 520
Totalresultat		-47 585 536	-50 809 520



Resultatregnskap

Beløp i: NOK	Note	2019	2018
Overføringer og disponeringer			
Overført fra annen egenkapital		-47 585 536	-50 809 520
Sum overføringer og disponeringer		-47 585 536	-50 809 520



Balanse

Beløp i: NOK	Note	2019	2018
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Utsatt skattefordel		2 011 086	
Sum immaterielle eiendeler		2 011 086	
Varige driftsmidler			
Driftsløsøre, inventar o.a. utstyr		1 822 203	
Sum varige driftsmidler		1 822 203	
Finansielle anleggsmidler			
Investering i datterselskap		1 262 928 005	1 262 928 005
Lån til tilknyttet selskap og felles kontrollert virksomhet			103 490 148
Andre langsiktige fordringer		2 834 276	2 788 933
Sum finansielle anleggsmidler		1 265 762 281	1 369 207 086
Sum anleggsmidler		1 269 595 570	1 369 207 086
Omløpsmidler			
Varer			
Fordringer			
Kundefordringer		62 116 170	1 728 994
Andre kortsiktige fordringer		455 803	480 033
Sum fordringer		62 571 973	2 209 027
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter o.l.		222 819 230	249 633 638
Sum bankinnskudd, kontanter og lignende		222 819 230	249 633 638
Sum omløpsmidler		285 391 203	251 842 666
SUM EIENDELER		1 554 986 773	1 621 049 752

BALANSE - EGENKAPITAL OG GJELD



Balanse

Beløp i: NOK	Note	2019	2018
Egenkapital			
Innskutt egenkapital			
Aksjekapital		55 000 000	55 000 000
Overkurs		595 768 533	643 354 069
Sum innskutt egenkapital		650 768 533	698 354 069
Annen egenkapital			
Sum egenkapital		650 768 533	698 354 069
Gjeld			
Langsiktig gjeld			
Annen langsiktig gjeld			
Gjeld til kredittinstitusjoner		157 174 560	159 819 531
Øvrig langsiktig gjeld		699 704 032	698 384 961
Sum annen langsiktig gjeld		856 878 592	858 204 492
Sum langsiktig gjeld		856 878 592	858 204 492
Kortsiktig gjeld			
Leverandørgjeld		41 753 876	62 478 744
Annen kortsiktig gjeld		5 585 771	2 012 447
Sum kortsiktig gjeld		47 339 647	64 491 190
Sum gjeld		904 218 239	922 695 683
SUM EGENKAPITAL OG GJELD		1 554 986 773	1 621 049 752



Statsautoriserte revisorer
Ernst & Young AS

Thormøhlens gate 53 D, NO-5006 Bergen
Postboks 6163, NO-5892 Bergen

Foretaksregisteret: NO 976 389 387 MVA
Tlf: +47 24 00 24 00

www.ey.no
Medlemmer av Den norske revisorforening

INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of DeepOcean Norway AS

Report on the audit of the financial statements

Opinion

We have audited the financial statements of DeepOcean Norway AS, which comprise the balance sheet as at 31 December 2019, the income statement and statements of cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements have been prepared in accordance with laws and regulations and present fairly, in all material respects, the financial position of the Company as at 31 December 2019 and its financial performance and cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Basis for opinion

We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing (ISAs). Our responsibilities under those standards 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 ethical requirements that are relevant to our audit of the financial statements in Norway, and we have fulfilled our ethical responsibilities as required by law and regulations. We have also complied with our other ethical obligations in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern including the uncertainty about Covid 19

We draw attention to note 15, 16 and 17 in the financial statements and the Board of Director's report, which includes information relating to the going concern assumption while also considering the developments surrounding the Corona (COVID-19) virus. These developments have a profound impact on people's health and on our society as a whole, as well as on the operational and financial performance of organizations and the assessment of the ability to continue as a Going Concern. The financial statements and our auditor's report reflect the conditions at the time of preparation.

The situation changes on a daily basis giving rise to inherent uncertainty. DeepOcean Norway AS is confronted with this uncertainty as well, that is also disclosed in the Report of the Board of Directors sections Going concern and subsequent event, the note 15 and 16 to the financial statements and the disclosure about events after the reporting period in note 17. We draw attention to these disclosures.

These events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other information

Other information consists of the information included in the Company's annual report other than the financial statements and our auditor's report thereon. The Board of Directors and Chief Executive Officer (management) are responsible for the other information. Our opinion on the audit of the financial statements does not cover the other information, 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 other information, and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of the auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, 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, 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 laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing (ISAs) 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 in accordance with law, regulations and generally accepted auditing principles in Norway, including ISAs, 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, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- ▶ evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.



Report on other legal and regulatory requirements

Opinion on the Board of Directors' report

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors' report concerning the financial statements, the going concern assumption, and proposal for the allocation of the result is consistent with the financial statements and complies with the law and regulations.

Opinion on registration and documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements (ISAE) 3000, *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*, it is our opinion that management has fulfilled its duty to ensure that the Company's accounting information is properly recorded and documented as required by law and bookkeeping standards and practices accepted in Norway.

Bergen, July 1 2020
ERNST & YOUNG AS

The auditor's report is signed electronically

Øyvind Nore
State Authorised Public Accountant (Norway)

Penneo Dokumentnøkkel: 24HBZ-EL56T-OWYWG-LH60-3568Z-K8QJC



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Øyvind Nore

Statsautorisert revisor

På vegne av: Ernst & Young AS

Serienummer: 9578-5994-4-485745

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MOTTATT

11 JAN. 2016

Skattedirektoratet

Saksbehandler
Torstein Kinden Helleland

Deres dato
05.01.2016

Vår dato
07.01.2016

Telefon
22078139

Deres referanse
Øyvind Apeland

Vår referanse
2012/430841

DEEPOCEAN NORWAY AS
Postboks 2144
5504 HAUGESUND

Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk språk

Vi viser til deres brev av 5. januar 2016 der det søkes om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk for følgende selskaper;

DeepOcean Norway AS	org. nr. 896 696 262
DeepOcean AS	org. nr. 980 722 805
DeepOcean Management AS	org. nr. 987 538 880
DeepOcean Maritime AS	org. nr. 948 230 798
Deep Ocean Shipping AS	org. nr. 979 456 107
DeepOcean Shipping II AS	org. nr. 992 035 870
DeepOcean Shipping III AS	org. nr. 977 289 483
DeepOcean Shipping IV AS	org. nr. 976 854 020
DeepOcean Shipping V AS	org. nr. 914 883 164
DeepOcean Shipping VI AS	org. nr. 914 937 590
Northwest Maritime AS	org. nr. 966 250 380
DeepOcean 1 UK Ltd (norsk NUF)	org. nr. 997 914 775

Skattedirektoratet gir på bakgrunn av en konkret helhetsvurdering de overnevnte selskaper dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk, jf. regnskapsloven § 3-4 tredje ledd. Dispensasjonen forutsetter at opplysningene som vedtaket baserer seg på ikke endres vesentlig.

Kopi av dette brevet må sendes Regnskapsregisteret i Brønnøysund sammen med årsregnskapet. Det påligger den regnskapspliktige å dokumentere ved dette brev at tillatelsen er gitt.

Bakgrunn

DeepOcean Norway AS (tidligere DeepOcean Group Holding AS) er nå det norske morselskapet i DeepOcean gruppen og 100 % datterselskap av konsernspissen DeepOcean Group Holding BV. DeepOcean Group Holding BV er 100 % eid av amerikanske obligasjonsfond. Konsernet fikk i vedtak av 15. august 2012 tillatelse til å benytte engelsk språk. Konsernet er et integrert oljeservicekonsern som driver internasjonal virksomhet innen områdene Subsea Services, Subsea Trenching and Protection. Konsernet driver innen en bransje hvor engelsk benyttes i

Postadresse
Postboks 9200 Grønland
0134 Oslo

Besøksadresse:
Se www.skatteetaten.no
Org.nr: 996250318
E-post: skatteetaten.no/sendepost

Sentralbord
800 80 000
Telefaks
22 17 08 60



all kommunikasjon med forretningsforbindelser. Det interne arbeidsspråket i selskapene er også engelsk og all intern rapportering skjer på dette språket. Alle selskapene har styreleder og/eller styremedlemmer som ikke er norskspråklige. Alle sentrale aktører og samarbeidspartnere innen denne bransjen behersker og benytter engelsk. En norsk oversettelse vil kun ha til formål å oppfylle regnskapslovens språkkrav.

Skattedirektoratets vurdering

Etter regnskapsloven § 3-4 tredje ledd skal *"årsregnskapet og årsberetningen ... være på norsk. Departementet kan ved ... enkeltvedtak bestemme at årsregnskapet og/eller årsberetningen kan være på et annet språk."*

I Ot. prp. nr. 42 (1997-1998) Om lov om årsregnskap m.v., er det uttalt følgende om regnskapslovens formål, jf. pkt. 1.1:

"Regjeringen har som siktemål at regnskapsloven skal bidra til informative regnskaper for ulike grupper av regnskapsbrukere. Regnskapsbrukerne er dels investorer og kreditorer som tilfører kapital til foretakene, og dels andre grupper som har interesse av å vite hvordan foretaket drives, f.eks. de ansatte og lokalsamfunnet. Informasjonen til kapitalmarkedet skal gi grunnlag for riktig prising av finansielle objekter. Riktig prisdannelse på aksjer er en forutsetning for at ressursbruken i samfunnsøkonomien skal bli best mulig. Gode regnskaper vil også gjøre det vanskeligere for markedsdeltakere å ta ut spekulasjonsgevinster med basis i skjevt fordelt informasjon."

Det fremgår således at et av hovedformålene med regnskapsloven er å bidra til *"informative regnskaper for ulike grupper av regnskapsbrukere"*. Regnskapsbrukere vil omfatte, jf. uttalelsen i proposisjonen, blant andre investorer, kreditorer, ansatte og lokalsamfunnet.

Det er etter Skattedirektoratets vurdering derfor avgjørende ved vurdering av om dispensasjon fra kravet til å utarbeide årsregnskap og/eller årsberetning på norsk kan gis, at det ikke foreligger mulige brukere av regnskapsinformasjon som blir vesentlig berørt negativt ved en eventuell dispensasjon.

Det er særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I denne vurderingen har Skattedirektoratet lagt særlig vekt på at selskapet er 100 % eid av amerikanske obligasjonsfond. Konsernet er tidligere innvilget dispensasjon. Det vesentlige av virksomheten foregår i utlandet. Selskapets arbeidsspråk er engelsk og all kommunikasjon skjer på engelsk. Videre er det vektlagt at selskapet driver virksomhet i en internasjonal bransje der alle aktører behersker og benytter engelsk språk.



Vennligst oppgi vår referanse ved henvendelser i saken.

Med hilsen

Rune Tystad
seniorrådgiver
Rettsavdelingen, foretaksskatt
Skattedirektoratet

Torstein Kinden Helleland

Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer





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DeepOcean Norway AS

Directors Report 2019

The Company

These are the annual report and audited financial statements for DeepOcean Norway AS (the "Company") for the year ended 31 December 2019. The Company's office is in Oslo, and it is a direct subsidiary of DeepOcean Group Holding BV which is a private limited Dutch company.

The Company is the holding company for the 100% subsidiaries DeepOcean AS and DeepOcean Africa AS.

Going concern

The Financial statements have been prepared on the basis of historical cost, at fair value through profit or loss. Income and expenses are accounted for on an accrual basis.

During the first quarter of 2020, the sharp decline in commodity prices, exacerbated by the COVID-19 pandemic caused global disruption, with significant negative consequences both for human health, economic activity and the energy sector. The potential impact on DeepOcean is yet to be seen as offshore activities in the North Sea and Africa continue without delay. The challenging commodity price environment together with the effects of the COVID-19 pandemic create unprecedented uncertainty and makes it challenging to firmly predict the long-term effects for DeepOcean.

The Company is a subsidiary in DeepOcean Group and is impacted by the Group's financing and intercompany loans and borrowings. The Company is also an obligor in the Credit Facility arrangement and all assets are pledged.

DeepOcean has taken a number of measures already to mitigate substantial negative impact for the company including reduced investment plans, pushed vendor terms with all major suppliers and lessors, and planned major restructuring across the organisation. The restructuring plan is now approved and will be rolled out across the organisation immediately. This plan includes major reductions in SG&A staff, contractors and underutilised OPEX employees. Furthermore, management has engaged with vessel owners to instigate vessel rate reductions. This overall process is being aligned with close collaboration with customers, banks and financial institutions, suppliers and employees. The actions are an acknowledgement of current events as well as uncertainty around the timing and path of recovery. DeepOcean also has proactive dialogues with governments to ensure participation in financial relief measures aimed at containing economic effects of the COVID-19 (corona) virus outbreak.

Also, based on the current forecast/budget scenario, management does not see an immediate risk of breaking the bank covenants (Liquidity & LTM EBITDA) in 2020. However, there is a potential scenario where the EBITDA covenant is breached in Q1/Q2 2021. To mitigate this risk of covenant breach, DeepOcean as stated above is taking a number of measures to limit the potential negative impact of the sharp decline in commodity prices and the COVID-19 pandemic.

The high market volatility caused by the COVID-19 pandemic in conjunction with the collapse of the oil price, increases the risk regarding the going concern assumption for most companies, and this is also the case for DeepOcean. Although the risk has increased, the assessment is that DeepOcean has the resources, organization, competence, assets and customer base to continue being a going concern. Notwithstanding, all the mitigation measures implemented and the ongoing restructuring, there is material uncertainty for DeepOcean to continue as a going concern over the next 12 months due to the COVID-19 pandemic and the collapse of the oil price.

For further details reference is made to note 16.



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DeepOcean Norway AS

Equality between men and women in the Company

The Company has no employees.

Both the Board of Directors and the management are aware of the social expectations about efforts for equality between men and women in The Company and the Board. The Company commitment is to meet society's expectations of gender equality.

The board of Directors consists of two men.

Research and development activities

The Company has no ongoing research and development projects.

Environment

The Company is committed to conducting its business activities without harm to the environment.

Market outlook

After an extended downturn period over several years some positive signals indicated beginning signs of oil & gas market recovery during 2019. The offshore wind and renewables market has also seen increased activity leading to increased utilisation of vessels and equipment in both markets. The market outlook became however significantly more negative when the COVID-19 crisis developed in parallel with drop in the oil price early 2020. Whilst the COVID-19 effects are expected to be rather short term, the effect of the reduced oil price is expected to last for at least a couple of years.

During 2019 DeepOcean has increased its activity and workforce. Based on the expected reduced activity in the market it is considered challenging to maintain the current activity level and win sufficient work to maintain the current fleet of vessels and subsequently keep the current workforce fully utilised.

The last two years DeepOcean has run rigorous cost reduction exercises and will continue to cut cost and leverage operational efficiencies in order to achieve acceptable financial results as well as to ensure competitiveness even under a prolonged low oil price.

Credit risk

100% of the Company's receivables come from other DeepOcean companies, and the credit risk is acceptable.

For further details reference is made to the Balance sheet statement and Notes 3, 4, 14 and 15.



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DeepOcean Norway AS

Liquidity risk

The Group's approach to managing liquidity is to ensure that there are sufficient funds to meet the financial obligations when they fall due under both normal and stressed conditions, without incurring unacceptable losses or risking damage to its reputation.

To ensure it is sufficient cash to meet expected operational expenses, including the servicing of financial obligations the Group continuously monitor the actual and future cash flow requirements taking into account the maturity profiles of financial assets and liabilities and the rolling forecast of the Group's liquidity reserve, which comprises cash and cash equivalents and an undrawn credit facility.

For further details reference is made to Notes 2,3, 13 and 14.

Subsequent events

COVID-19 pandemic and Market Uncertainty During the first quarter of 2020, the spread of the COVID-19 virus caused global disruption, with negative consequences both for human health and economic activity. At the date of this report, employees in several DeepOcean offices worked from home. However, offshore activities in the North Sea and Africa are continuing as planned currently. The challenging commodity price environment together with the effects of the Covid-19 pandemic create unprecedented uncertainty and may have an adverse impact on both activity and financial performance of DeepOcean. Due to the high level of uncertainties at the time this report was finalized, it is still difficult to quantify more exactly the adverse effects and it is also too early to conclude on timing and path of recovery.

From a financial reporting perspective, the COVID-19 pandemic and the market uncertainty is expected to impact the execution of deliveries to clients and the performance of the company. However, as stated above this impact is hard to quantify currently due to offshore activities progressing as planned. Further, it could impact the long-term market outlook and future assessments of recoverable amounts of DeepOcean's assets. DeepOcean are working to restructure certain areas of the business, selectively lay-off staff and further streamline the business in anticipation of a prolonged market downturn.

DeepOcean has decided to move its Group Holding entity from a Dutch entity (currently DeepOcean Group Holding BV) to a Norwegian entity in the course of 2020. This will involve a series of mergers resulting in DeepOcean Group Holding BV ceasing to exist and DeepOcean Norway AS becoming the ultimate parent of the DeepOcean Group.

Cash flow

Net cash from operation is minus NOK 127,1 million in 2019 compared with minus NOK 32,2 million in 2018.

Net cash from financing activities is positive with NOK 102,2 mainly due to changes in repayments and restructuring of intercompany loans.



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DeepOcean Norway AS

Financial Information

The Company has an external loan in USD. The foreign exchange unrealized and realized loss on this loan in 2019 was NOK 1,7 million compared with NOK 8,7 million loss in 2018.

The shares in subsidiaries are valued at fair value based on approved 5 year plans, and no impairment has been done pr 31.12.2019.

The Company has received a group contribution of NOK 39,9 mill from DeepOcean AS in 2019.

The Company equity ratio was 41,9 % as of 31.12.2019 compared to 43,1 % as of 31.12.2018.

The total capital was NOK 1.554.986.773 at the end of 2019, compared with NOK 1.621.049.752 at end of 2018.

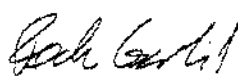
Net income and Disposals

The Board of Directors proposes that the loss of NOK 47.585.536 is treated as follows:

Transferred from share premium	<u>NOK 47.585.536</u>
Total transfer	<u>NOK 47.585.536</u>

Haugesund, 23.June 2020
The Board of DeepOcean Norway AS


Øyvind Mikaelson
Chairman of the Board


Frode Garlid
Board Member
Managing Director



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DeepOcean Norway AS

Income statement		
Note		
	2019	2018
Operating revenues and expenses		
4,9	Sales revenues	74 300 870
	Gross operating revenues	12 266
4	Project costs	81 439 867
10	Personnel costs	301 927
	Ordinary depreciation	93 151
	Impairment of Intercompany receivables	108 300
10	Other operating costs	11 234 622
	Operating expenses	3 476 069
	Operating result	-18 876 998
Finance income and expenses		
4	Interest income from group companies	10 842 251
	Interest income	3 288 885
4	Group contributions and dividends	39 902 583
4	Interest expenses to group companies	-73 383 795
11	Net foreign exchange gain/loss	566 250
	Other interest expenses	-11 935 798
	Derivative non-hedge income	0
	Derivative non-hedge costs	0
	Net financial items	-47 304 228
	Profit / (loss) before tax	-50 809 520
8	Tax	-2 011 087
	Net profit/(loss)	-50 809 520
	Transfer from share premium	47 585 536
	Allocations	50 809 520



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DeepOcean Norway AS

Balance Sheet

Note	ASSETS	31.12.2019	31.12.2018
	Fixed assets		
	Deferred tax asset	2 011 087	0
	Total intangible assets	2 011 087	0
1	Machinery, equipment etc	709 729	0
	Assets under construction	1 112 473	0
	Total tangible fixed assets	1 822 203	0
	Financial fixed assets		
2	Investment in subsidiaries	1 262 928 005	1 262 928 005
4	Loan to group companies	0	103 490 148
7	Pension fund	2 834 276	2 788 933
	Total financial fixed assets	1 265 762 281	1 369 207 086
	Total fixed assets	1 269 595 571	1 369 207 086
	Current assets		
	Receivables		
4	Receivables from group companies	26 350 396	1 728 994
	Other current assets	36 221 577	0
	Total receivables	62 571 973	1 728 994
12	Bank and cash	222 819 230	249 633 638
	Total current assets	285 391 203	251 362 633
	TOTAL ASSETS	1 554 986 773	1 620 569 719



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DeepOcean Norway AS

Note	EQUITY AND LIABILITIES	31.12.2019	31.12.2018
	Equity		
6	Share capital	55 000 000	55 000 000
	Share premium	595 768 533	643 354 070
	Total paid-in-capital	650 768 533	698 354 070
	Total retained earnings	0	0
5	Total equity	650 768 533	698 354 070
	Liabilities		
	Non-current liabilities		
3,15	Liabilities to financial institutions	157 174 560	159 819 531
4	Long term loan from group companies	699 704 032	698 384 961
	Total non-current liabilities	856 878 592	858 204 492
	Current liabilities		
	Accounts payable	1 928 448	1 385 550
4	Liabilities to group companies	44 369 428	61 093 194
	Public duty payable	0	-480 033
16	Other current liabilities	1 041 771	2 012 446
	Total current liabilities	47 339 647	64 011 157
	Total liabilities	904 218 239	922 215 649
	TOTAL EQUITY AND LIABILITIES	1 554 986 773	1 620 569 719

Haugesund, 23.June 2020

Øyvind Mikaelson
Chairman of the Board

Frode Garlid
Board Member
Managing Director



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DeepOcean Norway AS

Cash flow statement

NOTE	Cash flow from operating activities	2019	2018
	Result before taxes	-49 488 322	-50 809 520
	Ordinary depreciation	93 151	0
	Write down/-reversal of earlier write down subsidiaries	-108 300	0
	Changes in accounts payable	542 898	1 385 550
4	Changes in current receivables/payables to related parties	-37 208 359	16 654 154
	Change in pension fund/liabilities/OCI	-45 343	-62 703
	Group contributions from subsidiaries	-39 902 583	0
	Changes in other current assets and liabilities	-946 444	581 225
	Net cash flow from operational activities	-127 063 302	-32 251 294
	Acquisitions of fixed assets	-1 915 354	0
	Net cash flow from investment activities	-1 915 354	0
Cash flows from financing activities			
4	Net change in financing received from group companies	104 809 219	25 816 884
5,6	New equity received	0	257 307 000
	Derivatives	0	-4 176
	Net borrowings	-2 644 971	-22 574 511
	Net cash flow from financing activities	102 164 248	260 545 197
	Net (decrease)/increase in cash	-26 814 409	228 293 903
	Cash and cash equivalents at the beginning of the period	249 633 638	21 339 735
	Cash and cash equivalents at the end of the period	222 819 230	249 633 638



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DeepOcean Norway AS

Accounting principles

The annual accounts have been prepared in compliance with the Accounting Act and accounting principles generally accepted in Norway.

The company has been given consent by the Norwegian Tax Directorate to prepare financial statements in English language.

DeepOcean Norway AS is a subsidiary of DeepOcean Group Holding BV with Tricer HoldCo S.C.A. as the ultimate parent.

Use of estimates

The preparation of financial statements in compliance with the Accounting Act requires the use of estimates. The application of the company's accounting principles also require management to apply assessments. Areas which to a great extent contain such assessments, a high degree of complexity, or areas in which assumptions and estimates are significant for the financial statements, are described in the notes.

Revenues

Sales revenues are recognized upon delivery. Revenue from services are recognized upon performance.

Classification of balance sheet items

Assets intended for long term ownership or use have been classified as long term assets. Assets relating to the trading cycle have been classified as current assets. Other receivables are classified as current assets if they are to be repaid within one year after the transaction date. Similar criteria apply to liabilities. First year's instalments on long term liabilities and long term receivables are, however, not classified as short term liabilities and current assets.

Purchase costs

The purchase cost of assets includes the cost price for the asset, adjusted for bonuses, discounts and other rebates received. Purchases in foreign currencies are reflected in the balance sheet at the exchange rate at the transaction date.

Pensions

The company has a defined benefit pension plan. The pension scheme is financed through payments to insurance companies.

A defined benefit plan is a pension scheme which defines a pension payment which an employee will receive at pension age. The pension payments are normally dependent on one or more factors such as age, number of years in the company, and salary. The commitment relating to the defined benefit plan on the balance sheet is the present value of the defined benefits at the balance sheet date less fair value of the pension funds (amount paid to an insurance company), adjusted for estimate differences and expenses relating to former period's pension earnings not recognised in the income statement. The pension commitments are calculated annually by an independent actuary on a straight-line earning profile basis.

Investments in other companies

The cost method is applied to investments in other companies. The cost price is increased when funds are added through capital increases or when group contributions are made to subsidiaries. Dividends received are initially taken to income. Dividends exceeding the portion of retained equity after the purchase are reflected as a reduction in purchase cost. Dividend/group contribution from subsidiaries are reflected in the same year as the subsidiary makes a provision for the amount. Dividend from other companies are reflected as financial income when it has been approved.



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DeepOcean Norway AS

Accounting principles

Debtors

Trade debtors are recognised in the balance sheet after provision for bad debts. The bad debts provision is made on basis of an individual assessment of each debtor and an additional provision is made for other debtors to cover expected losses. Significant financial problems at the customers, the likelihood that the customer will become bankrupt or experience financial restructuring and postponements and insufficient payments, are considered indicators that the debtors should be written down.

Other debtors, both current and long term, are recognised at the lower of nominal and net realisable value. Net realisable value is the present value of estimated future payments. When the effect of a writedown is insignificant for accounting purposes this is, however, not carried out. Provisions for bad debts are valued the same way as for trade debtors.

Foreign currencies

Assets and liabilities in foreign currencies are valued at the exchange rate on the balance sheet date. Exchange gains and losses relating to sales and purchases in foreign currencies are recognised as financial income or expenses.

Liabilities

Liabilities, with the exception of certain liability provisions, are recognised in the balance sheet at nominal amount.

Taxes

The tax charge in the income statement includes both payable taxes for the period and changes in deferred tax. Deferred tax is calculated at relevant tax rates on the basis of the temporary differences which exist between accounting and tax values, and any carry forward losses for tax purposes at the year-end. Tax enhancing or tax reducing temporary differences, which are reversed or may be reversed in the same period, have been eliminated. The disclosure of deferred tax benefits on net tax reducing differences which have not been eliminated, and carry forward losses, is based on estimated future earnings. Deferred tax and tax benefits which may be shown in the balance sheet are presented net.

Tax reduction on group contributions given and tax on group contribution received, booked as a reduction of cost price or taken directly to equity, are booked directly against tax in the balance sheet (offset against payable taxes if the group contribution has affected payable taxes, and offset against deferred taxes if the group contribution has affected deferred taxes).

Deferred tax is reflected at nominal value.

Cash flow statement

The cash flow statement has been prepared according to the indirect method. Cash and cash equivalents include cash, bank deposits, and other short term investments which immediately and with minimal exchange risk can be converted into known cash amounts, with due date less than three months from purchase date.



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DeepOcean Norway AS

Notes to the financial statements

Note 1 Fixed Assets

Fixed Assets	Furnitures and fixtures	Assets under construction	Total
Purchase cost 01.01	0	0	0
Additions	802 881	1 112 473	1 915 354
Disposals			0
Purchase cost 31.12	802 881	1 112 473	1 915 354
Accumulated depreciation and write down 01.01	0		0
Disposals		0	0
Depreciation this year	-93 151		-93 151
Accumulated depreciation and write down 31.12	-93 151	0	-93 151
Book value 31.12	709 729	1 112 473	1 822 203
Depreciation this year	-93 151	0	-93 151
Economic useful life	5 years		
Depreciation plan	Linear		

Note 2 Subsidiaries, associated companies and joint ventures

Subsidiaries	Location	Ownership	Equity current year (100 %)	Net income current year (100 %)	Book value
DeepOcean AS	Haugesund, Norway	100 %	952 653 457	-83 108 286	1 262 928 005
DeepOcean Africa AS	Haugesund, Norway	100 %	65 855 979	47 555 457	0
Book value 31.12.19			1 018 509 436	-35 552 830	1 262 928 005

1) The enterprise value of DeepOcean AS has been calculated based on a 5 year business plan approved by the board. Three valuation methodologies have been considered: a Discounted Cash Flow ("DCF") model, a Leveraged Buyout ("LBO") model and comparable pricing of publically traded companies similar to DeepOcean. The average value of the valuations is approximately USD 192 million pr 31.12.2019.

The calculated fair value of DeepOcean AS is higher than the book value of the shares and no impairment of the shares has been done per 31.12.19.

Note 3 Assets and liabilities

The Company has no receivables due more than one year after the balance sheet date.

The Company has no long-term liabilities later than 5 years.

All assets in the subsidiaries in DeepOcean Group are pledged as security for the external debt.

Further reference is made to note 15 for more details regarding Group financing.



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DeepOcean Norway AS

Notes to the financial statements

Note 4 Transactions and balances with group companies

Related party transactions:

The Company entered into transactions with group companies, as summarised below.

Revenue	2019	2018
Management fee	74 300 870	12 266
Total	74 300 870	12 266

Expenses	2019	2018
Personnel charges	5 456 351	0
Management fee	70 316 210	103 692
Other costs	6 779 780	500
Total	82 552 341	104 192

Financial items	2019	2018
Group contributions received	39 902 583	0
Interest income	10 842 251	5 128 832
Interest costs	-73 383 795	-37 149 268
Net financial items	-22 638 961	-32 020 436

Balance sheet	2019	2018
Loans to group companies	0	103 490 148
Loans from group companies	-699 704 032	-698 384 961
Group contributions to/from group companies	39 902 583	0
Account Receivable group companies	22 213 587	1 728 994
Accounts Payable group companies	-44 369 428	-61 093 194
Total	-681 957 289	-654 259 013

Repayment plans for intercompany loans are included in signed loan agreements.

Note 5 Equity

	Share Capital	Share premium	Other Equity	Total
Change in equity				
Equity 01.01	55 000 000	643 354 070	0	698 354 070
Profit (loss) this year	0	-47 585 536		-47 585 536
Equity 31.12	55 000 000	595 768 534	0	650 768 534

Note 6 Share Capital and shareholder information

The Share Capital of NOK 55.000.000 comprises of 50.000.000 shares with par value NOK 1,10. All shares have equal rights.

Shareholders	Shares	Total	Share
DeepOcean Group Holding BV	50 000 000	50 000 000	100,0 %



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DeepOcean Norway AS

Notes to the financial statements

Note 7 Pensions

The Company has a pension schemes which covers a total of 2 pensioners. The schemes give right to defined future benefits. These are mainly dependent on the number of qualifying employment years, salary level at pension age, and the amount of benefits from the National Insurance Scheme. The commitment related to the group pension scheme is covered through an insurance company. The company's pension schemes meet the requirements of the law on compulsory occupational pension. Calculations are in accordance with IAS 19R Employee Benefits and the Norwegian Society of Actuaries standards for actuarial calculations.

	31.12.2019	31.12.2018
Present value of accrued pension obligations at 01.01. (PBO)	-647 510	-854 060
Pension fund assets at 01.01.	3 436 443	3 580 290
Net pension fund at 01.01.	2 788 933	2 726 230
Employer's National Insurance contributions		
Net pension fund at 01.01. posted in BS incl NIC	2 788 933	2 726 230
Present value of pension accrued in the period	0	0
Capital cost of previously accrued pensions	0	0
Gross pension cost for the year	0	0
Expected return on pension fund assets	-45 343	-62 703
Administration cost	0	0
Net pension cost for the year after adm cost	-45 343	-62 703
Apportionated employer's Nat Ins contr for the period	0	0
Net pension cost for the year incl employers NIC	-45 343	-62 703
Pensions paid during the year	225 200	222 800
Investment in pension fund assets	0	0
Estimated present value of accrued pension obl at 31.12	-550 000	-647 510
Estimated pension fund assets at 31.12.	3 293 590	3 436 443
Net pension fund at 31.12.	2 743 590	2 788 933
Employer's National Insurance contributions	0	0
Net pension fund at 31.12. posted in BS incl NIC	2 743 590	2 788 933
No of active members	-	-
No of pensioners	2	2
Financial assumptions:		
Discount rate	1,80 %	2,30 %
Expected return on pension fund assets	1,80 %	2,30 %
Anticipated rise in pensions	0,70 %	0,40 %
Turnover	0,00 %	0,00 %
Employer's National Insurance contributions	14,10 %	14,10 %

The actuarial assumptions relating to demographic factors are based on assumptions generally applied to insurance.



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DeepOcean Norway AS

Notes to the financial statements

Note 8 Taxes

Temporary differences	Change	2019	2018
Fixed assets	-181 927	39 190	-142 737
Profit & loss account	-8 353	-33 412	-41 765
Pensions	45 343	2 743 590	2 788 933
Net temporary differences	-144 936	2 749 367	2 604 431
Interest expenses restrictions	0	-30 374 334	-30 374 334
Tax losses carried forward	-16 110 552	-10 793 059	-26 903 611
Basis for deferred tax		-38 418 025	-54 673 514
Deferred tax based on nominal tax rate (22%)		-8 451 966	-12 028 173
Deferred tax benefit not shown in the balance sheet		6 440 879	12 028 173
Deferred tax in the balance sheet	-2 011 087	-2 011 087	0

Basis for income tax expense, changes in deferred tax and tax payable	2019	2018
Result before taxes	-49 596 622	-50 809 520
Permanent differences (1)	65 852 111	36 975 000
Basis for the tax expense for the year	16 255 488	-13 834 520
Change in temporary differences	-144 936	-118 947
Basis for payable taxes in the income statement	16 110 552	-13 953 467
Interest expenses restrictions	0	0
Tax losses carried forward	-16 110 552	13 953 467
+/- Group contributions received/given		0
Taxable income (basis for payable taxes in the balance sheet)	0	0

Components of the income tax expense	2019	2018
Payable tax on this year's result	0	0
Total payable tax	0	0
Change in taxes prior year		0
Tax expense divergence pension estimate	0	0
Change in deferred tax	-2 011 087	
Tax expense	-2 011 087	0

Payable taxes in the balance sheet		
Payable tax in the tax charge	0	0
Payable tax in the balance sheet	0	0

(1) Permanent differences includes non-deductible interest costs NOK 65.852.111.



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DeepOcean Norway AS

Notes to the financial statements

Note 9 Sales revenues

Segments	2019	2018
Corporate management fee	74 300 870	12 266
Total	74 300 870	12 266
Geographical segments		
Norway	36 861 831	12 266
United Kingdom	23 164 725	0
Netherland & France	4 183 381	0
Mexico	6 700 557	0
USA	3 390 376	0
Total	74 300 870	12 266

Note 10 Payroll expenses, number of employees, remuneration, loans to employees, etc.

Payroll expenses	2019	2018
Pension expenses	-45 343	-62 703
Total	301 927	-62 703

Average number of employees	0	0

Auditor	2019	2018
Allocation of auditor fee:		
Statutory audit excl VAT	990 000	25 000
Other assurance services excl VAT	891 021	24 500
Total fee auditor excl VAT	1 881 021	49 500

The General Manager receives considerations in other group companies.

No loans/sureties have been granted to the general manager, Board chairman or other related parties.

Note 11 Specification of financial income and expenses

Foreign exchange gains and losses	2019	2018
Foreign exchange gains	566 250	0
Foreign exchange losses	0	-5 441 736
Net financial gains and losses	566 250	-5 441 736

Note 12 Restricted cash

	2019	2018
Withheld employee taxes	1 336	1 336
Total restricted cash	1 336	1 336

Note 13 Group information

DeepOcean Norway AS is a subsidiary of DeepOcean Group Holding BV with Tricer HoldCo S.C.A as its ultimate shareholder. Tricer HoldCo S.C.A is having its statutory seat in Luxembourg, and is registered with the Registre de Commerce et des Sociétés under number B210246.

The smallest group for which group financials are prepared is DeepOcean Group Holding BV, Herengracht 433, 1017 BR Amsterdam, The Netherlands.



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DeepOcean Norway AS

Notes to the financial statements

Note 14 Financial risk management

Overview

The Group's activities expose it to a variety of financial risks, which can be categorised as market risk, credit risk and liquidity risk. Whereas market risk includes foreign exchange risks and interest rate risks. Management policies have been established to identify, analyse and monitor these risks, and to set appropriate risk limits and controls. Financial risk management is carried out in accordance with the Group Risk Management policy approved by the Executive Management. The written principles and policies are reviewed periodically to reflect changes in market conditions, the activities of the business and laws and regulations affecting our business.

Market risk - Foreign exchange risk

The Company operates internationally and conducts its business in multiple currencies, and is primarily exposed to foreign exchange risks with respect to the US Dollar (USD), British Pound (GBP) and Euro (EUR).

Management has evaluated the foreign exchange risks of the Company against its functional currency Norwegian Kroner (NOK). Cash inflows and outflows of the Company are offset if they are denominated in the same currency. This means that revenue generated in a particular currency typically balances out costs in the same currency, even if the revenues arise from a different transaction than that in which the costs are incurred. As a result, only the unmatched amounts are subject to foreign exchange risk.

The Company's Credit Facility loan is in US Dollar (USD) and there are not sufficient USD cash inflows to cover the USD cash outflows related to this loan.

Market risk - Interest rate risk profile

The Company's interest rate risk arises primarily from the Credit Facility; refer to note 14 for the details of the Credit Facility. This Credit Facility has a floating interest based on LIBOR plus a spread and for amounts drawn in EUR the floating interest is based on EURIBOR.

Credit risk

Credit risk arises primarily from cash and cash equivalents held at financial institutions, and to a certain extent, from trade receivables.

Cash balances are only held with large recognised financial institutions.

The Company's exposure of trade receivables is managed through Group established proper credit limits, continuous credit risk assessments for each individual customer. If customers are independently rated, these ratings are used. If there is no independent rating, the credit quality is based on past experience, their financial position and other factors. The utilisation of the credit limits is regularly monitored.

The Company's receivables are primarily from Group companies and the credit risk is acceptable.

Liquidity risk

The Group's approach to managing liquidity is to ensure that there are sufficient funds to meet the financial obligations when they fall due under both normal and stressed conditions, without incurring unacceptable losses or risking damage to its reputation.

To ensure it is sufficient cash to meet expected operational expenses, including the servicing of financial obligations the Group continuously monitor the actual and future cash flow requirements taking into account the maturity profiles of financial assets and liabilities and the rolling forecast of the Group's liquidity reserve, which comprises cash and cash equivalents and an undrawn credit facility.



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DeepOcean Norway AS

Notes to the financial statements

Note 15 Group financing

At 31 December 2019, total interest-bearing debt for DeepOcean Group amounted to USD101.6M (2018 USD109.0M), consisting of the drawn amount on the Revolving Credit Facility (RCF) of USD84.6M and USD17.0M of the term loan. The borrowing base under the credit facility is fully drawn. The Group has an ancillary facility of EUR45.0M that can conditionally be increased up to EUR70.0M, with a non-reversible transfer of commitment from the RCF. In addition, there is an option to request a EUR20.0M accordion facility to the RCF. The purpose of the Credit Facility is to finance the Group's working capital.

Financially, the Group's liquidity situation has been stable after the agreement with the lenders of postponement of instalments on the term loan finalised on 30th of November 2018. As per 31st of December 2019, financial covenants for the Group's debt instruments were within the applicable thresholds.

The Company is a subsidiary in DeepOcean Group and is impacted by the Group's financing and intercompany loans and borrowings.

The Company is also an obligor in the Credit Facility arrangement and all assets are pledged.

Note 16 Basis for preparation - Going Concern

The Financial statements have been prepared on the basis of historical cost through profit or loss. Income and expenses are accounted for on an accrual basis.

During the first quarter of 2020, the sharp decline in commodity prices, exacerbated by the COVID-19 pandemic caused global disruption, with significant negative consequences both for human health, economic activity and the energy sector. The potential impact on DeepOcean is yet to be seen as offshore activities in the North Sea and Africa continue without delay. The challenging commodity price environment together with the effects of the COVID-19 pandemic create unprecedented uncertainty and makes it challenging to firmly predict the long-term effects for DeepOcean.

DeepOcean has taken a number of measures already to mitigate substantial negative impact for the company including reduced investment plans, pushed vendor terms with all major suppliers and lessors, and planned major restructuring across the organisation. The restructuring plan is now approved and will be rolled out across the organisation immediately. This plan includes major reductions in SG&A staff, contractors and underutilised OPEX employees. Furthermore, management has engaged with vessel owners to instigate vessel rate reductions. This overall process is being aligned with close collaboration with customers, banks and financial institutions, suppliers and employees. The actions are an acknowledgement of current events as well as uncertainty around the timing and path of recovery. DeepOcean also has proactive dialogues with governments to ensure participation in financial relief measures aimed at containing economic effects of the COVID-19 (corona) virus outbreak.

Also, based on the current forecast/budget scenario, management does not see an immediate risk of breaking the bank covenants (Liquidity & LTM EBITDA) in 2020. However, there is a potential scenario where the EBITDA covenant is breached in Q1/Q2 2021. To mitigate this risk of covenant breach, DeepOcean as stated above is taking a number of measures to limit the potential negative impact of the sharp decline in commodity prices and the COVID-19 pandemic.

The high market volatility caused by the COVID-19 pandemic in conjunction with the collapse of the oil price, increases the risk regarding the going concern assumption for most companies, and this is also the case for DeepOcean. Although the risk has increased, the assessment is that DeepOcean has the resources, organization, competence, assets and customer base to continue being a going concern. Notwithstanding, all the mitigation measures implemented and the ongoing restructuring, there is material uncertainty for DeepOcean to continue as a going concern over the next 12 months due to the COVID-19 pandemic and the collapse of the oil price.



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DeepOcean Norway AS

Notes to the financial statements

Note 17 Subsequent events

COVID-19 pandemic and Market Uncertainty During the first quarter of 2020, the spread of the COVID-19 virus caused global disruption, with negative consequences both for human health and economic activity. At the date of this report, employees in several DeepOcean offices worked from home. However, offshore activities in the North Sea and Africa are continuing as planned currently. The challenging commodity price environment together with the effects of the Covid-19 pandemic create unprecedented uncertainty and may have an adverse impact on both activity and financial performance of DeepOcean. Due to the high level of uncertainties at the time this report was finalized, it is still difficult to quantify more exactly the adverse effects and it is also too early to conclude on timing and path of recovery.

From a financial reporting perspective, the COVID-19 pandemic and the market uncertainty is expected to impact the execution of deliveries to clients and the performance of the company. However, as stated above this impact is hard to quantify currently due to offshore activities progressing as planned. Further, it could impact the long-term market outlook and future assessments of recoverable amounts of DeepOcean's assets. DeepOcean are working to restructure certain areas of the business, selectively lay-off staff and further streamline the business in anticipation of a prolonged market downturn.

DeepOcean has decided to move its Group Holding entity from a Dutch entity (currently DeepOcean Group Holding BV) to a Norwegian entity in the course of 2020. This will involve a series of mergers resulting in DeepOcean Group Holding BV ceasing to exist and DeepOcean Norway AS becoming the ultimate parent of the DeepOcean Group.



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Consolidated Financial Statements for the year 2019

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DEEPOCEAN

A.1 Overview

About us

The leading, pure play subsea services provider in the areas of Survey, IMR (Inspection, Maintenance and Repair), Subsea Construction and Cable Lay & Trenching. DeepOcean Group Holding B.V (the Company) and its subsidiaries (the Group) offers a breadth of subsea services to cover the full lifecycle, from early studies to decommissioning, for the oil and gas as well as renewable offshore industries.

This strong portfolio of services, coupled with a fleet of 18 owned and chartered vessels and an extensive mission equipment portfolio comprising of 50+ Subsea Intervention Assets, such as ROVs, Trenchers, Module Handling Systems as well as Dredging and Excavation Systems, enables DeepOcean to bundle its subsea services to deliver cost-effective, tailored solutions to meet individual client needs.

DeepOcean Group Holding B.V and its subsidiaries (commonly referred to as DeepOcean) is independent of any equipment, technique or manufacturer and therefore is able to focus on the best solutions for its clients. With a global track record for safety, cost-efficiency, flawless operations and innovation, DeepOcean is the preferred pure play subsea service provider for its oil and gas as well as renewable energy customers across the globe.

The company is a leading global IMR, Subsea Construction and Cable Lay & Trenching operator and has a global presence with offices in Norway, UK, the Netherlands, the US, Mexico, Trinidad and Tobago, Ghana, France, Gabon and Congo.

A.2 Financial Review

Financial highlights

The Group realised US\$490.4M of Revenue (2018: US\$505.8M) from continuing operations with a loss for the period from continuing operations of US\$45.3M (2018: US\$45.9M loss). The loss resulted from the continuing downturn in the market (reduced work and depressed margins), restructuring expenses, and oversupply of vessels in the market. No revenue (2018: nil) and US\$3.6M loss (2018: nil) for the period were realized from discontinued operations.

Backlog

Our accounting backlog represents the aggregated value of signed contracts until the end of the relevant contract period (excluding extension options and letters of intent). Backlog as at 31 December 2019 amounted to US\$207.8M, which is a increase of 9%, compared to 2018 (US\$190.6M). We expect to recognize US\$170M of this backlog in 2020.

Financial debt and liquidity

At 31 December 2019, total interest-bearing debt amounted to US\$101.6M (2018 US\$109.0M), consisting of the drawn amount on the Revolving Credit Facility (RCF) of US\$84.6M and US\$17.0M of the term loan. The borrowing base under the credit facility is fully drawn. The Group has an ancillary facility of EUR45.0M that can conditionally be increased up to EUR70.0M, with a non-reversible transfer of commitment from the RCF. In addition, there is an option to request a EUR20.0M accordion facility to the RCF. For information about terms on the credit facilities, see note 21. Cash and cash equivalents totalled US\$66.5M (2018 US\$70.4M) at the end of the year.

Financially, the Group's liquidity situation has been stable after the agreement with the lenders of postponement of instalments on the term loan finalised on 30th of November 2018. As per 31st of December 2019, financial covenants for the Group's debt instruments were within the applicable thresholds.

Current market conditions, as indicated in the outlook paragraph below, have their effect on the Group and its ability to generate stable cash flows for the next few years. To address potential effects of this on the prevailing covenant levels, both current and forecasted covenant levels are continually monitored with internal thresholds for effecting action plans.

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A.3 Human Resources

As of 31 December 2019, DeepOcean had 1083 full time employees worldwide (2018: 1070; 2017: 919), of which 1079 (2018:1049, 2017: 899) work outside of the Netherlands, divided as follows:

<i>Number of employees</i>	2019	2018
Onshore	501	505
Offshore	582	565
Total	1 083	1 070

A.4 Risk Management

DeepOcean's financial and operational performance may be adversely affected by a variety of risks and economic developments. DeepOcean's Board of Directors sets, and periodically reviews, the level of risk that the Board is willing to take in pursuit of the company's objectives. The CEO together with Executive Management drives the risk management process and facilitates the assessment of strategic risks. The Board of Directors evaluates the effectiveness of DeepOcean's risk management, which results in an appropriate level of objectivity in the assessment of risks.

DeepOcean has implemented a number of internal controls in 2019 and will continue to progress the controls in 2020 to ensure an accurate view of potential risks and to implement mitigating actions for any risks. The DeepOcean approach is centralised around four key pillars.

- Governing documents & procedures
 - The business management system is currently being redesigned and this will lead to a simplified but more effective and coherent set up of procedures and governing documents
- Top down risk assessment
 - The top down risk assessment was conducted by the CEO and the corporate team in Q3 2019 and was presented to the board of directors in September 2019
 - This risk assessment was set on a DeepOcean scale with the following criteria
 - Very high-risk exposure; Board of directors' focus
 - High risk exposure; CEO focus
 - Medium risk exposure; Senior management team focus
 - Low risk exposure; Regional management focus
- Internal audits
 - Internal audits conducted by the CFO team in 2019 and subsequently in Q1 2020 included;
 - Mexico
 - Delta Subsea
 - DeepOcean Ghana Ltd
 - GNS Subsea Services

The internal audits systematically reviewed all income statement and balance sheet accounts, including back up documentation, bank reconciliations, financial closing processes and project reviews. The audits also included a business risk assessment with the regional managing director and the regional finance director. After the conclusion of each internal audit, an audit summary was prepared by the CFO team and presented to the CEO and executive team. The audit summary includes an action plan with follow up dates for each region to ensure the progress of any outstanding items

- Self-risk assessment
 - The self-risk assessments are carried out by the regions before the internal audits and this self-assessment helps build the basis for the internal audit

Group risk profile

Below is an overview of material risks that are of most relevance for achieving DeepOcean's long-term goals and strategy. This risk overview is not exhaustive. There may be risks which are currently not deemed material, but which could have a substantial adverse effect. (See note 3 – Financial statement)



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Risk category	DeepOcean's Risk Appetite	Key Risk Areas
Business & Marketing Risk	For both Business & Marketing risk and Commercial risks, acceptable risk levels vary depending on the subject at hand, where expected rewards have to justify the risk.	Customer and geographical concentration
Commercial Risk		- Demand from oil & gas and offshore renewables companies - Inability to be (price) competitive - Contracting risk
Operational Risk	Operational risks are handled with a moderate risk appetite. However, all risks related to HSEQS are subject to low risk appetite.	- Fleet flexibility - Innovation - Unsuccessful project execution - HSEQS incidents - Asset unreliability - Inability to attract and retain key employees - Organizational alignment - Cyber security
Regulatory Risk	Compliance is subject to a very low risk appetite as DeepOcean strives for a 100% compliance with legal and regulatory requirements.	- Non-Compliance with law and regulation - Countries of operation
Financial Risk	Financial risk appetite is low, with the intent to limit financial risks and maintain long-term solvency.	- Liquidity & Credit Risk - Currency Risk - Interest rate risk

Insurance & legal

DeepOcean is insured against a variety of risks. Risks related to general liability are covered at Company level. Vessels and equipment are insured, and local cover is arranged for risks associated with normal business operations, such as insurance for the buildings and for employees. Some operating companies are involved in claims, either as the claimant or the defendant, within the context of normal business operations. Where necessary proper provisions have been accounted for in the financial statements (refer to note 10.4 and 24). Based on developments thus far, it is not anticipated that DeepOcean's financial position will be noticeably affected by any of these proceedings.

A.5 Governance**Corporate Governance**

The Board of Directors is composed of at least three and up to seven board members, of which at least one non-Executive Director and at least one Executive Director. As of 31st December 2019, the Board of Directors consisted of one Executive Director and five non-Executive Directors. The Board members are jointly responsible for the management of the Company and the enterprise connected with it.

Board of directors as of 31 December 2019:

Jo Lunder (Chairman)
 Terje Askvig
 Øyvind Mikaelson
 Chris Cooper
 German Cura
 Kristian Diesen

In the composition of its executive management team as well as its board of directors, DeepOcean has a strategy of equal opportunities, whereby the principle of the best person for the job is leading. The nature of the industry that DeepOcean is operating in as well as DeepOcean's profile as an offshore service provider, with a majority male employee population, led to a board of directors with six male directors as per 31 December 2019.

The goal for the composition of the board is to aim as much as possible for a diverse composition, where possible, in age and gender, considering the statutory requirements and the requirements related to education and experience. The composition of the board of directors is continuously evaluated and will be amended if needed.



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Executive Management Team

The executive management team has been strengthened in 2019 with the hiring of a new global head of HR Rakel Knutsen, and a new chief commercial officer Stephane Abergel. The two new executives join DeepOcean with strong experience in executive positions. Rakel Knutsen will lead the reorganization of DeepOcean to optimize the organizational set up. Stephane Abergel has been hired to lead the growth phase of DeepOcean globally and with specific focus on Africa.

General Meetings

The Annual General Meeting of Shareholders ('AGM') shall be held in principle once per year within six months after the end of the financial year, in accordance with the articles of association of DeepOcean Group Holding B.V. The meeting shall be held at such time as the Directors shall designate. The meeting shall be held at the municipality in which the Company has its official seat or in another location, provided that in such case all of the Company's issued capital is represented and each person with meeting rights, to the extent required by law, has been duly convened or has given consent thereto.

A.6 Research and Development

The Company is continually working to improve the current product/service portfolio and is developing several new products and services in order to stay competitive (reduced project costs, increased efficiencies, improved operational results) in the markets serviced by DeepOcean (e.g. onshoring of ROV activities, Unmanned Surface Vessels or autonomous ROVs). In addition, these developments will support DeepOcean in potentially entering new markets, by being able to provide an additional range of services (e.g. Deep Sea Mineral Harvesting). In 2019 a substantial progress was made on the engineering and development of the Autonomous Inspection Drone and the DeepOcean Integrated Operations Center. The centre will become operational Q2-2020 and will allow to support the onshoring of operations for vessels in the North Sea.

A.7 Outlook

The average oil price for 2019 dropped 10% from 2018 level to US\$64.3 per barrel Brent Crude, which is still a level where the majority of E&P operators generate healthy cash flows from operations and invest in maintaining and increasing production. Overall offshore E&P spending grew by around 2% for the year and spending on subsea services grew at around 8%. In the IMR segment, activity grew by approximately 3% globally, still resulting in limited improvements in rates and revenues.

Market analysis indicates continuation of growth in both activity and spending in the years to come, eyeing around 4% activity growth p.a. for IMR services and double-digit growth for cable lay and trenching services within the booming offshore wind segment and swiftly recovering SURF segment. This view is further underpinned by offshore sanctioning activity in 2019, which was the highest in six years and represented an increase of 66% year over year in terms of estimated spending. Moreover, after years of shift towards increasing share of spot work, 2019 represented the first year of increase in year-end backlog in both nominal terms and share of secured work since the 2013 for DeepOcean, an early indication of market tightening within the IMR segment. Nevertheless, our near-term expectations for the year to come are to experience similar utilisation and pricing levels as in 2019.

DeepOcean continues to hold great confidence in the fundamental outlook for subsea services. Our service offerings span segments within oil & gas and offshore wind, but also emerging industries within other forms of renewable energy and seabed mining. The split of our Cable Lay & Trenching division and establishment of Enshore has broadened our opportunity set and ability to address a larger client universe, further enhancing our strong position within the high growth niche of seabed intervention.

Clients continue to appreciate DeepOcean's "can do" attitude and value-oriented solutions. With our asset light and equipment independent business model, we are well positioned as a partner of choice for tomorrow's IMR services. We are investing in new technology for safer and more efficient ways of delivering our services and will continue to invest in such technologies in the years to come.

In the course of 2019 DeepOcean has continued to run a rigorous cost reduction exercise and will continue to cut cost and leverage operational efficiencies in order to support improved financial results as well as to ensure competitiveness even under a prolonged low oil price.



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DeepOcean's strategy sees significant organic growth along with the forecasted market recovery and supported by key cost reduction as well as technology initiatives. As part of the strategy, DeepOcean aims to become a US\$1B company.

In the short term the weak financial results have forced DeepOcean to selectively reduce its workforce, but it is expected that the workforce will increase along with the forecasted revenue increase over the next few years.

A.8 Subsequent events

COVID-19 pandemic and Market Uncertainty During the first quarter of 2020, the spread of the COVID-19 virus caused global disruption, with negative consequences both for human health and economic activity. At the date of this report, employees in several DeepOcean offices worked from home. However, offshore activities in the North Sea and Africa are continuing as planned currently. The challenging commodity price environment together with the effects of the Covid-19 pandemic create unprecedented uncertainty and may have an adverse impact on both activity and financial performance of DeepOcean. Due to the high level of uncertainties at the time this report was finalized, it is still difficult to quantify more exactly the adverse effects and it is also too early to conclude on timing and path of recovery.

From a financial reporting perspective, the COVID-19 pandemic and the market uncertainty is expected to impact the execution of deliveries to clients and the performance of the company. However, as stated above this impact is hard to quantify currently due to offshore activities progressing as planned. Further, it could impact the long-term market outlook and future assessments of recoverable amounts of DeepOcean's assets. DeepOcean are working to restructure certain areas of the business, selectively lay-off staff and further streamline the business in anticipation of a prolonged market downturn.



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Board of Directors

The members of the Board of Directors have signed the financial statements pursuant to their statutory obligations under Section 2:101 sub 2 the Netherlands Civil Code.

Oslo, 13th May 2020

Board of Directors

J. Lunder, Chairman Board of Directors

Ø. Mikaelson, Executive Director

G. Cura, Non-Executive Director

C.C. Cooper, Non-Executive Director

K. Diesen, Non-Executive Director

T. Askvig, Non-Executive Director



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B. Consolidated Financial Statements

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B.1 Consolidated statement of profit or loss for the year ended 31 Dec 2019

USD (thousands)	Note	2019	2018
Revenue from contracts with customers	5	490 394	505 817
Direct operating expenses	6	(331 828)	(457 612)
Depreciation and amortisation	11,12	(135 257)	(29 749)
Gross profit		23 309	18 456
Sales, general and administrative expenses	6	(22 384)	(33 564)
Impairment of fixed assets	6	(5 252)	(138)
Other expenses	6	(20 112)	(11 471)
Share of net income from investments accounted for using the equity method	13	487	948
Loss from operating activities		(23 952)	(25 769)
Finance income		481	353
Finance expense		(26 150)	(18 673)
Net finance expense	9	(25 669)	(18 320)
Loss before tax		(49 621)	(44 089)
Corporate income tax (expense)/credit	10	4 282	(1 810)
Loss for the period from continuing operations		(45 339)	(45 899)
Discontinued operations			
Loss for the period from discontinued operations	4	(3 632)	(2 347)
Loss for the period		(48 971)	(48 246)
Total loss attributable to:			
Shareholders of the parent		(48 612)	(47 307)
Non-controlling interests		(359)	(939)
		(48 971)	(48 246)

The accompanying notes are an integral part of these consolidated financial statements.



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B.2 Consolidated statement of comprehensive income for the year ended 31 Dec 2019

USD (thousands)	Note	2019	2018
Loss for the period		(48 971)	(48 246)
Items that will not be reclassified to profit or loss			
Reclass external loan to IC loan	22	-	17 930
		-	17 930
Items that may be reclassified subsequently to profit or loss			
Net investment hedge	27	-	(1)
Foreign currency translation differences of foreign operations		2 008	7 867
		2 008	7 866
Total comprehensive loss for the period, net of tax		(46 963)	(22 450)
Total comprehensive loss attributable to:			
Shareholders of the parent		(46 905)	(23 865)
Non-controlling interests		(58)	1 415
Total comprehensive loss for the period, net of tax		(46 963)	(22 450)
Total comprehensive loss for the period, net of tax arises from:			
Continuing operations		(43 331)	(20 103)
Discontinued operations		(3 632)	(2 347)
Total comprehensive loss for the period, net of tax		(46 963)	(22 450)

The accompanying notes are an integral part of these consolidated financial statements.



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DEEPOCEAN**B.3 Consolidated statement of financial position as at 31 Dec 2019**

		31 December	31 December
USD (thousands)	Note	2019	2018
Assets			
Vessels and equipment	11	361 601	155 787
Intangible assets	12	2 895	2 914
Equity accounted investees	13	591	987
Post-employment benefit asset	23	409	421
Prepaid charter costs	16	2 065	2 772
Deferred tax assets	10	16 137	7 552
Total non-current assets		383 698	170 433
Inventories	17	3 391	3 586
Trade receivables and contract assets	18	104 413	98 690
Current income tax receivable	10	996	694
Assets held for sale	11	15 000	(0)
Cash and cash equivalents	19	66 547	70 391
Total current assets		190 347	173 341
Total assets		574 045	343 774
Equity			
Share capital	20	863	880
Share premium	20	364 529	371 655
Other reserves		14 175	11 146
Accumulated losses		(315 504)	(272 708)
Total equity attributable to owners of the Company		64 063	110 973
Non-controlling interests		(8 836)	(8 778)
Total equity		55 227	102 195
Liabilities			
Non-current portion of loans and borrowings	21	185 670	31 924
Non-current portion of loans and borrowings from related parties	22	1 501	1 580
Other non-current liabilities		693	707
Non-current portion of post-employment benefit obligation	23	1 276	259
Non-current provisions	24	183	317
Non-current income tax liabilities	10	45	116
Deferred income tax liabilities	10	1 215	1 215
Total non-current liabilities		190 583	36 118
Current portion of loans and borrowings	21	202 407	92 871
Current portion of derivative financial liabilities	25	4 104	3 833
Trade and other payables	26	119 213	105 607
Current provisions	24	2 569	3 150
Current income tax liabilities	10	(58)	
Total current liabilities		328 235	205 461
Total liabilities		518 818	241 579
Total equity and liabilities		574 045	343 774

The accompanying notes are an integral part of these consolidated financial statements.



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DEEPOCEAN**B.4 Consolidated statement of changes in equity for the year ended 31 December 2019**

Attributable to shareholders of the Company										
USD (thousands)	Notes	Share capital	Share premium	Translation reserve Foreign operations	Translation reserve Other	RSU and GSO reserves	Retained earnings / (accumulated losses)	Total	Non-controlling interest	Total equity
Balance at 1 January 2018		564	359 191	(58 927)	47 121	12 061	(255 268)	104 743	(10 193)	94 550
Comprehensive income										
Loss for the period		-	-	-	-	-	(47 313)	(47 313)	(939)	(48 252)
Other comprehensive income										
Net investment hedges	27	-	-	(1)	-	-	-	(1)	-	(1)
Reclass external loan to IC loan (AXA)							17 930	17 930		17 930
Foreign currency translation differences of foreign operations		-	-	3 972	-	-	1 542	5 514	2 354	7 868
Total comprehensive loss for the period		-	-	3 971	-	-	(27 841)	(23 870)	1 415	(22 455)
Transactions with owners										
Capital contribution		343	29 752	-	-	-	-	30 095	-	30 095
Foreign currency movement		(27)	(17 288)	2 836	4 664	(581)	10 395	(1)	-	(1)
Total transactions with owners of the Company		316	12 464	2 836	4 664	(581)	10 395	30 094	-	30 094
Balance at 31 December 2018		880	371 655	(52 120)	51 785	11 480	(272 714)	110 967	(8 778)	102 189
Attributable to shareholders of the Company										
USD (thousands)	Notes	Share capital	Share premium	Translation reserve Foreign operations	Translation reserve Other	RSU and GSO reserves	Accumulated losses	Total	Non-controlling interest	Total equity
Balance at 1 January 2019		880	371 655	(52 120)	51 785	11 480	(272 714)	110 967	(8 778)	102 189
Comprehensive income										
Loss for the period		-	-	-	-	-	(48 612)	(48 612)	(356)	(48 971)
Other comprehensive income										
Net investment hedges	27	-	-	-	-	-	-	-	-	-
Foreign currency translation differences of foreign operations		-	-	1 742	-	-	(34)	1 708	301	2 008
Total comprehensive loss for the period		-	-	1 742	-	-	(48 646)	(46 904)	(58)	(46 962)
Transactions with owners										
Capital contribution		-	-	-	-	-	-	-	-	-
Foreign currency movement		(17)	(7 126)	1 287	-	-	5 856	-	-	-
Total transactions with owners of the Company		(17)	(7 126)	1 287	-	-	5 856	-	-	-
Balance at 31 December 2019		863	364 529	(49 091)	51 785	11 480	(315 504)	64 063	(8 836)	55 227

The accompanying notes are an integral part of these consolidated financial statements.



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DEEPOCEAN**B.5 Consolidated statement of cash flows for the year ended 31 December 2019**

<i>USD (thousands)</i>	<i>Notes</i>	2019	2018
<i>Cash flows from continuing operations</i>			
Cash flows from operating activities			
Loss from operating activities		(23 952)	(25 775)
Adjustments for non cash items			
Depreciation and amortisation	11	135 257	29 749
Depreciation and amortisation IFRS16		(107 720)	
Operational expenses adjustments IFRS16		(2 919)	
Share of net income from investments accounted for using the equity method	13	(487)	(948)
Profit on sale of fixed assets	6	(97)	(777)
Impairment losses	6,11	5 252	138
RSU and GSOP income/(expenses) (1)		-	358
		5 334	2 745
Changes in working capital:			
Inventories	17	176	(1 239)
Trade and other receivables	18	356	(3 361)
Prepayments	16	708	-
Trade and other payables	26	7 796	(12 401)
Provisions and employee benefits	23,24	275	(148)
Cash (used in)/generated from operating activities		14 645	(14 404)
Interest and other finance costs paid	21	(11 502)	(14 996)
Interest and other finance income received	21	524	318
Income taxes (paid)/received	10	(2 729)	1 618
Net cash (used in)/generated from operating activities		938	(27 464)
Cash flows from investing activities			
Proceeds from sale of fixed assets	11	1 224	1 629
Purchase of vessels and equipment	11	(6 218)	(16 091)
Acquisition of Group companies	11,15		(36 344)
Dividends received from equity accounted investees		866	875
Net cash used in investing activities		(4 128)	(49 931)
Cash flows from financing activities			
Proceeds from issuance of shares	20		30 000
Proceeds of borrowings	21	9 987	35 531
Repayment of borrowings	21	(5 885)	
Payment of finance lease		(4 680)	(4 037)
Settlement of derivatives			
Net cash (used in)/generated from financing activities		(578)	61 494
Net decrease in cash and cash equivalents from continuing operations		(3 768)	(15 901)
<i>Cash flows from discontinued operations</i>			
Net change in cash and cash equivalents from discontinued operations		-	-
Net decrease in cash and cash equivalents		(3 768)	(15 901)
Cash and cash equivalents at 1 January		70 391	86 268
Translation differences on cash and cash equivalents		(76)	24
Cash and cash equivalents at 31 December	19	66 547	70 391

The accompanying notes are an integral part of these consolidated financial statements.

(1) RSU = Restricted Stock-Unit Plan; GSOP = Growth Stock Option Plan.



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B.6 Notes to the Consolidated Financial Statements

1. General information

DeepOcean Group Holding B.V., hereinafter to be referred as 'the Company', has its statutory seat in Amsterdam, the Netherlands. The address of the Company's registered office is Atrium Building, 8th floor, Strawinskylaan 3127, 1077 ZX Amsterdam, the Netherlands. The Company is registered with the trade register of the Chamber of Commerce under number 55630561. Its ultimate shareholder is Tricer HoldCo S.C.A., having its statutory seat in Luxembourg, and is registered with the Registre de Commerce et des Sociétés under number B210246.

These consolidated financial statements as at and for the year ended 31 December 2019 comprise DeepOcean Group Holding B.V (the Company) and its subsidiaries (the Group).

The Company is the leading, pure play subsea services provider in the areas of Survey, IMR (Inspection, Maintenance and Repair), Subsea Construction and Cable Lay & Trenching.

2. Significant accounting policies

The principal accounting policies applied in the preparation of consolidated financial statements are set out below. These policies have been applied consistently to all periods presented in these consolidated financial statements, unless otherwise stated.

2.1 Statement of compliance

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and as issued by the International Accounting Standards Board (IASB) and with Part 9 of Book 2 of the Dutch Civil Code. The Group presents its financial information in USD x 1,000, except when indicated otherwise.

The consolidated financial statements have been prepared by the Executive Management and were approved by the Board of Directors on Wednesday 13th May 2020.

2.2 Basis of preparation – Going Concern

During the first quarter of 2020, the sharp decline in commodity prices, exacerbated by the COVID-19 pandemic caused global disruption, with significant negative consequences both for human health, economic activity and the energy sector. The potential impact on DeepOcean is yet to be seen as offshore activities in the North Sea and Africa continue without delay. The challenging commodity price environment together with the effects of the COVID-19 pandemic create unprecedented uncertainty and makes it challenging to firmly predict the long-term effects for DeepOcean.

DeepOcean has taken a number of measures already to mitigate substantial negative impact for the company including reduced investment plans, pushed vendor terms with all major suppliers and lessors, and planned major restructuring across the organisation. The restructuring plan is now approved and will be rolled out across the organisation immediately. This plan includes major reductions in SG&A staff, contractors and underutilised OPEX employees. Furthermore, management has engaged with vessel owners to instigate vessel rate reductions. This overall process is being aligned with close collaboration with customers, banks and financial institutions, suppliers and employees. The actions are an acknowledgement of current events as well as uncertainty around the timing and path of recovery. DeepOcean also has proactive dialogues with governments to ensure participation in financial relief measures aimed at containing economic effects of the COVID-19 (corona) virus outbreak.

Also, based on the current forecast/budget scenario, management does not see an immediate risk of breaking the bank covenants (Liquidity & LTM EBITDA) in 2020. However, there is a potential scenario where the EBITDA covenant is breached in Q1/Q2 2021. To mitigate this risk of covenant breach, DeepOcean as stated above is taking a number of measures to limit the potential negative impact of the sharp decline in commodity prices and the COVID-19 pandemic.

The high market volatility caused by the COVID-19 pandemic in conjunction with the collapse of the oil price, increases the risk regarding the going concern assumption for most companies, and this is also the case for



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DeepOcean. Although the risk has increased, the assessment is that DeepOcean has the resources, organization, competence, assets and customer base to continue being a going concern. Notwithstanding, all the mitigation measures implemented and the ongoing restructuring, there is material uncertainty for DeepOcean to continue as a going concern over the next 12 months due to the collapse of the oil price and the COVID-19 pandemic.

Management has decided to move its Group Holding entity from a Dutch entity (currently DeepOcean Group Holding B.V.) to a Norwegian entity in the course of 2020. This will involve a series of mergers resulting in DeepOcean Group Holding BV ceasing to exist and DeepOcean Norway AS becoming the ultimate parent of the DeepOcean Group. (Project Homecoming)

The series of mergers leading to DeepOcean Norway AS becoming the ultimate parent of the DeepOcean Group are as follows:

- DeepOcean Group Holding BV will be merged into Tricer NL BidCo 4 BV
- Merged Tricer NL BidCo 4 BV will be merged into Tricer NL BidCo 3 BV
- Merged Tricer NL BidCo 3 BV will be merged into DeepOcean Norway AS
- DeepOcean Norway will be the surviving entity and will become the group parent company

2.3 Changes in accounting policy and disclosures

New standards, amendments and interpretations adopted by the Company

The Company applied IFRS 16 for the first time in 2019, starting on the 1st of January 2019. The nature and effect of the changes caused by the adoption of these new accounting standards are described below.

The Company has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

IFRS 16, 'Leases'

IFRS 16 was issued in January 2019 and replaces IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases-Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

Effective 1 January 2019 the Group adopted IFRS 16 using the modified retrospective approach and, consequently, comparative information has not been restated. The Group recognised the cumulative effect of initially applying the standard as an adjustment to the opening balance.

IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for most leases under a single on-balance sheet model. At the commencement date of a lease, the Group, as lessee, recognizes a liability to make lease payments and an asset representing the right to use the underlying asset during the lease term ("right-of-use asset"). The standard includes a number of optional practical expedients related to recognition and initial application. Interest expenses on the lease liability as well as depreciation expenses on the right of use asset are calculated and presented separately in the statement of income.

At the date of initial application of IFRS 16, the Group measured lease liabilities at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate at 1 January 2019. Further, the Group recognised right-of-use assets at an amount equal to the lease liability adjusted for prepaid and accrued lease payments.

The Group has applied the following exemptions (practical expedients) to leases previously classified as operating leases at the date of initial application:

- Exemption for short-term leases (defined as 12 months or less)
- Exemption for low value assets



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IFRS 16 impact on the consolidated financial statements

On transition to IFRS 16, the Group recognised \$297.3 million USD of right-of-use assets and 297.3 million USD as lease liabilities.

Reference is made to note 28 for further information about the standard, the policy and the IFRS 16 implementation impact

New standards, amendments and interpretations not yet adopted by the Company:

Other standards, amendments to standards, and interpretations of standards, issued but not yet effective, are either not expected to materially impact DeepOcean's Consolidated financial statements, or are not expected to be relevant to DeepOcean's Consolidated financial statements upon adoption.

2.4 Use of estimates and judgments

The preparation of the consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities and disclosure of contingent assets and liabilities as of the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results may differ materially from these estimates. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 3.

2.5 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control is achieved where the Company has the power to govern the financial and operating policies of an entity to affect and obtain benefits from its activities.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred to the former owners of the acquired business, equity interests issued by the Group, fair value of any asset or liability resulting from a contingent consideration arrangement, and fair value of any pre-existing equity interest in the subsidiary. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated, when necessary amounts reported by subsidiaries have been adjusted to conform to the Group's accounting policies.

On the loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interest and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, it is accounted for as investments accounted for using the equity method or as financial asset at fair value through profit and loss depending on the level of influence retained.

Non-controlling interests

The Group recognises any non-controlling interest on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquirer's identifiable net assets.

Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions - that is, as transactions with the owners in their capacity as owners. The difference between fair value



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of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

Transactions eliminated on consolidation

Intercompany transactions, intercompany balances and income/expenses on transactions between Group companies are eliminated. Profits and losses resulting from intercompany transactions that are recognised in assets are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

2.6 Discontinued operations

A discontinued operation is a component of the Group's business, the operation and cash flows of which can be clearly distinguished from the rest of the Group and which:

- Represents a separate major line of business or geographical area of operations
- Is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations; or
- Is a subsidiary acquired exclusive with a view to resale.

Classification as a discontinued operation occurs on disposal, abandonment, termination or when the operation meets the criteria to be classified as held for sale, if earlier. When an operation is classified as a discontinued operation, the comparative statement of comprehensive income has been re-presented as if the operation had been discontinued from the start of the comparative year.

2.7 Foreign currency

Functional and presentation currency

These consolidated financial statements are presented in USD, which is the currency of the primary stakeholders. Items included in the financial information of individual entities in the Group are measured using the individual entity's functional currency, which is the currency of the primary economic environment in which the entity operates. The Group is primarily exposed to fluctuations in the foreign currency exchange rates of the Norwegian Kroner, United States Dollar, British Pound and the Euro.

Transaction and balances

Transactions in foreign currencies are translated into the respective functional currencies of Group entities at exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of profit or loss. Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the statement of profit or loss within finance income or expense.

Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet,
- Income and expenses for each statement of profit or loss are translated at average exchange rates (unless this average is not reasonable approximation of the cumulative effect of the rate prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions),
- All resulting exchange differences are recognised in other comprehensive income,

Share capital and share premium, for each balance sheet presented are translated at the closing rate at the date of that balance sheet. Resulting exchange differences are recognised directly in equity.

2.8 Revenue from contracts with customers

DeepOcean Company Holding B.V. ("the Company"), is an integrated provider of subsea and marine support vessels and services, such as inspection, maintenance and repair of subsea infrastructures, survey and seabed



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mapping, seabed intervention, including subsea trenching and protection services, and subsea installation (SURF) and decommissioning services.

Revenue from contracts with customers is recognized when control of the services is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for services.

In general, the Company's revenue streams can be divided into day-rate projects and lump-sum projects.

Under IFRS 15 principles, day-rate projects and lump-sum projects are assessed under the IFRS 15 model. There has not been identified any lease nor sub-lease components in the Company's revenue streams.

1. Day-rate projects:

Day-rate projects relate to the activity in which the Company and its customer have agreed on a daily fee for the services to be provided by the Company in relation to the project. The performance obligation of day-rate projects is considered the daily delivery of the required service by the vessel to the customer of the company. Promises made in the contract with the customer are assessed as whether such promises are capable of being distinct, hereof distinct in the context of the contract, and the transaction price allocated accordingly. The Company recognizes revenue from day-rate project contracts over time, because the customer simultaneously receives and consumes the benefits provided by the Company. The revenue is as such recognized linear on a day-by-day basis over the contract period, and the transaction price is estimated at the contract inception, including any variable considerations.

2. Lump-sum projects:

Lump-sum projects concern projects in which the Company and its customers have agreed on a fixed fee for the services to be provided by the Company in relation to the project. This can be a mixture of the services as described above.

The performance obligation of the Company's lump-sum contracts is assessed on a contract-by-contract basis, evaluation whether any promises made in the contract are capable of being distinct, hereof distinct in the context of the contract. The Company have evaluated that the promised goods or services provided in contracts is capable of being distinct, however not distinct within the context of the project. IFRS 15 states that if a promised good or service is not distinct, an entity shall combine that good or service with other promised goods or services until it identifies a bundle of goods or services that is distinct. In some cases, that would result in the entity accounting for all the goods or services promised in a contract as a single performance obligation. Hence, the Company assess that the bundle of services provided on lump-sum contracts, is one performance obligation.

The Company recognizes revenue from lump-sum project contracts over time, because the customer simultaneously receives and consumes the benefits provided by the Company. The transaction price is estimated at the contract inception, including any variable considerations

The revenue is recognized in accordance with the stage of completion of a contract using a cost-to-cost input model to measure percentage of completion. The method relies on the Company's ability to estimate future costs in an accurate manner. The estimate to complete (ETC) is based on the schedule of the remaining work and its value, and the ETC is updated monthly. The reviews monitor actual cost of work performed project to date, the estimate cost to complete and the estimate cost at completion. This enables a reliable estimate for the likely outcome in terms of profitability of each project.

Variation considerations

If the consideration in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the services to the customer. Such variation considerations

The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

Contract modifications

A contract modification occurs when the Company and the customer approve a change in the contract scope, price or both. The accounting for a contract modification depends on whether distinct goods or services are added to the arrangement, and on the related pricing in the modified arrangement.



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The Company recognize revenue from contract with customers arising from variation orders in the case the Company concludes that rights and obligations created or changed by a modification are enforceable, considering all relevant facts and circumstances including the terms of the contract and other evidences.

Warranty obligations

The Company provides warranties related to its performed services. In case the Company has not met the required criteria in the contract, additional required works are generally for the account of the Company. Such assurance-type warranties are accounted for as a provision under IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

Principle versus agent

The Company has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

Contract balances

Contract assets: A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Trade receivables: A receivable represents the Company's right to an amount of consideration that is unconditional.

Contract liabilities:

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognized when the payment is made. Contract liabilities are recognized as revenue when the Company fulfils the performance obligation (s) under the contract.

2.9 Leasing

At the inception of a contract, The Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Recognition of leases and exemptions

At the lease commencement date, the Group recognizes a lease liability and corresponding right-of-use asset for all lease agreements in which it is the lessee, except for the following exemptions applied:

- Short-term leases (defined as 12 months or less)
- Low value assets

For these leases, the Group recognizes the lease payments as other operating expenses in the statement of profit or loss when they incur.

Lease liabilities

The lease liability is recognized at the commencement date of the lease. The Group measures the lease liability at the present value of the lease payments for the right to use the underlying asset during the lease term that are not paid at the commencement date. The lease term represents the non-cancellable period of the lease, together with periods covered by an option either to extend or to terminate the lease when the Group is reasonably certain to exercise this option.

The lease payments included in the measurement comprise of:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date



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- Amount expected to be payable by the Group under residual value guarantees
- The exercise price of a purchase option, if the Group is reasonably certain to exercise that option
- Payments of penalties for terminating the lease, if the lease term reflects the Group exercising an option to terminate the lease.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications, or to reflect adjustments in lease payments due to an adjustment in an index or rate.

The Group does not include variable lease payments in the lease liability. Instead, the Group recognizes these variable lease expenses in profit or loss.

Right-of-use assets

The Group measures the right-of use asset at cost, less any accumulated depreciation and impairment losses, adjusted for any remeasurement of lease liabilities. The cost of the right-of-use asset comprise:

- The amount of the initial measurement of the lease liability recognized
- Any lease payments made at or before the commencement date, less any incentives received
- Any initial direct costs incurred by the Group. An estimate of the costs to be incurred by the Group in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

The Group applies IAS 36 Impairment of Assets to determine whether the right-of-use asset is impaired and to account for any impairment loss identified.

2.10 Employee benefits

Pension obligations

The Group operates various defined contribution pension schemes and three defined benefit pension schemes.

Defined contribution plans

With a defined contribution plan the Group pays contributions to an insurance company. After the contribution has been made, the Group has no further commitment to pay. The contribution is recognised as employee expenses. Prepaid contributions are reflected as an asset (pension fund) to the degree the contribution can be refunded or will reduce future payments. The assets of the scheme are held separately from those of the Group in an independently administered fund. The amount recognised in the Statement of the profit or loss account represents the contributions payable to the scheme in respect of the financial year.

Defined benefit plans

A defined benefit plan is a pension scheme which is not a defined contribution plan. A defined benefit plan is a pension scheme which defines a pension payment which an employee will receive at pension age. The pension payments are normally dependent on one or more factors such as age, number of years in the company, and salary. The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that



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have terms to maturity approximating to the terms of the related pension obligation. In countries where there is no deep market in such bonds, the market rates on government bonds are used.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise. Past-service costs are recognised immediately in income.

One of the defined benefit schemes operated by one of the Group companies represents amounts payable to the Merchant Navy Officers Pension Fund ('MNOFF') in UK. The MNOFF is an industry-wide, multi-employer defined benefit scheme. The Group is unable to identify its share of the scheme's underlying assets and liabilities on a consistent and reasonable basis. The Group accrues an estimated future liability based on the last valuation received and makes payments during the year. Contributions are charged to the profit or loss account in the year in which they are payable, as communicated by the MNOFF.

The two other defined benefit schemes are operated by Norwegian entities. These pension plans are administered by a pension insurance company. The schemes carry, based on present social security regulations, an entitlement to an old-age pension corresponding to a percentage of pensionable income at the time of retirement. The pensions are coordinated with those under the Norwegian National Insurance Scheme.

In the US the group maintains a contributory 401(k) plan.

Bonus plan

In 2019 there was no bonus plan in place.

2.11 Expenses

Direct operating expenses

Direct operating expenses are charged to profit or loss as incurred. Direct operating expenses principally include operating expenses associated with vessels charter, equipment lease, crew costs and consumable or project related materials. Direct operating expenses are reduced by the amount of partial reimbursements of labour costs received from any government (such as the Norwegian Government) and income from insurance claims.

Sales, general and administrative expenses

Sales, general and administrative expenses are charged to profit or loss as incurred. DeepOcean's sales, general and administrative expenses consist principally of:

- Salaries for employees not allocated to direct expenses, as well as expenses related to share-based compensation;
- Professional fees for independent auditors, lawyers and other consulting expenses;
- Premises, office and travel costs;
- Marketing costs;
- IT and communication expenses.

Other income and expenses

Other income and expenses are charged to profit or loss as incurred. Other income and expenses consist principally of restructuring costs, profit and loss on the sale of fixed assets, impairments, allowance for doubtful debt, and other extraordinary expenses.

Finance income and costs

Finance income and costs consist of finance cost, finance income and foreign currency gains and losses. Finance income comprises interest income on funds invested. Interest income is recognised in profit or loss as it accrues, using the effective interest method. Finance cost comprises interest expense on borrowings, amortised finance charges that are recognised in the statement of profit or loss, and financial instruments carried at fair value through profit and loss.

2.12 Taxation

Taxation expense or income represents the sum of the current tax and deferred tax. Taxes are computed based on tax rates and tax laws enacted or announced at the balance sheet date.



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Current tax

Current tax is based on the taxable income for the year, together with any adjustments to tax payable in respect of prior years and considering the potential impact of uncertain tax positions. Taxable income differs from income before taxes as reported in the Consolidated Income Statement because it excludes items of income or expense that are taxable or deductible in other periods and items that are never taxable or deductible. Current tax relating to items recognised directly in equity is recognised in equity and not the Consolidated Statement of Other Comprehensive Income.

Deferred tax

Deferred tax is calculated on the basis of in the difference between reported and fiscal value of assets and liabilities and is accounted for using the balance sheet liability method. Deferred tax assets are recognised to the extent that it is probable that they will be utilised within the next few years and reduced when it is no longer probable that they will be utilized. Assets or liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition of other assets or liabilities in a transaction (other than in a business combination), that does not affect either the taxable income or the accounting income before taxes.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and interests in associates, and joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the near future.

Deferred tax is charged or credited to the Consolidated Income Statement, except when it relates to items charged or credited directly in the Consolidated Statement of Comprehensive Income in which case the deferred tax is also recognised within the Consolidated Statement of Comprehensive Income.

2.13 Owned vessels and equipment (Fixed Assets)

Recognition and measurement

Vessels and equipment are stated at cost less accumulated depreciation and impairments, if any. The cost of assets includes the costs of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located as well as capitalised borrowing costs.

Dry-dock expenditure incurred to maintain a vessel's classification is capitalised as a distinct component of the asset and amortised over the period until the next dry docking is scheduled for the asset (usually 2½ to 5 years). All other repair and maintenance costs are recognised in the profit or loss as incurred.

Vessels and equipment that are being constructed or developed for future use are classified as assets under construction. Assets under construction are carried at cost, less recognised impairment loss, if any. The assets under construction are reclassified to the relevant asset category upon completion.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

Depreciation

Depreciation for vessels and equipment commences once the asset is placed in service for its intended use. Depreciable lives are determined through economic analysis, reviewing existing business plans and comparison to similar assets. For the vessels, depreciation is calculated per significant component, as the depreciable lives of the different components may vary. The identification of significant components requires management judgment (refer to note 3). Depreciation is calculated as the cost of vessels and equipment less their estimated residual values using the straight-line basis over their estimated useful lives.



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Category	Asset Type/Component	Years
Surface vessels	Vessel hull	30
Surface vessels	Loading and unloading equipment	15
Surface vessels	Main engine	20
Surface vessels	Residential containers	15
Surface vessels	Other equipment	15
Surface vessels	Dry docking	2.5 - 5
Subsea equipment	Equipment (ROV, trenchers, etc.)	10
Other	Furniture and fittings	3 - 10
Other	Office equipment	2 - 5
Other	Vehicles	3 - 5

Residual values are estimated based on historical experience with regard to these assets and are established in conjunction with the estimated useful lives of the asset. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. Major modifications, which extend the useful life of marine vessels, are capitalised and amortised over the adjusted remaining useful life of the vessel. Marine inspection costs are expensed in the period incurred.

Non-current assets (or disposal groups) are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs to sell.

2.14 Intangible assets and goodwill***Recognition and measurement******Goodwill***

Goodwill on subsidiaries and joint ventures is recognised separately as intangible assets and carried at cost less accumulated impairment losses.

Research and development

Expenditure on research activities is recognised in profit or loss as incurred. Development expenditure is capitalised only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognised in profit or loss as incurred.

Other intangible assets

Other intangible assets, including customer relationships, backlog, patents and trademarks, that are acquired by the Group and have finite useful lives, are measured at cost less accumulated amortisation and any accumulated impairment losses.

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values, using the straight-line method, over their estimated useful lives, and is recognised in profit or loss. Goodwill is not amortised but assessed for impairment annually.

Category	Asset Type/Component	Years
Intangible assets	Goodwill	-
Intangible assets	Customer relationships	10
Intangible assets	Backlog	10



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2.15 Interests in equity-accounted investees

Interests in equity-accounted investees can comprise associates or joint ventures (refer to 2.16.1).

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies. Interests in associates are accounted for using the equity method. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of equity-accounted investees, until the date on which significant influence ceases.

2.16 Joint arrangements

Joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor. The Group recognises its direct right to the assets, liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses. These have been incorporated in the financial statements under the appropriate headings.

2.16.1 Joint ventures

Joint ventures are accounted for using the equity method, where interests in joint ventures are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses and movements in other comprehensive income. When the Group's share of losses in a joint venture equals or exceeds its interests in the joint ventures (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint ventures), the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint ventures.

The Group determines at each reporting date whether there is any objective evidence that the investment, using the equity method, needs to be impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the investments and its carrying value and recognises the amount adjacent to share of profit/(loss) of an investee in the statement of profit or loss.

Profits and losses resulting from upstream and downstream transactions between the Group and its investments are recognised in the Group's financial statements only to the extent of unrelated investor's interests in the investments.

2.16.2 Joint operations

The Group recognises its direct right to the assets, liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses and incorporates this in the financial statements under the appropriate headings.

When the Group participates in, but does not have joint control of, a joint operation it shall also account for its interest in the arrangement in accordance with the above if the Group has rights to the assets, and obligations for the liabilities, relating to the joint operation.

2.17 Impairment of non-financial assets

Non-financial assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). Prior impairments of non-financial assets (other than goodwill) are reviewed for possible reversal at each reporting date.

2.18 Financial assets

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.



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The Company classified its financial assets in four categories:

- Financial assets at amortised cost
- Financial assets at fair value through profit or loss
- Derivatives at fair value designated as hedging instruments

Financial assets at amortised cost:

The Company measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows and,
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Company's financial assets at amortised cost includes trade receivables and other short-term deposit. Trade receivables that do not contain a significant financing component are measured at the transaction price determined under IFRS 15 Revenue from contracts with customers.

The Company's financial assets classified in the category 'amortized cost' comprise 'trade receivables', 'restricted cash' and 'cash and cash equivalents'.

Financial assets at fair value through profit or loss:

Financial assets at fair value through profit or loss are acquired principally for the purpose of selling in the short term. Derivatives are also in this category unless they are designated as hedging instruments. Derivatives are initially recognized at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Derivatives are classified as current liability or current asset if they are expected to be settled within 12 months, otherwise they are classified as non-current. Changes in fair value of the derivatives, which are not used as hedging instrument, are recorded in the statement of profit or loss and presented under other finance (expense)/income.

Derivatives at fair value designated as hedging instruments:

Derivatives at fair value are carried in the statement of financial position at fair value with net changes in fair value in OCI.

Impairment of financial assets:

The Company recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For trade receivables and contract assets, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date.

Derecognition of financial assets:

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e., removed from the Company's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired, or
- the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either
- the Company has transferred substantially all the risks and rewards of the asset, or
- the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset



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2.19 Inventories

Inventories consist of fuel, spare parts and other supplies to be consumed in the rendering of services. These supplies are measured at the lower of cost and net realisable value. The cost of inventories is based on the First-in-First-out (FIFO) principle, and includes expenditure incurred in acquiring the inventories and other costs incurred in bringing them to their existing location and condition. Within spare parts a distinction is to be made between 'immaterial' and material spare parts. The immaterial spare parts are to be carried as inventories and recognised as an expense as they are consumed. Material spare parts will qualify for recognition as vessels and equipment. For clarification purposes the useful life (and depreciation) of these material spare parts will commence when it is put in use rather than when it is acquired.

2.20 Trade receivables

Trade receivables are amounts due from customers for services performed in the ordinary course of business representing a right to an amount of consideration that is unconditional.

At initial recognition trade receivables without a significant finance component are recognized at their transaction price and subsequently at amortized cost. If collection is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets. For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. An impairment analysis is performed on all trade receivables at each reporting period to measure any potential credit losses. The assessment includes a review of geographical region, customer type, customer history, customer dialogue, current market conditions and future market conditions. Also, all reasonable and supportable information is taken into consideration in this assessment to ensure a probability-weighted outcome. Generally, trade receivables are written-off if past due for more than one year and are not subject to settlement negotiations.

2.21 Cash and cash equivalents

In the consolidated balance sheet cash and cash equivalents comprise cash in hand and deposits held at call with banks. Bank overdrafts, if any, are shown within borrowings in current liabilities.

2.22 Share capital

Ordinary shares are classified as equity. The term 'shares' as used in the consolidated financial statements means ordinary shares issued by the Company. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

2.23 Financial liabilities

Financial liabilities are classified, at initial recognition, as loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. Derivatives are recognised initially at fair value. Loans, borrowings and payables are recognised at fair value net of directly attributable transaction costs.

Derivatives are financial liabilities when the fair value is negative, accounted for similarly as derivatives as assets.

Loans, borrowings and payables:

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

Payables are measured at their nominal amount when the effect of discounting is not material.

Derecognition of financial liabilities:

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the



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derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial assets and liabilities:

Financial assets and liabilities are offset, and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

Hedge accounting:

Hedges of net investments in foreign operations are accounted for similarly to cash flow hedges. Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognized in other comprehensive income and accumulated in the translation reserves in equity. The gain or loss relating to the ineffective portion is recognized immediately in profit or loss under other finance (expense)/income. Gains and losses accumulated in equity are reclassified to profit or loss when the foreign operation is partially disposed of or sold.

2.24 Loans and borrowings

Loans and borrowings are recognised initially at carrying amount, less attributable transaction costs. Subsequent to initial recognition, borrowings are measured at amortised cost using the effective interest method. The amount due within one year is presented under current liabilities.

Attributable transaction costs include costs associated with the issuance of debt and are amortised using the effective interest rate method of amortisation over the expected life of the related debt agreement or on a straight-line basis over the expected life of the related debt agreement if the straight-line method approximates the effective-interest rate method of amortisation.

2.25 Provisions

Provisions are recognised when: (i) the Group has a present legal or constructive obligation as a result of past events; (ii) it is probable that an outflow of resources will be required to settle the obligation; (iii) the amount has been reliably estimated. Provisions are not recognised for future operating losses. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

Onerous contracts

A provision for onerous contracts is recognised when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract.

2.26 Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade and other payables are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade and other payables are recognised initially at fair value plus any directly attributable transaction costs if any. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

2.27 Statement of cash flows

The consolidated statement of cash flows is prepared using the indirect method. The consolidated statement of cash flows distinguishes between operating, investing and financing activities. Cash flows in foreign currencies are converted at the exchange rate at the dates of the transactions. Currency exchange differences on cash held are separately shown. Payments and receipts of corporate taxes are included as cash flow from operating activities.



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In the consolidated statement of cash flows, cash and cash equivalents includes cash in hand, deposits held at call with banks and bank overdrafts. In the consolidated balance sheet, bank overdrafts are shown within borrowings in current liabilities.

3. Accounting estimates and judgments

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items that are more likely to be materially adjusted due to estimates and assumptions turning out to be wrong. Detailed information about each of these estimates and judgements is included in other notes together with information about the basis of calculation for each affected line item in the financial statements.

3.1 Revenue recognition on long term contracts

The Group accounts for long-term construction, engineering and project management contracts using the input method based on cost incurred (cost method), which is standard for the Group's industry. Contract revenues and total cost estimates are reviewed and revised periodically as work progresses. Adjustments based on the input method are reflected in contract revenues in the reporting period. To the extent that these adjustments result in a reduction or elimination of previously reported contract revenues or costs, a charge or credit is recognised against current earnings; amounts in prior periods are not restated. Such a charge or credit may be significant depending on the size of the project or the adjustment.

The input method requires the Group to make reliable estimates of progress toward completion of contracts and contract revenues and contract costs. The Group believes it assesses its business risks in a manner that allows it to evaluate the outcome of projects for purposes of making reliable estimates. The Group's business risks have involved, and will continue to involve, unforeseen difficulties including weather, economic instability, labour strikes, localised civil unrest, and engineering and logistical changes, particularly in major projects.

3.2 Corporate income taxes

The Group is subject to taxation in numerous jurisdictions and different taxation regimes, including tax regimes covered by production sharing contracts of our customers, the Norwegian tonnage tax regime and deemed profit regimes. Significant judgement is required in calculating the consolidated tax provision. There are transactions for which the ultimate tax determination is uncertain and for which the Group makes provisions based on an assessment of internal estimates and/or appropriate external advice, including decisions regarding whether to recognise deferred tax assets in respect of tax losses. Each year the Group completes a detailed review of uncertain tax positions across the Group and makes provisions based on the probability of the liability arising. Where the final tax outcome of these matters differs from the amounts that were initially recorded, the difference will impact the tax charge in the period in which the outcome is determined.

The Group also recognises the increased scrutiny applied by tax authorities on intercompany transactions. As such, the Group has considered its key transactions with affiliates and has reasonable grounds for concluding that the prices used are at arm's length. This is supported by internal transfer pricing documentation that is consistent with the OECD Guidelines (OECD Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations).

3.3 Vessels and equipment

Vessels and equipment are recorded at cost, and depreciation is recorded on a straight-line basis over the useful lives of the assets. Management uses their experience to estimate the remaining useful life and residual value of an asset. Reassessment particularly takes place when an asset has been upgraded or does not serve its original purpose anymore. When events or changes in circumstances indicate that the carrying value of vessels and equipment may not be recoverable a test for impairment is carried out by management. Where the 'value-in-use' method is used to determine the recoverable amount of an asset, management use their judgment in determining asset utilisation, profitability, remaining life, and the discount rate when performing the calculation. The determination and identification of different components of the vessels is subject to judgment from management. Each part of the vessel that forms a significant part and has a different depreciable life is considered a significant component.



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3.4 Allowance for doubtful debt

Trade receivables are shown net of impairment losses arising from identified doubtful receivables from customers. Trade receivables were impaired taking into account the financial position of the debtors, the days outstanding and expected outcome of negotiations and legal proceedings against debtors. Unbilled revenue on (completed) projects does not include impairment losses.

3.5 Fair value of derivatives

The fair value of financial instruments that are not traded in an active market (e.g.: over-the-counter derivatives) is determined by using valuation techniques. The Group uses its judgement to select a variety of methods and makes assumptions that are mainly based on market conditions existing at the end of each reporting period. The Group has used discounted cash flow analysis for various foreign exchange contracts that are not traded in active markets. For definition of fair value hierarchy please see note 27.6.1.

3.6 Defined benefit pension schemes

The present value of the pension obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. Management utilises the services of various qualified actuaries to calculate an estimate of the defined benefit pension liability. Any changes in assumptions made (such as the discount rate) will impact the carrying amount of pension obligations. Other key assumptions for pension obligations are based in part on current market conditions.

3.7 Recognition of provisions and disclosure of contingent liabilities

The Group, in the ordinary course of business, may be subject to various claims and lawsuits involving service providers, employees, tax authorities and others. In consultation with internal and external advisors, management will recognise a provision for related expenses and claims, if information available prior to issuance of the consolidated financial statements indicates a probable event and if the amount of the loss/cost can be reasonably estimated. Contingent liabilities for which a possible obligation exists are disclosed but not recognised.

4. Discontinued operations

All operations related to AXA Enghenaria Submarina Ltda, the Brazilian legal entity of which the group owns 60%, are reported as discontinued operations.

The financial performance from discontinued operations is presented below and resulted in a net loss of \$3.63M:



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<i>USD (thousands)</i>	2019	2018
Revenue		
Direct operating expenses		(1 528)
Depreciation and amortisation	(48)	(13)
Gross loss	(48)	(1 541)
Sales, general and administrative expenses	(16)	(35)
Other income		
Results/(loss) from operating activities	(64)	(1 576)
Finance income	43	4
Finance expense	(3 611)	(775)
Net finance expense	(3 568)	(771)
Loss before tax	(3 632)	(2 347)
Corporate income tax credit		
Loss for the period	(3 632)	(2 347)
Results/(loss) attributable to:		
Shareholders of the parent	(3 632)	(2 347)
Non-controlling interests		
Loss for the period	(3 632)	(2 347)

The loss for the period in AXA Enghenaria Submarina Ltda, the discontinued operation, are mainly comprised of an FX impact related to a group loan from DeepOcean Brazil

5. Revenue

For management purposes, the Group is organised in various operating segments, based on a combination of geographical regions and service/product lines. The Executive Director of the Board fulfil the role of Chief Operating Decision Maker (CODM) in the Group, and monitor the operating results of its business units separately for the purpose of decision making and performance assessment. Financial information for this exists in management accounting, however individually the segments do not meet the quantitative thresholds required by IFRS 8.22 (a) for reportable segments. The regions all have similar characteristics in terms of economic, nature of service, type of customer, methods of distribution and regulatory environment. Therefore, the operating segments are combined into one reportable segment as presented in this consolidated statement. Net Income measures the Group's performance.



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5.1 Geographic information

Revenue

The Group operates highly mobile vessels, which operate in multiple jurisdictions. Revenues from external customers are allocated based on the country of the registered office of the Group subsidiary executing the services.

<i>USD (thousands)</i>	2019	2018
Norway	212 040	210 352
United Kingdom	151 247	210 248
Netherlands	6 788	5 620
Americas	75 579	40 316
Africa	44 740	39 281
Total revenue	490 394	505 817

Non-current assets

The allocation of assets is based on the country of the registered office of the Group subsidiary.

<i>USD (thousands)</i>	31 December 2019	31 December 2018
Norway	170 089	100 855
United Kingdom	118 303	27 376
Netherlands	38 036	1 318
Americas	55 937	37 342
Africa	1 991	3 543
Total non-current assets	384 356	170 434

5.2 Major customers

Revenue from customers contributing more than 10% to the total revenue is summarised below:

<i>USD (thousands)</i>	2019	2018
Revenue	190 523	238 121
Number of customers	2	3

The two customers contributing more than 10% of overall group revenue each in 2019 are: Equinor Energy AS; AkerBP AS;

5.3 Seasonality of operations

The Group's activities in all segments are subject to seasonal fluctuations as a result of weather conditions. During the winter months, the possibility of adverse weather conditions is significantly higher compared to the summer months. As a result, the Group's revenues and results typically are lower in the first and fourth quarter of the year, particularly in operations in the northern hemisphere.

6. Expenses by nature

The direct operating; sales, general and administrative expenses; and other (income)/expenses are presented below:

- Direct operating expenses:



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<i>USD (thousands)</i>	2019	2018
Employee costs	182 185	198 778
Vessel charter costs	28 923	150 113
Other rentals	14 497	18 429
Parts, materials and consumables	57 521	69 947
Other direct operating expenses	48 703	21 872
Total Direct operating expenses	331 828	459 140
From continuing operations	331 828	457 618
From discontinued operations	-	1 528
IFRS 16 impact		
Vessel charter costs	107 232	
Other rentals	1 736	

- Sales, general and administrative expenses:

<i>USD (thousands)</i>	2019	2018
Employee costs	8 954	19 638
Premises and office costs	2 781	4 197
Travel cost	2 262	2 349
Professional fees	2 864	4 570
IT and communications	2 559	2 456
Marketing	705	795
Other (income)/expense	2 275	(404)
Total Sales, general and administrative expenses	22 400	33 599
From continuing operations	22 384	33 599
From discontinued operations	16	35
IFRS 16 impact		
Premises and office costs	1 614	
Travel cost	58	

- Other expenses / (income):

<i>USD (thousands)</i>	2019	2018
Profit on the sale of fixed assets	(97)	(777)
Restructuring costs	14 334	12 248
Impairment of loans to related parties	-	-
Allowance for doubtful debt	5 875	-
Other extraordinary costs	-	-
Total other expense	20 112	11 471
From continuing operations	20 112	11 471
From discontinued operations	-	-
Impairment of fixed assets	5 252	138
Total other expense, including impairments of fixed assets	25 364	11 609

The restructuring costs comprise mainly of fees paid to advisors of the Company, severance payments, specific costs such as salaries related to clearly defined restructuring activities and costs related to the cold stacking of certain vessels.



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7. Employee costs

The employee costs include cost related to the Group's long-term incentive plans and pensions.

USD (thousands)	2019	2018
Pensions - defined contribution plans	4 505	4 544
Pensions - defined benefit plans	959	990
Long term incentive plan (RSU)	-	358

8. Independent auditor's remuneration

With reference to Section 2:382a of the Netherlands Civil Code, fees billed to the Group by the principal auditing firm Ernst & Young (EY) Netherlands as the independent statutory auditor of the Group and other member firms of E&Y International, were:

USD (thousands)	2019	2018
Audit - Statutory	576	601
Other related services	-	-
Tax advisory services	79	44
Other services	119	85
Total	774	730

9. Net finance income/(expenses)

USD (thousands)	2019	2018
Finance income		
Interest income on bank and loans	(510)	(318)
Other finance income	(14)	(39)
Total finance income	(524)	(357)
Finance expense		
Interest expense on bank loans and overdrafts	7 943	7 719
Interest expense on finance lease	779	853
Interest expense on operational lease	IFRS16 20 314	
Unrealised result of currency derivatives	(104)	1 505
Realised result of currency derivatives	423	125
Net foreign exchange expense	2 292	6 543
Net foreign exchange expense	IFRS16 (4 244)	
Other finance expense	2 358	2 703
Total finance expense	29 761	19 448
Net finance expense recognised in statement of profit or loss	29 237	19 091
From continuing operations	25 669	18 320
From discontinued operations	3 568	771



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10. Corporate income tax

10.1 Current corporate income tax

USD (thousands)	2019	2018
Current income tax on loss for the year	2 729	344
Adjustments with respect to prior years	0	36
Non-deductible withholding tax	2 723	1 398
Current corporate income tax expense	5 452	1 778
Origination and reversal of temporary differences	(9 734)	32
Deferred income tax expense/(credit)	(9 734)	32
Total income tax expense/(credit)	(4 282)	1 810

The income tax expense recognised in the period can be reconciled to the accounting profit as follows:

USD (thousands)	2019	2018
Loss before tax from continuing operations	(49 621)	(46 436)
Loss before tax from discontinued operations	(3 632)	-
Loss before tax for the period	(53 253)	(46 436)
Corporate income tax expense calculated at 25%	(13 313)	(11 609)
Effect of different income tax rates in other jurisdictions	4 273	3 963
Permanent differences/(non-deductible expenses)	3 570	(461)
Non-taxable income	-	-
Unrecognised DTA/(utilisation of previously unrecognised DTA)	(3 286)	6 348
Prior year adjustments	0	36
Other	4 474	3 533
Total	(4 282)	1 810

	2019	2018
Corporate income tax expense calculated at 25%	25,0%	25,0%
Effect of different income tax rates in other jurisdictions	-8,0%	-8,5%
Permanent differences/(non-deductible expenses)	-6,7%	1,0%
Non-taxable income	0,0%	0,0%
Unrecognised DTA/(utilisation of previously unrecognised DTA)	6,2%	-13,7%
Prior year adjustments	0,0%	-0,1%
Other	-8,4%	-7,6%
Total	8,1%	-3,9%

Effective tax rate analysis

2019

For the year ended 31 December 2019 the Group recorded a net tax of \$4.3 million. This resulted in an effective tax rate of 8.1%.

2018

For the year ended 31 December 2018 the Group recorded a net tax of \$1.8 million. This resulted in an effective tax rate of minus 3.9%.



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10.2 Recognized deferred tax assets and liabilities

The net movement on the deferred income tax account is as follows:

<i>USD (thousands)</i>	Balance 1 January 2018	Recognised in profit or loss	Recognised in other comprehensive income	Exchange differences	Balance 31 December 2018
Vessels and equipment	126	(58)	-	(6)	62
Receivables	(14)	(46)	-	0	(60)
Post employment benefits	443	(198)	(239)	(10)	(4)
Provisions	669	(429)	459	(57)	642
Tax losses carried forward	4 312	924	-	(427)	4 809
Other	1 010	(226)	(36)	21	769
Total	6 546	(34)	184	(479)	6 218

<i>USD (thousands)</i>	Balance 1 January 2019	Recognised in profit or loss	Recognised in other comprehensive income	Exchange differences	Balance 31 December 2019
Vessels and equipment	62	2 271	-	3	2 336
Receivables	(60)	36	18	2	(4)
Post employment benefits	(4)	155	-	4	155
Provisions	642	(10)	(0)	(3)	629
Tax losses carried forward	4 809	4 147	-	(258)	8 698
Other	769	2 480	(1 164)	(43)	2 042
Total	6 218	9 079	(1 146)	(295)	13 856

The movement in deferred income tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

Deferred tax assets and liabilities

	Assets		Liabilities		Net	
	31 December 2019	31 December 2018	31 December 2019	31 December 2018	31 December 2019	31 December 2018
<i>USD (thousands)</i>						
Vessels and equipment	2 336	61	-	-	2 336	61
Receivables	(3)	(60)	-	-	(3)	(60)
Post employment benefits	146	(14)	-	-	146	(14)
Provisions	627	641	-	-	627	641
Tax losses carried forward	9 419	5 179	-	-	9 419	5 179
Other	3 612	1 745	(1 260)	(1 334)	2 352	411
Set off of tax components					-	-
Total	16 137	7 552	(1 260)	(1 334)	14 877	6 218
To be recovered after 12 months	8 153	7 552	(1 260)	(1 334)		
To be recovered within 12 months	7 984	-	-	-		
Total	16 137	7 552	(1 260)	(1 334)		

The recognised deferred tax assets are dependent on future taxable profits in excess of profits arising from the reversal of existing taxable temporary differences. Based on forecasted results for each relevant entity, management considered it probable that sufficient future taxable profits will be generated to utilise deferred tax assets.



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10.3 Unrecognised deferred tax assets

USD (thousands)	2019	2018
Deductible temporary differences	(1)	2 444
Tax losses	2 470	10 885
Capital allowances	33	12
Total	2 502	13 341

Unrecognised deferred tax assets relate to temporary differences and tax losses carried forward in certain entities where it is currently not probable that future taxable profits will be generated to utilise these assets.

10.4 Tax liabilities

Group companies receive enquiries from tax authorities and tax audits are performed by tax authorities with Group companies, which may result in disputes in respect of filed tax returns. Tax liabilities are recognised when it is considered probable that there will be a future outflow of funds to a tax authority. In such cases, a provision is made for the amount that is expected to be settled, where this can be reasonably estimated. This requires the application of judgement as to the ultimate outcome, which can change over time depending on facts and circumstances. A change in estimate of the likelihood of a future outflow and/or in the expected amount to be settled would be recognised in income in the period in which the change occurs.



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DEEPOCEAN**11. Vessels and equipment**

<i>USD (thousands)</i>	Vessels	Mission equipment	Other	Right-of-use-assets	Assets under construction	Total
Costs						
Balance at 1 January 2018	206 333	232 522	10 780		3 068	452 703
Additions	6 255	3 722	1 514		4 962	16 453
Acquisition of business		39 649	2 310		35	41 994
Retirement and disposals		(6 889)	(195)		(762)	(7 846)
Exchange differences	(3 100)	(13 178)	(1 593)		(763)	(18 634)
Balance at 31 December 2018	209 488	255 826	12 816	-	6 540	484 670
Balance at 1 January 2019	209 488	255 826	12 816	-	6 540	484 670
Additions		4 694	89	359 539	5 731	370 053
Reclassification	99	3 622	133		(8 150)	(4 296)
Asset classified as held for sale	(86 406)					(86 406)
Retirement and disposals	(16 788)	(90 833)	(3 955)		(1 665)	(113 241)
Impairments	(21 916)					(21 916)
Exchange differences	599	13	1 618		(433)	1 797
Balance at 31 December 2019	85 076	173 322	10 701	359 539	2 023	630 661
Accumulated depreciation						
Balance at 1 January 2018	(142 103)	(163 647)	(6 837)	-	-	(312 587)
Depreciation charge	(9 868)	(18 277)	(1 617)			(29 762)
Retirement and disposals		6 458	408			6 866
Impairments			(138)			(138)
Exchange differences	2 827	2 438	1 473			6 738
Balance at 31 December 2018	(149 144)	(173 028)	(6 711)	-	-	(328 883)
Balance at 1 January 2019	(149 144)	(173 028)	(6 711)	-	-	(328 883)
Depreciation charge	(9 423)	(16 881)	(1 281)	(107 720)		(135 305)
Retirement and disposals	16 790	89 650	2 942			109 382
Assets classified as held for sale	71 290					71 290
Impairments	16 664					16 664
Exchange differences	(358)	582	(415)	(2 017)		(2 208)
Balance at 31 December 2019	(54 181)	(99 677)	(5 465)	(109 737)	-	(269 060)
Carrying amounts						
At 1 January 2018	64 230	68 875	3 943	-	3 068	140 116
At 31 December 2018	60 344	82 798	6 105	-	6 540	155 787
At 1 January 2019	60 344	82 798	6 105	-	6 540	155 787
At 31 December 2019	30 895	73 645	5 236	249 802	2 023	361 601

Impairment vessels and equipment

In 2019 there were indications that the carrying amount of certain vessels might exceed the estimated recoverable amount (the higher of its value in use and fair value less costs to sell), the possible existence of an impairment loss was investigated.

The Group performed its annual impairment test in December 2019. The Group considers the relationship between its enterprise value and its book value, among other factors, when reviewing for indicators of impairment. External



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valuations of the owned vessels were also included in this assessment. In the reporting period, management assessed the fair value of these assets and concluded impairments would be necessary. This resulted in a 2019 impairment of USD 5.3 million.

Assets held for sale

In the reporting period, there was assets reclassified to assets held for sale amounting to \$15.0 million

12. Goodwill and intangible assets

<i>USD (thousands)</i>	Goodwill	Customer relationships	Backlog	Total
Costs				
Balance at 1 January 2018	1 059	1 282	305	2 646
Additions		318		318
Reclassification		305	(305)	-
Exchange differences	(50)		-	(50)
Balance at 31 December 2018	1 009	1 905	-	2 914
Balance at 1 January 2019	1 009	1 905	-	2 914
Exchange differences	(19)		-	(19)
Balance at 31 December 2019	990	1 905	-	2 895
Accumulated Amortisation				
Balance at 1 January 2018				-
Balance at 31 December 2018	-	-	-	-
Balance at 1 January 2019	-	-	-	-
Balance at 31 December 2019	-	-	-	-
Carrying amounts				
At 1 January 2017	1 059	1 282	305	2 646
At 31 December 2017	1 009	1 905	-	2 914
At 1 January 2018	1 009	1 905	-	2 914
At 31 December 2018	990	1 905	-	2 895

In 2019 there was no further Goodwill recognized, and no additions to minor intangible assets.

13. Equity-accounted investees**13.1 Joint ventures**

On 1 December 2014 the Group entered into a joint venture agreement with Technip Norge AS, resulting in the incorporation of Technip-DeepOcean PRS JV DA ('PRS') in Norway, in which both parties own 50% of the shares. The main purpose of the joint venture is to execute the PRS Framework Agreement. The parties have joint control.

In 2018 the Group entered into a joint venture with Level Personal AS, resulting in the incorporation of Level Offshore AS in Norway, in which both parties hold 50% of the shares. The main purpose of the joint venture is to provide staffing services to the offshore industry and the marine market.



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<i>USD (thousands)</i>	Share	Profit/(loss)	Assets	Liabilities	Equity	DeepOcean's share in equity	Carrying value
31 December 2018							
Technip-DeepOcean PRS JV DA	50 %	950	3 320	(2 253)	(1 067)	(533)	533
Level Offshore AS	50 %	264	1 380	(1 025)	(355)	(177)	58
Total		1 214	4 700	(3 278)	(1 422)	(711)	591

During the year ended 31 December 2019, the Group did receive dividend from its equity-accounted investments amounting US\$0.9 million (2018: US\$0.8 million). None of these companies are publicly listed and consequently do not have published price quotations. There are no contingent liabilities relating to the Group's interest in the investments accounted for using the equity method.

14. Joint operations

In 2015 the Group entered into an agreement with a Ghanaian partner resulting in the incorporation of DeepOcean Ghana Ltd in Ghana, in which DeepOcean owns 49% of the shares. The main purpose of the joint operations is to execute contracts in Ghana. Despite the fact that the Group only holds 49% of the shares, the parties have joint control.

The shareholder agreement in relation to DeepOcean Ghana Ltd requires consent from both parties for all significant decisions. The two partners have rights to substantially all of the economic benefits of the assets held in the separate vehicle. This entity, as well as its fully owned subsidiary DeepOcean Ghana B.V. is therefore classified as a joint operation.

DeepOcean Ghana Ltd is 100% consolidated in DeepOcean Group.

15. Changes in consolidated interests

In 2019, the Company has liquidated Northwest Maritime AS. Also, DeepOcean Shipping VI AS has been merged into DeepOcean AS.

16. Prepaid charter costs

The Group enters into new charter agreements with ship owners on a regular basis. Mobilization cost associated with a new charter are capitalized and amortized over the term of the lease.

17. Inventories

The inventories comprise of the following:

<i>USD (thousands)</i>	31 December 2019	31 December 2018
Fuel and oil	3 203	3 372
Spare parts	188	194
Total	3 391	3 566

At 31 December 2019 no inventory was written off (31 December 2018: nil). The inventories are for internal use only and not for re-sale. The cost of inventories utilised is recognised as an expense in direct operating expenses.



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18. Trade receivables and contract assets

	31 December 2019	31 December 2018
<i>USD (thousands)</i>		
Trade receivables		
Receivables from third-party customers	72 231	46 807
Receivables from associates and joint-ventures	500	681
Allowance for expected credit losses	(5 803)	(47)
Net trade receivables	66 928	47 442
Contracts assets		
Other receivables	2 759	3 533
Other current financial assets	34 726	47 716
Net contract assets	37 485	51 248
Total	104 413	98 690

Allowance for expected credit losses on trade receivables and contract assets

	2019	2018
<i>USD (thousands)</i>		
Balance at 1 January	(47)	(50)
Provision for expected credit losses	(5 756)	
Write-off	-	-
Foreign currency movement	-	3
Balance at 31 December	(5 803)	(47)

19. Cash and cash equivalents

Unrestricted cash and cash equivalents are available for immediate use by the Group. Cash and cash equivalents in the joint operations in Ghana are available for immediate use subject to approval by both partners in the joint arrangement.

Restricted cash

	2019	2018
<i>USD (thousands)</i>		
Withheld employee taxes Norway	2 533	2 319



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DEEPOCEAN**20. Share capital and premium**

<i>USD (thousands)</i>	Number of shares	Share capital	Share premium
On issue at 1 January 2018	47 036 451	564	359 191
New shares issued	30 000 000	343	29 752
Foreign currency movement	-	(27)	(17 288)
On issue at 31 December 2018 - fully paid	77 036 451	880	371 655
Treasury shares		-	-
Outstanding at 31 December 2018 - fully paid	77 036 451	880	371 655
On issue at 1 January 2018	77 036 451	880	371 655
New shares issued		-	
Foreign currency movement	-	(17)	(7 126)
On issue at 31 December 2018 - fully paid	77 036 451	863	364 529
Treasury shares		-	-
Outstanding at 31 December 2018 - fully paid	77 036 451	863	364 529

The Board of Directors proposes no dividend for 2019 (2018: nil).

21. Loans and borrowings

This note provides information about the contractual terms of the Group's interest-bearing loans and borrowings, which are measured at amortised cost. For more information about the Group's exposure to currency risk, interest rate risk, liquidity risk and operational risk, reference is made to note 27.

<i>USD (thousands)</i>		31 December 2019	31 December 2018
Non-current borrowings			
Secured bank loans - Credit Facility - Facility B		17 009	18 387
Finance charges being amortised ¹		(1 161)	(2 198)
Finance lease liabilities		20 155	15 735
Operational lease liabilities	IFRS16	149 667	
		185 670	31 924
Current borrowings			
Secured bank loans - Credit Facility - Facility A		84 575	90 657
Secured bank loans - Credit Facility - Facility B		-	-
Finance charges being amortised ¹		-	-
Bank loan acquired through business combination		-	-
Finance lease liabilities		4 220	2 214
Operational lease liabilities	IFRS16	113 612	
		202 407	92 871
Total		388 077	124 795

¹ The carrying amount of borrowings includes directly attributable costs which are amortized over the term of the loans.



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DEEPOCEAN**21.1 Secured bank loans**

	31 December 2019	31 December 2018
<i>USD (thousands)</i>		
At 1 January	109 044	79 880
Repayment of borrowings	(4 640)	15 638
Proceeds of new borrowings	-	36 988
Exchange differences	(2 820)	(23 462)
At 31 December	101 584	109 044

The Credit Facility of EUR 155.0 million (US\$173.7 million) consists of EUR 80.0 million revolving credit facility (the "Facility A") a EUR 45.0 million performance guarantee facility (the "Facility C"), and a EUR 30.0 million term loan facility (the "Facility B").

In the Credit Facility an additional EUR 20.0 million (US\$22.4 million) feature is available under Facility A. It is also possible to transfer up to EUR 25.0 million from Facility A to a committed performance guarantee facility (the "Facility D"), the transfer/utilization date being the Facility D Increase Date. The committed amount may not be reversed to Facility A. The Credit Facility is secured by all of the assets of the Group including the assets of its present and future subsidiaries.

The Credit Facility contains customary operating and financial covenants, including restrictions on each obligor (and where expressly provided, the subsidiaries of such obligors) with regard to the extent to which we may, among other things, (i) incur additional indebtedness or guarantees; (ii) create liens or other encumbrances on our property; (iii) enter into a merger or similar transaction; (iv) sell or transfer property except in the ordinary course of business; (v) make dividend and other restricted payments; (vi) repurchase Ordinary Shares; and (vii) make acquisitions.

In effect from 30 November 2018 the key financial covenant requirements can be summarised as follows:

Minimum liquidity	Cash in hand + available balance in the Facility should at all times exceed USD 7.5 million.
Minimum Adjusted EBITDA	Total last 12 months adjusted EBITDA for the group per 31 December 2019 shall not be less than USD 16.5 million.

At 31 December 2019 the financial covenants for the Company's debt instruments were within their applicable thresholds.

Current and forecasted covenants are monitored continuously. With the revised credit facility agreement, some ease in the financial covenants was given while monitoring of the Company's ability to meet its debt service obligations was tightened (also see note 27.5 on Liquidity), and where necessary action will be taken to ensure access to funding.

The carrying amounts per currency and year of maturity are as follows:

				31 December 2019	31 December 2018
<i>USD (thousands)</i>	Currency	Nominal interest rate	Year of maturity	Carrying amount	Carrying amount
Facility A - Credit Facility	USD	LIBOR + 4.75%	2023	84 575	90 657
Facility B - Term loan	USD	LIBOR + 4.75%	2023	17 009	18 387
Total				101 584	109 044

The fair value of the outstanding borrowings in 2019 is estimated to approximate their carrying amount as the impact of discounting is not significant.

The maturity date for the Facilities is 28 February 2023, being the revised maturity date.



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The availability period for the Facility A is up to and including 27 November 2022, or, in case of an extension of the maturity date for Facility A, up to and including the date falling three months before the final maturity date for Facility A.

The availability period for Facility C is up to and including 27 January 2023.

The availability period for Facility D is the period from and including the Facility D Increase Date to and including 27 January 2023.

The repayment schedule on the remaining part of the Facility B term loan of EUR 25.0 million, drawn in USD, was adjusted in the amendment of 30 November 2018 to 2 annual instalments of EUR 6.5, of which the first is due in 2021. Each instalment is to be repaid in the USD equivalent of the EUR reduction.

The interest is in line with market conditions and is based on LIBOR plus a margin of 4.75% (the level of the margin depends on the leverage of the Group). On the undrawn amount of the Facility A revolver loan interest is charged at 40% of margin, on the Facility C and Facility D performance guarantee loan interest (Guarantee Fee) is charged at 2.125% and a commitment fee on the undrawn Facility C and Facility D is charged at 40% of the Guarantee Fee. The credit facility agreement prior to amendment on 30 November 2018 included a Leverage Suspension Period that ended 1 July 2018. As a condition to Leverage Suspension Period the margin and the Guarantee Fee the company paid were increased with 0.75% for as long as the Leverage Suspension Period was applicable. With the amendment of the agreement the margins were kept at the levels of the Leverage Suspension Period and the Guarantee Fee was increased.

For the drawn amounts of committed loan facility, refer to note 28. The Group has the following undrawn borrowing facilities as per 31 December 2019:

	31 December 2019	31 December 2018
<i>USD (thousands)</i>		
Facility C - Ancillary loan commitment	16 163	18 945
Total	16 163	18 945

The Facility A may be drawn in multiple tranches provided that each tranche must be at least EUR 5.0 million. This minimum amount does not apply to the performance guarantee facility issues. In addition, the Group may add an additional EUR 20.0 million (USD 22.4 million) accordion facility to the Facility A.

21.2 Finance lease liabilities

DeepOcean did enter into new financial lease agreements during 2019 and had per 31 December 2019, 9 lease agreements all classified as financial leases under IFRS. The lease liabilities are effectively:

	31 December 2019	31 December 2018
<i>USD (thousands)</i>		
Gross finance lease liabilities - minimum lease payments		
- No later than 1 year	6 548	3 145
- Between 1 and 5 years	22 126	14 381
- Later than 5 years	-	2 972
Total gross finance lease liabilities	28 674	20 498
Future finance charge on finance lease	(4 299)	(2 548)
Present value of finance lease liabilities	24 375	17 950

The present value of the finance lease liabilities are as follows:

	31 December 2019	31 December 2018
<i>USD (thousands)</i>		
No later than 1 year	4 927	2 215
Between 1 and 5 years	19 447	12 873
Later than 5 years	1	2 862



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22. Loans and borrowings from related parties

	31 December 2019	31 December 2018
<i>USD (thousands)</i>		
At 1 January	1 580	22 266
Repayment of borrowings - reclass as intercompany		(18 412)
Exchange differences	(79)	(2 274)
At 31 December	1 501	1 580

Loans and borrowings from related parties solely consists of a loan from DeepOcean Brasil Serviços Ltda, which was disposed of and deconsolidated from the Group per 30 December 2016, to AXA Engenharia Submarina Ltda.



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DEEPOCEAN**23. Post-employment benefits**

The pension plans expose the Group to actuarial risks, such as longevity risk, currency risk, interest rate risk and market (investment) risk.

The amounts recognised in the statement of financial position are determined as follows:

	31 December 2019	31 December 2018
<i>USD (thousands)</i>		
Present value of funded obligations	9 030	9 602
Less: Fair value of plan assets	8 397	9 905
(Surplus)/ deficit in the plan	633	(303)
MNOPF & MNRPF scheme	234	224
Other post-employment benefits	-	(83)
Total	867	(162)

The movement in the defined benefit obligation over the year is as follows:

	2019	2018
<i>USD (thousands)</i>		
Defined benefit obligations at 1 January	9 682	8 818
Benefits paid by the plan	(201)	(179)
Current service costs	832	827
Interest (income)/expense	250	204
Remeasurement, excluding amounts included in interest (income)/ expense	(1 507)	526
Payroll tax	68	(39)
Exchange differences	(94)	(475)
Defined benefit obligations at 31 December	9 030	9 682

The movement in the fair value of plan assets of the year is as follows:

	2019	2018
<i>USD (thousands)</i>		
Fair value of plan assets at 1 January	10 078	8 382
Contributions paid by the employer	334	1 283
Benefits paid by the plan	(175)	(179)
Administration costs	(19)	(20)
Interest (income)/expense	257	211
Remeasurement, excluding amounts included in interest (income)/ expense	(1 978)	805
Exchange differences	(99)	(404)
Fair value of plan assets at 31 December	8 397	10 078

The amounts recognised in the statement of profit or loss is as follows:

	2019	2018
<i>USD (thousands)</i>		
Current service costs	832	827
Interest (income)/expense	(7)	(8)
Administration costs	19	20
Payroll tax of net pension cost	68	(39)
Exchange differences	5	22
Total	917	822



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The expected rate of return on plan assets is equal to the discount rate as used to calculate the corresponding defined benefit obligation and is based on high quality bonds.

The Group's defined benefit plan assets combined comprise the following asset categories:

	31 December 2019	31 December 2018
Equity instruments	9,6%	9,5%
Bonds	12,4%	16,5%
Hold to maturity bonds	62,7%	60,3%
Property	13,4%	12,2%
Other	1,9%	1,5%
Total	100,0%	100,0%

Investments are well diversified, such that the failure of any single investment would not have a material impact on the overall level of assets. The largest proportion of assets is invested in hold to maturity bonds, although the pension fund also invests in equity, property, bonds and other.

The IAS 19R calculations of the defined benefit pension schemes are carried out by the insurance companies. The principal actuarial assumptions used in the calculations are as follows:

	31 December 2019	31 December 2018
Discount rate	2,07 %	2,60 %
Future salary increases	2,25 %	2,75 %
Future increase in payroll tax base	0,00 %	0,00 %

A change of 1% in the assumptions stated above will not have a significant impact on the recognised pension liability in the balance sheet or on the movement recognised in the balance sheet or other comprehensive income.

	defined benefit obligation	
	1 percent increase	1 percent decrease
Discount rate	(1 013)	1 186
Future salary growth	1 263	(1 077)
Future pension growth	350	(232)
Life expectancy	44	(51)

Assumptions regarding future mortality experience are set based on actuarial advice in accordance with published statistics and experience. The mortality rates used are in accordance with Nordea Liv's basis of calculation for Group pension insurance, K2013.

	31 December 2019		31 December 2018	
	Men	Women	Men	Women
Age 20	88,6	92,4	88,6	92,4
Age 40	87,0	90,6	87,0	90,6
Age 60	86,0	89,4	86,0	89,4
Age 65	83,5	86,8	83,5	86,8
Age 80	89,3	91,6	89,3	91,6

The number of participants of the defined benefit plans and the corresponding average age are stated below:



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	31 December 2019		31 December 2018	
	Active	Pensioners	Active	Pensioners
Number of participants	237	20	263	20
Average age	44	65	44	64

24. Provisions

<i>USD (thousands)</i>	Onerous contracts	Dilapidations	Total
Balance at 1 January 2019	3 214	247	3 461
Additional provisions recognised	1 161	-	1 161
Provisions utilised during the year	(1 613)	-	(1 613)
Provisions reversed during the year	(100)	-	(100)
Exchange differences	(94)	(64)	(158)
Balance at 31 December 2019	2 569	183	2 752
Analysis of provisions			
Current	2 569	-	2 569
Non-current		183	183
Total	2 569	183	2 752

The provisions are related to employee retention bonuses, property leases and realized losses on customer projects.

25. Derivative financial instruments

<i>USD (thousands)</i>	31 December 2019	31 December 2018
Non-current portion of derivative liabilities	0	-
Current portion of derivative liabilities		
Forward foreign exchange contracts and swaps	4 104	3 833
	4 104	3 833
Total	4 104	3 833

The interest rate swaps are related to the term B loan of the Credit Facility and swaps a floating interest for a fixed interest rate as described in note 21. The Group does not apply hedge accounting in relation to the interest risk; the change in fair value is recognised in the statement of profit or loss.

26. Trade and other payables

<i>USD (thousands)</i>	31 December 2019	31 December 2018
Trade payables	47 127	55 004
Contract liabilities	66 048	43 757
Wage taxes and social securities	6 040	6 441
Other payables	(3)	405
Total	119 214	105 607

Trade and other payables have increased slightly at the end of 2019 compared to 2018. This is mainly caused by an increase in project cost at year end 2019 than 2018.



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DEEPOCEAN**27. Financial risk management****27.1 Overview**

The Group's activities expose it to a variety of financial risks, which can be categorised as market risk, credit risk and liquidity risk. Whereas market risk includes foreign exchange risks and interest rate risks. Management policies have been established to identify, analyse and monitor these risks, and to set appropriate risk limits and controls. Financial risk management is carried out in accordance with the Group Risk Management policy approved by the Executive Management. The written principles and policies are reviewed periodically to reflect changes in market conditions, the activities of the business and laws and regulations affecting our business.

27.2 Market risk - Foreign exchange risk

The Group's revenues are earned in NOK, USD, GBP, and EUR. Sales and expenses in the same currency contribute to mitigating some of the currency risk. The Group continually assesses its exposure and currency derivatives may be used to further reduce this risk.

The main exchange rates used throughout the Group at the balance sheet date, compared to the USD, were as follows:

	NOK		GBP		EUR	
	closing	average	closing	average	closing	average
2018	0,11505	0,12290	1,26816	1,33567	1,14270	1,18119
2019	0,11387	0,11367	1,32228	1,27730	1,12079	1,11955

Exposure

Strengthening/weakening of the USD as of the reporting date against the currencies listed above would have increased/(decreased) profit or loss before tax by the amount shown in the next table. This analysis was performed on a 10% variation in 2019, while in 2018 the analysis was performed on a 5% variation.

	Equity		Profit or loss before tax	
	strengthening	weakening	strengthening	weakening
31 December 2018				
EUR	16 414	(16 414)	(866)	866
GBP	1 497	(1 497)	(383)	383
NOK	22 131	(22 131)	(604)	604
31 December 2019				
EUR	6 428	(6 428)	(556)	556
GBP	1 667	(1 667)	(3 088)	3 088
NOK	46 118	(46 118)	415	(415)

The effect on profit and loss arises in connection with monetary balances denominated in currencies other than the relevant entity's functional currency; the effect on equity arises principally from the translation of assets and liabilities of entities that are not USD functional.



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DEEPOCEAN**27.3 Market risk - Interest rate risk profile**

The Group is exposed to interest-rate risk to borrowings and cash deposits. Primarily, floating-interest rate loans under the Group's Credit Facility involve risk exposure for the Group's future cash flow. The terms of the Group's loans are described in note 21.

At the end of the reporting period the interest rate profile of the Group's interest-bearing assets and liabilities is as follows:

<i>USD (thousands)</i>	Nominal amount	
	31 December 2019	31 December 2018
Variable rate instruments		
Facility A - Credit Facility	84 575	90 657
Facility B - Term loan	17 009	18 387
Finance lease liabilities	24 375	17 949
	125 959	126 993

The Group assesses its interest rate sensitivity at fair value through profit or loss. A potential change of 100 basis points in interest rates at the end of the reporting period shows the Groups sensitivity to potential changes in interest rates which is reasonably possible:

Average rate	4,75 %
Interest change 100 base points	1,00 %
Change interest (+/-)	1 836 103

27.4 Credit risk

Credit risk arises primarily from cash and cash equivalents held at financial institutions, and to a certain extent, from trade receivables.

Cash balances are only held with large recognised financial institutions in each demographic area where the Group operates.

The Group's exposure of trade receivables is managed through establishing proper credit limits, continuous credit risk assessments for each individual customer. If customers are independently rated, these ratings are used. If there is no independent rating, the credit quality is based on past experience, their financial position and other factors. The utilisation of the credit limits is regularly monitored.

The following table sets out details of the age of the trade receivable and related allowance for doubtful debt.

<i>USD (thousands)</i>	31 December 2019	31 December 2018
0 - 60 days	63 053	43 453
60 - 90 days	2 179	3 250
90 - 120 days	1 675	980
120+ days	5 824	(194)
Gross trade receivable	72 731	47 489
Allowance for doubtful debt	(5 803)	(47)
Net trade receivables	66 928	47 442



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DEEPOCEAN**27.5 Liquidity risk**

Liquidity risk is the risk that the Group will be unable to fulfil its operational and financial obligations as they fall due. Liquidity risk has become the most significant risk, both for the Group and the business in general. The Subsea business has been through a severe downturn, which has had a major impact on cash flow and cash reserves. Previous strategies with goals for the Group's leverage ratio, have been replaced by a reality where minimum cash covenants in the credit facility agreement being the measuring point. The Group monitors the risk of lack of available capital/cash and cash equivalents through continued evaluations of its liquidity position combined with a rolling cash flow forecast of its operational activities, including the servicing of its financial obligations.

The Group's liquidity reserve comprises cash and cash equivalents of USD 66.5 million and an undrawn credit facility of USD 21.7 million (note 21.1).

The table below analyses the Group's non-derivative financial liabilities and net-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. Derivative financial liabilities are included in the analysis if their contractual maturities are essential for an understanding of the timing of the cash flows. The amounts disclosed in the table are the contractual undiscounted cash flows.

USD (thousands)	1 year or less	1 - 5 years	Over 5 years
31 december 2018			
Secured bank loans - Credit Facility - Facility B	-	18 387	-
Secured bank loans - Credit Facility - Facility A	90 657	-	-
Finance lease (including interest)	3 145	14 381	2 972
Derivative financial instruments (excluding interest rate swaps)	3 833	0	-
Trade and other payables	61 850	-	-
Total	159 485	32 768	2 972
31 december 2019			
Secured bank loans - Credit Facility - Facility B	-	17 009	-
Secured bank loans - Credit Facility - Facility A	84 575	-	-
Finance lease (including interest)	6 548	22 126	-
Derivative financial instruments (excluding interest rate swaps)	4 104	0	-
Trade and other payables	53 165	-	-
Total	148 392	39 135	-

The interest included in the above table is based on the current amounts borrowed with current interest rates and interest rate swaps. No assumptions are included for possible future changes in borrowings or interest payments.

27.6 Fair value estimation**27.6.1 Fair value hierarchy**

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the group has classified its financial instruments into the three levels prescribed under the accounting standards. An explanation of each level follows underneath the table.

USD (thousands)	31 December 2019			
	Level 1	Level 2	Level 3	Total
Liabilities				
Derivatives at fair value through profit or loss	4 104	-	-	4 104
Net asset/(liability)	(4 104)	-	-	(4 104)

The table above analyses financial instruments carried at fair value by valuation method and presents the changes in Level 1 instruments for the year ended 31 December 2019. The different levels have been defined as follows:



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- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

There were transfers between level 3 and level 1.

Fair values reflect the credit risk of the instrument and include adjustments to take account of the credit risk of the Group entity and counterparty when appropriate.

27.6.2 Valuation techniques used to determine fair values

The fair value of the forward currency exchange contracts and currency options are primarily based on the fair value quote given by the specialised counterparty. Those quotes are tested for reasonableness by comparison with the Group's own valuation models. The fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date.

27.6.3 Fair value measurements using quoted prices (level 1)

The following table presents the changes in level 1 items for the period ended 31 December 2019:

USD (thousands)	Level 1	Level 2	Level 3	Total
At 1 January 2019	-	-	(3 833)	(3 833)
Transfers into level	(3 833)	-	3 833	-
Total gains/(losses) recognised in:	-	-	-	-
- statement of profit or loss	(310)	-	-	(310)
- statement of other comprehensive income	-	-	-	-
- exchange differences	39	-	-	39
At 31 December 2019	(4 104)	-	-	(4 104)

27.7 Capital risk

The Group's objectives when managing capital is to maintain a capital structure that enables the Group to achieve its strategic objectives and daily needs, and to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders.

In order to maintain or adjust the capital structure, the Group may issue new shares, adjust its dividend policy, return capital to shareholders or sell assets to reduce debt taking into account relevant interest cover and leverage covenants of our external borrowings.

The Group monitors capital on the basis of the debt to adjusted EBITDA ratio. This leverage ratio is calculated as (net) debt divided by adjusted EBITDA. Net debt is calculated as total borrowings less cash and cash equivalents. Adjusted EBITDA is defined as EBITDA from continuing operations adjusted for one-off events including restructuring cost and other non-recurring events which are included in other expenses. The basis of the adjusted EBITDA in 2019 is based on IFRS 16 implemented, while 2018 numbers are excluding IFRS 16 impact.



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	31 December 2019	31 December 2018
<i>USD (thousands)</i>		
Total borrowings	388 736	124 795
Less: cash and cash equivalents	66 547	70 391
Net debt	322 189	54 404
Debt to adjusted EBITDA ratio	2,84	8,90
Net debt to adjusted EBITDA ratio	2,36	3,88

27.8 Financial instruments by category

<i>USD (thousands)</i>	Financial assets/ liabilities at amortised cost	Assets/ liabilities at fair value through profit or loss	Total
31 December 2018			
Assets			
Trade receivables	47 442	-	47 442
Cash and cash equivalents	70 391	-	70 391
Total financial assets	117 833	-	117 833
Liabilities			
Borrowings	124 795	-	124 795
Derivative financial liabilities	-	3 833	3 833
Trade payables	55 004	-	55 004
Total financial liabilities	179 799	3 833	183 632
31 December 2019			
Assets			
Trade receivables	66 928	-	66 928
Cash and cash equivalents	66 547	-	66 547
Total financial assets	133 475	-	133 475
Liabilities			
Borrowings	388 736	-	388 736
Derivative financial liabilities	-	4 104	4 104
Trade payables	47 127	-	47 127
Total financial liabilities	435 863	4 104	439 967

The fair value of the receivables and payables approximates their carrying value.



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DEEPOCEAN**28. Commitments****28.1 Leases**

Right-of-use assets	Vessels	Property leases	Cars & trucks	Total
Acquisition cost 1 January 2019	284 948	12 233	147	297 328
Addition of right-of-use assets	58 655	3 423	133	62 211
Acquisition cost 31 December 2019	343 603	15 656	280	359 539
Accumulated depreciation and impairment 1 January 2019				-
Depreciation	106 555	3 082	93	109 731
Accumulated depreciation and impairment 31 December 2019	106 555	3 082	93	109 731
Carrying amount of right-of-use assets 31 December 2019	237 048	12 574	187	249 809

Lease liabilities

Undiscounted lease liabilities and maturity of cash outflows	Total
Less than 1 year	121 673
1-2 years	94 640
2-3 years	65 479
3-4 years	14 327
4-5 years	1 666
More than 5 years	3 275
Total undiscounted lease liabilities at 31 December 2019	301 060

Summary of the lease liabilities	Total
At initial application 01.01.2019	297 300
New lease liabilities recognised in the year	59 566
Cash payments for the principal portion of the lease liability	-110 534
Interest expense on lease liabilities	20 318
Currency exchange differences	-3 371
Total lease liabilities at 31 December 2019	263 279
Current lease liabilities	113 612
Non-current lease liabilities	149 667

Summary of other lease expenses recognised in profit or loss	Total
Total lease expenses included in other operating expenses	37 534

Practical expedients applied

The Group also leases personal computers, IT equipment and machinery with contract terms of 1 to 3 years. The Group has elected to apply the practical expedient of low value assets for some of these leases and does not recognise lease liabilities or right-of-use assets. The leases are instead expensed when they incur. The Group has also applied the practical expedient to not recognise lease liabilities and right-of-use assets for short-term leases, presented in the table above.

Variable lease payments

In addition to the lease liabilities above, the Group is committed to pay variable lease payments for some of their leases. The variable lease payments are expensed as incurred.

Extension options

The Group's lease of buildings has lease terms that vary from 10 years to 25 years, and several agreements involve a right of renewal which may be exercised during the last period of the lease terms. The Group assesses



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the likelihood of exercising options at the commencement date, the date when the extension option is made available to DeepOcean. The existence of the extension options is used to maximise operational flexibility and to reduce residual value risks with legal ownership. The extension options are exercisable only by DeepOcean. The Group's potential future lease payments is not included in the lease liabilities.

Purchase options

The Group leases machinery and equipment and vehicles with lease terms of 3 to 5 years. The existence of an option to purchase the machinery and equipment is used to maximise operational flexibility and to reduce residual value risks associated with legal ownership. Some of these contracts includes a right to purchase the assets at the end of the contract term. Consideration payable for purchasing the underlying assets are included when estimating the lease term and lease payments only to the extent it is reasonably certain that DeepOcean will exercise its options. The Group assesses at the commencement date whether it is reasonably certain to exercise the purchase right.

28.2 Capital commitments

At period end the Group had no contractual obligations related to upgrade vessels and equipment:

	31 December 2019	31 December 2018
<i>USD (thousands)</i>		
Within one year	-	253
Total	-	253

28.3 Ancillary loan commitment

The Group uses the Ancillary Facility for contract guarantees and warranties:

	31 December 2019	31 December 2018
<i>USD (thousands)</i>		
Within one year	16 904	7 852
Between one and five years	17 368	24 625
Total	34 272	32 477

29. Contingencies

The Company forms part of a fiscal unity for corporate income tax and transaction tax purposes with its Dutch subsidiary. Each company within the fiscal unity is jointly and severally liable for the fiscal liability of the fiscal unity.

The Company has guaranteed the debts and liabilities of DeepOcean 2 UK Limited and DeepOcean 3 UK Limited, under and prescribed by section 479A and 479C of the Companies Act 2006 existing as at 31st December 2019.

Tax contingencies and provisions

Business operations are carried out in several countries, through subsidiaries and branches of subsidiaries, and the Group is subject to the jurisdiction of a significant number of tax authorities. Furthermore, the mobile offshore nature of the Group's operations means that the Group routinely has to manage complex international tax issues.

The Group is subject to taxation in numerous jurisdictions. In the ordinary course of events operations and transactions will be subject to audit, enquiry and possible re-assessment by different tax authorities. The Group provides for the amount of taxes that it considers probable of being payable as a result of these audits and for which a reasonable estimate can be made. Significant judgement is required in calculating the tax provision. The Group's policy is to co-operate fully with the relevant tax authorities while seeking to defend its tax positions. It is possible that the ultimate resolution of these matters could result in tax charges that are materially higher or lower than the amount provided.



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30. Related parties

Key management of the Group includes the members of Board of Directors and the Executive Management Team. The compensation paid or payable to key management for employee services is shown below.

USD (thousands)	2019	2018
Salaries and other short term employee benefits	2 112	1 272
Post-employment benefits	29	22
Total	2 141	1 294

For further information about the remuneration of the Board of Directors, reference is made to the note 46 in the company financial statements.

The Company furthermore received operational, financial, legal and tax services from its related parties West Park Management Services Limited and Triton Advisers Ltd amounting to USD 2.1 million during 2019.

31. Subsequent events

COVID-19 pandemic and Market Uncertainty During the first quarter of 2020, the spread of the COVID-19 virus caused global disruption, with negative consequences both for human health and economic activity. At the date of this report, employees in several DeepOcean offices worked from home. However, offshore activities in the North Sea and Africa are continuing as planned currently. The challenging commodity price environment together with the effects of the Covid-19 pandemic create unprecedented uncertainty and may have an adverse impact on both activity and financial performance of DeepOcean. Due to the high level of uncertainties at the time this report was finalized, it is still difficult to quantify more exactly the adverse effects and it is also too early to conclude on timing and path of recovery.

From a financial reporting perspective, the COVID-19 pandemic and the market uncertainty is expected to impact the execution of deliveries to clients and the performance of the company. However, as stated above this impact is hard to quantify currently due to offshore activities progressing as planned. Further, it could impact the long-term market outlook and future assessments of recoverable amounts of DeepOcean's assets including but not limited to vessels, ROV's, trenching equipment and deferred tax assets. DeepOcean are working to restructure certain areas of the business, selectively lay-off staff and further streamline the business in anticipation of a prolonged market downturn as referenced in the Going Concern disclosure



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DEEPOCEAN**32. Subsidiaries and investments of the Group**

Company	Country	31 December	31 December
		2019	2018
ADUS DeepOcean Ltd (liquidated Dec 19)	UK	0 %	100 %
AXA Engenharia Submarina Ltda	Brasil	60 %	60 %
CTC Marine Projects (Guernsey) Ltd	Guernsey	100 %	100 %
DeepOcean 1 UK Ltd	UK	100 %	100 %
DeepOcean 2 UK Ltd ¹	UK	100 %	100 %
DeepOcean 3 UK Ltd ²	UK	100 %	100 %
DeepOcean Africa AS	Norway	100 %	100 %
DeepOcean AS	Norway	100 %	100 %
DeepOcean BV	Netherlands	100 %	100 %
DeepOcean de Mexico, S de RL de CV	Mexico	100 %	100 %
DeepOcean Ghana BV	Ghana	[A]	[A]
DeepOcean Ghana Ltd	Ghana	49 %	49 %
DeepOcean Guernsey Ltd	Guernsey	100 %	100 %
DeepOcean Management AS	Norway	100 %	100 %
DeepOcean Maritime AS	Norway	100 %	100 %
DeepOcean Middle East DMCC	UAE	100 %	100 %
DeepOcean Norway AS	Norway	100 %	100 %
DeepOcean Shipping AS	Norway	100 %	100 %
DeepOcean Shipping II AS	Norway	100 %	100 %
DeepOcean Shipping III AS	Norway	100 %	100 %
DeepOcean Shipping V AS	Norway	100 %	100 %
DeepOcean Shipping VI AS (merged with DeepOcean AS)	Norway		100 %
DeepOcean Subsea Cables Ltd	UK	100 %	
DeepOcean Subsea Services Limited	UK	100 %	100 %
Delta SubSea International Guyana Inc.	Guyana	100 %	100 %
Delta SubSea LLC	US	100 %	100 %
DOMX Maritima, S de RL de CV ³	Mexico	49 %	49 %
Enshore Subsea Ltd	UK	100 %	
Level Offshore AS	Norway	50 %	50 %
Northwest Maritime AS (liquidated Dec 19)	Norway		100 %
SeaRov Offshore Co Ltd	Myanmar	99 %	99 %
SeaRov Offshore Group	Gabon	100 %	100 %
SeaRov Offshore Limited	UK	100 %	100 %
SeaRov Offshore SAS	France	100 %	100 %
Subsea Trinidad and Tobago Limited	T&T	100 %	100 %
Technip DeepOcean PRS JV DA	Norway	50 %	50 %

¹ DeepOcean 2 UK Limited, Company Registration Number 01275998, is a subsidiary company that is exempt from the requirement to have a Company Audit on their accounts, in accordance with section 479A of the Companies Act

² DeepOcean 3 UK Limited, Company Registration Number SC240196, is a subsidiary company that is exempt from the requirement to have a Company Audit on their accounts, in accordance with section 479A of the Companies Act 2006.

³ Although the Group has 49% of the shares in DOMX Maritima S. de R.L. de C.V. it is fully consolidated

[A] 100% subsidiary of DeepOcean Ghana Ltd



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C. DeepOcean Group Holding B.V. – Company Financial Statements for the year 2019

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DEEPOCEAN**C.1 Company statement of profit or loss of DeepOcean Group Holding B.V. for the year ended 31 December 2019**

<i>USD (thousands)</i>		2019	2018
Share in results from participating interests, after tax	37	(53 807)	(38 273)
Other income and expenses after taxation	35	5 195	(9 040)
Impairment of intercompany loans receivable	38	-	(8 642)
Profit/(loss) for the period		(48 612)	(55 955)

C.2 Company statement of financial position of DeepOcean Group Holding B.V. as at 31 December 2019

<i>USD (thousands)</i>		31 December 2019	31 December 2018
Assets			
Subsidiaries	37	24 636	55 541
Non-current loan receivables to related parties	38	118 414	117 555
Total non-current assets		143 050	173 096
Trade receivables and contract assets	40	188	17
Receivables from related parties	40	5 111	12 567
Current income tax receivable		9	10
Cash and cash equivalents		894	179
Total current assets		6 202	12 773
Total assets		149 252	185 869
Equity			
Share capital		863	880
Share premium		364 529	371 655
Reserves		14 175	11 146
Retained earnings		(315 504)	(294 096)
Total equity	41	64 063	89 585
Liabilities			
Other non-current liabilities		693	707
Total non-current liabilities		693	707
Current portion of loans and borrowings	42	83 414	88 459
Trade and other payables	43	1 088	2 198
Payables to related parties	43	22	4 791
Current provisions	43	-	102
Other taxes and social securities		(28)	27
Total current liabilities		84 496	95 577
Total liabilities		85 189	96 284
Total equity and liabilities		149 252	185 869

The accompanying notes are an integral part of these company financial statements.



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C.3 Notes to the Company Financial Statements

33. General information

The description of the activities of DeepOcean Group Holding B.V. (the "Company") and the Company structure, as included in the notes to the consolidated financial statements, also apply to the company financial statements.

34. Accounting policies

The Company has prepared its company financial statements in accordance with part 9 of Book 2 of the Netherlands civil code, and specifically, in accordance with section 362.8 of the code. In doing so it has applied the principles of recognition and measurement as adopted in the consolidated financial statements (IFRS). For the Company statement of profit or loss the Company adopted the exemption as described in section 402 of the Netherlands civil code.

Subsidiaries are stated at their net asset value.

Long-term loans and other long-term receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method; less any impairment losses.

35. Other income and expenses after taxation

Other income and expenses after tax includes amongst others the remuneration of the Executive Management and Board of Directors. The Executive Management as well as the Board of Directors form part of the key management employees of the Group.

36. Proposal regarding the appropriation of profit

The Board of Directors proposes to add the net result to retained earnings

37. Subsidiaries

The movements in the investments in subsidiaries were as follows:

	31 December 2019	31 December 2018
<i>USD (thousands)</i>		
Balance at beginning of the period	55 541	38 101
Capital contributions and acquisition	-	30 000
Adjustments prior years	21 382	-
Reclass external loan to internal loan	-	17 930
Share in result of subsidiaries	(54 915)	(38 273)
Exchange differences	2 629	7 783
Balance at end of the period	24 636	55 541

A list of subsidiaries and affiliated companies is prepared in accordance with the relevant legal requirements (the Netherlands Civil Code Book 2, part 9, Sections 379 and 414) and disclosed in note 32 of the consolidated financial statements.



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DEEPOCEAN**38. Non-current loan receivables to related parties**

<i>USD (thousands)</i>	31 December 2019	31 December 2018
At 1 January	117 555	79 942
Loans provided	32 721	57 952
Impairments		(21 382)
Redemptions	(30 428)	(4 913)
Exchange differences	(1 433)	5 956
At 31 December	118 414	117 555

39. Deferred tax asset

No deferred tax asset was recognized in 2019.

40. Related party receivables

The trade and other receivables contain US\$5.1 million (2018: US\$12.6 million) of receivables from related parties. This balance is the result of at arm's length transactions during the normal course of business. The fair value of the receivables and payables approximates their carrying value.

41. Equity

For the movement in equity we refer to the consolidated statement of changes in equity. Additional information on the share capital and premium is disclosed in note 20 in the consolidated financial statements.

The revaluation reserve qualifies as a legal reserve in accordance with Part 9 of Book 2 of the Netherlands Civil Code.

42. Long-term liabilities

The long-term liabilities consisted of a credit facility usage in the period.

<i>USD (thousands)</i>	2019	2018
At 1 January	88 459	54 275
Repayment of borrowings	(4 339)	-
Proceeds of new borrowings	-	36 988
Financing fees	1 037	1 177
Exchange differences	(1 743)	(3 981)
At 31 December	83 414	88 459

43. Trade and other payables

The trade and other payables contain external advisory and insurance costs, and payables to related parties containing of intercompany payables to subsidiaries. This balance is the result of at arm's length transactions during the normal course of business. The fair value of the receivables and payables approximates their carrying value.

44. Corporate income tax

At year-end the total of the compensable losses amounts to USD 2.5 million (2018: USD 13.3 million) for which no deferred tax asset is recognised (note 10.3).

45. Commitments and contingencies

The Company forms part of a fiscal unity for corporate income tax and transaction tax purposes with its Dutch subsidiary. Each company within the fiscal unity is jointly and severally liable for the fiscal liability of the fiscal unity.



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46. Board remuneration

The remuneration of the Board of Directors in 2019 and the comparative period is as follows:

USD (thousands)	2019	2018
Current Non-executive members	255	152
Former Non-executive members	6	157
Current Executive members	996	446
Former Executive members	-	130
Total	1 257	885

47. Basis of preparation – Going Concern

During the first quarter of 2020, the sharp decline in commodity prices, exacerbated by the COVID-19 pandemic caused global disruption, with significant negative consequences both for human health, economic activity and the energy sector. The potential impact on DeepOcean is yet to be seen as offshore activities in the North Sea and Africa continue without delay. The challenging commodity price environment together with the effects of the COVID-19 pandemic create unprecedented uncertainty and makes it challenging to firmly predict the long-term effects for DeepOcean.

DeepOcean has taken a number of measures already to mitigate substantial negative impact for the company including reduced investment plans, pushed vendor terms with all major suppliers and lessors, and planned major restructuring across the organisation. The restructuring plan is now approved and will be rolled out across the organisation immediately. This plan includes major reductions in SG&A staff, contractors and underutilised OPEX employees. Furthermore, management has engaged with vessel owners to instigate vessel rate reductions. This overall process is being aligned with close collaboration with customers, banks and financial institutions, suppliers and employees. The actions are an acknowledgement of current events as well as uncertainty around the timing and path of recovery. DeepOcean also has proactive dialogues with governments to ensure participation in financial relief measures aimed at containing economic effects of the COVID-19 (corona) virus outbreak.

Also, based on the current forecast/budget scenario, management does not see an immediate risk of breaking the bank covenants (Liquidity & LTM EBITDA) in 2020. However, there is a potential scenario where the EBITDA covenant is breached in Q1/Q2 2021. To mitigate this risk of covenant breach, DeepOcean as stated above is taking a number of measures to limit the potential negative impact of the sharp decline in commodity prices and the COVID-19 pandemic.

The high market volatility caused by the COVID-19 pandemic in conjunction with the collapse of the oil price, increases the risk regarding the going concern assumption for most companies, and this is also the case for DeepOcean. Although the risk has increased, the assessment is that DeepOcean has the resources, organization, competence, assets and customer base to continue being a going concern. Notwithstanding, all the mitigation measures implemented and the ongoing restructuring, there is material uncertainty for DeepOcean to continue as a going concern over the next 12 months due to the collapse of the oil price and the COVID-19 pandemic.

Management has decided to move its Group Holding entity from a Dutch entity (currently DeepOcean Group Holding B.V.) to a Norwegian entity in the course of 2020. This will involve a series of mergers resulting in DeepOcean Group Holding BV ceasing to exist and DeepOcean Norway AS becoming the ultimate parent of the DeepOcean Group. (Project Homecoming)

The series of mergers leading to DeepOcean Norway AS becoming the ultimate parent of the DeepOcean Group are as follows:

- DeepOcean Group Holding BV will be merged into Tricer NL BidCo 4 BV
- Merged Tricer NL BidCo 4 BV will be merged into Tricer NL BidCo 3 BV
- Merged Tricer NL BidCo 3 BV will be merged into DeepOcean Norway AS



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DEEPOCEAN

- DeepOcean Norway will be the surviving entity and will become the group parent company

48. Subsequent events

COVID-19 pandemic and Market Uncertainty During the first quarter of 2020, the spread of the COVID-19 virus caused global disruption, with negative consequences both for human health and economic activity. At the date of this report, employees in several DeepOcean offices worked from home. However, offshore activities in the North Sea and Africa are continuing as planned currently. The challenging commodity price environment together with the effects of the Covid-19 pandemic create unprecedented uncertainty and may have an adverse impact on both activity and financial performance of DeepOcean. Due to the high level of uncertainties at the time this report was finalized, it is still difficult to quantify more exactly the adverse effects and it is also too early to conclude on timing and path of recovery.

From a financial reporting perspective, the COVID-19 pandemic and the market uncertainty is expected to impact the execution of deliveries to clients and the performance of the company. However, as stated above this impact is hard to quantify currently due to offshore activities progressing as planned. Further, it could impact the long-term market outlook and future assessments of recoverable amounts of DeepOcean's assets. DeepOcean are working to restructure certain areas of the business, selectively lay-off staff and further streamline the business in anticipation of a prolonged market downturn.

DeepOcean has decided to move its Group Holding entity from a Dutch entity (currently DeepOcean Group Holding B.V.) to a Norwegian entity in the course of 2019. This will involve a series of mergers resulting in DeepOcean Group Holding B.V. ceasing to exist and DeepOcean Norway AS becoming the ultimate parent of the DeepOcean Group.



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Board of Directors

The members of the Board of Directors have signed the company financial statements pursuant to their statutory obligations under Section 2:101 sub 2 of the Netherlands Civil Code.

Oslo, 13th May 2020

Board of Directors

J. Lunder, Chairman Board of Directors

Ø. Mikaelen, Executive Director

G. Cura, Non-Executive Director

C.C. Cooper, Non-Executive Director

K. Diesen, Non-Executive Director

T. Askvig, Non-Executive Director



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Other information

Statutory provisions regarding the appropriation of profit

From the Articles of Association,

Article 17.1.

The allocation of profits accrued in a financial year shall be determined by the General Meeting. If the General Meeting does not adopt a resolution regarding the allocation of the profits prior to or at latest immediately after the adoption of the annual accounts, the profits will be reserved.

Article 17.2.

The General Meetings has the authority to make distributions. If the Company is required by law to maintain reserves, this authority only applies to the extent that the equity exceeds these reserves. No resolution of the General Meeting to distribute shall have effect without the consent of the Board. The Board may withhold such consent only if it knows or reasonably should expect that after the distribution, the Company will be unable to continue the payment of its due debts.

Article 17.3

The General Meeting may resolve to make interim distributions on Shares and/or make distributions on Shares at the expense of any reserves of the Company. In addition, the Board may decide to make interim distributions on Shares.

Independent auditor's report

Reference is made to the independent auditor's report included on the next page.



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2020 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer: 896 696 262
Organisasjonsform: Aksjeselskap
Foretaksnavn: DEEPOCEAN NORWAY AS
Forretningsadresse: Karmsundgata 74
5529 HAUGESUND

Regnskapsår

Årsregnskapets periode: 01.01.2020 - 31.12.2020

Konsern

Morselskap i konsern: Ja
Konsernregnskap lagt ved: Ja

Regnskapsregler

Regler for små foretak benyttet: Nei
Benyttet ved utarbeidelsen av årsregnskapet til selskapet: Regnskapslovens alminnelige regler
Benyttet ved utarbeidelsen av årsregnskapet til konsernet: -

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Øyvind Apeland
Dato for fastsettelse av årsregnskapet: 21.05.2021

Grunnlag for avgivelse

År 2020: Årsregnskapet er elektronisk innlevert
År 2019: Tall er hentet fra elektronisk innlevert årsregnskap fra 2020

Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.

Brønnøysundregistrene, 10.09.2021



Resultatregnskap

Beløp i: NOK	Note	2020	2019
RESULTATREGNSKAP			
Inntekter			
Annen driftsinntekt		64 425 986	74 300 870
Sum inntekter		64 425 986	74 300 870
Kostnader			
Varekostnad		46 760 820	81 439 867
Lønnskostnad		911 487	301 927
Avskrivning av driftsmidler og immaterielle eiendeler		160 693	93 151
Annen driftskostnad		63 824 264	11 234 621
Sum kostnader		111 657 265	93 069 567
Driftsresultat		-47 231 279	-18 768 697
Finansinntekter og finanskostnader			
Renteinntekt fra foretak i samme konsern		737 492	10 842 251
Annen renteinntekt		147 575	3 288 885
Annen finansinntekt		71 788 638	39 902 583
Sum finansinntekter		72 673 705	54 033 719
Rentekostnad til foretak i samme konsern		59 794 689	73 383 795
Annen rentekostnad		12 580 545	11 935 798
Annen finanskostnad		345 108 382	-457 949
Sum finanskostnader		417 483 617	84 861 645
Netto finans		-344 809 912	-30 827 926
Ordinært resultat før skattekostnad		-392 041 190	-49 596 622
Skattekostnad på ordinært resultat		342 987	-2 011 086
Ordinært resultat etter skattekostnad		-392 384 177	-47 585 536
Årsresultat		-392 384 177	-47 585 536
Årsresultat etter minoritetsinteresser		-392 384 177	-47 585 536
Totalresultat		-392 384 177	-47 585 536



Resultatregnskap

Beløp i: NOK	Note	2020	2019
Overføringer og disponeringer			
Overført fra annen egenkapital		-392 384 177	-47 585 536
Sum overføringer og disponeringer		-392 384 177	-47 585 536



Balanse

Beløp i: NOK	Note	2020	2019
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Utsatt skattefordel		1 668 100	2 011 086
Sum immaterielle eiendeler		1 668 100	2 011 086
Varige driftsmidler			
Driftsløsøre, inventar o.a. utstyr		23 572 636	1 822 203
Sum varige driftsmidler		23 572 636	1 822 203
Finansielle anleggsmidler			
Investering i datterselskap		907 817 011	1 262 928 005
Lån til tilknyttet selskap og felles kontrollert virksomhet		14 385 942	
Andre langsiktige fordringer			2 834 276
Sum finansielle anleggsmidler		922 202 954	1 265 762 281
Sum anleggsmidler		947 443 689	1 269 595 570
Omløpsmidler			
Varer			
Fordringer			
Kundefordringer		84 294 851	62 116 170
Andre kortsiktige fordringer		3 679 822	455 803
Sum fordringer		87 974 673	62 571 973
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter o.l.		22 374 939	222 819 230
Sum bankinnskudd, kontanter og lignende		22 374 939	222 819 230
Sum omløpsmidler		110 349 612	285 391 203
SUM EIENDELER		1 057 793 301	1 554 986 773

BALANSE - EGENKAPITAL OG GJELD



Balanse

Beløp i: NOK	Note	2020	2019
Egenkapital			
Innskutt egenkapital			
Aksjekapital		55 000 000	55 000 000
Overkurs		203 384 357	595 768 533
Sum innskutt egenkapital		258 384 357	650 768 533
 Sum egenkapital		 258 384 357	 650 768 533
Gjeld			
Langsiktig gjeld			
Annen langsiktig gjeld			
Gjeld til kredittinstitusjoner		107 511 972	157 174 560
Øvrig langsiktig gjeld		570 854 812	699 704 032
Sum annen langsiktig gjeld		678 366 783	856 878 592
 Sum langsiktig gjeld		 678 366 783	 856 878 592
Kortsiktig gjeld			
Leverandørgjeld		113 477 592	41 753 876
Annen kortsiktig gjeld		7 564 569	5 585 771
Sum kortsiktig gjeld		121 042 161	47 339 647
 Sum gjeld		 799 408 944	 904 218 239
 SUM EGENKAPITAL OG GJELD		 1 057 793 301	 1 554 986 773



MOTTATT

11 JAN. 2016

Skattedirektoratet

Saksbehandler
Torstein Kinden Helleland

Deres dato
05.01.2016

Vår dato
07.01.2016

Telefon
22078139

Deres referanse
Øyvind Apeland

Vår referanse
2012/430841

DEEPOCEAN NORWAY AS
Postboks 2144
5504 HAUGESUND

Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk språk

Vi viser til deres brev av 5. januar 2016 der det søkes om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk for følgende selskaper;

DeepOcean Norway AS	org. nr. 896 696 262
DeepOcean AS	org. nr. 980 722 805
DeepOcean Management AS	org. nr. 987 538 880
DeepOcean Maritime AS	org. nr. 948 230 798
Deep Ocean Shipping AS	org. nr. 979 456 107
DeepOcean Shipping II AS	org. nr. 992 035 870
DeepOcean Shipping III AS	org. nr. 977 289 483
DeepOcean Shipping IV AS	org. nr. 976 854 020
DeepOcean Shipping V AS	org. nr. 914 883 164
DeepOcean Shipping VI AS	org. nr. 914 937 590
Northwest Maritime AS	org. nr. 966 250 380
DeepOcean 1 UK Ltd (norsk NUF)	org. nr. 997 914 775

Skattedirektoratet gir på bakgrunn av en konkret helhetsvurdering de overnevnte selskaper dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk, jf. regnskapsloven § 3-4 tredje ledd. Dispensasjonen forutsetter at opplysningene som vedtaket baserer seg på ikke endres vesentlig.

Kopi av dette brevet må sendes Regnskapsregisteret i Brønnøysund sammen med årsregnskapet. Det påligger den regnskapspliktige å dokumentere ved dette brev at tillatelsen er gitt.

Bakgrunn

DeepOcean Norway AS (tidligere DeepOcean Group Holding AS) er nå det norske morselskapet i DeepOcean gruppen og 100 % datterselskap av konsernspissen DeepOcean Group Holding BV. DeepOcean Group Holding BV er 100 % eid av amerikanske obligasjonsfond. Konsernet fikk i vedtak av 15. august 2012 tillatelse til å benytte engelsk språk. Konsernet er et integrert oljeservicekonsern som driver internasjonal virksomhet innen områdene Subsea Services, Subsea Trenching and Protection. Konsernet driver innen en bransje hvor engelsk benyttes i

Postadresse
Postboks 9200 Grønland
0134 Oslo

Besøksadresse:
Se www.skatteetaten.no
Org.nr: 996250318
E-post: skatteetaten.no/sendepost

Sentralbord
800 80 000
Telefaks
22 17 08 60



all kommunikasjon med forretningsforbindelser. Det interne arbeidsspråket i selskapene er også engelsk og all intern rapportering skjer på dette språket. Alle selskapene har styreleder og/eller styremedlemmer som ikke er norskspråklige. Alle sentrale aktører og samarbeidspartnere innen denne bransjen behersker og benytter engelsk. En norsk oversettelse vil kun ha til formål å oppfylle regnskapslovens språkkrav.

Skattedirektoratets vurdering

Etter regnskapsloven § 3-4 tredje ledd skal *"årsregnskapet og årsberetningen ... være på norsk. Departementet kan ved ... enkeltvedtak bestemme at årsregnskapet og/eller årsberetningen kan være på et annet språk."*

I Ot. prp. nr. 42 (1997-1998) Om lov om årsregnskap m.v., er det uttalt følgende om regnskapslovens formål, jf. pkt. 1.1:

"Regjeringen har som siktemål at regnskapsloven skal bidra til informative regnskaper for ulike grupper av regnskapsbrukere. Regnskapsbrukerne er dels investorer og kreditorer som tilfører kapital til foretakene, og dels andre grupper som har interesse av å vite hvordan foretaket drives, f.eks. de ansatte og lokalsamfunnet. Informasjonen til kapitalmarkedet skal gi grunnlag for riktig prising av finansielle objekter. Riktig prisdannelse på aksjer er en forutsetning for at ressursbruken i samfunnsøkonomien skal bli best mulig. Gode regnskaper vil også gjøre det vanskeligere for markedsdeltakere å ta ut spekulasjonsgevinster med basis i skjevt fordelt informasjon."

Det fremgår således at et av hovedformålene med regnskapsloven er å bidra til *"informative regnskaper for ulike grupper av regnskapsbrukere"*. Regnskapsbrukere vil omfatte, jf. uttalelsen i proposisjonen, blant andre investorer, kreditorer, ansatte og lokalsamfunnet.

Det er etter Skattedirektoratets vurdering derfor avgjørende ved vurdering av om dispensasjon fra kravet til å utarbeide årsregnskap og/eller årsberetning på norsk kan gis, at det ikke foreligger mulige brukere av regnskapsinformasjon som blir vesentlig berørt negativt ved en eventuell dispensasjon.

Det er særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I denne vurderingen har Skattedirektoratet lagt særlig vekt på at selskapet er 100 % eid av amerikanske obligasjonsfond. Konsernet er tidligere innvilget dispensasjon. Det vesentlige av virksomheten foregår i utlandet. Selskapets arbeidsspråk er engelsk og all kommunikasjon skjer på engelsk. Videre er det vektlagt at selskapet driver virksomhet i en internasjonal bransje der alle aktører behersker og benytter engelsk språk.



2012/430841 Side 3 av 3

Vennligst oppgi vår referanse ved henvendelser i saken.

Med hilsen

Rune Tystad
seniorrådgiver
Rettsavdelingen, foretaksskatt
Skattedirektoratet

Torstein Kinden Helleland

Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer





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Consolidated Financial Statements for the year 2020

DEEPOCEAN





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DEEPOCEAN

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DEEPOCEAN

A.1 Overview

About us

The leading, pure play subsea services provider in the areas of Survey, IMR (Inspection, Maintenance and Repair), Subsea Construction and Cable Lay & Trenching. DeepOcean Group Holding B.V (the Company) and its subsidiaries (the Group) offers a breadth of subsea services to cover the full lifecycle, from early studies to decommissioning, for the oil and gas as well as renewable offshore industries.

This strong portfolio of services, coupled with a fleet of 18 owned and chartered vessels and an extensive mission equipment portfolio comprising of 50+ Subsea Intervention Assets, such as ROVs, Trenchers, Module Handling Systems as well as Dredging and Excavation Systems, enables DeepOcean to bundle its subsea services to deliver cost-effective, tailored solutions to meet individual client needs.

DeepOcean Group Holding B.V and its subsidiaries (commonly referred to as DeepOcean or The Group) is independent of any equipment, technique or manufacturer and therefore can focus on the best solutions for its clients. With a global track record for safety, cost-efficiency, flawless operations and innovation, DeepOcean is the preferred pure play subsea service provider for its oil and gas as well as renewable energy customers across the globe.

The company is a leading global IMR, Subsea Construction and Cable Lay & Trenching operator and has a global presence with offices in Norway, UK, the Netherlands, the US, Mexico, Trinidad and Tobago, Ghana, France, Gabon and Congo.

A.2 Financial Review

Financial highlights

The Group realised US\$352.5M of Revenue (2019: US\$490.4M) from continuing operations with a loss for the period from continuing operations of US\$4.9M (2019: US\$45.3M loss). The loss resulted from the continuing downturn in the market (reduced work and depressed margins), restructuring expenses, and oversupply of vessels in the market. Revenue of \$73.6M (2019: nil) and US\$133.2M loss (2019: \$3.6M) for the period were realized from discontinued operations.

The Group has an Equity position for 2020 of US\$80.2M negative (2019: US\$55.2M). This temporary negative equity position is due to the impairment of the right-of-use assets in the UK business (DeepOcean 1 UK Limited, Enshore Subsea Limited & DeepOcean Subsea Cables Limited); US\$83.7M negative impact on the equity position, while the liabilities remained on the balance sheet at the end of 2020. The liabilities of \$91.4M were extinguished from the balance sheet on the 6th January 2021, when a settlement agreed was signed with the external counterparties. The impairment of the right-of-use assets in the UK business is related to the RPP process. An RPP is a restructuring plan procedure under Corporate Insolvency and Governance Act 2020 (an "RPP") of the UK business.

A new loan agreement was signed in January 2021. The key financial covenants as part of a new loan agreement are as follows:

- Liquidity shall at all times exceed \$7.5M until 31st December 2023
- EBITDA covenant is not applicable currently and will be reintroduced on 31st December 2022 with a compliant EBITDA of \$15M over the prior 12 months

Backlog

Our accounting backlog represents the aggregated value of signed contracts until the end of the relevant contract period (excluding extension options and letters of intent). Backlog as at 31 December 2020 amounted to US\$209.0M, which is flat year over year, compared to 2019 (US\$207.8M). We expect to recognize US\$129M of this backlog in 2021.

Financial debt and liquidity

At 31 December 2020, total interest-bearing debt amounted to US\$99.5M (2019 US\$101.6M), consisting of the drawn amount on the multi-currency Revolving Credit Facility (RCF) of US\$87.9M and US\$11.6 of the term loan.



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The borrowing base under the credit facility shows an availability of USD 9.8 million. The Group has an ancillary facility of EUR45.0M that can conditionally be increased up to EUR70.0M, with a non-reversible transfer of commitment from the RCF. In addition, there is an option to request a EUR20.0M accordion facility to the RCF. For information about terms on the credit facilities, see note 21. Cash and cash equivalents totalled US\$71.1M (2019 US\$66.5M) at the end of the year.

Financially, the Group's took precautionary measures when Covid-19 hit with full strength in March 2020 by keeping the RCF fully utilised and closely monitoring the liquidity situation. As per 31st of December 2020, separate financial covenants for the Group's debt instruments and liquidity were defined in the Lock-up Agreement. The group were within the applicable thresholds.

Current market conditions, as indicated in the outlook paragraph below, have their effect on the Group and its ability to generate stable cash flows for the next few years. To address potential effects of this on the prevailing covenant levels, both current and forecasted covenant levels are continually monitored with internal thresholds for effecting action plans.

A.3 Human Resources

As of 31 December 2020, DeepOcean had 1053 full time employees worldwide (2019: 1083; 2018: 1070), of which 1050 (2019:1079, 2018: 1049) work outside of the Netherlands, divided as follows:

Number of employees	2020	2019
Onshore	498	501
Offshore	555	582
Total	1 053	1 083

A.4 Risk Management

DeepOcean's financial and operational performance may be adversely affected by a variety of risks and economic developments. DeepOcean's Board of Directors sets, and periodically reviews, the level of risk that the Board is willing to take in pursuit of the company's objectives. The CEO together with Executive Management drives the risk management process and facilitates the assessment of strategic risks. The Board of Directors evaluates the effectiveness of DeepOcean's risk management, which results in an appropriate level of objectivity in the assessment of risks.

DeepOcean has continued several internal controls in 2020 and will continue to progress the controls in 2021 to ensure an accurate view of potential risks and to implement mitigating actions for any risks. The DeepOcean approach is centralised around four key pillars.

- Governing documents & procedures
 - The business management system is currently being redesigned and this will lead to a simplified but more effective and coherent set up of procedures and governing documents
- Top down risk assessment
 - The top down risk assessment was conducted by the CEO and the corporate team in Q3 2019 and was presented to the board of directors in September 2019
 - This risk assessment was set on a DeepOcean scale with the following criteria
 - Very high-risk exposure; Board of directors' focus
 - High risk exposure; CEO focus
 - Medium risk exposure; Senior management team focus
 - Low risk exposure; Regional management focus

- Internal audits

The internal audits systematically reviewed all income statement and balance sheet accounts, including back up documentation, bank reconciliations, financial closing processes and project reviews. The audits also included a business risk assessment with the regional managing director and the regional finance director. After the conclusion of each internal audit, an audit summary was prepared by the CFO team and presented to the CEO and executive team. The audit summary includes an action plan with follow up dates for each region to ensure the progress of any outstanding items. The internal audits will be further



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strengthened by the implementation of the new ERP system in DeepOcean. All entities are now contained in the ERP system and use it on a day-day basis. This system will be the key tool to evaluate all regions performance and compliance from a financial reporting position

- Self-risk assessment
 - The self-risk assessments are carried out by the regions before the internal audits and this self-assessment helps build the basis for the internal audit

Group risk profile

Below is an overview of material risks that are of most relevance for achieving DeepOcean's long-term goals and strategy. This risk overview is not exhaustive. There may be risks which are currently not deemed material, but which could have a substantial adverse effect. (See note 3 – Financial statement)

Risk category	DeepOcean's Risk Appetite	Key Risk Areas
Business & Marketing Risk	For both Business & Marketing risk and Commercial risks, acceptable risk levels vary depending on the subject at hand, where expected rewards must justify the risk.	• Customer and geographical concentration
Commercial Risk		• Demand from oil & gas and offshore renewables companies • Inability to be (price) competitive • Contracting risk
Operational Risk	Operational risks are handled with a moderate risk appetite. However, all risks related to HSEQS are subject to low risk appetite.	• Fleet flexibility • Innovation • Unsuccessful project execution • HSEQS incidents • Asset unreliability • Inability to attract and retain key employees • Organizational alignment • Cyber security
Regulatory Risk	Compliance is subject to a very low risk appetite as DeepOcean strives for a 100% compliance with legal and regulatory requirements.	• Non-Compliance with law and regulation • Countries of operation
Financial Risk	Financial risk appetite is low, with the intent to limit financial risks and maintain long-term solvency.	• Liquidity & Credit Risk • Currency Risk • Interest rate risk

Insurance & legal

DeepOcean is insured against a variety of risks. Risks related to general liability are covered at Company level. Vessels and equipment are insured, and local cover is arranged for risks associated with normal business operations, such as insurance for the buildings and for employees. Some operating companies are involved in claims, either as the claimant or the defendant, within the context of normal business operations. Where necessary proper provisions have been accounted for in the financial statements (refer to note 10.4 and 24). Based on developments thus far, it is not anticipated that DeepOcean's financial position will be noticeably affected by any of these proceedings.

A.5 Governance

Corporate Governance

The Board of Directors is composed of at least three and up to seven board members, of which at least one non-Executive Director and at least one Executive Director. As of 31st December 2020, the Board of Directors consisted of one Executive Director and five non-Executive Directors. The Board members are jointly responsible for the management of the Company and the enterprise connected with it.



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Board of directors as of 31 December 2020:
Jo Lunder (Chairman)
Terje Askvig
Øyvind Mikaelson
Kristian Diesen
Marc van der Plas
Mike Winkel (Joined the board 21st May 2021)

In the composition of its executive management team as well as its board of directors, DeepOcean has a strategy of equal opportunities, whereby the principle of the best person for the job is leading. The nature of the industry that DeepOcean is operating in as well as DeepOcean's profile as an offshore service provider, with a majority male employee population, led to a board of directors with five male directors as per 31 December 2020. The goal for the composition of the board is to aim as much as possible for a diverse composition, where possible, in age and gender, considering the statutory requirements and the requirements related to education and experience. The composition of the board of directors is continuously evaluated and will be amended if needed.

Executive Management Team

The executive management team has seen limited change in 2020. The executive management team have focused on the restructuring of the UK business and on winning new projects. Rakel Knutsen, Global Head of HR has left DeepOcean to pursue other opportunities after supporting the reorganization of DeepOcean to optimize the organizational set up.

General Meetings

The Annual General Meeting of Shareholders ('AGM') shall be held in principle once per year within six months after the end of the financial year, in accordance with the articles of association of DeepOcean Group Holding B.V. The meeting shall be held at such time as the Directors shall designate. The meeting shall be held at the municipality in which the Company has its official seat or in another location, provided that in such case all of the Company's issued capital is represented and each person with meeting rights, to the extent required by law, has been duly convened or has given consent thereto.

A.6 Research and Development

The Company is continually working to improve the current product/service portfolio and is developing several new products and services in order to stay competitive (reduced project costs, increased efficiencies, improved operational results) in the markets serviced by DeepOcean (e.g. Unmanned Surface Vessels, autonomous ROVs and automation of data handling). In addition, these developments will support DeepOcean in potentially entering new markets, by being able to provide an additional range of services (e.g. Deep-Sea Mineral Harvesting). The Remote Operations Center in Haugesund is now fully operational and adoption by clients is progressing satisfactory. The Autonomous Inspection Drone will be tested out Q3 2021 in the North Sea during live operations. Other projects are also progressing as planned.

A.7 Outlook

The average crude price (Brent) dropped by 35% from 2019 (\$64.3) to 2020 (\$42.0). This came on the back of an earlier drop in crude pricing of 10% from 2018 (\$71.3) to 2019 (\$64.3). The driver for this is primarily due to a shortage in demand, driven by global economic changes due to COVID-19.

A sustainable crude price level, where the majority of E&P operators generate healthy cash flows from operations and invest in maintaining and increasing production, is >\$60, and thus the lower prices in 2020 have also impacted DeepOcean's business. However, the negative effects were somewhat mitigated by various stimulus packages for Oil producers in DeepOcean's core markets, such as Norway.



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2020 was a challenging year for the Group, due to a number of factors including the continuing COVID-19 pandemic, the sharp decline of commodity prices in Q1 2020 and the challenging market for the UK business (DeepOcean 1 UK Limited, Enshore Subsea Limited & DeepOcean Subsea Cables Limited) of the Group.

In the course of 2020 and early 2021 DeepOcean has restructured its loss-making part of the UK business and thereby significantly reduced unsustainable long-term charter liabilities as well as improved DeepOcean's overall profitability and cash flow. As a result of the restructuring, DeepOcean also achieved further charter rate reductions with existing charterers and a restated loan facility.

Looking towards 2021, an increase of average crude pricing can already be seen in Q1 2021 at around \$60 levels, which seems to be driven by a rebounding global economy and resulting increased energy demand. Considering this positive development and generally high activity of DeepOcean's key clients, it is likely that DeepOcean's revenues will increase year over year from 2020 to 2021. This is based on the oil price staying at current levels and no further major impact from COVID-19.

DeepOcean continues to hold great confidence in the fundamental outlook for subsea services. Our service offerings span segments within oil & gas and offshore renewables, but also emerging industries within the ocean space, including seabed mining. Despite oil & gas being forecasted to be the major revenue contributor in the near term, DeepOcean is also geared up and has proven capabilities to allow it to take a more significant stake in the energy transition.

Clients continue to appreciate DeepOcean's "can do" attitude and value-oriented solutions. With our asset light and equipment independent business model, we are well positioned as a partner of choice for tomorrow's subsea services. We are investing in new technology for safer and more efficient ways of delivering our services, such as the roll-out of DeepOcean's remote operating centre in 2020 and will continue to invest in such technologies in the years to come.

A.8 Subsequent events

Subsequent to the end of 2020, the executive management have continued multiple processes to further safeguard operations and provide the business with stability for the future. Key subsequent events include:

- Approved restructuring plan procedure under Corporate Insolvency and Governance Act 2020 (an "RPP") of the UK business (DeepOcean 1 UK Ltd, DeepOcean Subsea Cables Ltd and Enshore Subsea Ltd)
- Amendment and restatement of the current syndicated credit facility – including a maturity extension and other concessions from the lenders such as lower margins (reduced finance cost), and changes to the bank covenants
- \$15M new equity from majority shareholder Triton (March 2021) which shows – renewed commitment to their investment in DeepOcean and confidence in DeepOcean's future
- Renegotiated reduced charter rates for the Group's long-term charters in the Norway region

One major impact of the RPP process is temporary negative equity. This temporary negative equity position is due to the impairment of the right-of-use assets in the UK business (DeepOcean 1 UK Limited, Enshore Subsea Limited & DeepOcean Subsea Cables Limited); US\$83.7M negative impact on the equity position, while the liabilities remained on the balance sheet at the end of 2020. The liabilities of \$91.4M were extinguished from the balance sheet on the 6th January 2021, when a settlement agreed was signed with the external counterparties.

A new loan agreement was signed in January 2021. The key financial covenants as part of a new loan agreement are as follows:

- Liquidity shall at all times exceed \$7.5M until 31st December 2023
- EBITDA covenant is not applicable currently and will be reintroduced on 31st December 2022 with a compliant EBITDA of \$15M over the prior 12 months



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Board of Directors

The members of the Board of Directors have signed the financial statements pursuant to their statutory obligations under Section 2:101 sub 2 the Netherlands Civil Code.

Oslo, 1st June 2021

Board of Directors

J. Lunder, Chairman Board of Directors

Ø. Mikaelson, Executive Director

K. Diesen, Non-Executive Director

T. Askvig, Non-Executive Director

M. van der Plas, Non-Executive Director

M.Winkel, Non-Executive Director



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B. Consolidated Financial Statements

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B.1 Consolidated statement of profit or loss for the year ended 31 Dec 2020

USD (thousands)	Note	2020	2019
Revenue from contracts with customers	5	352 490	490 394
Direct operating expenses	6	(203 766)	(331 828)
Depreciation and amortisation	11, 12	(88 271)	(135 257)
Gross profit		60 453	23 309
Sales, general and administrative expenses	6	(28 718)	(22 384)
Impairment of fixed assets	6	(3 970)	(5 252)
Other expenses	6	(14 069)	(20 112)
Share of net income from investments accounted for using the equity method	13	432	487
Profit/(Loss) from operating activities		14 128	(23 952)
Finance income		(34)	481
Finance expense		(12 160)	(26 150)
Net finance expense	9	(12 194)	(25 669)
Profit/(loss) before tax		1 934	(49 621)
Corporate income tax (expense)/credit	10	(5 292)	4 282
Loss for the period from continuing operations		(3 358)	(45 339)
Discontinued operations			
Loss for the period from discontinued operations	4	(143 346)	(3 632)
Loss for the period		(146 704)	(48 971)
Total loss attributable to:			
Shareholders of the parent		(144 955)	(48 612)
Non-controlling interests		(1 749)	(359)
		(146 704)	(48 971)

The accompanying notes are an integral part of these consolidated financial statements.



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B.2 Consolidated statement of comprehensive income for the year ended 31 Dec 2020

USD (thousands)	Note	2020	2019
Loss for the period		(146 704)	(48 971)
		-	-
Items that may be reclassified subsequently to profit or loss			
Net investment hedge	27	-	-
Foreign currency translation differences of foreign operations		(608)	2 008
		(608)	2 008
Total comprehensive loss for the period, net of tax		(147 312)	(46 963)
Total comprehensive loss attributable to:			
Shareholders of the parent		(147 625)	(46 905)
Non-controlling interests		313	(58)
Total comprehensive loss for the period, net of tax		(147 312)	(46 963)
Total comprehensive loss for the period, net of tax arises from:			
Continuing operations		(3 966)	(43 331)
Discontinued operations		(143 346)	(3 632)
Total comprehensive loss for the period, net of tax		(147 312)	(46 963)

The accompanying notes are an integral part of these consolidated financial statements.



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DEEPOCEAN**B.3 Consolidated statement of financial position as at 31 Dec 2020**

<i>USD (thousands)</i>	<i>Note</i>	31 December 2020	31 December 2019
Assets			
Vessels and equipment	11	127 217	361 601
Intangible assets	12	3 056	2 895
Equity accounted investees	13	609	591
Post-employment benefit asset	23	38	409
Prepaid charter costs	16	(0)	2 065
Deferred tax assets	10	15 056	16 137
Total non-current assets		145 976	383 698
Inventories	17	2 586	3 391
Trade receivables and contract assets	18	86 936	104 413
Current income tax receivable		498	996
Assets held for sale	11	(0)	15 000
Cash and cash equivalents	19	66 441	66 547
Total current assets		156 461	190 347
Assets held for sale	4	4 068	-
Total assets		306 505	574 045
Equity			
Share capital	20	940	863
Share premium	20	397 301	364 529
Other reserves		7 899	14 175
Accumulated losses directly associated with asset held for sale	4	(92 950)	
Accumulated losses		(387 299)	(315 504)
Total equity attributable to owners of the Company		(74 109)	64 063
Non-controlling interests	4	(8 523)	(8 836)
Total equity		(82 632)	55 227
Liabilities			
Non-current portion of loans and borrowings	21	40 540	185 670
Non-current portion of loans and borrowings from related parties	22	1 199	1 501
Other non-current liabilities		-	693
Non-current portion of post-employment benefit obligation	23	571	1 276
Non-current provisions	24	0	183
Non-current income tax liabilities	10	45	45
Deferred income tax liabilities	10	1 215	1 215
Total non-current liabilities		43 570	190 583
Current portion of loans and borrowings	21	124 479	202 407
Current portion of derivative financial liabilities	25	341	4 104
Trade and other payables	26	113 775	119 213
Current provisions	24	1 887	2 569
Current income tax liabilities	10	(456)	(58)
Total current liabilities		240 026	328 235
Liabilities direct associated with assets held for sale	4	105 541	-
Total liabilities		389 137	518 818
Total equity and liabilities		306 505	574 045

The accompanying notes are an integral part of these consolidated financial statements



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DEEPOCEAN**B.4 Consolidated statement of changes in equity for the year ended 31 December 2020**

		Attributable to shareholders of the Company								
				Translation reserve Foreign operations	Translation reserve Other	RSU and GSO reserves	Retained earnings / (accumulated losses)		Non- controlling interest	Total equity
USD (thousands)	Notes	Share capital	Share premium					Total		
Balance at 1 January 2019		880	371 655	(52 120)	51 785	11 480	(272 714)	110 967	(8 778)	102 189
Comprehensive income										
Loss for the period		-	-	-	-	-	(48 612)	(48 612)	(359)	(48 971)
Other comprehensive income								-		
Net investment hedges	27	-	-		-	-	-	-	-	-
Foreign currency translation differences of foreign operations		-	-	1 742	-	-	(34)	1 708	301	2 008
Total comprehensive loss for the period		-	-	1 742	-	-	(48 646)	(46 904)	(58)	(46 963)
Transactions with owners										
Capital contribution								-	-	-
Foreign currency movement		(17)	(7 126)	1 287			5 856	-	-	-
Total transactions with owners of the Company		(17)	(7 126)	1 287	-	-	5 856	-	-	-
Balance at 31 December 2019		863	364 529	(49 091)	51 785	11 480	(315 504)	64 063	(8 836)	55 226

USD (thousands)	Notes	Attributable to shareholders of the Company						Non-controlling interest	Total equity	
		Share capital	Share premium	Translation reserve Foreign operations	Translation reserve Other	RSU and GSO reserves	Accumulated losses			Total
Balance at 1 January 2020		863	364 529	(49 091)	51 785	11 480	(315 504)	64 063	(8 836)	55 226
Comprehensive income										
Loss for the period continuing operations		-	-	-	-	-	(3 358)	(3 358)		(3 358)
Loss for the period discontinued operations							(141 597)	(141 597)	1 749	(139 848)
Other comprehensive income								-		
Net investment hedges	27	-	-		-	-	-	-	-	-
Foreign currency translation differences of foreign operations		-	26 016	829	-	-	(26 016)	829	(1 436)	(608)
Total comprehensive loss for the period		-	26 016	829	-	-	(170 971)	(144 126)	313	(143 813)
Reduced liabilities IFRS16							6 227			
Transactions with owners										
Capital contribution					-	-	-	-	-	-
Foreign currency movement		77	6 756	(7 899)		794		(272)	-	(272)
Total transactions with owners of the Company		77	6 756	(7 899)	-	794	6 227	5 955	-	5 955
Balance at 31 December 2020		940	397 301	(56 161)	51 785	12 274	(480 248)	(74 108)	(8 523)	(82 632)

The accompanying notes are an integral part of these consolidated financial statements.



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DEEPOCEAN**B.5 Consolidated statement of cash flows for the year ended 31 December 2020**

<i>USD (thousands)</i>	<i>Notes</i>	<i>2020</i>	<i>2019</i>
Cash flows from continuing operations			
Cash flows from operating activities			
Result from operating activities		14 128	(23 952)
Depreciation and amortisation	11	88 271	135 257
Depreciation and amortisation IFRS16		(70 701)	(107 720)
Operational expenses adjustments IFRS16		(10 498)	(2 919)
Share of net income from investments accounted for using the equity method	13	(432)	(487)
Profit on sale of fixed assets	6	(3 764)	(97)
Impairment losses	6,11	4 021	5 252
Impairment losses IFRS16		-	-
		21 025	5 334
Changes in working capital:			
Inventories	17	805	176
Trade and other receivables	18	8 223	356
Prepayments	16	2 066	708
Trade and other payables	25,26	3 609	7 796
Provisions and employee benefits	23,24	(2 951)	275
Cash generated from operating activities		32 777	14 646
Interest and other finance costs paid	21	(17 007)	(11 502)
Interest and other finance income received	21	70	524
Income taxes paid	10	(7 827)	(2 729)
Net cash generated from operating activities		8 013	939
Cash flows from investing activities			
Proceeds from sale of fixed assets	11	15 000	1 224
Purchase of vessels and equipment	11	(11 545)	(6 218)
Dividends received from equity accounted investees		416	866
Net cash (used in)/generated from investing activities		3 871	(4 128)
Cash flows from financing activities			
Proceeds from issuance of shares	20		
Proceeds of borrowings	21	8 907	9 987
Repayment of borrowings	21	(12 930)	(5 885)
Transaction costs related to loans and borrowings	21		
Payment of finance lease		(4 691)	(4 680)
Settlement of derivatives			
Net cash used in financing activities		(8 714)	(578)
Net (decrease)/increase in cash and cash equivalents from continuing operations		3 170	(3 767)
Cash flows from discontinued operations			
Increase assets held for sale	4	(4 068)	
Net change in cash and cash equivalents from discontinued operations		(4 068)	-
Net decrease in cash and cash equivalents		(898)	(3 768)
Cash and cash equivalents at 1 January		66 547	70 391
Translation differences on cash and cash equivalents		791	(76)
Cash and cash equivalents at 31 December	19	66 440	66 547

The accompanying notes are an integral part of these consolidated financial statements.



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B.6 Notes to the Consolidated Financial Statements

1. General information

DeepOcean Group Holding B.V., hereinafter to be referred as 'the Company', has its statutory seat in Amsterdam, the Netherlands. The address of the Company's registered office is Overtoom 141, 1054 HG Amsterdam, the Netherlands. The Company is registered with the trade register of the Chamber of Commerce under number 55630561. Its ultimate shareholder is Tricer HoldCo S.C.A., having its statutory seat in Luxembourg, and is registered with the Registre de Commerce et des Sociétés under number B210246.

These consolidated financial statements, as at and for the year ended 31 December 2020 comprise DeepOcean Group Holding B.V (the Company) and its subsidiaries (the Group).

The Company is the leading, pure play subsea services provider in the areas of Survey, IMR (Inspection, Maintenance and Repair), Subsea Construction and Cable Lay & Trenching.

2. Significant accounting policies

The principal accounting policies applied in the preparation of consolidated financial statements are set out below. These policies have been applied consistently to all periods presented in these consolidated financial statements, unless otherwise stated.

2.1 Statement of compliance

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and as issued by the International Accounting Standards Board (IASB) and with Part 9 of Book 2 of the Dutch Civil Code. The Group presents its financial information in USD x 1,000, except when indicated otherwise.

The consolidated financial statements have been prepared by the Executive Management and were approved by the Board of Directors on Wednesday 26th May 2021.

2.2 Basis of preparation – Going Concern

2020 was a challenging year for the Group, due to a number of factors including the continuing COVID-19 pandemic, the sharp decline of commodity prices in Q1 2020 and the challenging market for the UK business (DeepOcean 1 UK Limited, Enshore Subsea Limited & DeepOcean Subsea Cables Limited) of the Group. DeepOcean executed several measures to ensure the future viability of the Group including reduction in employees (specifically eliminating SG&A positions), reduced investment plans, negotiated reduced vessel rates on long term charters and initiated a full restructuring of the UK business. However, despite the challenging conditions there was no breach of the bank covenants (Liquidity & LTM EBITDA) in 2020.

The restructuring plan procedure under Corporate Insolvency and Governance Act 2020 (an "RPP") of the UK business was not simply a liquidation of certain entities, but has a multitude of interlinked elements that cover the legal, financial and commercial spheres – which in its entirety have ensured the future viability of the Group and will make it increasingly competitive in the years to come. The process follows an extended period of loss-making operations by the UK business and reflects changes in the industry's procurement strategies and available installation capacity, as well as a mismatch between the UK business contractual commitments and market conditions. The RPP has been approved in court and the UK business is in the process of a solvent wind down. This court approved process has given the Group certainty for ongoing operations and future activities. The key outcomes of the RPP are as follows:

- The UK business has been released of all their liabilities as of 22nd April 2021 (Except a certain % of creditor recovery)
- The liabilities included long term charter vessels with out of market rates
- The solvent wind down of the UK business
- Stops the major cash drain of the Group
- The Group will have more funding headroom, allowing it to be more aggressive towards growth areas and focus on growth in the right areas.
- The retention of the trenching assets to either operate or monetize



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- Removes the UK Business which has been the major budget deviation and underperforming business for the Group over the last 36 months

One major impact of the RPP process is temporary negative equity. This temporary negative equity position is due to the impairment of the right-of-use assets in the UK business (DeepOcean 1 UK Limited, Enshore Subsea Limited & DeepOcean Subsea Cables Limited); US\$83.7M negative impact on the equity position, while the liabilities remained on the balance sheet at the end of 2020. The liabilities of \$91.4M were extinguished from the balance sheet on the 6th January 2021, when a settlement agreed was signed with the external counterparties.

In addition, to the RPP process in the UK business, the Group has continued multiple processes to further safeguard operations and provide the business with stability for the future. These processes include the following:

- Amendment and restatement of the current syndicated credit facility – including a maturity extension and other concessions from the lenders such as lower margins (reduced finance cost), and changes to the bank covenants. For more details, reference is made to note 21.1.
- \$15M new equity from majority shareholder Triton (March 2021) which shows – renewed commitment to their investment in DeepOcean and confidence in DeepOcean's future
- Significantly reduced charter rates for the Group's long-term charters in the Norway region

These activities and processes have been the main focus of the Group's management in 2020 to ensure a solid going concern for the wider DeepOcean Group and are the key anchor and preparation for this process of management assessment.

Management has decided to move its Group Holding entity from a Dutch entity (currently DeepOcean Group Holding B.V.) to a Norwegian entity in the course of 2021. This was to be completed in 2020, however, the focus of the executive management was on the RPP process for the UK business. This will involve a series of mergers resulting in DeepOcean Group Holding BV ceasing to exist and DeepOcean Norway AS becoming the ultimate parent of the DeepOcean Group. (Project Homecoming)

The series of mergers leading to DeepOcean Norway AS becoming the ultimate parent of the DeepOcean Group are as follows:

- DeepOcean Group Holding BV will be merged into Tricer NL BidCo 4 BV
- Merged Tricer NL BidCo 4 BV will be merged into Tricer NL BidCo 3 BV
- Merged Tricer NL BidCo 3 BV will be merged into DeepOcean Norway AS
- DeepOcean Norway will be the surviving entity and will become the group parent company

2.3 Changes in accounting policy and disclosures

New standards, amendments and interpretations not yet adopted by the Company:

Other standards, amendments to standards, and interpretations of standards, issued but not yet effective, are either not expected to materially affect DeepOcean's consolidated financial statements, or are not expected to be relevant to DeepOcean's consolidated financial statements upon adoption.

2.4 Use of estimates and judgments

The preparation of the consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities and disclosure of contingent assets and liabilities as of the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results may differ materially from these estimates. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 3.



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2.5 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control is achieved where the Company has the power to govern the financial and operating policies of an entity to affect and obtain benefits from its activities.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred to the former owners of the acquired business, equity interests issued by the Group, fair value of any asset or liability resulting from a contingent consideration arrangement, and fair value of any pre-existing equity interest in the subsidiary. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated, when necessary amounts reported by subsidiaries have been adjusted to conform to the Group's accounting policies.

On the loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interest and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, it is accounted for as investments accounted for using the equity method or as financial asset at fair value through profit and loss depending on the level of influence retained.

Non-controlling interests

The Group recognises any non-controlling interest on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquirer's identifiable net assets.

Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions - that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

Transactions eliminated on consolidation

Intercompany transactions, intercompany balances and income/expenses on transactions between Group companies are eliminated. Profits and losses resulting from intercompany transactions that are recognised in assets are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

2.6 Discontinued operations

A discontinued operation is a component of the Group's business, the operation and cash flows of which can be clearly distinguished from the rest of the Group and which:

- Represents a separate major line of business or geographical area of operations
- Is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations; or
- Is a subsidiary acquired exclusive with a view to resale.

Classification as a discontinued operation occurs on disposal, abandonment, termination or when the operation meets the criteria to be classified as held for sale, if earlier. When an operation is classified as a discontinued operation, the comparative statement of comprehensive income has been re-presented as if the operation had been discontinued from the start of the comparative year. Reference is made to note 4 of the annual financial statement.



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2.7 Foreign currency

Functional and presentation currency

These consolidated financial statements are presented in USD, which is the currency of the primary stakeholders. Items included in the financial information of individual entities in the Group are measured using the individual entity's functional currency, which is the currency of the primary economic environment in which the entity operates. The Group is primarily exposed to fluctuations in the foreign currency exchange rates of the Norwegian Kroner, United States Dollar, British Pound and the Euro.

Transaction and balances

Transactions in foreign currencies are translated into the respective functional currencies of Group entities at exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of profit or loss. Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the statement of profit or loss within finance income or expense.

Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet,
- Income and expenses for each statement of profit or loss are translated at average exchange rates (unless this average is not reasonable approximation of the cumulative effect of the rate prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions),
- All resulting exchange differences are recognised in other comprehensive income,

Share capital and share premium, for each balance sheet presented are translated at the closing rate at the date of that balance sheet. Resulting exchange differences are recognised directly in equity.

2.8 Revenue from contracts with customers

DeepOcean Company Holding B.V. ("the Company"), is an integrated provider of subsea and marine support vessels and services, such as inspection, maintenance and repair of subsea infrastructures, survey and seabed mapping, seabed intervention, including subsea trenching and protection services, and subsea installation (SURF) and decommissioning services.

Revenue from contracts with customers is recognized when control of the services is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for services.

In general, the Company's revenue streams can be divided into day-rate projects and lump-sum projects.

Under IFRS 15 principles, day-rate projects and lump-sum projects are assessed under the IFRS 15 model. There has not been identified any lease nor sub-lease components in the Company's revenue streams.

1. Day-rate projects:

Day-rate projects relate to the activity in which the Company and its customer have agreed on a daily fee for the services to be provided by the Company in relation to the project. The performance obligation of day-rate projects is considered the daily delivery of the required service by the vessel to the customer of the company. Promises made in the contract with the customer are assessed as whether such promises are capable of being distinct, hereof distinct in the context of the contract, and the transaction price allocated accordingly. The Company recognizes revenue from day-rate project contracts over time, because the customer simultaneously receives and consumes the benefits provided by the Company. The revenue is as such recognized linear on a day-by-day basis over the contract period, and the transaction price is estimated at the contract inception, including any variable considerations.



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2. Lump-sum projects:

Lump-sum projects concern projects in which the Company and its customers have agreed on a fixed fee for the services to be provided by the Company in relation to the project. This can be a mixture of the services as described above.

The performance obligation of the Company's lump-sum contracts is assessed on a contract-by-contract basis, evaluation whether any promises made in the contract are capable of being distinct, hereof distinct in the context of the contract. The Company have evaluated that the promised goods or services provided in contracts is capable of being distinct, however not distinct within the context of the project. IFRS 15 states that if a promised good or service is not distinct, an entity shall combine that good or service with other promised goods or services until it identifies a bundle of goods or services that is distinct. In some cases, that would result in the entity accounting for all the goods or services promised in a contract as a single performance obligation. Hence, the Company assess that the bundle of services provided on lump-sum contracts, is one performance obligation.

The Company recognizes revenue from lump-sum project contracts over time, because the customer simultaneously receives and consumes the benefits provided by the Company. The transaction price is estimated at the contract inception, including any variable considerations

The revenue is recognized in accordance with the stage of completion of a contract using a cost-to-cost input model to measure percentage of completion. The method relies on the Company's ability to estimate future costs in an accurate manner. The estimate to complete (ETC) is based on the schedule of the remaining work and its value, and the ETC is updated monthly. The reviews monitor actual cost of work performed project to date, the estimate cost to complete and the estimate cost at completion. This enables a reliable estimate for the likely outcome in terms of profitability of each project.

Variation considerations

If the consideration in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the services to the customer. Such variation considerations

The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

Contract modifications

A contract modification occurs when the Company and the customer approve a change in the contract scope, price or both. The accounting for a contract modification depends on whether distinct goods or services are added to the arrangement, and on the related pricing in the modified arrangement.

The Company recognize revenue from contract with customers arising from variation orders in the case the Company concludes that rights and obligations created or changed by a modification are enforceable, considering all relevant facts and circumstances including the terms of the contract and other evidences.

Warranty obligations

The Company provides warranties related to its performed services. In case the Company has not met the required criteria in the contract, additional required works are generally for the account of the Company. Such assurance-type warranties are accounted for as a provision under IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

Principle versus agent

The Company has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

Contract balances

Contract assets: A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Trade receivables: A receivable represents the Company's right to an amount of consideration that is unconditional.



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Contract liabilities:

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognized when the payment is made. Contract liabilities are recognized as revenue when the Company fulfils the performance obligation (s) under the contract.

2.9 Leasing

At the inception of a contract, The Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Recognition of leases and exemptions

At the lease commencement date, the Group recognizes a lease liability and corresponding right-of-use asset for all lease agreements in which it is the lessee, except for the following exemptions applied:

- Short-term leases (defined as 12 months or less)
- Low value assets

For these leases, the Group recognizes the lease payments as other operating expenses in the statement of profit or loss when they incur.

Lease liabilities

The lease liability is recognized at the commencement date of the lease. The Group measures the lease liability at the present value of the lease payments for the right to use the underlying asset during the lease term that are not paid at the commencement date. The lease term represents the non-cancellable period of the lease, together with periods covered by an option either to extend or to terminate the lease when the Group is reasonably certain to exercise this option.

The lease payments included in the measurement comprise of:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date
- Amount expected to be payable by the Group under residual value guarantees
- The exercise price of a purchase option, if the Group is reasonably certain to exercise that option
- Payments of penalties for terminating the lease, if the lease term reflects the Group exercising an option to terminate the lease.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications, or to reflect adjustments in lease payments due to an adjustment in an index or rate.

The Group does not include variable lease payments in the lease liability. Instead, the Group recognizes these variable lease expenses in profit or loss.

Right-of-use assets

The Group measures the right-of use asset at cost, less any accumulated depreciation and impairment losses, adjusted for any remeasurement of lease liabilities. The cost of the right-of-use asset comprise:

- The amount of the initial measurement of the lease liability recognized



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- Any lease payments made at or before the commencement date, less any incentives received
- Any initial direct costs incurred by the Group. An estimate of the costs to be incurred by the Group in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

The Group applies IAS 36 Impairment of Assets to determine whether the right-of-use asset is impaired and to account for any impairment loss identified.

2.10 Employee benefits

Pension obligations

The Group operates various defined contribution pension schemes and three defined benefit pension schemes.

Defined contribution plans

With a defined contribution plan the Group pays contributions to an insurance company. After the contribution has been made, the Group has no further commitment to pay. The contribution is recognised as employee expenses. Prepaid contributions are reflected as an asset (pension fund) to the degree the contribution can be refunded or will reduce future payments. The assets of the scheme are held separately from those of the Group in an independently administered fund. The amount recognised in the Statement of the profit or loss account represents the contributions payable to the scheme in respect of the financial year.

Defined benefit plans

A defined benefit plan is a pension scheme which is not a defined contribution plan. A defined benefit plan is a pension scheme which defines a pension payment which an employee will receive at pension age. The pension payments are normally dependent on one or more factors such as age, number of years in the company, and salary. The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation. In countries where there is no deep market in such bonds, the market rates on government bonds are used.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise. Past-service costs are recognised immediately in income.

One of the defined benefit schemes operated by one of the Group companies represents amounts payable to the Merchant Navy Officers Pension Fund ('MNOFF') in UK. The MNOFF is an industry-wide, multi-employer defined benefit scheme. The Group is unable to identify its share of the scheme's underlying assets and liabilities on a consistent and reasonable basis. The Group accrues an estimated future liability based on the last valuation received and makes payments during the year. Contributions are charged to the profit or loss account in the year in which they are payable, as communicated by the MNOFF.

The two other defined benefit schemes are operated by Norwegian entities. These pension plans are administered by a pension insurance company. The schemes carry, based on present social security regulations, an entitlement to an old-age pension corresponding to a percentage of pensionable income at the time of retirement. The pensions are coordinated with those under the Norwegian National Insurance Scheme.

In the US the group maintains a contributory 401(k) plan.

Bonus plan

In 2020 there was no bonus plan in place.



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2.11 Expenses

Direct operating expenses

Direct operating expenses are charged to profit or loss as incurred. Direct operating expenses principally include operating expenses associated with vessels charter, equipment lease, crew costs and consumable or project related materials. Direct operating expenses are reduced by the amount of partial reimbursements of labour costs received from any government (such as the Norwegian Government) and income from insurance claims.

Sales, general and administrative expenses

Sales, general and administrative expenses are charged to profit or loss as incurred. DeepOcean's sales, general and administrative expenses consist principally of:

- Salaries for employees not allocated to direct expenses, as well as expenses related to share-based compensation;
- Professional fees for independent auditors, lawyers and other consulting expenses;
- Premises, office and travel costs;
- Marketing costs;
- IT and communication expenses.

Other income and expenses

Other income and expenses are charged to profit or loss as incurred. Other income and expenses consist principally of restructuring costs, profit and loss on the sale of fixed assets, impairments, allowance for doubtful debt, and other extraordinary expenses.

Finance income and costs

Finance income and costs consist of finance cost, finance income and foreign currency gains and losses. Finance income comprises interest income on funds invested. Interest income is recognised in profit or loss as it accrues, using the effective interest method. Finance cost comprises interest expense on borrowings, amortised finance charges that are recognised in the statement of profit or loss, and financial instruments carried at fair value through profit and loss.

2.12 Taxation

Taxation expense or income represents the sum of the current tax and deferred tax. Taxes are computed based on tax rates and tax laws enacted or announced at the balance sheet date.

Current tax

Current tax is based on the taxable income for the year, together with any adjustments to tax payable in respect of prior years and considering the potential impact of uncertain tax positions. Taxable income differs from income before taxes as reported in the Consolidated Income Statement because it excludes items of income or expense that are taxable or deductible in other periods and items that are never taxable or deductible. Current tax relating to items recognised directly in equity is recognised in equity and not the Consolidated Statement of Other Comprehensive Income.

Deferred tax

Deferred tax is calculated on the basis of in the difference between reported and fiscal value of assets and liabilities and is accounted for using the balance sheet liability method. Deferred tax assets are recognised to the extent that it is probable that they will be utilised within the next few years and reduced when it is no longer probable that they will be utilized. Assets or liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition of other assets or liabilities in a transaction (other than in a business combination), that does not affect either the taxable income or the accounting income before taxes.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and interests in associates, and joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the near future.

Deferred tax is charged or credited to the Consolidated Income Statement, except when it relates to items charged or credited directly in the Consolidated Statement of Comprehensive Income in which case the deferred tax is also recognised within the Consolidated Statement of Comprehensive Income.



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2.13 Owned vessels and equipment (Fixed Assets)

Recognition and measurement

Vessels and equipment are stated at cost less accumulated depreciation and impairments, if any. The cost of assets includes the costs of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located as well as capitalised borrowing costs.

Dry-dock expenditure incurred to maintain a vessel's classification is capitalised as a distinct component of the asset and amortised over the period until the next dry docking is scheduled for the asset (usually 2½ to 5 years). All other repair and maintenance costs are recognised in the profit or loss as incurred.

Vessels and equipment that are being constructed or developed for future use are classified as assets under construction. Assets under construction are carried at cost, less recognised impairment loss, if any. The assets under construction are reclassified to the relevant asset category upon completion.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

Depreciation

Depreciation for vessels and equipment commences once the asset is placed in service for its intended use. Depreciable lives are determined through economic analysis, reviewing existing business plans and comparison to similar assets. For the vessels, depreciation is calculated per significant component, as the depreciable lives of the different components may vary. The identification of significant components requires management judgment (refer to note 3). Depreciation is calculated as the cost of vessels and equipment less their estimated residual values using the straight-line basis over their estimated useful lives.

Category	Asset Type/Component	Years
Surface vessels	Vessel hull	30
Surface vessels	Loading and unloading equipment	15
Surface vessels	Main engine	20
Surface vessels	Residential containers	15
Surface vessels	Other equipment	15
Surface vessels	Dry docking	2.5 - 5
Subsea equipment	Equipment (ROV, trenchers, etc.)	10
Other	Furniture and fittings	3 - 10
Other	Office equipment	2 - 5
Other	Vehicles	3 - 5

Residual values are estimated based on historical experience with regard to these assets and are established in conjunction with the estimated useful lives of the asset. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. Major modifications, which extend the useful life of marine vessels, are capitalised and amortised over the adjusted remaining useful life of the vessel. Marine inspection costs are expensed in the period incurred.

Non-current assets (or disposal groups) are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs to sell.

2.14 Intangible assets and goodwill

Recognition and measurement

Goodwill

Goodwill on subsidiaries and joint ventures is recognised separately as intangible assets and carried at cost less accumulated impairment losses.

Research and development



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Expenditure on research activities is recognised in profit or loss as incurred. Development expenditure is capitalised only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognised in profit or loss as incurred.

Other intangible assets

Other intangible assets, including customer relationships, backlog, patents and trademarks, that are acquired by the Group and have finite useful lives, are measured at cost less accumulated amortisation and any accumulated impairment losses.

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values, using the straight-line method, over their estimated useful lives, and is recognised in profit or loss. Goodwill is not amortised but assessed for impairment annually.

Category	Asset Type/Component	Years
Intangible assets	Goodwill	-
Intangible assets	Customer relationships	10
Intangible assets	Backlog	10

2.15 Interests in equity-accounted investees

Interests in equity-accounted investees can comprise associates or joint ventures (refer to 2.16.1).

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies. Interests in associates are accounted for using the equity method. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of equity-accounted investees, until the date on which significant influence ceases.

2.16 Joint arrangements

Joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor. The Group recognises its direct right to the assets, liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses. These have been incorporated in the financial statements under the appropriate headings.

2.16.1 Joint ventures

Joint ventures are accounted for using the equity method, where interests in joint ventures are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses and movements in other comprehensive income. When the Group's share of losses in a joint venture equals or exceeds its interests in the joint ventures (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint ventures), the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint ventures.

The Group determines at each reporting date whether there is any objective evidence that the investment, using the equity method, needs to be impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the investments and its carrying value and recognises the amount adjacent to share of profit/(loss) of an investee in the statement of profit or loss.

Profits and losses resulting from upstream and downstream transactions between the Group and its investments are recognised in the Group's financial statements only to the extent of unrelated investor's interests in the investments.



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2.16.2 Joint operations

The Group recognises its direct right to the assets, liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses and incorporates this in the financial statements under the appropriate headings.

When the Group participates in, but does not have joint control of, a joint operation it shall also account for its interest in the arrangement in accordance with the above if the Group has rights to the assets, and obligations for the liabilities, relating to the joint operation.

2.17 Impairment of non-financial assets

Non-financial assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). Prior impairments of non-financial assets (other than goodwill) are reviewed for possible reversal at each reporting date.

2.18 Financial assets

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

The Company classified its financial assets in four categories:

- Financial assets at amortised cost
- Financial assets at fair value through profit or loss
- Derivatives at fair value designated as hedging instruments

Financial assets at amortised cost:

The Company measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows and,
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Company's financial assets at amortised cost includes trade receivables and other short-term deposit. Trade receivables that do not contain a significant financing component are measured at the transaction price determined under IFRS 15 Revenue from contracts with customers.

The Company's financial assets classified in the category 'amortized cost' comprise 'trade receivables', 'restricted cash' and 'cash and cash equivalents'.

Financial assets at fair value through profit or loss:

Financial assets at fair value through profit or loss are acquired principally for the purpose of selling in the short term. Derivatives are also in this category unless they are designated as hedging instruments. Derivatives are initially recognized at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Derivatives are classified as current liability or current asset if they are expected to be settled within 12 months, otherwise they are classified as non-current. Changes in fair value of the derivatives, which are not used as hedging instrument, are recorded in the statement of profit or loss and presented under other finance (expense)/income.

Derivatives at fair value designated as hedging instruments:



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Derivatives at fair value are carried in the statement of financial position at fair value with net changes in fair value in OCI.

Impairment of financial assets:

The Company recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For trade receivables and contract assets, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date.

Derecognition of financial assets:

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e., removed from the Company's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired, or
- the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either
- the Company has transferred substantially all the risks and rewards of the asset, or
- the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

2.19 Inventories

Inventories consist of fuel, spare parts and other supplies to be consumed in the rendering of services. These supplies are measured at the lower of cost and net realisable value. The cost of inventories is based on the First-in-First-out (FIFO) principle, and includes expenditure incurred in acquiring the inventories and other costs incurred in bringing them to their existing location and condition. Within spare parts a distinction is to be made between 'immaterial' and material spare parts. The immaterial spare parts are to be carried as inventories and recognised as an expense as they are consumed. Material spare parts will qualify for recognition as vessels and equipment. For clarification purposes the useful life (and depreciation) of these material spare parts will commence when it is put in use rather than when it is acquired.

2.20 Trade receivables

Trade receivables are amounts due from customers for services performed in the ordinary course of business representing a right to an amount of consideration that is unconditional.

At initial recognition trade receivables without a significant finance component are recognized at their transaction price and subsequently at amortized cost. If collection is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets. For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. An impairment analysis is performed on all trade receivables at each reporting period to measure any potential credit losses. The assessment includes a review of geographical region, customer type, customer history, customer dialogue, current market conditions and future market conditions. Also, all reasonable and supportable information is taken into consideration in this assessment to ensure a probability-weighted outcome. Generally, trade receivables are written-off if past due for more than one year and are not subject to settlement negotiations.

2.21 Cash and cash equivalents

In the consolidated balance sheet cash and cash equivalents comprise cash in hand and deposits held at call with banks. Bank overdrafts, if any, are shown within borrowings in current liabilities.



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2.22 Share capital

Ordinary shares are classified as equity. The term 'shares' as used in the consolidated financial statements means ordinary shares issued by the Company. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

2.23 Financial liabilities

Financial liabilities are classified, at initial recognition, as loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. Derivatives are recognised initially at fair value. Loans, borrowings and payables are recognised at fair value net of directly attributable transaction costs.

Derivatives are financial liabilities when the fair value is negative, accounted for similarly as derivatives as assets.

Loans, borrowings and payables:

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

Payables are measured at their nominal amount when the effect of discounting is not material.

Derecognition of financial liabilities:

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial assets and liabilities:

Financial assets and liabilities are offset, and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

Hedge accounting:

Hedges of net investments in foreign operations are accounted for similarly to cash flow hedges. Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognized in other comprehensive income and accumulated in the translation reserves in equity. The gain or loss relating to the ineffective portion is recognized immediately in profit or loss under other finance (expense)/income. Gains and losses accumulated in equity are reclassified to profit or loss when the foreign operation is partially disposed of or sold.

2.24 Loans and borrowings

Loans and borrowings are recognised initially at carrying amount, less attributable transaction costs. Subsequent to initial recognition, borrowings are measured at amortised cost using the effective interest method. The amount due within one year is presented under current liabilities.

Attributable transaction costs include costs associated with the issuance of debt and are amortised using the effective interest rate method of amortisation over the expected life of the related debt agreement or on a straight-line basis over the expected life of the related debt agreement if the straight-line method approximates the effective-interest rate method of amortisation.

2.25 Provisions

Provisions are recognised when: (i) the Group has a present legal or constructive obligation as a result of past events; (ii) it is probable that an outflow of resources will be required to settle the obligation; (iii) the amount has



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been reliably estimated. Provisions are not recognised for future operating losses. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

Onerous contracts

A provision for onerous contracts is recognised when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract.

2.26 Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade and other payables are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade and other payables are recognised initially at fair value plus any directly attributable transaction costs if any. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

2.27 Statement of cash flows

The consolidated statement of cash flows is prepared using the indirect method. The consolidated statement of cash flows distinguishes between operating, investing and financing activities. Cash flows in foreign currencies are converted at the exchange rate at the dates of the transactions. Currency exchange differences on cash held are separately shown. Payments and receipts of corporate taxes are included as cash flow from operating activities.

In the consolidated statement of cash flows, cash and cash equivalents includes cash in hand, deposits held at call with banks and bank overdrafts. In the consolidated balance sheet, bank overdrafts are shown within borrowings in current liabilities.

3. Accounting estimates and judgments

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items that are more likely to be materially adjusted due to estimates and assumptions turning out to be wrong. Detailed information about each of these estimates and judgements is included in other notes together with information about the basis of calculation for each affected line item in the financial statements.

3.1 Revenue recognition on long term contracts

The Group accounts for long-term construction, engineering and project management contracts using the input method based on cost incurred (cost method), which is standard for the Group's industry. Contract revenues and total cost estimates are reviewed and revised periodically as work progresses. Adjustments based on the input method are reflected in contract revenues in the reporting period. To the extent that these adjustments result in a reduction or elimination of previously reported contract revenues or costs, a charge or credit is recognised against current earnings; amounts in prior periods are not restated. Such a charge or credit may be significant depending on the size of the project or the adjustment.

The input method requires the Group to make reliable estimates of progress toward completion of contracts and contract revenues and contract costs. The Group believes it assesses its business risks in a manner that allows it to evaluate the outcome of projects for purposes of making reliable estimates. The Group's business risks have involved, and will continue to involve, unforeseen difficulties including weather, economic instability, labour strikes, localised civil unrest, and engineering and logistical changes, particularly in major projects.



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3.2 Corporate income taxes

The Group is subject to taxation in numerous jurisdictions and different taxation regimes, including tax regimes covered by production sharing contracts of our customers, the Norwegian tonnage tax regime and deemed profit regimes. Significant judgement is required in calculating the consolidated tax provision. There are transactions for which the ultimate tax determination is uncertain and for which the Group makes provisions based on an assessment of internal estimates and/or appropriate external advice, including decisions regarding whether to recognise deferred tax assets in respect of tax losses. Each year the Group completes a detailed review of uncertain tax positions across the Group and makes provisions based on the probability of the liability arising. Where the final tax outcome of these matters differs from the amounts that were initially recorded, the difference will impact the tax charge in the period in which the outcome is determined.

The Group also recognises the increased scrutiny applied by tax authorities on intercompany transactions. As such, the Group has considered its key transactions with affiliates and has reasonable grounds for concluding that the prices used are at arm's length. This is supported by internal transfer pricing documentation that is consistent with the OECD Guidelines (OECD Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations).

3.3 Vessels and equipment

Vessels and equipment are recorded at cost, and depreciation is recorded on a straight-line basis over the useful lives of the assets. Management uses their experience to estimate the remaining useful life and residual value of an asset. Reassessment particularly takes place when an asset has been upgraded or does not serve its original purpose anymore. When events or changes in circumstances indicate that the carrying value of vessels and equipment may not be recoverable a test for impairment is carried out by management. Where the 'value-in-use' method is used to determine the recoverable amount of an asset, management use their judgment in determining asset utilisation, profitability, remaining life, and the discount rate when performing the calculation. The determination and identification of different components of the vessels is subject to judgment from management. Each part of the vessel that forms a significant part and has a different depreciable life is considered a significant component.

3.4 Allowance for doubtful debt

Trade receivables are shown net of impairment losses arising from identified doubtful receivables from customers. Trade receivables were impaired taking into account the financial position of the debtors, the days outstanding and expected outcome of negotiations and legal proceedings against debtors. Unbilled revenue on (completed) projects does not include impairment losses.

3.5 Fair value of derivatives

The fair value of financial instruments that are not traded in an active market (e.g.: over-the-counter derivatives) is determined by using valuation techniques. The Group uses its judgement to select a variety of methods and makes assumptions that are mainly based on market conditions existing at the end of each reporting period. The Group has used discounted cash flow analysis for various foreign exchange contracts that are not traded in active markets. For definition of fair value hierarchy please see note 27.6.1.

3.6 Defined benefit pension schemes

The present value of the pension obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. Management utilises the services of various qualified actuaries to calculate an estimate of the defined benefit pension liability. Any changes in assumptions made (such as the discount rate) will impact the carrying amount of pension obligations. Other key assumptions for pension obligations are based in part on current market conditions.

3.7 Recognition of provisions and disclosure of contingent liabilities

The Group, in the ordinary course of business, may be subject to various claims and lawsuits involving service providers, employees, tax authorities and others. In consultation with internal and external advisors, management will recognise a provision for related expenses and claims, if information available prior to issuance of the consolidated financial statements indicates a probable event and if the amount of the loss/cost can be reasonably estimated. Contingent liabilities for which a possible obligation exists are disclosed but not recognised.



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DEEPOCEAN**4. Discontinued operations**

The companies DeepOcean 1 UK Ltd, DeepOcean Subsea Cables Ltd and Enshore Subsea Ltd are considered as discontinued operations. The above UK companies are the companies comprising the RPP. Reference is made to note 2.2 with regards the nature of the RPP.

In addition, all operations related to AXA Engenharia Submarina Ltda, the Brazilian legal entity of which the group owns 60%, are reported as discontinued operations.

The financial performance from discontinued operations is presented below and resulted in a net loss of \$143.3M

<i>USD (thousands)</i>	2020	2019
Revenue	73 641	
Direct operating expenses	(50 426)	
Depreciation and amortisation	(37 997)	(48)
Impairment	(94 230)	
Gross loss	(109 012)	(48)
Sales, general and administrative expenses	(18 155)	(16)
Other income	50	
Results/(loss) from operating activities	(127 116)	(64)
Finance income	106	43
Finance expense	(16 336)	(3 611)
Net finance expense	(16 230)	(3 568)
Loss before tax	(143 346)	(3 632)
Corporate income tax credit		
Loss for the period	(143 346)	(3 632)
Results/(loss) attributable to:		
Shareholders of the parent	(141 597)	(3 632)
Non-controlling interests	1 749	
Loss for the period	(143 346)	(3 632)

The balance sheet position of the discontinued operations is presented in the below table.



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<i>USD (thousands)</i>	31 December 2020
Assets	
Vessels and equipment	120
Equity accounted investees	(0)
Loans and other receivables	0
Prepaid charter costs	(0)
Total non-current assets	120
Inventories	(23)
Trade receivables and contract assets	(925)
Current income tax receivable	247
Cash and cash equivalents	4 649
Total current assets	3 948
Total assets	4 068
Accumulated losses	(92 950)
Total equity attributable to owners of the Company	(92 950)
Non-controlling interests	(8 523)
Total equity	(101 473)
Non-current portion of loans and borrowings	52 938
Non-current portion of post-employment benefit obligation	242
Total non-current liabilities	53 180
Current portion of loans and borrowings	39 567
Current portion of post-employment benefit obligation	(0)
Trade and other payables	12 810
Current provisions	(0)
Current income tax liabilities	(16)
Total current liabilities	52 361
Total liabilities	105 541
Total equity and liabilities	4 068

5. Revenue

For management purposes, the Group is organised in various operating segments, based on a combination of geographical regions and service/product lines. The Executive Director of the Board fulfil the role of Chief Operating Decision Maker (CODM) in the Group and monitor the operating results of its business units separately for the purpose of decision making and performance assessment. Financial information for this exists in management accounting, however individually the segments do not meet the quantitative thresholds required by IFRS 8.22 (a) for reportable segments. The regions all have similar characteristics in terms of economic, nature of service, type of customer, methods of distribution and regulatory environment. Therefore, the operating segments are combined into one reportable segment as presented in this consolidated statement. Net Income measures the Group's performance.



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5.1 Geographic information

Revenue

The Group operates highly mobile vessels, which operate in multiple jurisdictions. Revenues from external customers are allocated based on the country of the registered office of the Group subsidiary executing the services.

<i>USD (thousands)</i>	2020	2019
Norway	241 708	212 040
United Kingdom	94 596	151 247
Netherlands	(5 792)	6 788
Americas	62 438	75 579
Africa	33 181	44 740
Total revenue	426 131	490 394
Revenue from continuing operations	352 490	490 394
Revenue from discontinued operations	73 641	

Non-current assets

The allocation of assets is based on the country of the registered office of the Group subsidiary.

	31 December	31 December
<i>USD (thousands)</i>	2020	2019
Norway	93 669	170 089
United Kingdom	1 201	118 303
Netherlands	2 456	38 036
Americas	48 299	55 937
Africa	471	1 991
Total non-current assets	146 096	384 356

5.2 Major customers

Revenue from customers contributing more than 10% to the total revenue is summarised below:

<i>USD (thousands)</i>	2020	2019
Revenue	169 601	190 523
Number of customers	2	2

The two customers contributing more than 10% of overall group revenue each in 2020 are: Equinor Energy AS; AkerBP AS;

5.3 Seasonality of operations

The Group's activities in all segments are subject to seasonal fluctuations as a result of weather conditions. During the winter months, the possibility of adverse weather conditions is significantly higher compared to the summer months. As a result, the Group's revenues and results typically are lower in the first and fourth quarter of the year, particularly in operations in the northern hemisphere.

6. Expenses by nature

The direct operating; sales, general and administrative expenses; and other (income)/expenses are presented below:

- Direct operating expenses:



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<i>USD (thousands)</i>	2020	2019
Employee costs	137 760	182 185
Vessel charter costs	19 892	28 923
Other rentals	15 168	14 497
Parts, materials and consumables	40 452	57 521
Other direct operating expenses	40 919	48 703
Total Direct operating expenses	254 192	331 828
From continuing operations	203 766	331 828
From discontinued operations	50 426	
IFRS 16 impact		
Vessel charter costs	78 683	107 232
Other rentals	1 022	1 736

- Sales, general and administrative expenses:

<i>USD (thousands)</i>	2020	2019
Employee costs	25 742	8 954
Premises and office costs	3 015	2 781
Travel cost	420	2 262
Professional fees	12 274	2 864
IT and communications	3 069	2 559
Marketing	671	705
Other (income)/expense	1 682	2 275
Total Sales, general and administrative expenses	46 873	22 400
From continuing operations	28 718	22 400
From discontinued operations	18 155	16
IFRS 16 impact		
Premises and office costs	1 425	1 614
Travel cost	68	58

- Other expenses / (income):

<i>USD (thousands)</i>	2020	2019
(Profit)/loss on the sale of fixed assets	3 764	(97)
Restructuring costs	271	14 334
Impairment of loans to related parties	-	-
Allowance for doubtful debt	9 984	5 875
Other extraordinary costs	-	-
Total other expense	14 019	20 112
From continuing operations	3 890	20 112
From discontinued operations	10 129	
Impairment of fixed assets	98 200	5 252
Total other expense, including impairments of fixed assets	112 219	25 364
From continuing operations	18 040	25 364
From discontinued operations	94 179	



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7. Employee costs

The employee costs include cost related to the Group's long-term incentive plans and pensions.

USD (thousands)	2020	2019
Pensions - defined contribution plans	4 850	4 505
Pensions - defined benefit plans	745	959

8. Independent auditor's remuneration

With reference to Section 2:382a of the Netherlands Civil Code, fees billed to the Group by the principal auditing firm Ernst & Young (EY) Netherlands as the independent statutory auditor of the Group and other member firms of E&Y International, were:

USD (thousands)	2020	2019
Audit - Statutory	762	576
Tax advisory services	-	79
Other services	-	119
Total	762	774

9. Net finance income/(expenses)

USD (thousands)	2020	2019
Finance income		
Interest income on bank and loans	(68)	(510)
Other finance income	(5)	(14)
Total finance income	(72)	(524)
Finance expense		
Interest expense on bank loans and overdrafts	9 356	7 943
Interest expense on finance lease	564	779
Interest expense on operational lease	IFRS16 13 472	20 314
Unrealised result of currency derivatives	(8 136)	(104)
Realised result of currency derivatives	4 476	423
Net foreign exchange expense	6 556	2 292
Net foreign exchange expense	IFRS16 (404)	(4 244)
Other finance expense	2 612	2 358
Total finance expense	28 496	29 760
Net finance expense recognised in statement of profit or loss	28 424	29 236
From continuing operations	12 194	25 668
From discontinued operations	16 230	3 568



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10. Corporate income tax

10.1 Current corporate income tax

USD (thousands)	2020	2019
Current income tax on loss for the year	6 130	2 729
Adjustments with respect to prior years	20	0
Non-deductible withholding tax	1 677	2 723
Current corporate income tax expense	7 827	5 452
Origination and reversal of temporary differences	(2 535)	(9 734)
Deferred income tax credit	(2 535)	(9 734)
Total income tax expense/(credit)	5 292	(4 282)
From continuing operations	5 292	(4 282)
From discontinued operations	-	-

The income tax expense recognised in the period can be reconciled to the accounting profit as follows:

USD (thousands)	2020	2019
Loss before tax from continuing operations	1 934	(49 621)
Loss before tax from discontinued operations	(143 346)	(3 632)
Loss before tax for the period	(141 412)	(53 253)
Corporate income tax expense calculated at 25%	(35 353)	(13 313)
Effect of different income tax rates in other jurisdictions	1 787	4 273
Permanent differences	3 840	3 570
Non-taxable income	-	-
Unrecognised DTA/(utilisation of previously unrecognised DTA)	35 130	(3 286)
Prior year adjustments	20	0
Other	(132)	4 474
Total	5 292	(4 282)

	2020	2019
Corporate income tax expense calculated at 25%	25,0%	25,0%
Effect of different income tax rates in other jurisdictions	-1,3%	-8,0%
Permanent differences	-2,7%	-6,7%
Non-taxable income	0,0%	0,0%
Unrecognised DTA/(utilisation of previously unrecognised DTA)	-24,8%	6,2%
Prior year adjustments	0,0%	0,0%
Other	0,1%	-8,4%
Total	-3,7%	8,0%

Effective tax rate analysis

2020

For the year ended 31 December 2020 the Group recorded a net tax cost of \$5,3 million. This resulted in an effective tax rate of 3,7%.

2019

For the year ended 31 December 2019 the Group recorded a net tax income of \$4,3 million. This resulted in an effective tax rate of minus 8%.



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10.2 Recognized deferred tax assets and liabilities

The net movement on the deferred income tax account is as follows:

<i>USD (thousands)</i>	Balance 1 January 2019	Recognised in profit or loss	Recognised in other comprehensive income	Exchange differences	Balance 31 December 2019
Vessels and equipment	62	2 272	-	3	2 337
Receivables	(60)	36	18	2	(4)
Post employment benefits	(4)	155	-	4	155
Provisions	642	(10)	(0)	(3)	629
Tax losses carried forward	4 809	4 147	-	(258)	8 698
Other	769	2 480	(1 164)	(43)	2 042
Total	6 218	9 079	(1 146)	(295)	13 857

<i>USD (thousands)</i>	Balance 1 January 2020	Recognised in profit or loss	Recognised in other comprehensive income	Exchange differences	Balance 31 December 2020
Vessels and equipment	2 337	(1 975)	696	11	1 069
Receivables	(4)	8	-	0	4
Post employment benefits	155	7	-	4	166
Provisions	629	(151)	-	6	484
Tax losses carried forward	8 698	3 895	(3 428)	(116)	9 049
Other	2 042	751	(26)	257	3 024
Total	13 857	2 535	(2 758)	162	13 796

The movement in deferred income tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

Deferred tax assets and liabilities

<i>USD (thousands)</i>	Assets		Liabilities		Net	
	31 December 2020	31 December 2019	31 December 2020	31 December 2019	31 December 2020	31 December 2019
Vessels and equipment	1 068	2 336	-	-	1 068	2 336
Receivables	5	(3)	-	-	5	(3)
Post employment benefits	156	146	-	-	156	146
Provisions	456	627	-	-	456	627
Tax losses carried forward	9 049	9 419	-	-	9 049	9 419
Other	4 322	3 612	(1 260)	(1 260)	3 062	2 352
Set off of tax components	-	-	-	-	-	-
Total	15 056	16 137	(1 260)	(1 260)	13 796	14 877
To be recovered after 12 months	10 556	8 153	(1 260)	(1 260)		
To be recovered within 12 months	4 500	7 984	-	-		
Total	15 056	16 137	(1 260)	(1 260)		

The recognised deferred tax assets are dependent on future taxable profits in excess of profits arising from the reversal of existing taxable temporary differences. Based on forecasted results for each relevant entity, management considered it probable that enough future taxable profits will be generated to utilise deferred tax assets.



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10.3 Unrecognised deferred tax assets

USD (thousands)	2020	2019
Deductible temporary differences	(1)	(1)
Tax losses	-	2 470
Capital allowances	-	33
Total	(1)	2 502

Unrecognised deferred tax assets relate to temporary differences and tax losses carried forward in certain entities where it is currently not probable that future taxable profits will be generated to utilise these assets.

10.4 Tax liabilities

Group companies receive enquiries from tax authorities and tax audits are performed by tax authorities with Group companies, which may result in disputes in respect of filed tax returns. Tax liabilities are recognised when it is considered probable that there will be a future outflow of funds to a tax authority. In such cases, a provision is made for the amount that is expected to be settled, where this can be reasonably estimated. This requires the application of judgement as to the ultimate outcome, which can change over time depending on facts and circumstances. A change in estimate of the likelihood of a future outflow and/or in the expected amount to be settled would be recognised in income in the period in which the change occurs.



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DEEPOCEAN**11. Vessels and equipment**

<i>USD (thousands)</i>	Vessels	Mission equipment	Other	Right-of-use-assets	Assets under construction	Total
Costs						
Balance at 1 January 2019	209 488	255 826	12 816	-	6 540	484 670
Additions		4 694	89	359 539	5 731	370 053
Reclassification	99	3 622	133		(8 150)	(4 296)
Asset classified as held for sale	(86 406)					(86 406)
Retirement and disposals	(16 788)	(90 833)	(3 955)		(1 665)	(113 241)
Impairments	(21 916)					(21 916)
Exchange differences	599	13	1 618		(433)	1 797
Balance at 31 December 2019	85 076	173 322	10 701	359 539	2 023	630 661
Balance at 1 January 2020	85 076	173 322	10 701	359 539	2 023	630 661
Additions		1 507	89	(11 038)	9 949	507
Reclassification		7 186	133		(7 319)	-
Retirement and disposals	(21 359)	(24 662)	(4 400)	(170 829)	(628)	(221 878)
Exchange differences	(3 318)			660		(2 658)
Balance at 31 December 2020	60 399	157 353	6 523	178 332	4 025	406 632
Accumulated depreciation						
Balance at 1 January 2019	(149 144)	(173 028)	(6 711)		-	(328 883)
Depreciation charge	(9 423)	(16 881)	(1 281)	(107 720)		(135 305)
Retirement and disposals	16 790	89 650	2 942			109 382
Assets classified as held for sale	71 290					71 290
Impairments	16 664					16 664
Exchange differences	(358)	582	(415)	(2 017)		(2 208)
Balance at 31 December 2019	(54 181)	(99 677)	(5 485)	(109 737)	-	(269 060)
Balance at 1 January 2020	(54 181)	(99 677)	(5 465)	(109 737)	-	(269 060)
Depreciation charge	(4 956)	(16 376)	(909)	(104 027)		(126 268)
Retirement and disposals	21 359	24 829	4 400	162 340		212 928
Impairments	-	(20 876)		(77 324)		(98 200)
Exchange differences	738	582	(15)			1 305
Balance at 31 December 2020	(37 040)	(111 518)	(1 989)	(128 748)	-	(279 295)
Carrying amounts						
At 1 January 2019	60 344	82 798	6 105	-	6 540	155 787
At 31 December 2019	30 895	73 645	5 236	249 802	2 023	361 601
At 1 January 2020	30 895	73 645	5 236	249 802	2 023	361 601
At 31 December 2020	23 359	45 835	4 534	49 584	4 025	127 337

Impairment vessels and equipment

The Group performed its annual impairment test in December 2020. The Group considers the relationship between its enterprise value and its book value, among other factors, when reviewing for indicators of impairment. External valuations of the owned vessels were also included in this assessment. In the reporting period, management assessed the fair value of these assets and concluded impairments would be necessary. This resulted in a 2020 impairment of USD 98,2 million of which USD 94,2 million is related to discontinued operations.



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DEEPOCEAN**12. Goodwill and intangible assets**

Figure 1 - Table 1

<i>USD (thousands)</i>	Goodwill	Customer relationships	Other intangible assets	Total
Costs				
Balance at 1 January 2019	989	1 906	-	2 895
Balance at 31 December 2019	989	1 906	-	2 895
Balance at 1 January 2020	989	1 906	-	2 895
Additions			72	72
Exchange differences	89			89
Balance at 31 December 2020	1 078	1 906	72	3 056
Accumulated Amortisation				
Balance at 1 January 2019				-
Balance at 31 December 2019	-	-	-	-
Balance at 1 January 2020	-	-	-	-
Balance at 31 December 2020	-	-	-	-
Carrying amounts				
At 1 January 2019	989	1 906	-	2 895
At 31 December 2019	989	1 906	-	2 895
At 1 January 2020	989	1 906	-	2 895
At 31 December 2020	1 078	1 906	72	3 056

In 2020 there was no further Goodwill recognized, and no additions to minor intangible assets.

13. Equity-accounted investees**13.1 Joint ventures**

On 1 December 2014, the Group entered into a joint venture agreement with Technip Norge AS, resulting in the incorporation of Technip-DeepOcean PRS JV DA ('PRS') in Norway, in which both parties own 50% of the shares. The main purpose of the joint venture is to execute the PRS Framework Agreement. The parties have joint control.

In 2018, the Group entered into a joint venture with Level Personal AS, resulting in the incorporation of Level Offshore AS in Norway, in which both parties hold 50% of the shares. The main purpose of the joint venture is to provide staffing services to the offshore industry and the marine market.

<i>USD (thousands)</i>	Share	Profit/(loss)	Assets	Liabilities	Equity	DeepOcean's share in equity	Carrying value
31 December 2018							
Technip-DeepOcean PRS JV DA	50 %	968	4 637	(3 539)	(1 098)	(549)	550
Level Offshore AS	50 %	659	4 044	(3 057)	(988)	(494)	59
Total		1 626	8 681	(6 596)	(2 085)	(1 042)	609

During the year ended 31 December 2020, the Group did receive dividend from its equity-accounted investments amounting US\$0.4 million (2019: US\$0.9 million). None of these companies are publicly listed and consequently do



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not have published price quotations. There are no contingent liabilities relating to the Group's interest in the investments accounted for using the equity method.

14. Joint operations

In 2015 the Group entered into an agreement with a Ghanaian partner resulting in the incorporation of DeepOcean Ghana Ltd in Ghana, in which DeepOcean owns 49% of the shares. The main purpose of the joint operations is to execute contracts in Ghana. Despite the fact that the Group only holds 49% of the shares, the parties have joint control.

The shareholder agreement in relation to DeepOcean Ghana Ltd requires consent from both parties for all significant decisions. The two partners have rights to substantially all of the economic benefits of the assets held in the separate vehicle. This entity, as well as its fully owned subsidiary DeepOcean Ghana B.V. is therefore classified as a joint operation.

DeepOcean Ghana Ltd is 100% consolidated in DeepOcean Group.

15. Changes in consolidated interests

No changes in consolidated interests during 2020. The planned wind down and liquidation of UK companies will be done in 2021.

16. Prepaid charter costs

The Group enters into new charter agreements with ship owners on a regular basis. Mobilization cost associated with a new charter are capitalized and amortized over the term of the lease.

17. Inventories

The inventories comprise of the following:

	31 December 2020	31 December 2019
<i>USD (thousands)</i>		
Fuel and oil	2 287	3 203
Spare parts	277	188
Total	2 563	3 391

At 31 December 2020 no inventory was written off (31 December 2019: nil). The inventories are for internal use only and not for re-sale. The cost of inventories utilised is recognised as an expense in direct operating expenses.

18. Trade receivables and contract assets

	31 December 2020	31 December 2019
<i>USD (thousands)</i>		
Trade receivables		
Receivables from third-party customers	61 083	72 231
Receivables from associates and joint-ventures	559	500
Allowance for expected credit losses	(14 051)	(5 803)
Net trade receivables	47 591	66 928
Contracts assets		
Other receivables	3 705	2 759
Other current financial assets	34 717	34 726
Net contract assets	38 421	37 485
Total	86 012	104 413

Allowance for expected credit losses on trade receivables and contract assets



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<i>USD (thousands)</i>	2020	2019
Balance at 1 January	(5 803)	(47)
Provision for expected credit losses	(8 248)	(5 756)
Write-off	-	-
Foreign currency movement	-	-
Balance at 31 December	(14 051)	(5 803)

19. Cash and cash equivalents

Unrestricted cash and cash equivalents are available for immediate use by the Group. Cash and cash equivalents in the joint operations in Ghana are available for immediate use subject to approval by both partners in the joint arrangement.

Restricted cash

<i>USD (thousands)</i>	2020	2019
Withheld employee taxes Norway	2 706	2 533



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DEEPOCEAN**20. Share capital and premium**

<i>USD (thousands)</i>	Number of shares	Share capital	Share premium
On issue at 1 January 2019	77 036 451	880	371 655
New shares issued		-	
Foreign currency movement	-	(17)	(7 126)
On issue at 31 December 2019 - fully paid	77 036 451	863	364 529
Treasury shares		-	-
Outstanding at 31 December 2019 - fully paid	77 036 451	863	364 529
On issue at 1 January 2020	77 036 451	863	364 529
New shares issued		-	
Foreign currency movement	-	78	32 771
On issue at 31 December 2020 - fully paid	77 036 451	941	397 300
Treasury shares		-	-
Outstanding at 31 December 2020 - fully paid	77 036 451	941	397 300

The Board of Directors proposes no dividend for 2020 (2019: nil).

21. Loans and borrowings

This note provides information about the contractual terms of the Group's interest-bearing loans and borrowings, which are measured at amortised cost. For more information about the Group's exposure to currency risk, interest rate risk, liquidity risk and operational risk, reference is made to note 27.

<i>USD (thousands)</i>		31 December 2020	31 December 2019
Non-current borrowings			
Secured bank loans - Credit Facility - Facility B		11 613	17 009
Finance charges being amortised ¹		(181)	(1 161)
Finance lease liabilities		13 018	20 155
Operational lease liabilities	IFRS16	69 028	149 667
		93 478	185 670
Current borrowings			
Secured bank loans - Credit Facility - Facility A		87 887	84 575
Secured bank loans - Credit Facility - Facility B		-	-
Finance charges being amortised ¹		-	-
Bank loan acquired through business combination		-	-
Finance lease liabilities		6 665	4 220
Operational lease liabilities	IFRS16	69 494	113 612
		164 046	202 407
Total		257 524	388 077

¹ The carrying amount of borrowings includes directly attributable costs which are amortized over the term of the loans.



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DEEPOCEAN**21.1 Secured bank loans**

<i>USD (thousands)</i>	31 December 2020	31 December 2019
At 1 January	101 584	109 044
Repayment of borrowings	(12 930)	(4 640)
Proceeds of new borrowings	9 227	
Exchange differences	1 619	(2 820)
At 31 December	99 500	101 584

The Credit Facility of EUR 155.0 million (US\$173.7 million) consists of EUR 80.0 million revolving credit facility (the "Facility A") a EUR 45.0 million bank bonds and guarantees facility (the "Facility C"), and a EUR 16.2 million term loan facility (the "Facility B").

In the Credit Facility an additional EUR 20.0 million (US\$22.4 million) feature is available under Facility A. It is also possible to transfer up to EUR 25.0 million from Facility A to a committed guarantee facility (the "Facility D"), the transfer/utilization date being the Facility D Increase Date. The committed amount may not be reversed to Facility A. The Credit Facility is secured by all assets of the Group including the assets of its present and future subsidiaries.

The Credit Facility contains customary operating and financial covenants, including restrictions on each obligor (and where expressly provided, the subsidiaries of such obligors) with regard to the extent to which the entities may, among other things, (i) incur additional indebtedness or guarantees; (ii) create liens or other encumbrances on our property; (iii) enter into a merger or similar transaction; (iv) sell or transfer property except in the ordinary course of business; (v) make dividend and other restricted payments; (vi) repurchase Ordinary Shares; and (vii) make acquisitions.

In effect, from 30 November 2018 the key financial covenant requirements were minimum liquidity positions at each month end period and LTM adjusted EBITDA at each month end period. However, the key financial covenants have now been renegotiated as part of a new loan agreement and are as follows:

- Liquidity shall at all times exceed \$7.5M until 31st December 2023
- EBITDA covenant is not applicable currently and will be reintroduced on 31st December 2022 with a compliant EBITDA of \$15M over the prior 12 months

Prior to the finalised loan agreement, there was a lock-up period agreement signed on the 18th November 2020. The lock up agreement provided waivers and forbearance which temporarily waive any default, potential Event of Default or Event of Default under or in respect of the Facilities Agreement arising directly and solely as a result of the Restructuring including:

- any failure by the Parent or any Group Company to comply with clause 22.1(d)(viii) (Financial Covenants) of the Facilities Agreement including any failure to deliver a quarterly compliance certificate evidencing compliance with that clause pursuant to clause 21.4 (Compliance Certificates) of the Facilities Agreement

The lock up agreement and subsequent new loan agreement were negotiated and agreed in parallel to the RPP process in the UK.

Current and forecasted covenants are monitored continually. Under the lock up agreement the monitoring of the, of the Company's ability to meet its debt service obligations was tightened (also see note 27.5 on Liquidity), with weekly reporting and minimum cash in Pledged Accounts set to USD 17.5 million and where necessary action will be taken to ensure access to funding.

At 31 December 2020 the financial covenants for the Company's debt instruments were within their applicable thresholds under the lock up agreement.

The carrying amounts per currency and year of maturity are as follows:



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USD (thousands)	Currency	Nominal interest rate	Year of maturity	31 December 2020	31 December 2019
				Carrying amount	Carrying amount
Facility A - Credit Facility	USD	LIBOR + 4.75%	2023	87 887	84 575
Facility B - Term loan	USD	LIBOR + 4.75%	2023	11 613	17 009
Total				99 500	101 584

The fair value of the outstanding borrowings in 2020 is estimated to approximate their carrying amount as the impact of discounting is not significant.

The maturity date for the Facilities is 28 February 2023.

The availability period for the Facility A is up to and including 27 November 2022, or, in case of an extension of the maturity date for Facility A, up to and including the date falling three months before the final maturity date for Facility A.

The availability period for Facility C is up to and including 27 January 2023.

The availability period for Facility D is the period from and including the Facility D Increase Date to and including 27 January 2023.

The repayment schedule on the remaining part of the Facility B term loan of EUR 25.0 million, drawn in USD, was adjusted in the amendment of 30 November 2018 to 2 annual instalments of EUR 6.5, of which the first is due in 2021. Each instalment is to be repaid in the USD equivalent of the EUR reduction.

The term loan was repaid by USD 5.2 million late November in relation to the sale of the vessel Deep Endeavour. This will be deducted from the next instalment due in 2021.

The interest is in line with market conditions and is based on LIBOR plus a margin of 4.75% (the level of the margin depends on the leverage of the Group). On the undrawn amount of the Facility A revolver loan interest is charged at 40% of margin, on the Facility C and Facility D performance guarantee loan interest (Guarantee Fee) is charged at 2.125% and a commitment fee on the undrawn Facility C and Facility D is charged at 40% of the Guarantee Fee.

For the drawn amounts of committed loan facility, refer to note 28. The Group has the following undrawn borrowing facilities as per 31 December 2020:

USD (thousands)	31 December 2020	31 December 2019
Facility C - Ancillary loan commitment	31 689	16 163
Total	31 689	16 163

The Facility A may be drawn in multiple tranches provided that each tranche must be at least EUR 5.0 million. This minimum amount does not apply to the performance guarantee facility issues. In addition, the Group may add an additional EUR 20.0 million (USD 22.4 million) accordion facility to the Facility A.

21.2 Finance lease liabilities

DeepOcean had per 31 December 2020, 9 lease agreements all classified as financial leases under IFRS. The lease liabilities are effectively:



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	31 December 2020	31 December 2019
<i>USD (thousands)</i>		
Gross finance lease liabilities - minimum lease payments		
- No later than 1 year	7 995	6 548
- Between 1 and 5 years	15 530	22 126
- Later than 5 years	-	-
Total gross finance lease liabilities	23 525	28 674
Future finance charge on finance lease	(3 842)	(4 299)
Present value of finance lease liabilities	19 683	24 375

The present value of the finance lease liabilities are as follows:

	31 December 2020	31 December 2019
<i>USD (thousands)</i>		
No later than 1 year	6 665	4 927
Between 1 and 5 years	13 018	19 447
Later than 5 years	-	1

22. Loans and borrowings from related parties

	31 December 2020	31 December 2019
<i>USD (thousands)</i>		
At 1 January	1 501	1 580
Exchange differences	(302)	(79)
At 31 December	1 199	1 501

Loans and borrowings from related parties solely consists of a loan from DeepOcean Brasil Serviços Ltda, which was disposed of and deconsolidated from the Group per 30 December 2016, to AXA Engenharia Submarina Ltda.



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DEEPOCEAN**23. Post-employment benefits**

The pension plans expose the Group to actuarial risks, such as longevity risk, currency risk, interest rate risk and market (investment) risk.

The amounts recognised in the statement of financial position are determined as follows:

	31 December 2020	31 December 2019
<i>USD (thousands)</i>		
Present value of funded obligations	9 642	9 030
Less: Fair value of plan assets	9 110	8 397
(Surplus)/ deficit in the plan	532	633
MNOPF & MNRPF scheme	242	234
Total	774	867

The movement in the defined benefit obligation over the year is as follows:

	2020	2019
<i>USD (thousands)</i>		
Defined benefit obligations at 1 January	9 030	9 682
Benefits paid by the plan	(112)	(201)
Current service costs	735	832
Interest (income)/expense	150	250
Remeasurement, excluding amounts included in interest (income)/ expense	(260)	(1 507)
Payroll tax	(131)	68
Exchange differences	230	(94)
Defined benefit obligations at 31 December	9 642	9 030

The movement in the fair value of plan assets of the year is as follows:

	2020	2019
<i>USD (thousands)</i>		
Fair value of plan assets at 1 January	8 397	10 078
Contributions paid by the employer	932	334
Benefits paid by the plan	(112)	(175)
Administration costs	(22)	(19)
Interest (income)/expense	143	257
Remeasurement, excluding amounts included in interest (income)/ expense	(452)	(1 978)
Exchange differences	226	(99)
Fair value of plan assets at 31 December	9 110	8 397

The amounts recognised in the statement of profit or loss is as follows:

	2020	2019
<i>USD (thousands)</i>		
Current service costs	735	832
Interest (income)/expense	8	(7)
Administration costs	22	19
Payroll tax of net pension cost	(131)	68
Exchange differences	4	5
Total	638	917



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The expected rate of return on plan assets is equal to the discount rate as used to calculate the corresponding defined benefit obligation and is based on high quality bonds.

The Group's defined benefit plan assets combined comprise the following asset categories:

	31 December 2020	31 December 2019
Equity instruments	9,0%	9,6%
Bonds	14,0%	12,4%
Hold to maturity bonds	62,0%	62,7%
Property	14,0%	13,4%
Other	1,0%	1,9%
Total	100,0%	100,0%

Investments are well diversified, such that the failure of any single investment would not have a material impact on the overall level of assets. The largest proportion of assets is invested in hold to maturity bonds, although the pension fund also invests in equity, property, bonds and other.

The IAS 19R calculations of the defined benefit pension schemes are carried out by the insurance companies. The principal actuarial assumptions used in the calculations are as follows:

	31 December 2020	31 December 2019
Discount rate	1,80 %	2,07 %
Future salary increases	2,25 %	2,25 %
Future increase in payroll tax base	0,00 %	0,00 %

A change of 1% in the assumptions stated above will not have a significant impact on the recognised pension liability in the balance sheet or on the movement recognised in the balance sheet or other comprehensive income.

	defined benefit obligation	
	1 percent increase	1 percent decrease
Discount rate	(485)	1 261
Future salary growth	2 661	(2 135)
Future pension growth	354	-
Life expectancy	44	(50)

Assumptions regarding future mortality experience are set based on actuarial advice in accordance with published statistics and experience. The mortality rates used are in accordance with Nordea Liv's basis of calculation for Group pension insurance, K2013.

	31 December 2020		31 December 2019	
	Men	Women	Men	Women
Age 20	88,6	92,4	88,6	92,4
Age 40	87,0	90,6	87,0	90,6
Age 60	86,0	89,4	86,0	89,4
Age 65	83,5	86,8	83,5	86,8
Age 80	89,3	91,6	89,3	91,6

The number of participants of the defined benefit plans and the corresponding average age are stated below:



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	31 December 2020		31 December 2019	
	Active	Pensioners	Active	Pensioners
Number of participants	231	19	237	20
Average age	46	64	44	65

24. Provisions

USD (thousands)	Onerous contracts	Dilapidations	Total
Balance at 1 January 2020	2 569	183	2 752
Provisions utilised during the year	(406)	-	(406)
Provisions reversed during the year	-	-	-
Exchange differences	(394)	(64)	(458)
Balance at 31 December 2020	1 769	119	1 888
Analysis of provisions			
Current	1 769	119	1 888
Non-current	-	-	-
Total	1 769	119	1 888

The provisions are related to employee retention bonuses, property leases and realized losses on customer projects.

25. Derivative financial instruments

USD (thousands)	31 December 2020	31 December 2019
Non-current portion of derivative liabilities	0	-
Current portion of derivative liabilities		
Forward foreign exchange contracts and swaps	341	4 104
	341	4 104
Total	341	4 104

The interest rate swaps are related to the term B loan of the Credit Facility and swaps a floating interest for a fixed interest rate as described in note 21. The Group does not apply hedge accounting in relation to the interest risk; the change in fair value is recognised in the statement of profit or loss.

26. Trade and other payables

USD (thousands)	31 December 2020	31 December 2019
Trade payables	36 213	47 127
Contract liabilities	70 305	66 048
Wage taxes and social securities	6 124	6 040
Other payables	1 133	(3)
Total	113 775	119 213

Trade and other payables have increased/decreased at the end of 2020 compared to 2019. This is mainly caused by a reduction in project cost at year end 2020 than 2019.



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DEEPOCEAN**27. Financial risk management****27.1 Overview**

The Group's activities expose it to a variety of financial risks, which can be categorised as market risk, credit risk and liquidity risk. Whereas market risk includes foreign exchange risks and interest rate risks. Management policies have been established to identify, analyse and monitor these risks, and to set appropriate risk limits and controls. Financial risk management is carried out in accordance with the Group Risk Management policy approved by the Executive Management. The written principles and policies are reviewed periodically to reflect changes in market conditions, the activities of the business and laws and regulations affecting our business.

27.2 Market risk - Foreign exchange risk

The Group's revenues are earned in NOK, USD, GBP, and EUR. Sales and expenses in the same currency contribute to mitigating some of the currency risk. The Group continually assesses its exposure and currency derivatives may be used to further reduce this risk.

The main exchange rates used throughout the Group at the balance sheet date, compared to the USD, were as follows:

	NOK		GBP		EUR	
	closing	average	closing	average	closing	average
2019	0,11387	0,11367	1,32228	1,27730	1,12079	1,11955
2020	0,11628	0,10646	1,36720	1,28400	1,22155	1,14142

Exposure

Strengthening/weakening of the USD as of the reporting date against the currencies listed above would have increased/(decreased) profit or loss before tax by the amount shown in the next table. This analysis was performed on a 10% variation in 2020 and 2019.

	Equity		Profit or loss before tax	
	strengthening	weakening	strengthening	weakening
31 December 2019				
EUR	6 428	(6 428)	(556)	556
GBP	1 667	(1 667)	(3 088)	3 088
NOK	46 118	(46 118)	415	(415)
31 December 2020				
EUR	5 894	(5 894)	(1 039)	1 039
GBP	(9 348)	9 348	(12 275)	12 275
NOK	48 670	(48 670)	952	(952)

The effect on profit and loss arises in connection with monetary balances denominated in currencies other than the relevant entity's functional currency; the effect on equity arises principally from the translation of assets and liabilities of entities that are not USD functional.



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27.3 Market risk - Interest rate risk profile

The Group is exposed to interest-rate risk to borrowings and cash deposits. Primarily, floating-interest rate loans under the Group's Credit Facility involve risk exposure for the Group's future cash flow. The terms of the Group's loans are described in note 21.

At the end of the reporting period the interest rate profile of the Group's interest-bearing assets and liabilities is as follows:

USD (thousands)	Nominal amount	
	31 December 2020	31 December 2019
Variable rate instruments		
Facility A - Credit Facility	87 887	84 575
Facility B - Term loan	11 613	17 009
Finance lease liabilities	19 683	24 375
	119 183	125 959

The Group assesses its interest rate sensitivity at fair value through profit or loss. A potential change of 100 basis points in interest rates at the end of the reporting period shows the Groups sensitivity to potential changes in interest rates which is reasonably possible:

Average rate	4,75 %
Interest change 100 base points	1,00 %
Change interest (+/-)	2 088 464

27.4 Credit risk

Credit risk arises primarily from cash and cash equivalents held at financial institutions, and to a certain extent, from trade receivables.

Cash balances are only held with large recognised financial institutions in each demographic area where the Group operates.

The Group's exposure of trade receivables is managed through establishing proper credit limits, continuous credit risk assessments for each individual customer. If customers are independently rated, these ratings are used. If there is no independent rating, the credit quality is based on past experience, their financial position and other factors. The utilisation of the credit limits is regularly monitored.

The following table sets out details of the age of the trade receivable and related allowance for doubtful debt.

USD (thousands)	31 December 2020	31 December 2019
0 - 60 days	51 259	63 053
60 - 90 days	1 155	2 179
90 - 120 days	7 717	1 675
120+ days	1 511	5 824
Gross trade receivable	61 642	72 731
Allowance for doubtful debt	(14 051)	(5 803)
Net trade receivables	47 591	66 928



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DEEPOCEAN**27.5 Liquidity risk**

Liquidity risk is the risk that the Group will be unable to fulfil its operational and financial obligations as they fall due. Liquidity risk has become the most significant risk, both for the Group and the business in general. The Subsea business has been through a severe downturn, which has had a major impact on cash flow and cash reserves. Previous strategies with goals for the Group's leverage ratio, have been replaced by a reality where minimum cash covenants in the credit facility agreement being the measuring point. The Group monitors the risk of lack of available capital/cash and cash equivalents through continued evaluations of its liquidity position combined with a rolling cash flow forecast of its operational activities, including the servicing of its financial obligations.

The Group's liquidity reserve comprises cash and cash equivalents of USD 71,1 million.

The table below analyses the Group's non-derivative financial liabilities and net-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. Derivative financial liabilities are included in the analysis if their contractual maturities are essential for an understanding of the timing of the cash flows. The amounts disclosed in the table are the contractual undiscounted cash flows.

USD (thousands)	1 year or less	1 - 5 years	Over 5 years
31 december 2019			
Secured bank loans - Credit Facility - Facility B	-	17 009	-
Secured bank loans - Credit Facility - Facility A	84 575	-	-
Finance lease (including interest)	6 548	22 126	-
Derivative financial instruments (excluding interest rate swaps)	4 104	0	-
Trade and other payables	53 165	-	-
Total	148 392	39 135	-
31 december 2020			
Secured bank loans - Credit Facility - Facility B	-	11 613	-
Secured bank loans - Credit Facility - Facility A	87 887	-	-
Finance lease (including interest)	7 995	15 530	-
Derivative financial instruments (excluding interest rate swaps)	341	0	-
Trade and other payables	43 470	-	-
Total	139 692	27 143	-

The interest included in the above table is based on the current amounts borrowed with current interest rates and interest rate swaps. No assumptions are included for possible future changes in borrowings or interest payments.

27.6 Fair value estimation**27.6.1 Fair value hierarchy**

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the group has classified its financial instruments into the three levels prescribed under the accounting standards. An explanation of each level follows underneath the table.

USD (thousands)	31 December 2020			
	Level 1	Level 2	Level 3	Total
Liabilities				
Derivatives at fair value through profit or loss	341	-	-	341
Net asset/(liability)	(341)	-	-	(341)

The table above analyses financial instruments carried at fair value by valuation method and presents the changes in Level 1 instruments for the year ended 31 December 2020. The different levels have been defined as follows:



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- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

There were transfers between level 3 and level 1.

Fair values reflect the credit risk of the instrument and include adjustments to take account of the credit risk of the Group entity and counterparty when appropriate.

27.6.2 Valuation techniques used to determine fair values

The fair value of the forward currency exchange contracts and currency options are primarily based on the fair value quote given by the specialised counterparty. Those quotes are tested for reasonableness by comparison with the Group's own valuation models. The fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date.

27.6.3 Fair value measurements using quoted prices (level 1)

The following table presents the changes in level 1 items for the period ended 31 December 2020:

USD (thousands)	Level 1	Level 2	Level 3	Total
At 1 January 2020	(4 104)	-		(4 104)
- statement of profit or loss	3 525	-		3 525
- exchange differences	238	-		238
At 31 December 2020	(341)	-	-	(341)

27.7 Capital risk

The Group's objectives when managing capital is to maintain a capital structure that enables the Group to achieve its strategic objectives and daily needs, and to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders.

In order to maintain or adjust the capital structure, the Group may issue new shares, adjust its dividend policy, return capital to shareholders or sell assets to reduce debt taking into account relevant interest cover and leverage covenants of our external borrowings.

The Group monitors capital on the basis of the debt to adjusted EBITDA ratio. This leverage ratio is calculated as (net) debt divided by adjusted EBITDA. Net debt is calculated as total borrowings less cash and cash equivalents. Adjusted EBITDA is defined as EBITDA from continuing operations adjusted for one-off events including restructuring cost and other non-recurring events which are included in other expenses.

	31 December 2020	31 December 2019
USD (thousands)		
Total borrowings	257 524	388 077
Less: cash and cash equivalents	66 441	66 547
Net debt	191 083	321 530
Debt to adjusted EBITDA ratio	2,14	2,84
Net debt to adjusted EBITDA ratio	1,59	2,35

27.8 Financial instruments by category



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<i>USD (thousands)</i>	Financial assets/ liabilities at amortised cost	Assets/ liabilities at fair value through profit or loss	Total
31 December 2019			
Assets			
Trade receivables	66 928	-	66 928
Cash and cash equivalents	66 547	-	66 547
Total financial assets	133 475	-	133 475
Liabilities			
Borrowings	388 736	-	388 736
Derivative financial liabilities	-	4 104	4 104
Trade payables	47 127		47 127
Total financial liabilities	435 863	4 104	439 967
31 December 2020			
Assets			
Trade receivables	47 591	-	47 591
Cash and cash equivalents	66 441	-	66 441
Total financial assets	114 032	-	114 032
Liabilities			
Borrowings	257 524	-	257 524
Derivative financial liabilities	-	341	341
Trade payables	36 213		36 213
Total financial liabilities	293 737	341	294 078

The fair value of the receivables and payables approximates their carrying value.



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28. Commitments

28.1 Leases

Right-of-use assets	Vessels	Property leases	Cars & trucks	Total
Acquisition cost 1 January 2019	284 948	12 233	147	297 328
Addition of right-of-use assets	58 655	3 423	133	62 211
Acquisition cost 31 December 2019	343 603	15 656	280	359 539
Accumulated depreciation and impairment 1 January 2019				
Depreciation	106 555	3 082	93	109 730
Accumulated depreciation and impairment 31 December 2019	106 555	3 082	93	109 730
Carrying amount of right-of-use assets 31 December 2019	237 048	12 574	187	249 809
Acquisition cost 1 January 2020	343 603	15 656	280	359 539
Addition of right-of-use assets	(11 038)	0	-	(11 038)
Disposals	(164 531)	(6 298)	-	(170 829)
Currency exchange differences	1 043	(383)	-	660
Acquisition cost 31 December 2020	169 077	8 975	280	178 332
Accumulated depreciation and impairment 1 January 2020	106 561	3 082	93	109 737
Depreciation	102 186	3 057	92	105 336
Impairment losses in the period	77 325	-	-	77 325
Disposals	(160 582)	(1 758)	-	(162 340)
Accumulated depreciation and impairment 31 December 2020	125 491	4 382	185	130 057
Carrying amount of right-of-use assets 31 December 2020	43 587	4 593	95	48 275



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Undiscounted lease liabilities and maturity of cash outflows	2020	2019
Less than 1 year	68 323	121 673
1-2 years	56 125	94 640
2-3 years	12 933	65 479
3-4 years	1 695	14 327
4-5 years	1 730	1 666
More than 5 years	1 600	3 275
Total undiscounted lease liabilities at 31 December 2020	142 406	301 060
Summary of the lease liabilities	Total	Total
Lease liabilities at 1 January	263 279	297 300
New lease liabilities recognised in the year	-22 512	59 566
Transfers and reclassifications	-6	-
Cash payments for the principal portion of the lease liability	-115 151	-110 534
Interest expense on lease liabilities	13 250	20 318
Currency exchange differences	-338	-3 271
Total lease liabilities at 31 December	138 522	263 379
Current lease liabilities	69 494	113 612
Non-current lease liabilities	69 028	149 667
Summary of other lease expenses recognised in profit or loss	Total	Total
Total lease expenses included in other operating expenses	21 978	37 534

Practical expedients applied

The Group also leases personal computers, IT equipment and machinery with contract terms of 1 to 3 years. The Group has elected to apply the practical expedient of low value assets for some of these leases and does not recognise lease liabilities or right-of-use assets. The leases are instead expensed when they incur. The Group has also applied the practical expedient to not recognise lease liabilities and right-of-use assets for short-term leases, presented in the table above.

Variable lease payments

In addition to the lease liabilities above, the Group is committed to pay variable lease payments for some of their leases. The variable lease payments are expensed as incurred.

Extension options

The Group's lease of buildings has lease terms that vary from 10 years to 25 years, and several agreements involve a right of renewal which may be exercised during the last period of the lease terms. The Group assesses the likelihood of exercising options at the commencement date, the date when the extension option is made available to DeepOcean. The existence of the extension options is used to maximise operational flexibility and to reduce residual value risks with legal ownership. The extension options are exercisable only by DeepOcean. The Group's potential future lease payments is not included in the lease liabilities.

Purchase options

The Group leases machinery and equipment and vehicles with lease terms of 3 to 5 years. The existence of an option to purchase the machinery and equipment is used to maximise operational flexibility and to reduce residual value risks associated with legal ownership. Some of these contracts includes a right to purchase the assets at the end of the contract term. Consideration payable for purchasing the underlying assets are included when estimating the lease term and lease payments only to the extent it is reasonably certain that DeepOcean will exercise its options. The Group assesses at the commencement date whether it is reasonably certain to exercise the purchase right.

28.2 Capital commitments

At period end the Group had no contractual obligations related to upgrade vessels and equipment:



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	31 December 2020	31 December 2019
<i>USD (thousands)</i>		
Within one year	-	253
Total	-	253

28.3 Ancillary loan commitment

The Group uses the Ancillary Facility for contract guarantees and warranties:

	31 December 2020	31 December 2019
<i>USD (thousands)</i>		
Within one year	12 304	16 904
Between one and five years	10 977	17 368
Total	23 281	34 272

29. Contingencies

The Company forms part of a fiscal unity for corporate income tax and transaction tax purposes with its Dutch subsidiary. Each company within the fiscal unity is jointly and severally liable for the fiscal liability of the fiscal unity.

The Company has guaranteed the debts and liabilities of DeepOcean 2 UK Limited and DeepOcean 3 UK Limited, under and prescribed by section 479A and 479C of the Companies Act 2006 existing as at 31st December 2020.

Tax contingencies and provisions

Business operations are carried out in several countries, through subsidiaries and branches of subsidiaries, and the Group is subject to the jurisdiction of a significant number of tax authorities. Furthermore, the mobile offshore nature of the Group's operations means that the Group routinely has to manage complex international tax issues.

The Group is subject to taxation in numerous jurisdictions. In the ordinary course of events operations and transactions will be subject to audit, enquiry and possible re-assessment by different tax authorities. The Group provides for the amount of taxes that it considers probable of being payable as a result of these audits and for which a reasonable estimate can be made. Significant judgement is required in calculating the tax provision. The Group's policy is to co-operate fully with the relevant tax authorities while seeking to defend its tax positions. It is possible that the ultimate resolution of these matters could result in tax charges that are materially higher or lower than the amount provided.

30. Related parties

Key management of the Group includes the members of Board of Directors and the Executive Management Team. The compensation paid or payable to key management for employee services is shown below.

	2020	2019
<i>USD (thousands)</i>		
Salaries and other short term employee benefits	1 906	2 112
Post-employment benefits	32	29
Total	1 938	2 141

For further information about the remuneration of the Board of Directors, reference is made to the note 46 in the company financial statements.

The Company furthermore received operational, financial, legal and tax services from its related parties West Park Management Services Limited and Triton Advisers Ltd amounting to USD 0,8 million during 2020.

31. Subsequent events

Subsequent to the end of 2020, the executive management have continued multiple processes to further safeguard operations and provide the business with stability for the future. Key subsequent events include:



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-
- Approved restructuring plan procedure under Corporate Insolvency and Governance Act 2020 (an "RPP") of the UK business (DeepOcean 1 UK Ltd, DeepOcean Subsea Cables Ltd and Enshore Subsea Ltd)
 - Amendment and restatement of the current syndicated credit facility – including a maturity extension and other concessions from the lenders such as lower margins (reduced finance cost), and changes to the bank covenants
 - \$15M new equity from majority shareholder Trilon (March 2021) which shows – renewed commitment to their investment in DeepOcean and confidence in DeepOcean's future
 - Renegotiated reduced charter rates for the Group's long-term charters in the Norway region



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32. Subsidiaries and investments of the Group

Company	Country	31 December	31 December
		2020	2019
AXA Enghenaria Submarina Ltda	Brasil	60 %	60 %
CTC Marine Projects (Guernsey) Ltd	Guernsey	100 %	100 %
DeepOcean 1 UK Ltd	UK	100 %	100 %
DeepOcean 2 UK Ltd ¹	UK	100 %	100 %
DeepOcean 3 UK Ltd ²	UK	100 %	100 %
DeepOcean Africa AS	Norway	100 %	100 %
DeepOcean AS	Norway	100 %	100 %
DeepOcean BV	Netherlands	100 %	100 %
DeepOcean de Mexico, S de RL de CV	Mexico	100 %	100 %
DeepOcean Ghana BV	Ghana	[A]	[A]
DeepOcean Ghana Ltd	Ghana	49 %	49 %
DeepOcean Guernsey Ltd	Guernsey	100 %	100 %
DeepOcean Management AS	Norway	100 %	100 %
DeepOcean Maritime AS	Norway	100 %	100 %
DeepOcean Middle East DMCC	UAE	100 %	100 %
DeepOcean Norway AS	Norway	100 %	100 %
DeepOcean Shipping AS	Norway	100 %	100 %
DeepOcean Shipping II AS	Norway	100 %	100 %
DeepOcean Shipping III AS	Norway	100 %	100 %
DeepOcean Shipping V AS	Norway	100 %	100 %
DeepOcean Subsea Cables Ltd	UK	100 %	100 %
DeepOcean Subsea Services Limited	UK	100 %	100 %
Delta SubSea International Guyana Inc.	Guyana	100 %	100 %
Delta SubSea LLC	US	100 %	100 %
DOMX Maritima, S de RL de CV ³	Mexico	49 %	49 %
Ensore Subsea Ltd	UK	100 %	100 %
Level Offshore AS	Norway	50 %	50 %
SeaRov Offshore Co Ltd	Myanmar	99 %	99 %
SeaRov Offshore Group	Gabon	100 %	100 %
SeaRov Offshore Limited	UK	100 %	100 %
SeaRov Offshore SAS	France	100 %	100 %
Subsea Trinidad and Tobago Limited	T&T	100 %	100 %
Technip DeepOcean PRS JV DA	Norway	50 %	50 %

¹ DeepOcean 2 UK Limited, Company Registration Number 01275998, is a subsidiary company that is exempt from the requirement to have a Company Audit on their accounts, in accordance with section 479A of the Companies Act

² DeepOcean 3 UK Limited, Company Registration Number SC240196, is a subsidiary company that is exempt from the requirement to have a Company Audit on their accounts, in accordance with section 479A of the Companies Act 2006.

³ Although the Group has 49% of the shares in DOMX Maritima S. de RL de C.V. it is fully consolidated

[A] 100% subsidiary of DeepOcean Ghana Ltd



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C. DeepOcean Group Holding B.V. – Company Financial Statements for the year 2020

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DEEPOCEAN**C.1 Company statement of profit or loss of DeepOcean Group Holding B.V. for the year ended 31 December 2020**

<i>USD (thousands)</i>		2020	2019
Share in results from participating interests, after tax	37	(79 368)	(54 915)
Other income and expenses after taxation	35	(7 051)	6 303
Impairment of intercompany loans receivable	38	(58 536)	-
Profit/(loss) for the period		(144 955)	(48 612)

C.2 Company statement of financial position of DeepOcean Group Holding B.V. as at 31 December 2020

<i>USD (thousands)</i>		31 December 2020	31 December 2019
Assets			
Subsidiaries	37	0	24 636
Non-current loan receivables to related parties	38	67 012	118 414
Total non-current assets		67 012	143 050
Trade receivables and contract assets	40	148	188
Receivables from related parties	40	15 862	5 111
Current income tax receivable		10	9
Cash and cash equivalents		523	894
Total current assets		16 543	6 202
Total assets		83 555	149 252
Equity			
Share capital		940	863
Share premium		397 301	364 529
Reserves		7 899	14 175
Retained earnings		(480 249)	(315 504)
Total equity	41	(74 109)	64 064
Liabilities			
Other non-current liabilities		-	693
Total non-current liabilities		-	693
Current portion of loans and borrowings	42	87 706	83 414
Trade and other payables	43	16 898	1 088
Payables to related parties	43	246	22
Current provisions	43	52 845	-
Other taxes and social securities		(31)	(28)
Total current liabilities		157 664	84 496
Total liabilities		157 664	85 189
Total equity and liabilities		83 555	149 253

The accompanying notes are an integral part of these company financial statements.



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C.3 Notes to the Company Financial Statements

33. General information

The description of the activities of DeepOcean Group Holding B.V. (the "Company") and the Company structure, as included in the notes to the consolidated financial statements, also apply to the company financial statements.

34. Accounting policies

The Company has prepared its company financial statements in accordance with part 9 of Book 2 of the Netherlands civil code, and specifically, in accordance with section 362.8 of the code. In doing so, it has applied the principles of recognition and measurement as adopted in the consolidated financial statements (IFRS). For the Company statement of profit or loss the Company adopted the exemption as described in section 402 of the Netherlands civil code.

Subsidiaries are stated at their net asset value.

Long-term loans and other long-term receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method; less any impairment losses.

35. Other income and expenses after taxation

Other income and expenses after tax includes amongst others the remuneration of the Executive Management and Board of Directors. The Executive Management as well as the Board of Directors form part of the key management employees of the Group.

36. Proposal regarding the appropriation of profit

The Board of Directors proposes to add the net result to retained earnings

37. Subsidiaries

The movements in the investments in subsidiaries were as follows:

	31 December 2020	31 December 2019
<i>USD (thousands)</i>		
Balance at beginning of the period	24 636	55 541
Adjustments previous years		21 382
Reclass external loan to internal loan	-	-
Share in result of subsidiaries	(79 368)	(54 915)
Exchange differences	1 887	2 629
Balance at end of the period	(52 845)	24 636

A list of subsidiaries and affiliated companies is prepared in accordance with the relevant legal requirements (the Netherlands Civil Code Book 2, part 9, Sections 379 and 414) and disclosed in note 32 of the consolidated financial statements. The parent company is responsible to cover the losses in subsidiaries; therefore, we have a negative value in the parent's balance sheet. The provision for the negative investment primarily relates to the UK companies that are part of the restructuring process and thus, the provision will be released in 2021.



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DEEPOCEAN**38. Non-current loan receivables to related parties**

<i>USD (thousands)</i>	31 December 2020	31 December 2019
At 1 January	118 414	117 555
Loans provided	24 817	32 721
Impairments	(58 536)	
Redemptions	(20 478)	(30 428)
Exchange differences	2 795	(1 433)
At 31 December	67 012	118 414

39. Deferred tax asset

No deferred tax asset was recognized in 2020.

40. Related party receivables

The trade and other receivables contain US\$5.6 million (2019: US\$5.1 million) of receivables from related parties. This balance is the result of at arm's length transactions during the normal course of business. The fair value of the receivables and payables approximates their carrying value.

41. Equity

For the movement in equity we refer to the consolidated statement of changes in equity. Additional information on the share capital and premium is disclosed in note 20 in the consolidated financial statements.

The revaluation reserve qualifies as a legal reserve in accordance with Part 9 of Book 2 of the Netherlands Civil Code.

42. Long-term liabilities

The long-term liabilities consisted of a credit facility usage in the period.

<i>USD (thousands)</i>	2020	2019
At 1 January	83 414	88 459
Repayment of borrowings	(7 644)	(4 339)
Proceeds of new borrowings	9 131	-
Financing fees	980	1 037
Exchange differences	1 825	(1 743)
At 31 December	87 706	83 414

43. Trade and other payables

The trade and other payables contain external advisory and insurance costs, and payables to related parties containing of intercompany payables to subsidiaries. This balance is the result of at arm's length transactions during the normal course of business. The fair value of the receivables and payables approximates their carrying value.

44. Corporate income tax

At year-end the total of the compensable losses amounts to USD 2.5 million (2019: USD 2.5 million) for which no deferred tax asset is recognised (note 10.3).

45. Commitments and contingencies

The Company forms part of a fiscal unity for corporate income tax and transaction tax purposes with its Dutch subsidiary. Each company within the fiscal unity is jointly and severally liable for the fiscal liability of the fiscal unity.



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DEEPOCEAN**46. Board remuneration**

The remuneration of the Board of Directors in 2019 and the comparative period is as follows:

Figure 2 - Table 2

USD (thousands)	2020	2019
Current Non-executive members	296	255
Former Non-executive members		6
Current Executive members	939	996
Former Executive members	-	-
Total	1 235	1 257

47. Basis of preparation – Going Concern

2020 was a challenging year for the Group, due to a number of factors including the continuing COVID-19 pandemic, the sharp decline of commodity prices in Q1 2020 and the challenging market for the UK business (DeepOcean 1 UK Limited, Enshore Subsea Limited & DeepOcean Subsea Cables Limited) of the Group. DeepOcean executed several measures to ensure the future viability of the Group including reduction in employees (specifically eliminating SG&A positions), reduced investment plans, negotiated reduced vessel rates on long term charters and initiated a full restructuring of the UK business. However, despite the challenging conditions there was no breach of the bank covenants (Liquidity & LTM EBITDA) in 2020.

The restructuring plan procedure under Corporate Insolvency and Governance Act 2020 (an "RPP") of the UK business was not simply a liquidation of certain entities, but has a multitude of interlinked elements that cover the legal, financial and commercial spheres – which in its entirety have ensured the future viability of the Group and will make it increasingly competitive in the years to come. The process follows an extended period of loss-making operations by the UK business and reflects changes in the industry's procurement strategies and available installation capacity, as well as a mismatch between the UK business contractual commitments and market conditions. The RPP has been approved in court and the UK business is in the process of a solvent wind down. This court-approved process has given the Group certainty for ongoing operations and future activities. The key outcomes of the RPP are as follows:

- The UK business has been released of all their liabilities as of 22nd April 2021 (Except a certain % of creditor recovery)
- The liabilities included long term charter vessels with out of market rates
- The solvent wind down of the UK business
- Stops the major cash drain of the Group
- The Group will have more funding headroom, allowing it to be more aggressive towards growth areas and focus on growth in the right areas.
- The retention of the trenching assets to either operate or monetize
- Removes the UK Business which has been the major budget deviation and underperforming business for the Group over the last 36 months

In addition, to the RPP process in the UK business, the Group has continued multiple processes to further safeguard operations and provide the business with stability for the future. These processes include the following:

- Amendment and restatement of the current syndicated credit facility – including a maturity extension and other concessions from the lenders such as lower margins (reduced finance cost), and changes to the bank covenants
- \$15M new equity from majority shareholder Triton (March 2021) which shows – renewed commitment to their investment in DeepOcean and confidence in DeepOcean's future
- Significantly reduced charter rates for the Group's long-term charters in the Norway region

These activities and processes have been the main focus of the Group's management in 2020 to ensure a solid going concern for the wider DeepOcean Group and are the key anchor and preparation for this process of management assessment.



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Management has decided to move its Group Holding entity from a Dutch entity (currently DeepOcean Group Holding B.V.) to a Norwegian entity in the course of 2021. This was to be completed in 2020, however, the focus of the executive management was on the RPP process for the UK business. This will involve a series of mergers resulting in DeepOcean Group Holding BV ceasing to exist and DeepOcean Norway AS becoming the ultimate parent of the DeepOcean Group. (Project Homecoming)

The series of mergers leading to DeepOcean Norway AS becoming the ultimate parent of the DeepOcean Group are as follows:

- DeepOcean Group Holding BV will be merged into Tricer NL BidCo 4 BV
- Merged Tricer NL BidCo 4 BV will be merged into Tricer NL BidCo 3 BV
- Merged Tricer NL BidCo 3 BV will be merged into DeepOcean Norway AS
- DeepOcean Norway will be the surviving entity and will become the group parent company

48. Subsequent events

Subsequent to the end of 2020, the executive management have continued multiple processes to further safeguard operations and provide the business with stability for the future. Key subsequent events include:

- Approved restructuring plan procedure under Corporate Insolvency and Governance Act 2020 (an "RPP") of the UK business (DeepOcean 1 UK Ltd, DeepOcean Subsea Cables Ltd and Enshore Subsea Ltd)
- Amendment and restatement of the current syndicated credit facility – including a maturity extension and other concessions from the lenders such as lower margins (reduced finance cost), and changes to the bank covenants
- \$15M new equity from majority shareholder Triton (March 2021) which shows – renewed commitment to their investment in DeepOcean and confidence in DeepOcean's future
- Renegotiated reduced charter rates for the Group's long-term charters in the Norway region

One major impact of the RPP process is temporary negative equity. This temporary negative equity position is due to the impairment of the right-of-use assets in the UK business (DeepOcean 1 UK Limited, Enshore Subsea Limited & DeepOcean Subsea Cables Limited); US\$83.7M negative impact on the equity position, while the liabilities remained on the balance sheet at the end of 2020. The liabilities of \$91.4M were extinguished from the balance sheet on the 6th January 2021, when a settlement agreed was signed with the external counterparties.

A new loan agreement was signed in January 2021. The key financial covenants as part of a new loan agreement are as follows:

- Liquidity shall at all times exceed \$7.5M until 31st December 2023
- EBITDA covenant is not applicable currently and will be reintroduced on 31st December 2022 with a compliant EBITDA of \$15M over the prior 12 months



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Board of Directors

The members of the Board of Directors have signed the company financial statements pursuant to their statutory obligations under Section 2:101 sub 2 of the Netherlands Civil Code.

Oslo, 1st June 2021

Board of Directors

J. Lunder, Chairman Board of Directors

Ø. Mikaelen, Executive Director

K. Diesen, Non-Executive Director

T. Askvig, Non-Executive Director

M. van der Plas, Non-Executive Director

M.Winkel, Non-Executive Director



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Other information

Statutory provisions regarding the appropriation of profit

From the Articles of Association,

Article 17.1.

The allocation of profits accrued in a financial year shall be determined by the General Meeting. If the General Meeting does not adopt a resolution regarding the allocation of the profits prior to or at latest immediately after the adoption of the annual accounts, the profits will be reserved.

Article 17.2.

The General Meetings has the authority to make distributions. If the Company is required by law to maintain reserves, this authority only applies to the extent that the equity exceeds these reserves. No resolution of the General Meeting to distribute shall have effect without the consent of the Board. The Board may withhold such consent only if it knows or reasonably should expect that after the distribution, the Company will be unable to continue the payment of its due debts.

Article 17.3

The General Meeting may resolve to make interim distributions on Shares and/or make distributions on Shares at the expense of any reserves of the Company. In addition, the Board may decide to make interim distributions on Shares.

Independent auditor's report

Reference is made to the independent auditor's report included on the next page.



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DeepOcean Norway AS
896 696 262
ANNUAL REPORT
2020

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DeepOcean Norway AS

Directors Report 2020

The Company

These are the annual report and audited financial statements for DeepOcean Norway AS (the "Company") for the year ended 31 December 2020. The Company's office is in Oslo, and it is a direct subsidiary of DeepOcean Group Holding BV which is a private limited Dutch company.

The Company is the holding company for the 100 % subsidiaries DeepOcean AS and DeepOcean Africa AS.

Going concern

The Financial statements have been prepared on the basis of historical cost, at fair value through profit or loss. Income and expenses are accounted for on an accrual basis.

2020 was a challenging year for the Group, due to a number of factors including the continuing COVID-19 pandemic, the sharp decline of commodity prices in Q1 2020 and the challenging market for the UK business (DeepOcean 1 UK Limited, Enshore Subsea Limited & DeepOcean Subsea Cables Limited) of the Group. DeepOcean executed several measures to ensure the future viability of the Group including reduction in employees (specifically eliminating SG&A positions), reduced investment plans, negotiated reduced vessel rates on long term charters and initiated a full restructuring of the UK business. However, despite the challenging conditions there was no breach of the bank covenants (Liquidity & LTM EBITDA) in 2020.

The Company is a subsidiary in DeepOcean Group and is impacted by the Group's financing and intercompany loans and borrowings. The Company is also an obligor in the Credit Facility arrangement and all assets are pledged.

The restructuring plan procedure under Corporate Insolvency and Governance Act 2020 (an "RPP") of the UK business was not simply a liquidation of certain entities, but has a multitude of interlinked elements that cover the legal, financial and commercial spheres – which in its entirety have ensured the future viability of the Group and will make it increasingly competitive in the years to come. The process follows an extended period of loss-making operations by the UK business and reflects changes in the industry's procurement strategies and available installation capacity, as well as a mismatch between the UK business contractual commitments and market conditions. The RPP has been approved in court and the UK business is in the process of a solvent wind down. This court approved process has given the Group certainty for ongoing operations and future activities. The key outcomes of the RPP are as follows:

- The UK business has been released of all their liabilities as of 22nd April 2021 (Except a certain % of creditor recovery)
- The liabilities included long term charter vessels with out of market rates
- The solvent wind down of the UK business
- Stops the major cash drain of the Group
- The Group will have more funding headroom, allowing it to be more aggressive towards growth areas and focus on growth in the right areas.
- The retention of the trenching assets to either operate or monetize
- Removes the UK Business which has been the major budget deviation and underperforming business for the Group over the last 36 months

In addition, to the RPP process in the UK business, the Group has continued multiple processes to further safeguard operations and provide the business with stability for the future. These processes include the following:



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DeepOcean Norway AS

- Amendment and restatement of the current syndicated credit facility – including a maturity extension and other concessions from the lenders such as lower margins (reduced finance cost), and changes to the bank covenants
- \$15M new equity from majority shareholder Triton (March 2021) which shows – renewed commitment to their investment in DeepOcean and confidence in DeepOcean's future
- Significantly reduced charter rates for the Group's long-term charters in the Norway region

These activities and processes have been the main focus of the Group's management in 2020 to ensure a solid going concern for the wider DeepOcean Group and are the key anchor and preparation for this process of management assessment.

For further details reference is made to note 16.

Equality between men and women in the Company

The Company has no employees.

Both the Board of Directors and the management are aware of the social expectations about efforts for equality between men and women in The Company and the Board. The Company commitment is to meet society's expectations of gender equality.

The board of Directors consists of two men.

Research and development activities

The Company has no ongoing research and development projects.

Environment

The Company is committed to conducting its business activities without harm to the environment.

Market outlook

After an extended downturn period over several years there were indications of oil & gas market recovery during 2019 and into 2020. The offshore wind and renewables market have also seen increased activity leading to increased utilisation of vessels and equipment in both markets. The market outlook became however significantly more negative when the COVID-19 crisis developed in parallel with drop in the oil price early 2020. The COVID-19 effects are expected to continue throughout 2021. The Norwegian authorities granted in 2020 tax incentives to encourage investments in new projects leading to a number of field developments being sanctioned. The market recovery in oil & gas is expected to continue in the North Sea in the years to come supported by accelerated growth in the offshore wind and renewables market.

Entry of remote technology and the trend of transferring work tasks and people from offshore to onshore is expected to continue and subsequently over time change conventional ways of working.

Focus on cost reduction, technology development, innovation and reduction of carbon footprint is expected remain high in the oil and gas, renewables and offshore wind market going forward.

During the previous year's downturn DeepOcean has run rigorous cost reduction exercises and will continue to cut cost and leverage operational efficiencies in order to achieve acceptable financial results as well as to ensure competitiveness under periods of prolonged low oil price.

DeepOcean's strategy, focused on IMR will further de-risk DeepOcean from the volatility of the oil price, as a large portion of DeepOcean's service offering is geared towards optimizing and maintaining existing infrastructure and thus supporting operators in reduction of their CAPEX spend.



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Credit risk

100% of the Company's receivables come from other DeepOcean companies, and the credit risk is acceptable.

For further details reference is made to the Balance sheet statement and Notes 3, 4, 14 and 15.

Liquidity risk

The Group's approach to managing liquidity is to ensure that there are sufficient funds to meet the financial obligations when they fall due under both normal and stressed conditions, without incurring unacceptable losses or risking damage to its reputation.

To ensure it is sufficient cash to meet expected operational expenses, including the servicing of financial obligations the Group continuously monitor the actual and future cash flow requirements taking into account the maturity profiles of financial assets and liabilities and the rolling forecast of the Group's liquidity reserve, which comprises cash and cash equivalents and an undrawn credit facility.

For further details reference is made to Notes 2,3, 13 and 14.

Subsequent events

2020 was a challenging year for the Group, due to a number of factors including the continuing COVID-19 pandemic, the sharp decline of commodity prices in Q1 2020 and the challenging market for the UK business (DeepOcean 1 UK Limited, Enshore Subsea Limited & DeepOcean Subsea Cables Limited) of the Group. DeepOcean executed several measures to ensure the future viability of the Group including reduction in employees (specifically eliminating SG&A positions), reduced investment plans, and initiated a full restructuring of the UK business. However, despite the challenging conditions there was no breach of the bank covenants (Liquidity & LTM EBITDA) in 2020.

Subsequent to the end of 2020, the executive management have continued multiple processes to further safeguard operations and provide the business with stability for the future. Key subsequent events include:

- Approved restructuring plan procedure under Corporate Insolvency and Governance Act 2020 (an "RPP") of the UK business (DeepOcean 1 UK Ltd, DeepOcean Subsea Cables Ltd and Enshore Subsea Ltd)
- Amendment and restatement of the current syndicated credit facility – including a maturity extension and other concessions from the lenders such as lower margins (reduced finance cost), and changes to the bank covenants
- \$15M new equity from majority shareholder Triton (March 2021) which shows – renewed commitment to their investment in DeepOcean and confidence in DeepOcean's future
- Renegotiated reduced charter rates for the Group's long-term charters in the Norway region

DeepOcean has decided to move its Group Holding entity from a Dutch entity (currently DeepOcean Group Holding BV) to a Norwegian entity in the course of 2021. This will involve a series of mergers resulting in DeepOcean Group Holding BV ceasing to exist and DeepOcean Norway AS becoming the ultimate parent of the DeepOcean Group.



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DeepOcean Norway AS

Cash flow

Net cash from operation is plus NOK 14,4 million in 2020 compared with minus NOK 127,1 million in 2019.

Net cash from financing activities is negative with NOK 192,9 mill mainly due to changes in repayments and restructuring of intercompany loans.

Financial Information

The Company has an external loan in USD. The foreign exchange unrealized and realized gain on this loan in 2020 was NOK 0,9 million compared with NOK 1,7 million loss in 2019.

The shares in subsidiaries are impaired with NOK 355.110.994 to reflect the equity values in the companies.

The Company has received a group contribution of NOK 71,8 mill from DeepOcean AS in 2020.

The Company equity ratio was 24,4 % as of 31.12.2020 compared to 41,9 % as of 31.12.2019.

The total capital was NOK 1.057.793.300 at the end of 2020, compared with NOK 1.554.986.773 at end of 2019.

Net income and Disposals

The Board of Directors proposes that the loss of NOK 392.384.178 is treated as follows:

Transferred from share premium	<u>NOK 392.384.178</u>
Total transfer	<u>NOK 392.384.178</u>

Haugesund, 21.May 2021
The Board of DeepOcean Norway AS


Øyvind Mikaelsen
Chairman of the Board


Frode Garlid
Board Member
Managing Director



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DeepOcean Norway AS

Income statement			
Note	2020	2019	
	Operating revenues and expenses		
4,9	Sales revenues	64 425 986	74 300 870
	Gross operating revenues	64 425 986	74 300 870
4	Project costs	46 748 151	81 439 867
10	Personnel costs	733 856	301 927
	Ordinary depreciation	160 693	93 151
	Impairment of Intercompany receivables	7 979 731	108 300
10	Other operating costs	56 034 834	11 234 622
	Operating expenses	111 657 265	93 177 868
	Operating result	-47 231 279	-18 876 998
	Finance income and expenses		
4	Interest income from group companies	737 492	10 842 251
	Interest income	147 575	3 288 885
4	Group contributions and dividends	71 788 638	39 902 583
4	Interest expenses to group companies	-59 794 689	-73 383 795
11	Net foreign exchange gain/loss	10 003 627	566 250
	Other interest expenses	-12 580 545	-11 935 798
2	Impairment of shares in subsidiaries	-355 110 994	0
	Other financial expenses	-1 015	0
	Net financial items	-344 809 911	-30 719 625
	Profit / (loss) before tax	-392 041 190	-49 596 622
8	Tax	342 987	-2 011 087
	Net profit/(loss)	-392 384 177	-47 585 536
	Transfer from share premium	392 384 177	47 585 536
	Allocations	392 384 177	47 585 536



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DeepOcean Norway AS

Balance Sheet

Note	ASSETS	31.12.2020	31.12.2019
	Fixed assets		
	Deferred tax asset	1 668 100	2 011 087
	Total intangible assets	1 668 100	2 011 087
1	Machinery, equipment etc	549 036	709 729
	Assets under construction	23 023 600	1 112 473
	Total tangible fixed assets	23 572 636	1 822 203
	Financial fixed assets		
2	Investment in subsidiaries	907 817 011	1 262 928 005
4	Loan to group companies	14 385 942	0
7	Pension fund	0	2 834 276
	Total financial fixed assets	922 202 953	1 265 762 281
	Total fixed assets	947 443 689	1 269 595 571
	Current assets		
	Receivables		
	Accounts receivables	346 025	0
4	Receivables from group companies	83 948 826	62 116 170
	Other current assets	3 679 822	455 803
	Total receivables	87 974 673	62 571 973
12	Bank and cash	22 374 939	222 819 230
	Total current assets	110 349 612	285 391 203
	TOTAL ASSETS	1 057 793 300	1 554 986 773

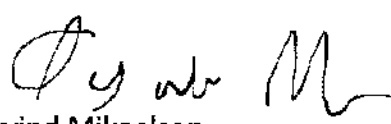


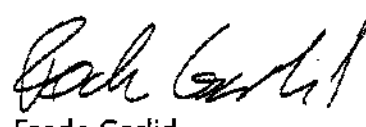
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DeepOcean Norway AS

Note	EQUITY AND LIABILITIES	31.12.2020	31.12.2019
	Equity		
6	Share capital	55 000 000	55 000 000
	Share premium	203 384 357	595 768 533
	Total paid-in-capital	258 384 357	650 768 533
	Total retained earnings	0	0
5	Total equity	258 384 357	650 768 533
	Liabilities		
	Non-current liabilities		
3,15	Liabilities to financial institutions	107 511 972	157 174 560
4	Long term loan from group companies	570 854 812	699 704 032
	Total non-current liabilities	678 366 783	856 878 592
	Current liabilities		
	Accounts payable	10 141 884	1 928 448
4	Liabilities to group companies	103 335 708	44 369 428
16	Other current liabilities	7 564 569	1 041 771
	Total current liabilities	121 042 161	47 339 647
	Total liabilities	799 408 944	904 218 239
	TOTAL EQUITY AND LIABILITIES	1 057 793 301	1 554 986 773

Haugesund, 21.May 2021


Øyvind Mikaelson
Chairman of the Board


Frode Garlid
Board Member
Managing Director



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DeepOcean Norway AS

Cash flow statement

NOTE	Cash flow from operating activities	2020	2019
	Result before taxes	-392 041 190	-49 596 622
	Ordinary depreciation	160 693	93 151
	Write down/-reversal of earlier write down subsidiaries	355 110 994	0
	Changes in accounts receivables	-346 025	0
	Changes in accounts payable	8 213 436	542 898
4	Changes in current receivables/payables to related parties	37 133 624	-77 110 942
	Change in pension fund/liabilities/OCI	2 834 276	-45 343
	Changes in other current assets and liabilities	3 298 778	-946 444
	Net cash flow from operational activities	14 364 586	-127 063 302
	Acquisitions of fixed assets	-21 911 126	-1 915 354
	Net cash flow from investment activities	-21 911 126	-1 915 354
Cash flows from financing activities			
4	Net change in financing received from group companies	-143 235 162	104 809 219
	Net borrowings	-49 662 589	-2 644 971
	Net cash flow from financing activities	-192 897 751	102 164 248
	Net (decrease)/increase in cash	-200 444 291	-26 814 409
	Cash and cash equivalents at the beginning of the period	222 819 230	249 633 638
	Cash and cash equivalents at the end of the period	22 374 939	222 819 230



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DeepOcean Norway AS

Accounting principles

The annual accounts have been prepared in compliance with the Accounting Act and accounting principles generally accepted in Norway.

The company has been given consent by the Norwegian Tax Directorate to prepare financial statements in English language.

DeepOcean Norway AS is a subsidiary of DeepOcean Group Holding BV with Tricer HoldCo S.C.A. as the ultimate parent.

Use of estimates

The preparation of financial statements in compliance with the Accounting Act requires the use of estimates. The application of the company's accounting principles also require management to apply assessments. Areas which to a great extent contain such assessments, a high degree of complexity, or areas in which assumptions and estimates are significant for the financial statements, are described in the notes.

Revenues

Sales revenues are recognized upon delivery. Revenue from services are recognized upon performance.

Classification of balance sheet items

Assets intended for long term ownership or use have been classified as long term assets. Assets relating to the trading cycle have been classified as current assets. Other receivables are classified as current assets if they are to be repaid within one year after the transaction date. Similar criteria apply to liabilities. First year's instalments on long term liabilities and long term receivables are, however, not classified as short term liabilities and current assets.

Purchase costs

The purchase cost of assets includes the cost price for the asset, adjusted for bonuses, discounts and other rebates received. Purchases in foreign currencies are reflected in the balance sheet at the exchange rate at the transaction date.

Investments in other companies

The cost method is applied to investments in other companies. The cost price is increased when funds are added through capital increases or when group contributions are made to subsidiaries. Dividends received are initially taken to income. Dividends exceeding the portion of retained equity after the purchase are reflected as a reduction in purchase cost. Dividend/group contribution from subsidiaries are reflected in the same year as the subsidiary makes a provision for the amount. Dividend from other companies are reflected as financial income when it has been approved.



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DeepOcean Norway AS

Accounting principles

Debtors

Trade debtors are recognised in the balance sheet after provision for bad debts. The bad debts provision is made on basis of an individual assessment of each debtor and an additional provision is made for other debtors to cover expected losses. Significant financial problems at the customers, the likelihood that the customer will become bankrupt or experience financial restructuring and postponements and insufficient payments, are considered indicators that the debtors should be written down.

Other debtors, both current and long term, are recognised at the lower of nominal and net realisable value. Net realisable value is the present value of estimated future payments. When the effect of a writedown is insignificant for accounting purposes this is, however, not carried out. Provisions for bad debts are valued the same way as for trade debtors.

Foreign currencies

Assets and liabilities in foreign currencies are valued at the exchange rate on the balance sheet date. Exchange gains and losses relating to sales and purchases in foreign currencies are recognised as financial income or expenses.

Liabilities

Liabilities, with the exception of certain liability provisions, are recognised in the balance sheet at nominal amount.

Taxes

The tax charge in the income statement includes both payable taxes for the period and changes in deferred tax. Deferred tax is calculated at relevant tax rates on the basis of the temporary differences which exist between accounting and tax values, and any carry forward losses for tax purposes at the year-end. Tax enhancing or tax reducing temporary differences, which are reversed or may be reversed in the same period, have been eliminated. The disclosure of deferred tax benefits on net tax reducing differences which have not been eliminated, and carry forward losses, is based on estimated future earnings. Deferred tax and tax benefits which may be shown in the balance sheet are presented net.

Tax reduction on group contributions given and tax on group contribution received, booked as a reduction of cost price or taken directly to equity, are booked directly against tax in the balance sheet (offset against payable taxes if the group contribution has affected payable taxes, and offset against deferred taxes if the group contribution has affected deferred taxes).

Deferred tax is reflected at nominal value.

Cash flow statement

The cash flow statement has been prepared according to the indirect method. Cash and cash equivalents include cash, bank deposits, and other short term investments which immediately and with minimal exchange risk can be converted into known cash amounts, with due date less than three months from purchase date.



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DeepOcean Norway AS

Notes to the financial statements

Note 1 Fixed Assets

Fixed Assets	Furnitures and fixtures	Assets under construction	Total
Purchase cost 01.01	802 881	1 112 473	1 915 354
Additions	0	21 911 126	21 911 126
Disposals			0
Purchase cost 31.12	802 881	23 023 600	23 826 480
Accumulated depreciation and write down 01.01	-93 151		-93 151
Disposals		0	0
Depreciation this year	-160 693		-160 693
Accumulated depreciation and write down 31.12	-253 845	0	-253 845
Book value 31.12	549 036	23 023 600	23 572 636
Depreciation this year	-160 693	0	-160 693
Economic useful life	5 years		
Depreciation plan	Linear		

Note 2 Subsidiaries, associated companies and joint ventures

Subsidiaries	Location	Ownership	Equity current year (100 %)	Net income current year (100 %)	Book value
DeepOcean AS	Haugesund, Norway	100 %	802 721 530	63 152 866	802 721 529
DeepOcean Africa AS	Haugesund, Norway	100 %	105 095 482	1 877 503	105 095 482
Book value 31.12.20			907 817 011	65 030 369	907 817 011

1) The book value of shares in DeepOcean AS is impaired with NOK 460.206.476 to reflect the booked equity in the company per 31.12.20.

2) The book value of shares DeepOcean Africa AS is reversed with NOK 105.095.482. The book value of the shares represents the booked equity in the company per 31.12.20.

Note 3 Assets and liabilities

The Company has no receivables due more than one year after the balance sheet date.

The Company has no long-term liabilities later than 5 years.

All assets in the subsidiaries in DeepOcean Group are pledged as security for the external debt.

Further reference is made to note 15 for more details regarding Group financing.



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DeepOcean Norway AS

Notes to the financial statements

Note 4 Transactions and balances with group companies

Related party transactions:

The Company entered into transactions with group companies, as summarised below.

Revenue	2020	2019
Management fee	64 425 986	74 300 870
Total	64 425 986	74 300 870

Expenses	2020	2019
Personnel charges	7 884 580	5 456 351
Management fee	62 463 785	70 316 210
Other costs	-1 773 602	6 779 780
Total	68 574 762	82 552 341

Financial items	2020	2019
Group contributions received	71 788 638	39 902 583
Interest income	737 492	10 842 251
Interest costs	-59 794 689	-73 383 795
Net financial items	12 731 441	-22 638 961

Balance sheet	2020	2019
Loans to group companies	14 385 942	0
Loans from group companies	-570 854 812	-699 704 032
Group contributions to/from group companies	71 788 638	39 902 583
Account Receivable group companies	12 160 188	22 213 587
Accounts Payable group companies	-103 335 708	-44 369 428
Total	-575 855 751	-681 957 289

Repayment plans for Intercompany loans are included in signed loan agreements.

Note 5 Equity

	Share Capital	Share premium	Other Equity	Total
Change in equity				
Equity 01.01	55 000 000	595 768 534	0	650 768 534
Profit (loss) this year	0	-392 384 177		-392 384 177
Equity 31.12	55 000 000	203 384 357	0	258 384 357

Note 6 Share Capital and shareholder information

The Share Capital of NOK 55.000.000 comprises of 50.000.000 shares with par value NOK 1,10. All shares have equal rights.

Shareholders	Shares	Total	Share
DeepOcean Group Holding BV	50 000 000	50 000 000	100,0 %



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DeepOcean Norway AS

Notes to the financial statements

Note 7 Pensions

The Company had a pension schemes which covered a total of 2 pensioners. The schemes gave right to defined future benefits. Only 1 pensioner is left per end of 2020. The pensioner will receive the pension based on own surplus fund. The corporate pension scheme has been terminated, since there are no further pension obligations in the company.

	31.12.2020	31.12.2019
Present value of accrued pension obligations at 01.01. (PBO)		-647 510
Pension fund assets at 01.01.		3 436 443
Net pension fund at 01.01.	-	2 788 933
Employer's National Insurance contributions		
Net pension fund at 01.01. posted in BS incl NIC	-	2 788 933
Present value of pension accrued in the period		0
Capital cost of previously accrued pensions		0
Gross pension cost for the year	0	0
Expected return on pension fund assets		-45 343
Administration cost	0	0
Net pension cost for the year after adm cost	0	-45 343
Apportionated employer's Nat Ins contr for the period	0	0
Net pension cost for the year incl employers NIC	0	-45 343
OCI		
Actuarial gains/losses recognized in OCI at 01.01	0	0
Actuarial gains/losses recognized in OCI at 31.12	0	0
Actuarial gains/losses recognized in OCI 2017	0	0
Pensions paid during the year		225 200
Investment in pension fund assets	0	0
Estimated present value of accrued pension obl at 31.12		-550 000
Estimated pension fund assets at 31.12.		3 293 590
Net pension fund at 31.12.	0	2 743 590
Employer's National Insurance contributions	0	0
Net pension fund at 31.12. posted in BS incl NIC	0	2 743 590
No of active members	-	-
No of pensioners	1	2
Financial assumptions:		
Discount rate		1,80 %
Expected return on pension fund assets		1,80 %
Anticipated rise in pensions		0,70 %
Turnover		0,00 %
Employer's National Insurance contributions		14,10 %

The actuarial assumptions relating to demographic factors are based on assumptions generally applied to insurance.



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DeepOcean Norway AS

Notes to the financial statements

Note 8 Taxes

Temporary differences	Change	2020	2019
Fixed assets	-33 582	72 772	39 190
Profit & loss account	-6 682	-26 730	-33 412
Pensions	2 743 590	0	2 743 590
Net temporary differences	2 703 325	46 043	2 749 367
Interest expenses restrictions	0	-30 374 334	-30 374 334
Tax losses carried forward	-3 164 745	-7 628 314	-10 793 059
Basis for deferred tax		-37 956 606	-38 418 025
Deferred tax based on nominal tax rate (22%)		-8 350 453	-8 451 966
Deferred tax benefit not shown in the balance sheet		6 682 353	6 440 879
Deferred tax in the balance sheet	342 987	-1 668 100	-2 011 087
Basis for income tax expense, changes in deferred tax and tax payable			
		2020	2019
Result before taxes		-392 041 190	-49 596 622
Permanent differences (1)		392 502 610	65 852 111
Basis for the tax expense for the year		461 420	16 255 488
Change in temporary differences		2 703 325	-144 936
Basis for payable taxes in the income statement		3 164 745	16 110 552
Interest expenses restrictions		0	0
Tax losses carried forward		-3 164 745	-16 110 552
+/- Group contributions received/given			0
Taxable income (basis for payable taxes in the balance sheet)		0	0
Components of the income tax expense			
		2020	2019
Payable tax on this year's result		0	0
Total payable tax		0	0
Change in taxes prior year			0
Tax expense divergence pension estimate		0	0
Change in deferred tax		342 987	-2 011 087
Tax expense		342 987	-2 011 087
Payable taxes in the balance sheet			
Payable tax in the tax charge		0	0
Payable tax in the balance sheet		0	0

(1) Permanent differences includes non-deductible interest costs NOK 37.390.635

Note 9 Sales revenues

Segments	2020	2019
Corporate management fee	64 425 986	74 300 870
Total	64 425 986	74 300 870
Geographical segments		
Norway	43 940 337	36 861 831
United Kingdom	12 993 921	23 164 725
Netherland & France	1 456 148	4 183 381
Mexico	1 290 475	6 700 557
USA	4 745 105	3 390 376
Total	64 425 986	74 300 870



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DeepOcean Norway AS

Notes to the financial statements

Note 10 Payroll expenses, number of employees, remuneration, loans to employees, etc.

Payroll expenses	2020	2019
Pension expenses	733 856	42 402
Total	733 856	42 402

Average number of employees	0	0

Auditor	2020	2019
Allocation of auditor fee:		
Statutory audit excl VAT	1 736 496	990 000
Other assurance services excl VAT		891 021
Total fee auditor excl VAT	1 736 496	1 881 021

The General Manager receives considerations in other group companies.

No loans/sureties have been granted to the general manager, Board chairman or other related parties.

Note 11 Specification of financial income and expenses

Foreign exchange gains and losses	2020	2019
Foreign exchange gains	10 003 627	566 250
Foreign exchange losses	0	0
Net financial gains and losses	10 003 627	566 250

Note 12 Restricted cash

The Company has no restricted cash as of 31.12.2020 .

Note 13 Group information

DeepOcean Norway AS is a subsidiary of DeepOcean Group Holding BV with Tricer HoldCo S.C.A as its ultimate shareholder. Tricer HoldCo S.C.A is having its statutory seat in Luxembourg, and is registered with the Registre de Commerce et des Sociétés under number B210246.

The smallest group for which group financials are prepared is DeepOcean Group Holding BV, Herengracht 433, 1017 BR Amsterdam, The Netherlands.

Note 14 Financial risk management

Overview

The Group's activities expose it to a variety of financial risks, which can be categorised as market risk, credit risk and liquidity risk. Whereas market risk includes foreign exchange risks and interest rate risks. Management policies have been established to identify, analyse and monitor these risks, and to set appropriate risk limits and controls. Financial risk management is carried out in accordance with the Group Risk Management policy approved by the Executive Management. The written principles and policies are reviewed periodically to reflect changes in market conditions, the activities of the business and laws and regulations affecting our business.



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DeepOcean Norway AS

Notes to the financial statements

Market risk - Foreign exchange risk

The Company operates internationally and conducts its business in multiple currencies, and is primarily exposed to foreign exchange risks with respect to the US Dollar (USD), British Pound (GBP) and Euro (EUR).

Management has evaluated the foreign exchange risks of the Company against its functional currency Norwegian Kroner (NOK). Cash inflows and outflows of the Company are offset if they are denominated in the same currency. This means that revenue generated in a particular currency typically balances out costs in the same currency, even if the revenues arise from a different transaction than that in which the costs are incurred. As a result, only the unmatched amounts are subject to foreign exchange risk.

The Company's Credit Facility loan is in US Dollar (USD) and there are not sufficient USD cash inflows to cover the USD cash outflows related to this loan.

Market risk - Interest rate risk profile

The Company's interest rate risk arises primarily from the Credit Facility; refer to note 14 for the details of the Credit Facility. This Credit Facility has a floating interest based on LIBOR plus a spread and for amounts drawn in EUR the floating interest is based on EURIBOR.

Credit risk

Credit risk arises primarily from cash and cash equivalents held at financial institutions, and to a certain extent, from trade receivables.

Cash balances are only held with large recognised financial institutions.

The Company's exposure of trade receivables is managed through Group established proper credit limits, continuous credit risk assessments for each individual customer. If customers are independently rated, these ratings are used. If there is no independent rating, the credit quality is based on past experience, their financial position and other factors. The utilisation of the credit limits is regularly monitored.

The Company's receivables are primarily from Group companies and the credit risk is acceptable.

Liquidity risk

The Group's approach to managing liquidity is to ensure that there are sufficient funds to meet the financial obligations when they fall due under both normal and stressed conditions, without incurring unacceptable losses or risking damage to its reputation.

To ensure it is sufficient cash to meet expected operational expenses, including the servicing of financial obligations the Group continuously monitor the actual and future cash flow requirements taking into account the maturity profiles of financial assets and liabilities and the rolling forecast of the Group's liquidity reserve, which comprises cash and cash equivalents and an undrawn credit facility.

Note 15 Group financing

At 31 December 2020, total interest-bearing debt amounted to US\$99.5M (2019 US\$101.6M), consisting of the drawn amount on the multi-currency Revolving Credit Facility (RCF) of US\$87.9M and US\$11.6 of the term loan. The borrowing base under the credit facility shows an availability of USD 9.8 million. The Group has an ancillary facility of EUR45.0M that can conditionally be increased up to EUR70.0M, with a non-reversible transfer of commitment from the RCF. In addition, there is an option to request a EUR20.0M accordion facility to the RCF. For information about terms on the credit facilities, see note 21. Cash and cash equivalents totalled US\$71.1M (2019 US\$66.5M) at the end of the year.

Financially, the Group's took precautionary measures when Covid-19 hit with full strength in March 2020 by keeping the RCF fully utilised and closely monitoring the liquidity situation. As per 31st of December 2020, separate financial covenants for the Group's debt instruments and liquidity were defined in the Lock-up Agreement. The group were within the applicable thresholds.

The Company is a subsidiary in DeepOcean Group and is impacted by the Group's financing and intercompany loans and borrowings.

The Company is also an obligor in the Credit Facility arrangement and all assets are pledged.



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DeepOcean Norway AS

Notes to the financial statements

Note 16 Basis for preparation - Going Concern

The financial statements have been prepared on the basis of historical cost through profit or loss. Income and expenses are accounted for on an accrual basis.

2020 was a challenging year for the Group, due to a number of factors including the continuing COVID-19 pandemic, the sharp decline of commodity prices in Q1 2020 and the challenging market for the UK business (DeepOcean 1 UK Limited, Enshore Subsea Limited & DeepOcean Subsea Cables Limited) of the Group. DeepOcean executed several measures to ensure the future viability of the Group including reduction in employees (specifically eliminating SG&A positions), reduced investment plans, negotiated reduced vessel rates on long term charters and initiated a full restructuring of the UK business. However, despite the challenging conditions there was no breach of the bank covenants (Liquidity & LTM EBITDA) in 2020.

The Company is a subsidiary in DeepOcean Group and is impacted by the Group's financing and intercompany loans and borrowings. The Company is also an obligor in the Credit Facility arrangement and all assets are pledged.

The restructuring plan procedure under Corporate Insolvency and Governance Act 2020 (an "RPP") of the UK business was not simply a liquidation of certain entities, but has a multitude of interlinked elements that cover the legal, financial and commercial spheres – which in its entirety have ensured the future viability of the Group and will make it increasingly competitive in the years to come. The process follows an extended period of loss-making operations by the UK business and reflects changes in the industry's procurement strategies and available installation capacity, as well as a mismatch between the UK business contractual commitments and market conditions. The RPP has been approved in court and the UK business is in the process of a solvent wind down. This court approved process has given the Group certainty for ongoing operations and future activities. The key outcomes of the RPP are as follows:

- The UK business has been released of all their liabilities as of 22nd April 2021 (Except a certain % of creditor recovery)
- The liabilities included long term charter vessels with out of market rates
- The solvent wind down of the UK business
- Stops the major cash drain of the Group
- The Group will have more funding headroom, allowing it to be more aggressive towards growth areas and focus on growth in the right areas.
- The retention of the trenching assets to either operate or monetize
- Removes the UK Business which has been the major budget deviation and underperforming business for the Group over the last 36 months

In addition, to the RPP process in the UK business, the Group has continued multiple processes to further safeguard operations and provide the business with stability for the future. These processes include the following:

- Amendment and restatement of the current syndicated credit facility – including a maturity extension and other concessions from the lenders such as lower margins (reduced finance cost), and changes to the bank covenants
- \$15M new equity from majority shareholder Triton (March 2021) which shows – renewed commitment to their investment in DeepOcean and confidence in DeepOcean's future
- Significantly reduced charter rates for the Group's long-term charters in the Norway region

These activities and processes have been the main focus of the Group's management in 2020 to ensure a solid going concern for the wider DeepOcean Group and are the key anchor and preparation for this process of management assessment.



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DeepOcean Norway AS

Notes to the financial statements

Note 17 Subsequent events

2020 was a challenging year for the Group, due to a number of factors including the continuing COVID-19 pandemic, the sharp decline of commodity prices in Q1 2020 and the challenging market for the UK business (DeepOcean 1 UK Limited, Enshore Subsea Limited & DeepOcean Subsea Cables Limited) of the Group. DeepOcean executed several measures to ensure the future viability of the Group including reduction in employees (specifically eliminating SG&A positions), reduced investment plans, and initiated a full restructuring of the UK business. However, despite the challenging conditions there was no breach of the bank covenants (Liquidity & LTM EBITDA) in 2020.

Subsequent to the end of 2020, the executive management have continued multiple processes to further safeguard operations and provide the business with stability for the future. Key subsequent events include:

- Approved restructuring plan procedure under Corporate Insolvency and Governance Act 2020 (an "RPP") of the UK business (DeepOcean 1 UK Ltd, DeepOcean Subsea Cables Ltd and Enshore Subsea Ltd)
- Amendment and restatement of the current syndicated credit facility – including a maturity extension and other concessions from the lenders such as lower margins (reduced finance cost), and changes to the bank covenants
- \$15M new equity from majority shareholder Triton (March 2021) which shows – renewed commitment to their investment in DeepOcean and confidence in DeepOcean's future
- Renegotiated reduced charter rates for the Group's long-term charters in the Norway region

DeepOcean has decided to move its Group Holding entity from a Dutch entity (currently DeepOcean Group Holding BV) to a Norwegian entity in the course of 2021. This will involve a series of mergers resulting in DeepOcean Group Holding BV ceasing to exist and DeepOcean Norway AS becoming the ultimate parent of the DeepOcean Group.



Statsautoriserte revisorer
Ernst & Young AS

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INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of DeepOcean Norway AS

Report on the audit of the financial statements

Opinion

We have audited the financial statements of DeepOcean Norway AS, which comprise the balance sheet as at 31 December 2020, the income statement, and statements of cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements have been prepared in accordance with laws and regulations and present fairly, in all material respects, the financial position of the Company as at 31 December 2020 and its financial performance and cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Basis for opinion

We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing (ISAs). Our responsibilities under those standards 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 ethical requirements that are relevant to our audit of the financial statements in Norway, and we have fulfilled our ethical responsibilities as required by law and regulations. We have also complied with our other ethical obligations in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

Other information consists of the information included in the Company's annual report other than the financial statements and our auditor's report thereon. The Board of Directors and Chief Executive Officer (management) are responsible for the other information. Our opinion on the audit of the financial statements does not cover the other information, 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 other information, and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, 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, 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 laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing (ISAs) 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 in accordance with law, regulations and generally accepted auditing principles in Norway, including ISAs, 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, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- ▶ evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

Report on other legal and regulatory requirements

Opinion on the Board of Directors' report

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors' report concerning the financial statements, the going concern assumption and proposal for the allocation of the results consistent with the financial statements and complies with the law and regulations.

Opinion on registration and documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements (ISAE) 3000, *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*, it is our opinion that management has fulfilled its duty to ensure that the Company's accounting information is properly recorded and documented as required by law and bookkeeping standards and practices accepted in Norway.



Bergen, 31 May 2021
ERNST & YOUNG AS

The auditor's report is signed electronically

Truls Nesslin
State Authorised Public Accountant (Norway)

Penneo Dokumentnøkkel: AVX7J-LX062-TB11 C-VY6HC-Q7NA4-FY0HC

Independent auditor's report - DeepOcean Norway AS
A member firm of Ernst & Young Global Limited



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Truls Nesslin

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Interim financial statements of DeepOcean Norway AS as of 30 June 2021

All amounts in NOK

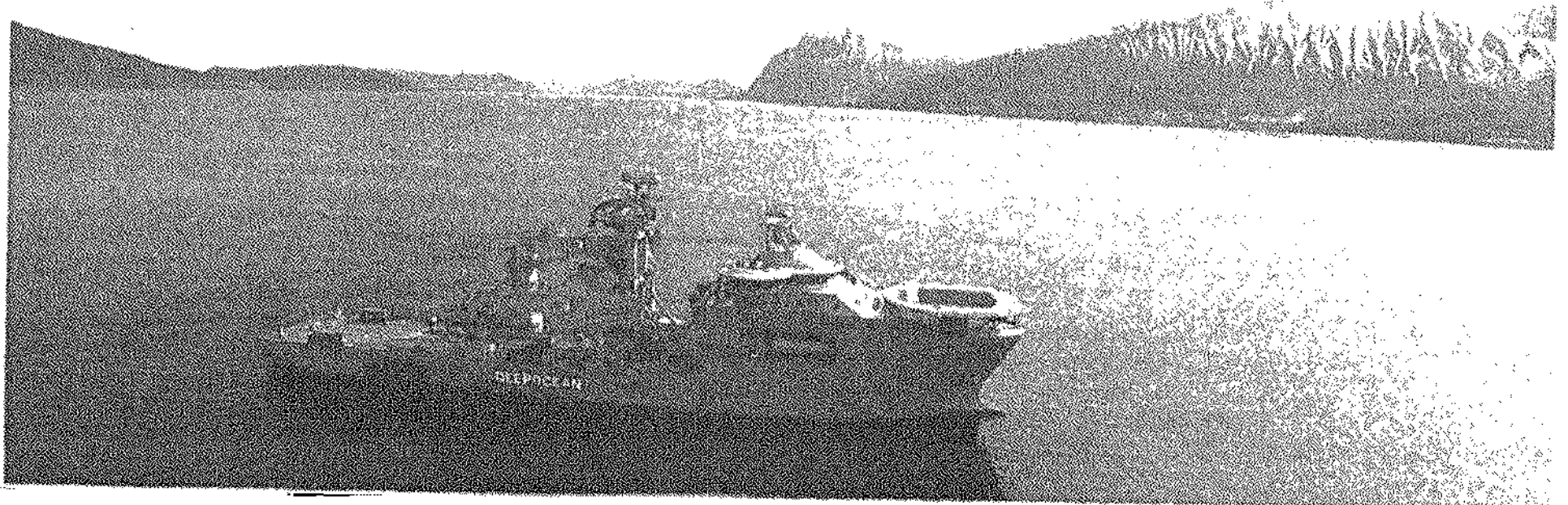
Non-current assets	
Intangible assets	
Deferred tax asset	1 668 100
Total intangible assets	1 668 100
Fixed assets	
Property, plant and equipment	97 050 760
Total fixed assets	97 050 760
Financial assets	
Investment in subsidiaries	1 262 928 005
Loan receivables, intercompany	8 015 944
Total financial non-current assets	1 270 943 950
Total non-current assets	1 369 662 809
Current assets	
Receivables	
Accounts receivables	308 525
Accounts receivables from companies in the same group	-1 109 114
Group contribution receivable, intercompany	71 788 638
Other receivables	10 921 565
Total accounts receivable	81 909 615
Cash and cash equivalents	54 912 139
Total current assets	54 912 139
TOTAL ASSETS	1 506 484 562
Equity	
Paid-in capital	
Share capital	71 500 000
Share premium	708 011 047
Other paid-in capital	0
Total paid-in-capital	779 511 047
Retained earnings	
Translation reserve	0
Gain/Loss Net Investment Hedging	0
Pension reserve	-74 013
Other equity	-109 120 550

Total retained earnings	-109 194 563
Total equity	670 316 484
Liabilities	
<i>Non-current liabilities</i>	
LT borrowings	89 508 495
LT borrowings, intercompany	370 086 029
Total non-current liabilities	459 594 524
<i>Current liabilities</i>	
ST borrowings	0
Trade creditors	19 766 058
Tax payable	0
Trade creditors from companies in the same group	332 922 908
Public duty payable	0
Accrued interest expense	421 365
Other short-term liabilities	23 463 223
Total current liabilities	376 573 554
Total liabilities	836 168 078
TOTAL EQUITY AND LIABILITIES	1 506 484 562

Kamer van Koophandel	
KvK-nummer	67303 846
Datum ontvangst	24 MRT 2020
Datum vaststelling	21-2-2020

Consolidated Financial Statements for the year 2018

Tricer NL BidCo 3 B.V.



Initialed
for identification purposes only

Ernst & Young Accountants LLP

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working world

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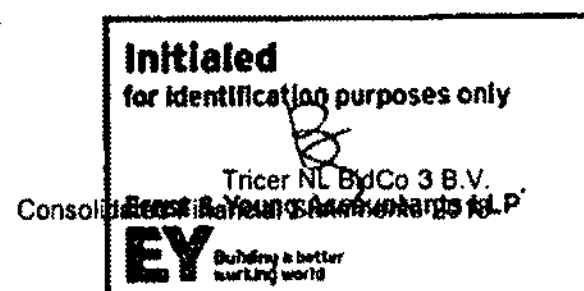
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A.1 Overview

About us

Tricer NL BidCo 3 B.V.(the "Company") is the holding company, ultimate consolidating DeepOcean Group ("DeepOcean").

DeepOcean is leading, pure play subsea services provider in the areas of Survey, IMR (Inspection, Maintenance and Repair), Subsea Construction and Cable Lay & Trenching. DeepOcean Group (The Company & the Group) offers a breadth of subsea services to cover the full lifecycle, from early studies to decommissioning, for the oil and gas as well as renewable offshore industries.



This strong portfolio of services, coupled with a fleet of 18 owned and chartered vessels and an extensive mission equipment portfolio comprising of 50+ Subsea Intervention Assets, such as ROVs, Trenchers, Module Handling Systems as well as Dredging and Excavation Systems, enables DeepOcean to bundle its subsea services to deliver cost-effective, tailored solutions to meet individual client needs.

DeepOcean is independent of any equipment, technique or manufacturer and therefore is able to focus on the best solutions for its clients. With a global track record for safety, cost-efficiency, flawless operations and innovation, DeepOcean is the preferred pure play subsea service provider for its oil and gas as well as renewable energy customers across the globe.

DeepOcean is a leading global IMR, Subsea Construction and Cable Lay & Trenching operator and has a global presence with offices in Norway, UK, the Netherlands, the US, Mexico, Trinidad and Tobago, Ghana, France, Gabon and Congo.

A.2 Financial Review

Financial highlights

The Group realised US\$505.8M of Revenue (2017: US\$429.3M) from continuing operations with a loss for the period from continuing operations of US\$55.6M (2017: US\$49.9M loss). The loss resulted from the continuing downturn in the market (reduced work and depressed margins), restructuring expenses, and oversupply of vessels in the market and some operational issues in larger lump sum projects. No revenue (2017: nil) and US\$2.3 M loss (2017: nil) for the period were realized from discontinued operations.

Backlog

Our accounting backlog represents the aggregated value of signed contracts until the end of the relevant contract period (excluding extension options and letters of intent). Backlog as at 31 December 2018 amounted to US\$190.6M, which is a decrease of 36%, compared to 2017 (US\$298.9M). We expect to recognize US\$120M of this backlog in 2019.

Financial debt and liquidity

At 31 December 2018, total interest-bearing external debt amounted to US\$109.0M (2017 US\$79.9M), consisting of the drawn amount on the Revolving Credit Facility (RCF) of US\$90.7M and US\$18.4M of the term loan. The borrowing base under the credit facility is fully drawn. The Group has an ancillary facility of EUR45.0M that can conditionally be increased up to EUR70.0M, with a non-reversible transfer of commitment from the RCF. In addition, there is an option to request a EUR20.0M accordion facility to the RCF. For information about terms on the credit facilities, see note 21. Cash and cash equivalents totalled US\$70.4M (2017 US\$86.3M) at the end of the year.

Financially, the Group's liquidity situation has been challenging, and discussions with owners and lenders were conducted during the summer and fall of 2018. On 30th of November, the lenders agreed to postpone instalments on the term loan, extending the maturity, and revising the financial covenants with the purpose of achieving a sustainable solution, giving DeepOcean time to restructure its business. During this time period, there was also an equity injection of US\$30.0M from the owners to support the restructuring of the business. As per 31st of December 2018, financial covenants for the Group's debt instruments were within the applicable thresholds.

Tricer NL BidCo 3 B.V. has unsecured loan from group companies (not consolidated) at USD128.3 million. At 31 December 2018 the consolidated financial statements show a negative equity.

Current market conditions, as indicated in the outlook paragraph below, have their effect on the Group and its ability to generate stable cash flows for the next few years. To address potential effects of this on the prevailing covenant levels, both current and forecasted covenant levels are continually monitored with internal thresholds for effecting action plans.

A.3 Human Resources

As of 31 December 2018 DeepOcean had 1070 full time employees worldwide (2017: 919; 2016: 997), of which 1049 (2017:899, 2016: 976) work outside of The Netherlands, divided as follows:

Number of employees	2018	2017
Onshore	605	431
Offshore	565	488
Total	1,070	919

A.4 Risk Management

DeepOcean's financial and operational performance may be adversely affected by a variety of risks and economic developments. DeepOcean's Board of Directors sets, and periodically reviews, the level of risk that the Board is willing to take in pursuit of the company's objectives. The CEO together with Executive Management drives the risk management process and facilitates the assessment of strategic risks. The Board of Directors evaluates the effectiveness of DeepOcean's risk management, which results in an appropriate level of objectivity in the assessment of risks.

Group risk profile

Below is an overview of material risks that are of most relevance for achieving DeepOcean's long-term goals and strategy. This risk overview is not exhaustive. There may be risks which are currently not deemed material, but which could have a substantial adverse effect. (See note 3 – Financial statement)

Risk category	DeepOcean's Risk Appetite	Key Risk Areas
Business & Marketing Risk	For both Business & Marketing risk and Commercial risks, acceptable risk levels vary depending on the subject at hand, where expected rewards have to justify the risk.	Customer and geographical concentration
Commercial Risk		- Demand from oil & gas and offshore renewables companies - Inability to be (price) competitive - Contracting risk
Operational Risk	Operational risks are handled with a moderate risk appetite. However, all risks related to HSEQS are subject to low risk appetite.	- Fleet flexibility - Innovation - Unsuccessful project execution - HSEQS incidents - Asset unreliability - Inability to attract and retain key employees - Organizational alignment - Cyber security
Regulatory Risk	Compliance is subject to a very low risk appetite as DeepOcean strives for a 100% compliance with legal and regulatory requirements.	- Non-Compliance with law and regulation - Countries of operation
Financial Risk	Financial risk appetite is low, with the intent to limit financial risks and maintain long-term solvency.	- Liquidity & Credit Risk - Currency Risk - Interest rate risk

Insurance & legal

DeepOcean is insured against a variety of risks. Risks related to general liability are covered at Company level. Vessels and equipment are insured and local cover is arranged for risks associated with normal business operations, such as insurance for the buildings and for employees. Some operating companies are involved in claims, either as the claimant or the defendant, within the context of normal business operations. Where necessary proper provisions have been accounted for in the financial statements (refer to note 10.4 and 24). Based on developments thus far, it is not anticipated that DeepOcean's financial position will be noticeably affected by any of these proceedings.

A.5 Governance

Corporate Governance

The Board of Directors members are jointly responsible for the management of the Company and the enterprise connected with it. The Management Board consist of Kristian Diesen and Terje Askvig.

General Meetings

At least one General Meeting of Shareholders, the Annual General Meeting ('AGM'), shall be held or at least once a written resolution of shareholders shall be adopted during each financial year. The meeting shall be held at such time as the Directors shall designate. The meeting shall be held at the municipality in which the Company has its official seat or in another location, provided that in such case all of the Company's issued capital is represented and each person with meeting rights, to the extent required by law, has been duly convened or has given consent thereto.

A.6 Research and Development

The Company is continually working to improve the current product/service portfolio and is developing several new products and services in order to stay competitive (reduced project costs, increased efficiencies, improved operational results) in the markets serviced by DeepOcean (e.g. onshoring of ROV activities, or autonomous ROVs). In addition, these developments will support DeepOcean in potentially entering new markets, by being able to provide an additional range of services (e.g. rapid UXO scan).

A.7 Outlook

2018 saw an oil price improvement with an average closing price per barrel Brent Crude of US\$71.34, a 30% improvement from 2017 and a 58% improvement from 2016. This has had a minor effect on DeepOcean's 2018 top line at a 4% year over year revenue increase from 2017 (excluding revenue from 2018 acquisition of Delta Subsea). Nevertheless, in December 2018 the oil price dropped to a 2018 low of US\$50.57/bbl which dampers 2019 spend expectations of DeepOcean's customers and reflects in a stable 2019 revenue budget (no top line growth versus 2018). In addition, the offshore wind and particularly cable lay market is forecasted to be weak in 2019, due to a lack of larger projects, which further supports DeepOcean's conservative 2019 budgeted revenue projection.

Despite this extended downturn with weak market conditions, the forecast for post 2019 offshore spend shows a significant upwards trend. Projections regarding the predicted oil demand, which is outpacing currently producing and sanctioned developments and opens up a widening gap of demand and supply, support this view. Furthermore, the industry has seen an increasing number of major FIDs (Final Investment Decisions) regarding offshore projects, which will move into execution over the next years. Moreover, DeepOcean's 'pure play service provider' strategy, focused on IMR will further de-risk DeepOcean from the volatility of the oil price, as a large portion of DeepOcean's service offering is geared towards optimizing and maintaining existing infrastructure and thus supporting operators in reduction their CAPEX spend.

DeepOcean has great confidence in the future of the industries it operates in and continues to focus on its core markets and regions. In addition, the company has strengthened its position in the Gulf of Mexico by acquiring Delta Subsea in 2018 and will continue to opportunistically evaluate further investments in strengthening existing regions and/or expanding into new markets.

In the course of 2018 DeepOcean has run a rigorous cost reduction exercise and will continue to cut cost and leverage operational efficiencies in order to support improved financial results as well as to ensure competitiveness even under a prolonged low oil price.

DeepOcean's strategy sees significant organic growth along with the forecasted market recovery and supported by key cost reduction as well as technology initiatives. As part of the strategy, DeepOcean aims to become a US\$1B company.

In the short term the weak financial results have forced DeepOcean to selectively reduce its workforce, but it is expected that the workforce will increase along with the forecasted revenue increase over the next few years. The current outlook also includes management view on the EBITDA covenant throughout the 5-year plan

Period	EBITDA Covenant
Oct-Dec 20	\$24
Jan-Mar 21	\$25,5
Apr-Jun 21	\$26
Jul-Sep 21	\$28
Oct-Sep 22	\$30
Oct 22	\$35

DeepOcean management also believe there will be a market recovery of some level to support the increased EBITDA ambitions on top of the current ongoing internal initiatives. DeepOcean has a major ongoing value creation plan to deliver major cost reductions and drive major business efficiencies.

A.8 Subsequent events

The financial statements have been prepared on a going concern basis. Throughout the year 2018, a major concern was that DeepOcean would breach its loan covenants. However, in the latest addendum to the credit facility agreement agreed on in Q4 2018 the covenants are focused around liquidity and LTM EBITDA. Based on the current forecast/budget, management does not see an immediate risk to breaking the bank loan covenants in the course of normal business throughout 2020. To mitigate this risk of covenant breach further, DeepOcean and the Company will remain focused on stringent cash management and further cost reductions. Based on the above, management believes it is appropriate to prepare the financial statements using the going concern assumption.

The financial statements of Tricer 3 have been prepared on a going concern basis. The shareholder loans within Tricer 3 have a repayment date of 30 years from the agreement date. In the provisions of the loan agreement, the loan and the accrued but unpaid interest can be repaid on the repayment date in 2046. Consequently, there is no liquidity impact in the next 12 months. The loan will be converted to share premium when project Homecoming will be completed.

Management has decided to move its Group Holding entity from a Dutch entity (currently DeepOcean Group Holding B.V.) to a Norwegian entity in the course of 2020. This will involve a series of mergers resulting in Tricer NL BidCo 3 B.V. ceasing to exist and DeepOcean Norway AS becoming the ultimate parent of the DeepOcean Group. (Project Homecoming)

The series of mergers leading to DeepOcean Norway AS becoming the ultimate parent of the DeepOcean Group are as follows:

- DeepOcean Group Holding BV will be merged into Tricer NL BidCo 4 BV
- Merged Tricer NL BidCo 4 BV will be merged into Tricer NL BidCo 3 BV
- Merged Tricer NL BidCo 3 BV will be merged into DeepOcean Norway AS
- DeepOcean Norway will be the surviving entity and will become the group parent company

Management Board

Article 276 of Book 2 of the Dutch Civil Code ensures a balanced representation of men and women in board of directors of companies such as the Company. Balanced representation of men and women is deemed to exist if at least 30% of the seats are filled by men and at least 30% are filled by women.

The Board is currently not composed according to the principles encouraged by Article 2:276 of the Dutch Civil Code. The company appoints the director deemed to be the most suitable from the available pool of senior manager and other candidates. The board of directors recognises the benefits of including

gender balance and will strive for more diversity in the board of directors, however the board members will also be selected on the basis of wide-ranging experience, backgrounds, skills, knowledge and insights.

The members of the Management Board have signed the financial statements pursuant to their statutory obligations under Section 2:101 sub 2 the Netherlands Civil Code.

Oslo, 21st February 2020

Management Board

Terje

De handtekening
is door de KvK
onleesbaar gemaakt

De handtekening
is door de KvK
onleesbaar gemaakt

Kristian Diesen

B. Consolidated Financial Statements

B.1 Consolidated statement of profit or loss for the year ended 31 Dec 2018

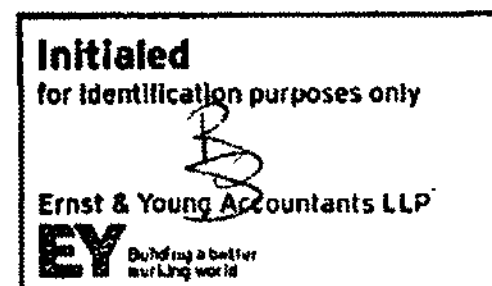
USD (thousands)	Note	2018	2017
Revenue from contracts with customers	5	505 817	429 268
Direct operating expenses	6	(457 618)	(388 033)
Depreciation and amortisation	11,12	(29 748)	(30 670)
Gross profit		18 451	10 565
Sales, general and administrative expenses	6	(33 711)	(26 868)
Impairment of fixed assets	6	(138)	(13 239)
Other expenses	6	(11 470)	(13 905)
Gain from bargain purchase	15		11 858
Share of net income from investments accounted for using the equity method	13	948	819
Loss from operating activities		(25 920)	(30 770)
Finance income		354	188
Finance expense		(28 229)	(18 539)
Net finance expense	9	(27 875)	(18 351)
Loss before tax		(53 795)	(49 121)
Corporate income tax expense	10	(1 810)	(739)
Loss for the period from continuing operations		(55 605)	(49 860)
Discontinued operations			
Result/(loss) for the period from discontinued operations	4	(2 347)	
Loss for the period		(57 952)	(49 860)
Total loss attributable to:			
Shareholders of the parent		(57 013)	(49 273)
Non-controlling interests		(939)	(587)
		(57 952)	(49 860)

The accompanying notes are an integral part of these consolidated financial statements

B.2 Consolidated statement of comprehensive income for the year ended 31 Dec 2018

USD (thousands)	Note	2018	2017
Loss for the period		(57 952)	(49 860)
Items that may be reclassified subsequently to profit or loss			
Reclass external loan to IC loan		17 930	
Items that may be reclassified subsequently to profit or loss			
Net investment hedge	27	(1)	5 237
Foreign currency translation differences of foreign operations		11 251	6 633
		11 250	11 870
Total comprehensive loss for the period, net of tax		(28 772)	(37 990)
Total comprehensive loss attributable to:			
Shareholders of the parent		(30 104)	(37 594)
Non-controlling interests		1 332	(396)
Total comprehensive loss for the period, net of tax		(28 772)	(37 990)
Total comprehensive loss for the period, net of tax arises from:			
Continuing operations		(26 425)	(37 990)
Discontinued operations		(2 347)	-
Total comprehensive loss for the period, net of tax		(28 772)	(37 990)

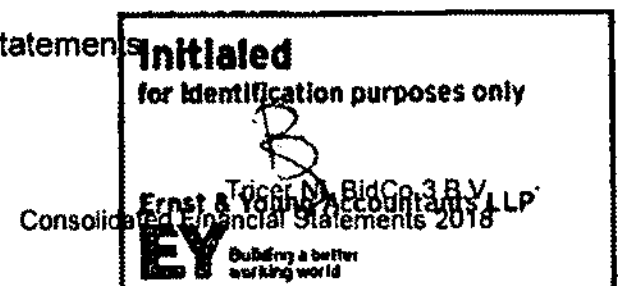
The accompanying notes are an integral part of these consolidated financial statements.



B.3 Consolidated statement of financial position as at 31 Dec 2018

USD (thousands)	Note	31 December 2018	31 December 2017
Assets			
Vessels and equipment	11	155 787	140 117
Intangible assets	12	2 914	2 646
Equity accounted investees	13	987	892
Post-employment benefit asset	23	421	483
Prepaid charter costs	16	2 772	3 739
Deferred tax assets	10	7 552	7 106
Total non-current assets		170 433	154 983
Inventories	17	3 566	2 327
Trade receivables and contract assets	18	98 734	95 346
Current income tax receivable	10	694	2 770
Assets held for sale	11	(0)	1 629
Cash and cash equivalents	19	70 420	86 270
Total current assets		173 414	188 342
Total assets		343 847	343 325
Equity			
Share capital	20	345	2
Share premium	20	54 862	23 091
Other reserves		0	9 559
Accumulated losses		(75 022)	(49 273)
Total equity attributable to owners of the Company		(19 815)	(16 621)
Non-controlling interests		(8 778)	(10 109)
Total equity		(28 593)	(26 730)
Liabilities			
Non-current portion of loans and borrowings	21	31 924	35 631
Non-current portion of loans and borrowings from related parties	22	129 879	132 266
Other non-current liabilities		707	743
Non-current portion of post-employment benefit obligation	23	259	1 153
Non-current portion of derivative financial liabilities	25	0	1
Non-current provisions	24	311	338
Non-current income tax liabilities	10	116	122
Deferred income tax liabilities	10	1 215	560
Total non-current liabilities		164 411	170 814
Current portion of loans and borrowings	21	92 871	63 225
Current portion of post-employment benefit obligation	23	(0)	2
Current portion of derivative financial liabilities	25	3 833	2 490
Trade and other payables	26	108 175	130 655
Current provisions	24	3 150	2 409
Current income tax liabilities	10		460
Total current liabilities		208 029	199 242
Total liabilities		372 440	370 055
Total equity and liabilities		343 847	343 325

The accompanying notes are an integral part of these consolidated financial statements



B.4 Consolidated statement of changes in equity for the year ended 31 December 2018

Attributable to shareholders of the Company									
USD (thousands)	Notes	Share capital	Share premium	Translation reserve Foreign operations	Other reserve	Retained earnings / (accumulated losses)	Total	Non-controlling interest	Total equity
Balance at 1 January 2017									
Comprehensive Income									
Loss for the period		-	-	-	-	(49 273)	(49 273)	(587)	(49 860)
Other comprehensive income						-	-	-	-
Net investment hedges	27	-	-	5 237	-	-	5 237	-	5 237
Defined benefit plan actuarial gains		-	-	-	-	-	-	-	-
Foreign currency translation differences of foreign operations		-	-	6 442	-	-	6 442	191	6 633
Total comprehensive loss		-	-	11 679	-	(49 273)	(37 594)	(386)	(37 990)
Transactions with owners									
Incorporation at 18 November 2016		1	-	-	-	-	1	-	1
Issue of shares		1	58 091	-	-	-	58 092	-	58 092
Minority interests at issue of shares				-	(1 190)	-	(1 190)	(8 260)	(9 450)
Interim dividend			(35 000)	-	-	-	(35 000)	-	(35 000)
Acquisition of minority shares					(930)	-	(930)	(1 453)	(2 383)
Total transactions with owners of the Company		2	23 091	-	(2 120)	-	20 973	(9 713)	11 260
Balance at 31 December 2017		2	23 091	11 679	(2 120)	(49 273)	(16 621)	(10 109)	(28 730)

Attributable to shareholders of the Company									
USD (thousands)	Notes	Share capital	Share premium	Translation reserve Foreign operations	Other reserve	Accumulated losses	Total	Non-controlling interest	Total equity
Balance at 1 January 2018		2	23 091	11 679	(2 120)	(49 273)	(16 621)	(10 109)	(28 730)
Comprehensive Income									
Loss for the period		-	-	-	-	(57 013)	(57 013)	(939)	(57 952)
Other comprehensive income						-	-	-	-
Net investment hedges	27	-	-	(1)	-	-	(1)	-	(1)
Reclass external loan to IC loan (AXA)						17 930	17 930	-	17 930
Foreign currency translation of Tricer Lux USD loan						9 351	9 351	-	9 351
Foreign currency translation differences of foreign operations		-	-	-	-	(370)	(370)	2 270	1 899
Total comprehensive loss for the period		-	-	(1)	-	(30 102)	(30 103)	1 331	(28 772)
Transactions with owners									
Capital contribution		343	29 657	-	-	-	30 000	-	30 000
Foreign currency movement			2 114	(11 678)	2 120	4 353	(3 091)	-	(3 091)
Total transactions with owners of the Company		343	31 771	(11 678)	2 120	4 353	26 909	-	26 909
Balance at 31 December 2018		345	54 862	-	-	(75 022)	(19 815)	(8 778)	(28 593)

The accompanying notes are an integral part of these consolidated financial statements.

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EY Building a better working world

B.5 Consolidated statement of cash flows for the year ended 31 December 2018

USD (thousands)	Notes	2018	2017
Cash flows from continuing operations			
Cash flows from operating activities			
Loss from operating activities		(25 920)	(30 770)
Depreciation and amortisation	11	29 748	30 670
Share of net income from investments accounted for using the equity method	13	(948)	(819)
Profit on sale of fixed assets	6	(777)	(1 653)
Impairment losses	6,11	138	13 239
Bargain purchase without cash effect	22	-	(11 858)
RSU and GSOP income/(expenses) (1)		358	(314)
		2 599	(1 505)
Changes in working capital:			
Inventories	17	(1 239)	972
Trade and other receivables	18	(3 361)	12 121
Prepayments	16	-	(337)
Trade and other payables	26	(2 795)	(18 684)
Provisions and employee benefits	23,24	(148)	900
Cash used in operating activities		(4 944)	(6 533)
Interest and other finance costs paid	21	(14 998)	(4 282)
Interest and other finance income received		318	-
Income taxes (paid)/received		1 618	(1 187)
Net cash used in operating activities		(18 004)	(12 002)
Cash flows from investing activities			
Proceeds from sale of fixed assets	11	1 629	8 957
Purchase of vessels and equipment	11	(16 091)	(11 269)
Acquisition of Group companies	11,15	(36 344)	63 092
Dividends received from equity accounted investees		875	678
Net cash (used in)/generated from investing activities		(49 931)	61 458
Cash flows from financing activities			
Proceeds from issuance of shares	20	30 000	-
Increase of borrowings	21	26 179	131 750
Repayment of borrowings	21	-	(88 825)
Transaction costs related to loans and borrowings	21	-	(2 157)
Payment of finance lease		(4 037)	(2 339)
Settlement of derivatives		-	(1 532)
Net cash generated from financing activities		52 142	38 897
Net (decrease)/increase in cash and cash equivalents from continuing operations		(15 793)	86 353
Net (decrease)/increase in cash and cash equivalents		(15 793)	86 353
Cash and cash equivalents at 1 January		86 270	-
Translation differences on cash and cash equivalents		(64)	(63)
Cash and cash equivalents at 31 December	19	70 413	86 270

The accompanying notes are an integral part of these consolidated financial statements.

(1) RSU = Restricted Stock-Unit Plan; GSOP = Growth Stock Option Plan.

B.6 Notes to the Consolidated Financial Statements

1. General information

Tricer NL BidCo 3 BV has its official seat in Amsterdam, The Netherlands. The address of the Company's registered office is Herengracht 433, 1017 BR, Amsterdam, The Netherlands. The Company is registered with the trade register of the Chamber of Commerce under number 67303846. Its ultimate shareholder is Tricer HoldCo S.C.A., having its statutory seat in Luxembourg, and is registered with the Registre de Commerce et des Sociétés under number B210246.

These consolidated financial statements as at and for the year ended 31 December 2018 comprise the Company and its subsidiaries and joint ventures (together referred to as the 'Group' or 'DeepOcean' and individually as 'Group entities').

2. Significant accounting policies

The principal accounting policies applied in the preparation of consolidated financial statements are set out below. These policies have been applied consistently to all periods presented in these consolidated financial statements, unless otherwise stated.

2.1 Statement of compliance

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and with Part 9 of Book 2 of the Dutch Civil Code. The Group presents its financial information in USD x 1,000, except when indicated otherwise.

The consolidated financial statements have been prepared by the Executive Management and were approved by the Management Board on 24th February 2020.

2.2 Basis of preparation – Going Concern

The financial statements have been prepared on a going concern basis. Throughout the year 2018, a major concern was that DeepOcean would breach its loan covenants. However, in the latest addendum to the credit facility agreement agreed on in Q4 2018 the covenants are focused around liquidity and LTM EBITDA. Based on the current forecast/budget, management does not see an immediate risk to breaking the bank loan covenants in the course of normal business throughout 2020. To mitigate this risk of covenant breach further, DeepOcean and the Company will remain focused on stringent cash management and further cost reductions. Based on the above, management believes it is appropriate to prepare the financial statements using the going concern assumption.

The financial statements of Tricer 3 have been prepared on a going concern basis. The shareholder loans within Tricer 3 have a repayment date of 30 years from the agreement date. In the provisions of the loan agreement, the loan and the accrued but unpaid interest can be repaid on the repayment date in 2046. Consequently, there is no liquidity impact in the next 12 months. The loan will be converted to share premium when project Homecoming will be completed.

Management has decided to move its Group Holding entity from a Dutch entity (currently DeepOcean Group Holding B.V.) to a Norwegian entity in the course of 2020. This will involve a series of mergers resulting in Tricer NL BidCo 3 B.V. ceasing to exist and DeepOcean Norway AS becoming the ultimate parent of the DeepOcean Group. (Project Homecoming)

The series of mergers leading to DeepOcean Norway AS becoming the ultimate parent of the DeepOcean Group are as follows:

- DeepOcean Group Holding BV will be merged into Tricer NL BidCo 4 BV
- Merged Tricer NL BidCo 4 BV will be merged into Tricer NL BidCo 3 BV
- Merged Tricer NL BidCo 3 BV will be merged into DeepOcean Norway AS
- DeepOcean Norway will be the surviving entity and will become the group parent company

2.3 Changes in accounting policy and disclosures

New standards, amendments and interpretations adopted by the Company

The Company applied IFRS 15 and IFRS 9 for the first time in 2018, starting on the 1st of January 2018. The nature and effect of the changes caused by the adoption of these new accounting standards are described below.

Several other amendments and interpretations apply for the first time in 2018, but do not have an impact on the consolidated financial statements of the Company. The Company has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

IFRS 15, 'Revenue from contracts with customers'

IFRS 15 supersedes IAS 11 Construction Contracts, IAS 18 Revenue and related Interpretations and it applies, with limited exceptions, to all revenue arising from contracts with customers. IFRS 15 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

IFRS 15 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires extensive disclosures.

The Company adopted IFRS 15 using the modified retrospective method. The Company has initiated and completed an implementation project for the IFRS 15 implementation, hereof performed a GAP-assessments of its revenue streams, comparing accounting treatment of the previous revenue recognition standards IAS 11 and IAS 18 and related Interpretation, with the IFRS 15 Revenue from Contracts with Customers revenue recognition standard. For both its revenue streams (disclosed in separate section of this Note), the Company has not identified any material deviations between IAS 11 and IAS 18 with IFRS 15, hence no IFRS 15 implementation effect directly booked against equity at 1st of January 2018 have been recognized for the Company.

Use of practical expedient when implementing IFRS 15:

The Company has applied IFRS 15 only to contracts that are not completed at the date of initial application of the standard.

Contract modifications occurred before the earliest period presented will be reflected on the aggregate effect of all such contract modifications, when:

- identifying the satisfied and unsatisfied performance obligations
- determining the transaction price; and
- allocating the transaction price to the satisfied and unsatisfied performance obligations.

IFRS 9 Financial Instruments replaces IAS 39 Financial Instruments: Recognition and Measurement for annual periods beginning on or after 1 January 2018. IFRS 9 bring together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.

The impact of the transition from IAS 39 to IFRS 9 on the Company's Statement of Financial Position is limited. The expected credit losses model has an impact on the way the Company calculates its provision for bad debt, however taking into account a default rate based on credit ratings the bad debt provision is not material. The Company utilizes the simplified method of calculating ECL for its trade receivables, being its sole financial assets held at amortized cost.

Under IFRS 9 a substantial modification of the terms of an existing financial liability can have a significant impact on the Company's financial statements. The Company's outstanding loans were modified in November 2018. The loan modifications are, amongst others, an extension of the term of the credit facility and is not considered to be substantial as they do not differ more than 10 per cent of the original (expected) cash flows. In the treatment of financial liability modifications, there is no gap between IFRS 9 and IAS 39. However, under the new guidance in IFRS 9 the company should recognize the non-substantial difference between the new and the old loan in their statement of profit and loss. The extension of the Term Loan does not result in a different present value of the loan. Therefore, no amount is recognized in the Company's statement of profit and loss.

Furthermore, there is no impact of IFRS 9 on the Company's hedge of a net investment in foreign operations. Under IAS 39 the Company uses its revolving credit facility as a hedge instrument to hedge its net investments in foreign operations. The accounting under IFRS 9 is similar to IAS 39, hence no implementation effect under IFRS 9. Under IAS 39 a net investment hedge was accounted for similar to a cash flow hedge, namely through other comprehensive income for gains and losses relating to the effective part of the hedge and through the statement of profit or loss for the ineffective part of the hedge.

Although IFRS 9 (combined with the regulations in IFRS 7) does result in more disclosure requirements in the Company's annual financial statements, the complexity and the limited number of the Company's financial instruments does not result in significantly different disclosures.

Changes in accounting policies resulting from the adoption of IFRS 9 has generally been applied retrospectively, except as described below.

- The Company takes advantage of the exemption allowing it not to restate comparative information for prior periods with respect to classification and measurement (including impairment) changes. As no material implementation effect of IFRS 9 has been identified, no effect has been recognized at 1st of January 2018 directly against the Company's equity.

The total impact on the Company's retained earnings due to classification and measurement of financial instruments as of 1 January 2018 is as follows:

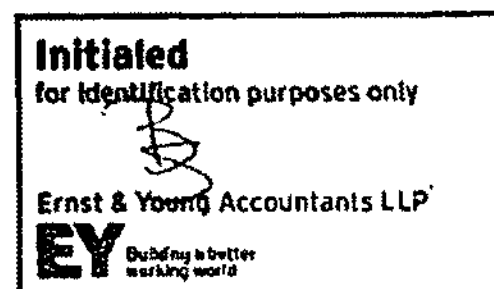
<i>USD (thousands)</i>	1 January 2018
Opening accumulated losses - IAS 39	(49 273)
Reclassify investments from amortized cost to FVPL	-
Increase in provision for trade receivables	-
Increase in provision for debt instruments at amortized cost	-
Increase in provision for debt instruments at FVOCI	-
Adjustments to retained earnings from adoption of IFRS 9	-
Opening accumulated losses - IFRS 9	(49 273)

On 1 January 2018 the Company's management assesses which business models apply to the financial assets held by the Company at the date of initial application of IFRS 9 (1 January 2018) and classifies its financial instruments into appropriate IFRS 9 categories. The main effects resulting from this reclassification are as follows:

<i>USD (thousands)</i>	Fair value through profit or loss	Fair value through other comprehensive income	Amortized cost	Total financial assets
Opening balance - IAS 39			147 875	147 875
Reclassify investments from amortized cost to FVPL			-	
Opening balance - IFRS 9			147 875	147 875

All loans issued, trade and other receivables, and cash and cash equivalents are recognized at amortized cost and reclassified to the same category under IFRS 9 at the total amount of USD 147.8 million. At the date of initial application, the Company's business model is to hold these financial assets for collection of contractual cash flows, and the cash flows represent solely payments of principal and interest on the principal amount.

At the date of initial application, 1 January 2018, the financial instruments of the Company are as follows:



Carrying amount				
	Note	Mandatorily at FVTPL	Amortised costs	
1 January 2018				
Financial assets not at fair value				
Net trade receivables	18	-	61 605	61 605
Cash and cash equivalents	B.5	-	86 270	86 270
		-	147 875	147 875
Financial liabilities at fair value				
Derivatives	25	2 491	-	2 491
		2 491	-	2 491
Financial liabilities not at fair value				
Loans and borrowings	21	-	195 491	195 491
Trade payables	26	-	62 947	62 947
Other payables	26	-	18 311	18 311
		-	276 750	276 750

Trade receivables are the Company's only financial asset that is subject to IFRS 9's new expected credit loss model. The Company applies the approach of providing for expected credit losses which requires the use of the lifetime expected loss provision for trade receivables grouped by type of business with similar conditions of recognition and settlement, taking into consideration each countries' specific risk profile.

The loss allowance provision for trade receivables per 31 December 2017 under IAS 39 is the same as the opening balance of the loss allowance provision at 1 January 2018 under IFRS 9, hence no IFRS 9 implementation effect has been recognized.

New standards, amendments and interpretations not yet adopted by the Company:

IFRS 16, 'Leases' introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are optional exemptions for short-term leases and leases of low value items. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases.

IFRS 16 replaces existing leases guidance including IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases—Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

The standard is effective for annual periods beginning on or after 1 January 2019. Early adoption is permitted for entities that apply IFRS 15 Revenue from Contracts with Customers at or before the date of initial application of IFRS 16. The Company will apply IFRS 16 initially on 1 January 2019.

The Company has performed an initial assessment of the potential impact on its consolidated financial statements. So far, the most significant impact identified is that the Company will recognise new assets and liabilities for its operating leases of vessels, equipment and buildings. In addition, the nature of expenses related to those leases will now change as IFRS 16 replaces the straight-line operating lease expense with a depreciation charge for right-of-use assets and interest expense on lease liabilities. The Company has decided it will use the optional exemptions for low-value leases and short-term leases. No significant impact is expected for the Company's finance leases.

On transition to IFRS 16, the Company can choose whether to:

- Apply the IFRS 16 definition of a lease to all its contracts, meaning that for all its contracts the Company needs to make new assessment whether they contain a lease; or
- Apply a practical expedient to "grandfather" their previous assessment of which existing contracts are or contain, lease

The Company has decided to apply the practical expedient in its consolidated financial statements and will not reassess existing lease contracts.

As a lessee, the Company can either apply the standard using a:

- Retrospective approach; or
- Modified retrospective approach with optional practical expedients.

The lessee applies the election consistently to all of its leases. The Company has determined to apply the modified retrospective approach. The Company has quantified the impact on its reported assets and liabilities of adoption of IFRS 16 based on the 31 December 2018 numbers. The indicative impact of IFRS 16 adoption is shown in note 28.04.

The Company expects that adoption of IFRS 16 will not affect its ability to comply with the covenants described in note 21 as these still will be calculated in accordance with IAS 17.

There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Company.

2.4 Use of estimates and judgments

The preparation of the consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities and disclosure of contingent assets and liabilities as of the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results may differ materially from these estimates. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 3.

2.5 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control is achieved where the Company has the power to govern the financial and operating policies of an entity to affect and obtain benefits from its activities.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred to the former owners of the acquired business, equity interests issued by the Group, fair value of any asset or liability resulting from a contingent consideration arrangement, and fair value of any pre-existing equity interest in the subsidiary. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated, when necessary amounts reported by subsidiaries have been adjusted to conform to the Group's accounting policies.

On the loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interest and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, it is accounted for as investments accounted for using the equity method or as financial asset at fair value through profit and loss depending on the level of influence retained.

Non-controlling interests

The Group recognises any non-controlling interest on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquirer's identifiable net assets.

Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions - that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

Transactions eliminated on consolidation

Intercompany transactions, intercompany balances and income/expenses on transactions between Group companies are eliminated. Profits and losses resulting from intercompany transactions that are recognised in assets are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

2.6 Discontinued operations

A discontinued operation is a component of the Group's business, the operation and cash flows of which can be clearly distinguished from the rest of the Group and which:

- Represents a separate major line of business or geographical area of operations
- Is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations; or
- Is a subsidiary acquired exclusive with a view to resale.

Classification as a discontinued operation occurs on disposal, abandonment, termination or when the operation meets the criteria to be classified as held for sale, if earlier. When an operation is classified as a discontinued operation, the comparative statement of comprehensive income has been re-presented as if the operation had been discontinued from the start of the comparative year.

2.7 Foreign currency

Functional and presentation currency

These consolidated financial statements are presented in USD, which is the currency of the primary stakeholders. Items included in the financial information of individual entities in the Group are measured using the individual entity's functional currency, which is the currency of the primary economic environment in which the entity operates. The Group is primarily exposed to fluctuations in the foreign currency exchange rates of the Norwegian Kroner, United States Dollar, British Pound and the Euro.

Transaction and balances

Transactions in foreign currencies are translated into the respective functional currencies of Group entities at exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of profit or loss. Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the statement of profit or loss within finance income or expense.

Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet,
- Income and expenses for each statement of profit or loss are translated at average exchange rates (unless this average is not reasonable approximation of the cumulative effect of the rate prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions),
- All resulting exchange differences are recognised in other comprehensive income,

Share capital and share premium, for each balance sheet presented are translated at the closing rate at the date of that balance sheet. Resulting exchange differences are recognised directly in equity.

2.8 Revenue from contracts with customers

DeepOcean Company Holding B.V. ("the Company"), is an integrated provider of subsea and marine support vessels and services, such as inspection, maintenance and repair of subsea infrastructures, survey and seabed mapping, seabed intervention, including subsea trenching and protection services, and subsea installation (SURF) and decommissioning services.

Revenue from contracts with customers is recognized when control of the services is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for services.

In general, the Company's revenue streams can be divided into day-rate projects and lump-sum projects.

The Company has, in relation to its IFRS 15 implementation project for the implementation of IFRS 15 at 1st of January 2018, evaluated the revenue streams of the Company, and concluded that both its day-rate projects and its lump-sum projects is in the scope of IFRS 15. There has not been identified any lease nor sub-lease components in the Company's revenue streams.

1. Day-rate projects:

Day-rate projects relate to the activity in which the Company and its customer have agreed on a daily fee for the services to be provided by the Company in relation to the project. The performance obligation of day-rate projects is considered the daily delivery of the required service by the vessel to the customer of the company. Promises made in the contract with the customer are assessed as whether such promises are capable of being distinct, hereof distinct in the context of the contract, and the transaction price allocated accordingly. The Company recognizes revenue from day-rate project contracts over time, because the customer simultaneously receives and consumes the benefits provided by the Company. The revenue is as such recognized linear on a day-by-day basis over the contract period, and the transaction price is estimated at the contract inception, including any variable considerations.

2. Lump-sum projects:

Lump-sum projects concern projects in which the Company and its customers have agreed on a fixed fee for the services to be provided by the Company in relation to the project. This can be a mixture of the services as described above.

The performance obligation of the Company's lump-sum contracts is assessed on a contract-by-contract basis, evaluation whether any promises made in the contract are capable of being distinct, hereof distinct in the context of the contract. The Company have evaluated that the promised goods or services provided in contracts is capable of being distinct, however not distinct within the context of the project. IFRS 15 states that if a promised good or service is not distinct, an entity shall combine that good or service with other promised goods or services until it identifies a bundle of goods or services that is distinct. In some cases, that would result in the entity accounting for all the goods or services promised in a contract as a single performance obligation. Hence, the Company assess that the bundle of services provided on lump-sum contracts, is one performance obligation.

The Company recognizes revenue from lump-sum project contracts over time, because the customer simultaneously receives and consumes the benefits provided by the Company. The transaction price is estimated at the contract inception, including any variable considerations

The revenue is recognized in accordance with the stage of completion of a contract using a cost-to-cost input model to measure percentage of completion. The method relies on the Company's ability to estimate future costs in an accurate manner. The estimate to complete (ETC) is based on the schedule of the remaining work and its value, and the ETC is updated monthly. The reviews monitor actual cost of work performed project to date, the estimate cost to complete and the estimate cost at completion. This enables a reliable estimate for the likely outcome in terms of profitability of each project.

Variation considerations

If the consideration in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the services to the customer. Such variation considerations

The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

Contract modifications

A contract modification occurs when the Company and the customer approve a change in the contract scope, price or both. The accounting for a contract modification depends on whether distinct goods or services are added to the arrangement, and on the related pricing in the modified arrangement.

The Company recognize revenue from contract with customers arising from variation orders in the case the Company concludes that rights and obligations created or changed by a modification are enforceable, considering all relevant facts and circumstances including the terms of the contract and other evidences.

Warranty obligations

The Company provides warranties related to its performed services. In case the Company has not met the required criteria in the contract, additional required works are generally for the account of the Company. Such assurance-type warranties are accounted for as a provision under IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

Principle versus agent

The Company has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

Contract balances

Contract assets: A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Trade receivables: A receivable represents the Company's right to an amount of consideration that is unconditional.

Contract liabilities:

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognized when the payment is made. Contract liabilities are recognized as revenue when the Company fulfils the performance obligation (s) under the contract.

2.9 Leasing

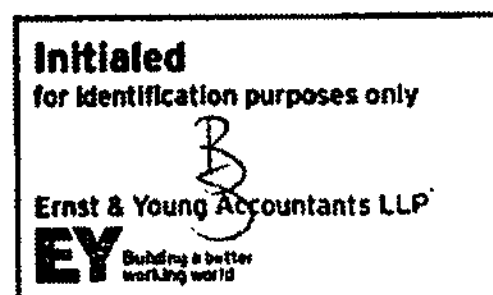
The Group as lessee (operating lease)

The Group leases certain vessels and mission equipment. Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the statement of profit or loss on a straight-line basis over the period of the lease. Prepayments made before the commencement of the lease are recognised as prepaid charter costs and amortised over the firm lease period.

The Group as lessee (finance lease)

Leases of equipment where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease commencement at the lower of the fair value of the leased asset and the present value of the minimum lease payments.

Each lease payment is allocated between the liability and finance charges. The corresponding rental obligations, net of finance charges, are included in loans and borrowings. The interest element of the finance cost is charged to the statement of profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The asset acquired under finance lease is depreciated over the shorter of the useful life of the asset and the lease term.



2.10 Employee benefits

Pension obligations

The Group operates various defined contribution pension schemes and three defined benefit pension schemes.

Defined contribution plans

With a defined contribution plan the Group pays contributions to an insurance company. After the contribution has been made, the Group has no further commitment to pay. The contribution is recognised as employee expenses. Prepaid contributions are reflected as an asset (pension fund) to the degree the contribution can be refunded or will reduce future payments. The assets of the scheme are held separately from those of the Group in an independently administered fund. The amount recognised in the Statement of the profit or loss account represents the contributions payable to the scheme in respect of the financial year.

Defined benefit plans

A defined benefit plan is a pension scheme which is not a defined contribution plan. A defined benefit plan is a pension scheme which defines a pension payment which an employee will receive at pension age. The pension payments are normally dependent on one or more factors such as age, number of years in the company, and salary. The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation. In countries where there is no deep market in such bonds, the market rates on government bonds are used.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise. Past-service costs are recognised immediately in income.

One of the defined benefit schemes operated by one of the Group companies represents amounts payable to the Merchant Navy Officers Pension Fund ('MNOFF') in UK. The MNOFF is an industry-wide, multi-employer defined benefit scheme. The Group is unable to identify its share of the scheme's underlying assets and liabilities on a consistent and reasonable basis. The Group accrues an estimated future liability based on the last valuation received and makes payments during the year. Contributions are charged to the profit or loss account in the year in which they are payable, as communicated by the MNOFF.

The two other defined benefit schemes are operated by Norwegian entities. These pension plans are administered by a pension insurance company. The schemes carry, based on present social security regulations, an entitlement to an old-age pension corresponding to a percentage of pensionable income at the time of retirement. The pensions are coordinated with those under the Norwegian National Insurance Scheme.

In the US the group maintains a contributory 401(k) plan.

Bonus plan

In 2018 there was no bonus plan in place.

2.11 Expenses

Direct operating expenses

Direct operating expenses are charged to profit or loss as incurred. Direct operating expenses principally include operating expenses associated with vessels charter, equipment lease, crew costs and consumable or project related materials. Direct operating expenses are reduced by the amount of partial reimbursements of labour costs received from any government (such as the Norwegian Government) and income from insurance claims.

Sales, general and administrative expenses

Sales, general and administrative expenses are charged to profit or loss as incurred. DeepOcean's sales, general and administrative expenses consist principally of:

- Salaries for employees not allocated to direct expenses, as well as expenses related to share-based compensation;

- Professional fees for independent auditors, lawyers and other consulting expenses;
- Premises, office and travel costs;
- Marketing costs;
- IT and communication expenses.

Other income and expenses

Other income and expenses are charged to profit or loss as incurred. Other income and expenses consist principally of restructuring costs, profit and loss on the sale of fixed assets, impairments, allowance for doubtful debt, and other extraordinary expenses.

Finance income and costs

Finance income and costs consist of finance cost, finance income and foreign currency gains and losses. Finance income comprises interest income on funds invested. Interest income is recognised in profit or loss as it accrues, using the effective interest method. Finance cost comprises interest expense on borrowings, amortised finance charges that are recognised in the statement of profit or loss, and financial instruments carried at fair value through profit and loss.

2.12 Taxation

Taxation expense or income recorded in the Consolidated Income Statement or Consolidated Statement of Other Comprehensive Income represents the sum of the current tax and deferred tax charge or credit for the year.

Current tax

Current tax is based on the taxable income for the year, together with any adjustments to tax payable in respect of prior years. Taxable income differs from income before taxes as reported in the Consolidated Income Statement because it excludes items of income or expense that are taxable or deductible in other periods and further excludes items that are never taxable or deductible. The tax laws and rates used to compute the amount of current tax payable are those that are enacted or substantively enacted at the balance sheet date. Current tax relating to items recognised directly in equity is recognised in equity and not the Consolidated Statement of Other Comprehensive Income.

Current tax assets or liabilities are representative of taxes being owed by, or owing to, local tax authorities. In determining current tax assets or liabilities the Group takes into account the impact of uncertain tax positions and whether additional taxes or penalties may be due.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amount of assets and liabilities in the Consolidated Financial Statements and the corresponding tax bases used in the computation of taxable income, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable, temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable income will be available against which deductible temporary differences can be utilised. Deferred tax assets are derecognised or reduced to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the asset to be recovered. Such assets or liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition of other assets or liabilities in a transaction (other than in a business combination), that does not affect either the taxable income or the accounting income before taxes.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and interests in associates, and joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the near future.

The carrying amount of deferred tax assets is reviewed at each reporting date.

Deferred tax is calculated at the tax rates that are substantively enacted and expected to apply in the period when the asset is realised or the liability is settled. Deferred tax is charged or credited to the Consolidated Income Statement, except when it relates to items charged or credited directly in the Consolidated Statement of Comprehensive Income in which case the deferred tax is also recognised within the Consolidated Statement of Comprehensive Income.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set-off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current income tax assets and liabilities on a net basis.

2.13 Owned vessels and equipment (Fixed Assets)

Recognition and measurement

Vessels and equipment are stated at cost less accumulated depreciation and impairments, if any. The cost of assets includes the costs of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located as well as capitalised borrowing costs.

Dry-dock expenditure incurred to maintain a vessel's classification is capitalised as a distinct component of the asset and amortised over the period until the next dry docking is scheduled for the asset (usually 2½ to 5 years). All other repair and maintenance costs are recognised in the profit or loss as incurred.

Vessels and equipment that are being constructed or developed for future use are classified as assets under construction. Assets under construction are carried at cost, less recognised impairment loss, if any. The assets under construction are reclassified to the relevant asset category upon completion.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

Depreciation

Depreciation for vessels and equipment commences once the asset is placed in service for its intended use. Depreciable lives are determined through economic analysis, reviewing existing business plans and comparison to similar assets. For the vessels, depreciation is calculated per significant component, as the depreciable lives of the different components may vary. The identification of significant components requires management judgment (refer to note 3). Depreciation is calculated as the cost of vessels and equipment less their estimated residual values using the straight-line basis over their estimated useful lives.

Category	Asset Type/Component	Years
Surface vessels	Vessel hull	30
Surface vessels	Loading and unloading equipment	15
Surface vessels	Main engine	20
Surface vessels	Residential containers	15
Surface vessels	Other equipment	15
Surface vessels	Dry docking	2.5 - 5
Subsea equipment	Equipment (ROV, trenchers, etc.)	10
Other	Furniture and fittings	3 - 10
Other	Office equipment	2 - 5
Other	Vehicles	3 - 5

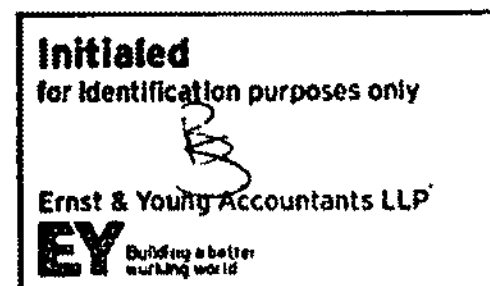
Residual values are estimated based on historical experience with regard to these assets and are established in conjunction with the estimated useful lives of the asset. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. Major modifications, which extend the useful life of marine vessels, are capitalised and amortised over the adjusted remaining useful life of the vessel. Marine inspection costs are expensed in the period incurred.

Non-current assets (or disposal groups) are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs to sell.

2.14 Intangible assets and goodwill

Recognition and measurement

Goodwill



Goodwill on subsidiaries and joint ventures is recognised separately as intangible assets and carried at cost less accumulated impairment losses.

Research and development

Expenditure on research activities is recognised in profit or loss as incurred. Development expenditure is capitalised only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Group intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognised in profit or loss as incurred.

Other intangible assets

Other intangible assets, including customer relationships, backlog, patents and trademarks, that are acquired by the Group and have finite useful lives, are measured at cost less accumulated amortisation and any accumulated impairment losses.

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values, using the straight-line method, over their estimated useful lives, and is recognised in profit or loss. Goodwill is not amortised, but assessed for impairment annually.

Category	Asset Type/Component	Years
Intangible assets	Goodwill	-
Intangible assets	Customer relationships	10
Intangible assets	Backlog	10

2.15 Interests in equity-accounted investees

Interests in equity-accounted investees can comprise associates or joint ventures (refer to 2.16.1).

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies. Interests in associates are accounted for using the equity method. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of equity-accounted investees, until the date on which significant influence ceases.

2.16 Joint arrangements

Joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor. The Group recognises its direct right to the assets, liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses. These have been incorporated in the financial statements under the appropriate headings.

2.16.1 Joint ventures

Joint ventures are accounted for using the equity method, where interests in joint ventures are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses and movements in other comprehensive income. When the Group's share of losses in a joint venture equals or exceeds its interests in the joint ventures (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint ventures), the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint ventures.

The Group determines at each reporting date whether there is any objective evidence that the investment, using the equity method, needs to be impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the investments and its carrying value and recognises the amount adjacent to share of profit/(loss) of an investee in the statement of profit or loss.

Profits and losses resulting from upstream and downstream transactions between the Group and its investments are recognised in the Group's financial statements only to the extent of unrelated investor's interests in the investments.

2.16.2 Joint operations

The Group recognises its direct right to the assets, liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses and incorporates this in the financial statements under the appropriate headings.

When the Group participates in, but does not have joint control of, a joint operation it shall also account for its interest in the arrangement in accordance with the above if the Group has rights to the assets, and obligations for the liabilities, relating to the joint operation.

2.17 Impairment of non-financial assets

Non-financial assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). Prior impairments of non-financial assets (other than goodwill) are reviewed for possible reversal at each reporting date.

2.18 Financial assets

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

The Company classified its financial assets in four categories:

- Financial assets at amortised cost
- Financial assets at fair value through profit or loss
- Derivatives at fair value designated as hedging instruments

Financial assets at amortised cost

The Company measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows and,
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Company's financial assets at amortised cost includes trade receivables and other short-term deposit. Trade receivables that do not contain a significant financing component are measured at the transaction price determined under IFRS 15 Revenue from contracts with customers.

The Company's financial assets classified in the category 'amortized cost' comprise 'trade receivables', 'restricted cash' and 'cash and cash equivalents'.

Financial assets at fair value through profit or loss:

Financial assets at fair value through profit or loss are acquired principally for the purpose of selling in the short term. Derivatives are also in this category unless they are designated as hedging instruments. Derivatives are initially recognized at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Derivatives are classified as current liability or current asset if they are expected to be settled within 12 months, otherwise they are classified as non-current. Changes in fair value of the derivatives, which are not used

as hedging instrument, are recorded in the statement of profit or loss and presented under other finance (expense)/income.

Derivatives at fair value designated as hedging instruments:

Derivatives at fair value are carried in the statement of financial position at fair value with net changes in fair value in OCI.

Impairment of financial assets:

The Company recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For trade receivables and contract assets, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date.

Derecognition of financial assets:

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e., removed from the Company's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired, or
- the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either
- the Company has transferred substantially all the risks and rewards of the asset, or
- the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

2.19 Inventories

Inventories consist of fuel, spare parts and other supplies to be consumed in the rendering of services. These supplies are measured at the lower of cost and net realisable value. The cost of inventories is based on the First-in-First-out (FIFO) principle, and includes expenditure incurred in acquiring the inventories and other costs incurred in bringing them to their existing location and condition. Within spare parts a distinction is to be made between 'immaterial' and material spare parts. The immaterial spare parts are to be carried as inventories and recognised as an expense as they are consumed. Material spare parts will qualify for recognition as vessels and equipment. For clarification purposes the useful life (and depreciation) of these material spare parts will commence when it is put in use rather than when it is acquired.

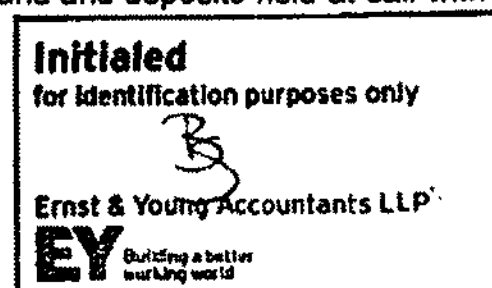
2.20 Trade receivables

Trade receivables are amounts due from customers for services performed in the ordinary course of business representing a right to an amount of consideration that is unconditional.

At initial recognition trade receivables without a significant finance component are recognized at their transaction price and subsequently at amortized cost. If collection is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets. For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

2.21 Cash and cash equivalents

In the consolidated balance sheet cash and cash equivalents comprise cash in hand and deposits held at call with banks. Bank overdrafts, if any, are shown within borrowings in current liabilities.



2.22 Share capital

Ordinary shares are classified as equity. The term 'shares' as used in the consolidated financial statements means ordinary shares issued by the Company. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

2.23 Financial liabilities

Financial liabilities are classified, at initial recognition, as loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. Derivatives are recognised initially at fair value. Loans, borrowings and payables are recognised at fair value net of directly attributable transaction costs.

Derivatives are financial liabilities when the fair value is negative, accounted for similarly as derivatives as assets.

Loans, borrowings and payables:

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

Payables are measured at their nominal amount when the effect of discounting is not material.

Derecognition of financial liabilities:

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial assets and liabilities:

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

Hedge accounting:

Hedges of net investments in foreign operations are accounted for similarly to cash flow hedges. Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognized in other comprehensive income and accumulated in the translation reserves in equity. The gain or loss relating to the ineffective portion is recognized immediately in profit or loss under other finance (expense)/income. Gains and losses accumulated in equity are reclassified to profit or loss when the foreign operation is partially disposed of or sold.

2.24 Loans and borrowings

Loans and borrowings are recognised initially at carrying amount, less attributable transaction costs. Subsequent to initial recognition, borrowings are measured at amortised cost using the effective interest method. The amount due within one year is presented under current liabilities.

Attributable transaction costs include costs associated with the issuance of debt and are amortised using the effective interest rate method of amortisation over the expected life of the related debt agreement or on a straight-line basis over the expected life of the related debt agreement if the straight-line method approximates the effective-interest rate method of amortisation.

2.25 Provisions

Provisions are recognised when: (i) the Group has a present legal or constructive obligation as a result of past events; (ii) it is probable that an outflow of resources will be required to settle the obligation; (iii) the amount has

been reliably estimated. Provisions are not recognised for future operating losses. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

Onerous contracts

A provision for onerous contracts is recognised when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract.

2.26 Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade and other payables are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade and other payables are recognised initially at fair value plus any directly attributable transaction costs if any. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

2.27 Statement of cash flows

The consolidated statement of cash flows is prepared using the indirect method. The consolidated statement of cash flows distinguishes between operating, investing and financing activities. Cash flows in foreign currencies are converted at the exchange rate at the dates of the transactions. Currency exchange differences on cash held are separately shown. Payments and receipts of corporate taxes are included as cash flow from operating activities.

In the consolidated statement of cash flows, cash and cash equivalents includes cash in hand, deposits held at call with banks and bank overdrafts. In the consolidated balance sheet, bank overdrafts are shown within borrowings in current liabilities.

3. Accounting estimates and judgments

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items that are more likely to be materially adjusted due to estimates and assumptions turning out to be wrong. Detailed information about each of these estimates and judgements is included in other notes together with information about the basis of calculation for each affected line item in the financial statements.

3.1 Revenue recognition on long term contracts

The Group accounts for long-term construction, engineering and project management contracts using the input method based on cost incurred (cost method), which is standard for the Group's industry. Contract revenues and total cost estimates are reviewed and revised periodically as work progresses. Adjustments based on the input method are reflected in contract revenues in the reporting period. To the extent that these adjustments result in a reduction or elimination of previously reported contract revenues or costs, a charge or credit is recognised against current earnings; amounts in prior periods are not restated. Such a charge or credit may be significant depending on the size of the project or the adjustment.

The input method requires the Group to make reliable estimates of progress toward completion of contracts and contract revenues and contract costs. The Group believes it assesses its business risks in a manner that allows it to evaluate the outcome of projects for purposes of making reliable estimates. The Group's business risks have involved, and will continue to involve, unforeseen difficulties including weather, economic instability, labour strikes, localised civil unrest, and engineering and logistical changes, particularly in major projects.

3.2 Corporate income taxes

The Group is subject to taxation in numerous jurisdictions and different taxation regimes, including tax regimes covered by production sharing contracts of our customers, the Norwegian tonnage tax regime and deemed profit regimes. Significant judgement is required in calculating the consolidated tax provision. There are transactions for which the ultimate tax determination is uncertain and for which the Group makes provisions based on an assessment of internal estimates and/or appropriate external advice, including decisions regarding whether to recognise deferred tax assets in respect of tax losses. Each year the Group completes a detailed review of uncertain tax positions across the Group and makes provisions based on the probability of the liability arising. Where the final tax outcome of these matters differs from the amounts that were initially recorded, the difference will impact the tax charge in the period in which the outcome is determined.

The Group also recognises the increased scrutiny applied by tax authorities on intercompany transactions. As such, the Group has considered its key transactions with affiliates and has reasonable grounds for concluding that the prices used are at arm's length. This is supported by Internal transfer pricing documentation that is consistent with the OECD Guidelines (OECD Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations).

3.3 Vessels and equipment

Vessels and equipment are recorded at cost, and depreciation is recorded on a straight-line basis over the useful lives of the assets. Management uses their experience to estimate the remaining useful life and residual value of an asset. Reassessment particularly takes place when an asset has been upgraded or does not serve its original purpose anymore. When events or changes in circumstances indicate that the carrying value of vessels and equipment may not be recoverable a test for impairment is carried out by management. Where the 'value-in-use' method is used to determine the recoverable amount of an asset, management use their judgment in determining asset utilisation, profitability, remaining life, and the discount rate when performing the calculation. The determination and identification of different components of the vessels is subject to judgment from management. Each part of the vessel that forms a significant part and has a different depreciable life is considered a significant component.

3.4 Allowance for doubtful debt

Trade receivables are shown net of impairment losses arising from identified doubtful receivables from customers. Trade receivables were impaired taking into account the financial position of the debtors, the days outstanding and expected outcome of negotiations and legal proceedings against debtors. Unbilled revenue on (completed) projects does not include impairment losses.

3.5 Fair value of derivatives

The fair value of financial instruments that are not traded in an active market (e.g.: over-the-counter derivatives) is determined by using valuation techniques. The Group uses its judgement to select a variety of methods and makes assumptions that are mainly based on market conditions existing at the end of each reporting period. The Group has used discounted cash flow analysis for various foreign exchange contracts that are not traded in active markets. For definition of fair value hierarchy please see note 27.6.1.

3.6 Defined benefit pension schemes

The present value of the pension obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. Management utilises the services of various qualified actuaries to calculate an estimate of the defined benefit pension liability. Any changes in assumptions made (such as the discount rate) will impact the carrying amount of pension obligations. Other key assumptions for pension obligations are based in part on current market conditions.

3.7 Recognition of provisions and disclosure of contingent liabilities

The Group, in the ordinary course of business, may be subject to various claims and lawsuits involving service providers, employees, tax authorities and others. In consultation with internal and external advisors, management will recognise a provision for related expenses and claims, if information available prior to issuance of the consolidated financial statements indicates a probable event and if the amount of the loss/cost can be reasonably estimated. Contingent liabilities for which a possible obligation exists are disclosed but not recognised.

4. Discontinued operations

2018 saw DeepOcean's Brazilian operations cease operations. Thus, all operations related to AXA Enghenaria Submarina Ltda, the Brazilian legal entity of which the group owns 60%, are reported as discontinued operations.

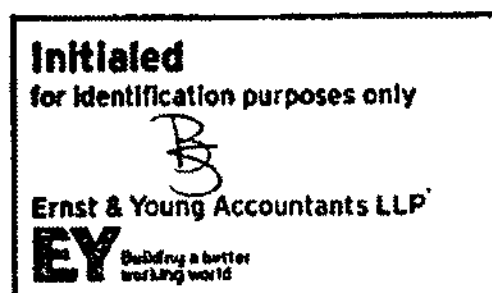
The financial performance from discontinued operations is presented below and resulted in a net loss of \$2.35M:

USD (thousands)	2018	2017
Revenue		
Direct operating expenses	(1 528)	
Depreciation and amortisation	(13)	
Gross results/(loss)	(1 541)	-
Sales, general and administrative expenses	(35)	
Other income		
Results/(loss) from operating activities	(1 576)	-
Finance income	4	
Finance expense	(775)	
Net finance income/(expense)	(771)	-
Results/(loss) before tax	(2 347)	-
Corporate income tax credit		
Results/(loss) for the period	(2 347)	-
Results/(loss) attributable to:		
Shareholders of the parent	(2 347)	
Non-controlling interests		
Results/(loss) for the period	(2 347)	-

The operating expenses in AXA Enghenaria Submarina Ltda, the discontinued operation, are mainly comprised of an accrual for a potential legal dispute.

5. Revenue

For management purposes, the Group is organised in various operating segments, based on a combination of geographical regions and service/product lines. The Executive Director of the Board fulfil the role of Chief Operating Decision Maker (CODM) in the Group, and monitor the operating results of its business units separately for the purpose of decision making and performance assessment. Financial information for this exists in management accounting, however individually the segments do not meet the quantitative thresholds required by IFRS 8.22 (a) for reportable segments. The regions all have similar characteristics in terms of economic, nature of service, type of customer, methods of distribution and regulatory environment. Therefore, the operating segments are combined into one reportable segment as presented in this consolidated statement. Net income measures the Group's performance.



5.1 Geographic Information

Revenue

The Group operates highly mobile vessels, which operate in multiple jurisdictions. Revenues from external customers are allocated based on the country of the registered office of the Group subsidiary executing the services.

USD (thousands)	2018	2017
Norway	210 352	188 632
United Kingdom	210 248	186 111
Netherlands	5 620	21 598
Americas	40 316	6 155
Africa	39 281	26 772
Total revenue	606 817	429 268

Non-current assets

The allocation of assets is based on the country of the registered office of the Group subsidiary.

USD (thousands)	31 December 2018	31 December 2017
Norway	100 855	112 838
United Kingdom	27 376	28 560
Netherlands	1 318	2 372
Americas	37 342	5 221
Africa	3 543	4 992
Total non-current assets	170 434	154 983

5.2 Major customers

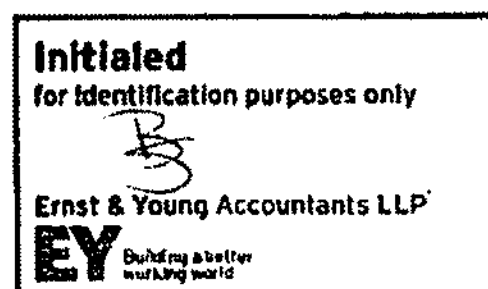
Revenue from customers contributing more than 10% to the total revenue is summarised below:

USD (thousands)	2018	2017
Revenue	238,121	238,140
Number of customers	3	3

The three customers contributing more than 10% of overall group revenue each in 2018 are: Equinor Energy AS; J-Power Systems Corp.; Ørsted Wind Power A/S;

5.3 Seasonality of operations

The Group's activities in all segments are subject to seasonal fluctuations as a result of weather conditions. During the winter months, the possibility of adverse weather conditions is significantly higher compared to the summer months. As a result, the Group's revenues and results typically are lower in the first and fourth quarter of the year, particularly in operations in the northern hemisphere.



6. Expenses by nature

The direct operating; sales, general and administrative expenses; and other (income)/expenses are presented below:

- Direct operating expenses:

USD (thousands)	2018	2017
Employee costs	198 778	165 200
Vessel charter costs	150 113	126 270
Other rentals	18 429	13 902
Parts, materials and consumables	69 947	58 313
Other direct operating expenses	21 879	24 348
Total Direct operating expenses	459 146	388 033
From continuing operations	457 818	388 033
From discontinued operations	1 528	-

- Sales, general and administrative expenses:

USD (thousands)	2018	2017
Employee costs	19 638	16 704
Premises and office costs	4 197	3 970
Travel cost	2 349	2 528
Professional fees	4 714	4 070
IT and communications	2 456	2 311
Marketing	795	707
Other (income)/expense	(404)	(3 422)
Total Sales, general and administrative expenses	33 745	26 868
From continuing operations	33 710	26 868
From discontinued operations	35	-

- Other expenses / (income):

USD (thousands)	2018	2017
Profit on the sale of fixed assets	(778)	(1 653)
Restructuring costs	12 248	14 925
Allowance for doubtful debt	-	633
Total other expense	11 470	13 905
From continuing operations	11 470	13 905
From discontinued operations	-	-
Impairment of fixed assets	138	13 239
Total other expense, including impairments of fixed assets	11 608	27 144
From continuing operations	11 608	27 144
From discontinued operations	-	-

The restructuring costs comprise mainly of fees paid to advisors of the Company, severance payments, specific costs such as salaries related to clearly defined restructuring activities and costs related to the cold stacking of certain vessels.

7. Employee costs

The employee costs include cost related to the Group's long-term incentive plans and pensions.

USD (thousands)	2018	2017
Pensions - defined contribution plans	4 544	3 527
Pensions - defined benefit plans	990	1 550
Long term incentive plan (RSU)	358	(314)

8. Independent auditor's remuneration

With reference to Section 2:382a of The Netherlands Civil Code, fees billed to the Group by the principal auditing firm PricewaterhouseCoopers Accountants N.V. as the independent statutory auditor of the Group and other member firms of PwC International Limited, were:

USD (thousands)	2018	2017
Audit - Statutory	601	584
Tax advisory services	44	208
Other services	85	67
Total	730	859

Note that the Board of Directors has appointed new statutory auditors for the 2018 financials and the Group will be utilizing Ernst & Young's (EY) services going forward.

9. Net finance income/(expenses)

USD (thousands)	2018	2017
Finance income		
Interest income on bank and loans	(318)	(90)
Other finance income	(35)	(99)
Total finance income	(353)	(189)

Finance expense

Interest expense on bank loans and overdrafts	7 719	5 801
Interest expense on loan from related party	8 875	8 853
Interest expense on finance lease	853	1 240
Unrealised result of currency derivatives	1 505	(4 113)
Realised result of currency derivatives	125	1 719
Net foreign exchange expense	6 449	1 725
Other finance expense	2 703	3 314
Total finance expense	28 229	18 640

Net finance expense recognised in statement of profit or loss	27 876	18 351
From continuing operations	27 105	18 351
From discontinued operations	771	-

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Consolidated Financial Statements 2018

10. Corporate income tax

10.1 Current corporate income tax

USD (thousands)	2018	2017
Current income tax on loss for the year	344	747
Adjustments with respect to prior years	36	(1 624)
Non-deductible withholding tax	1 398	2 635
Current corporate income tax expense	1 778	1 758
Origination and reversal of temporary differences	32	(1 019)
Deferred income tax expense/(credit)	32	(1 019)
Total income tax expense	1 810	740
From continuing operations	1 810	739
From discontinued operations		

The income tax expense recognised in the period can be reconciled to the accounting profit as follows:

USD (thousands)	2018	2017
Loss before tax from continuing operations	(55 605)	(50 384)
Loss before tax from discontinued operations	(2 347)	
Loss before tax for the period	(57 952)	(50 384)
Corporate income tax expense calculated at 25%	(14 488)	(12 596)
Effect of different income tax rates in other jurisdictions	3 964	7 134
Permanent differences/(non-deductible expenses)	(461)	3 661
Non-taxable income	-	(1 468)
Unrecognised DTA	6 728	5 820
Prior year adjustments	36	(1 624)
Other	3 534	(188)
Total	(687)	739

	2018	2017
Corporate income tax expense calculated at 25%	25,0%	25,0%
Effect of different income tax rates in other jurisdictions	-6,8%	-14,2%
Permanent differences/(non-deductible expenses)	0,8%	-7,3%
Non-taxable income	0,0%	2,9%
Unrecognised DTA	-11,6%	-11,6%
Prior year adjustments	-0,1%	3,2%
Other	-6,1%	0,4%
Total	1,2%	-1,5%

Effective tax rate analysis

2018

For the year ended 31 December 2018 the Group recorded a net tax of \$1.8 million. This resulted in an effective tax rate of minus 3.8%.

2017

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For the year ended 31 December 2017 the Group recorded a net tax of \$0.7 million. This resulted in an effective tax rate of minus 1.5%.

10.2 Recognized deferred tax assets and liabilities

The net movement on the deferred income tax account is as follows:

<i>USD (thousands)</i>	Balance 1 January 2017	Recognised in profit or loss	Recognised in other comprehensive income	Exchange differences	Balance 31 December 2017
Vessels and equipment	776	(2 915)	2 045	220	126
Receivables	(36)	(12)	1	33	(14)
Post employment benefits	548	(242)	110	27	443
Provisions	578	75	(13)	29	669
Tax losses carried forward	1 530	4 119	(1 051)	(286)	4 312
Impairments	2 045	(1 291)	(850)	96	-
Other	511	1 285	(843)	57	1 010
Total	5 952	1 019	(501)	176	6 546

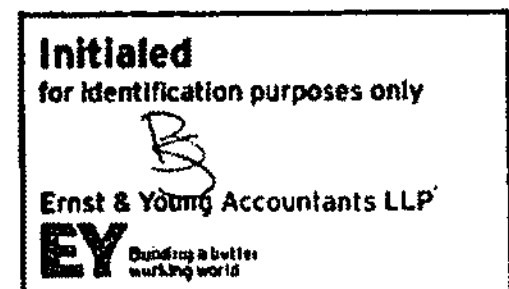
<i>USD (thousands)</i>	Balance 1 January 2018	Recognised in profit or loss	Recognised in other comprehensive income	Exchange differences	Balance 31 December 2018
Vessels and equipment	126	(58)	-	(6)	62
Receivables	(14)	(46)	-	0	(60)
Post employment benefits	443	(198)	(239)	(10)	(4)
Provisions	669	(429)	459	(57)	642
Tax losses carried forward	4 312	924	-	(427)	4 809
Other	1 010	(226)	(38)	21	769
Total	6 546	(33)	184	(479)	6 218

The movement in deferred income tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

Deferred tax assets and liabilities

	Assets		Liabilities		Net	
<i>USD (thousands)</i>	31 December 2018	31 December 2017	31 December 2018	31 December 2017	31 December 2018	31 December 2017
Vessels and equipment	61	128	-	-	61	128
Receivables	(60)	(14)	-	-	(60)	(14)
Post employment benefits	(14)	443	-	-	(14)	443
Provisions	641	669	-	-	641	669
Tax losses carried forward	5 179	4 312	-	-	5 179	4 312
Other	1 745	1 570	(1 334)	(560)	411	1 010
Set off of tax components						
Total	7 552	7 106	(1 334)	(560)	6 218	6 546
To be recovered after 12 months	7 552	7 106	(1 334)	(560)		
Total	7 552	7 106	(1 334)	(560)		

The recognised deferred tax assets are dependent on future taxable profits in excess of profits arising from the reversal of existing taxable temporary differences. Based on forecasted results for each relevant entity, management considered it probable that sufficient future taxable profits will be generated to utilise deferred tax assets.



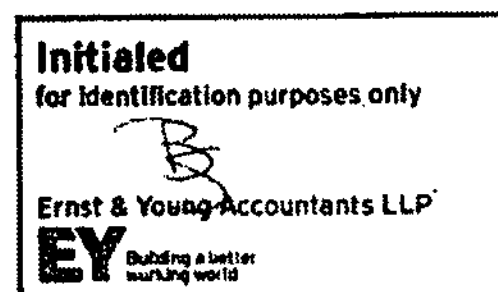
10.3 Unrecognised deferred tax assets

USD (thousands)	2018	2017
Deductible temporary differences	2 444	289
Tax losses	12 873	16 746
Capital allowances	12	795
Total	15 329	17 830

Unrecognised deferred tax assets relate to temporary differences and tax losses carried forward in certain entities where it is currently not probable that future taxable profits will be generated to utilise these assets.

10.4 Tax liabilities

Group companies receive enquiries from tax authorities and tax audits are performed by tax authorities with Group companies, which may result in disputes in respect of filed tax returns. Tax liabilities are recognised when it is considered probable that there will be a future outflow of funds to a tax authority. In such cases, a provision is made for the amount that is expected to be settled, where this can be reasonably estimated. This requires the application of judgement as to the ultimate outcome, which can change over time depending on facts and circumstances. A change in estimate of the likelihood of a future outflow and/or in the expected amount to be settled would be recognised in income in the period in which the change occurs.



11. Vessels and equipment

USD (thousands)	Vessels	Mission equipment	Other	Assets under construction	Total
Costs					
Balance at 1 January 2017	207 943	223 310	8 755	4 607	444 615
Additions	1 427	9 642	2 437	(2 237)	11 269
Acquisition of business	-	2 006	1 010	61	3 077
Asset classified as held for sale	(1 629)	-	-	-	(1 629)
Retirement and disposals	(16 144)	(18 195)	(2 109)	-	(36 448)
Impairments	11 388	-	-	-	11 388
Exchange differences	3 348	15 759	687	637	20 431
Balance at 31 December 2017	206 333	232 522	10 780	3 068	452 703
Balance at 1 January 2018	206 333	232 522	10 780	3 068	452 703
Additions	6 255	3 722	1 514	4 862	16 453
Acquisition of business	-	39 649	2 310	35	41 994
Retirement and disposals	-	(8 869)	(195)	(762)	(7 846)
Exchange differences	(3 100)	(13 178)	(1 593)	(763)	(18 634)
Balance at 31 December 2018	209 488	255 826	12 818	6 540	484 670
Accumulated depreciation					
Balance at 1 January 2017	(117 433)	(152 112)	(6 839)	-	(276 384)
Depreciation charge	(13 886)	(15 492)	(1 292)	-	(30 670)
Acquisition of business	-	(1 043)	(267)	-	(1 310)
Retirement and disposals	18 144	17 040	2 118	-	35 302
Impairments	(24 627)	-	-	-	(24 627)
Exchange differences	(2 301)	(12 040)	(557)	-	(14 898)
Balance at 31 December 2017	(142 103)	(163 647)	(6 837)	-	(312 587)
Balance at 1 January 2018	(142 103)	(163 647)	(6 837)	-	(312 587)
Depreciation charge	(9 868)	(18 277)	(1 617)	-	(29 762)
Retirement and disposals	-	6 458	408	-	6 866
Impairments	-	-	(138)	-	(138)
Exchange differences	2 827	2 438	1 473	-	6 738
Balance at 31 December 2018	(149 144)	(173 028)	(6 711)	-	(328 883)
Carrying amounts					
At 1 January 2017	90 510	71 198	1 916	4 607	168 231
At 31 December 2017	64 230	68 875	3 943	3 068	140 116
At 1 January 2018	64 230	68 875	3 943	3 068	140 116
At 31 December 2018	60 344	82 798	6 106	6 540	155 787

Impairment vessels and equipment

In 2017 there were indications that the carrying amount of certain vessels and mission equipment might exceed the estimated recoverable amount (the higher of its value in use and fair value less costs to sell), the possible existence of an impairment loss was investigated. This resulted in a 2017 impairment of USD 13.2 million.

In the reporting period, management assessed the fair value of these assets and concluded that no further impairments would be necessary.

Assets held for sale

In the reporting period, there were no assets held for sale.

12. Goodwill and intangible assets

USD (thousands)	Goodwill	Customer relationships	Backlog	Total
Costs				
Balance at 1 January 2017				-
Acquisition of business	1,009	1,221	290	2,520
Exchange differences	50	61	15	126
Balance at 31 December 2017	1,059	1,282	305	2,646
Balance at 1 January 2018	1,059	1,282	305	2,646
Additions		318		318
Reclassification		305	(305)	-
Exchange differences	(50)			(50)
Balance at 31 December 2018	1,009	1,905	-	2,914
Accumulated Amortisation				
Balance at 1 January 2017				-
Balance at 31 December 2017	-	-	-	-
Balance at 1 January 2018				-
Balance at 31 December 2018				-
Carrying amounts				
At 1 January 2017	-	-	-	-
At 31 December 2017	1,059	1,282	305	2,646
At 1 January 2018	1,059	1,282	305	2,646
At 31 December 2018	1,009	1,905	-	2,914

On 28 July 2017 the Company acquired all shares of SEAROV Offshore, an agile and cost effective Remotely Operated Vehicles (ROVs) service provider with a strong focus on West Africa. As a result of this acquisition the Company identified and recognised intangible assets. Refer to note 15 for more information on the acquisition and the recognition of the intangible assets.

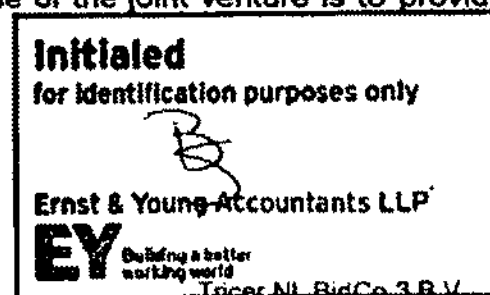
In 2018 there was no further Goodwill recognized, but minor intangible asset additions to the Customer Relationship were booked as result of the Delta Subsea acquisition in April 2018.

13. Equity-accounted investees

13.1 Joint ventures

On 1 December 2014 the Group entered into a joint venture agreement with Technip Norge AS, resulting in the incorporation of Technip-DeepOcean PRS JV DA ('PRS') in Norway, in which both parties own 50% of the shares. The main purpose of the joint venture is to execute the PRS Framework Agreement. The parties have joint control.

In 2018 the Group entered into a joint venture with Level Personal AS, resulting in the incorporation of Level Offshore AS in Norway, in which both parties hold 50% of the shares. The main purpose of the joint venture is to provide staffing services to the offshore industry and the marine market.



USD (thousands)	Share	Profit/(loss)	Assets	Liabilities	Equity	DeepOcean's share in equity	Carrying value
31 December 2018							
Technip-DeepOcean FRS JV DA	50 %	1 860	4 601	(2 744)	(1 857)	(928)	928
Level Offshore AS	50 %	36	1 864	(1 418)	(446)	(223)	58
Total		1 896	6 465	(4 162)	(2 304)	(1 151)	987
USD (thousands)							
						2018	2017
At 1 January						892	702
Capital increase						58	-
Share of net income						948	819
Dividend paid						(783)	(678)
Exchange differences						(128)	49
At 31 December						987	892

During the year ended 31 December 2018, the Group did receive dividend from its equity-accounted investments amounting US\$0.8 million (2017: US\$0.7 million). None of these companies are publicly listed and consequently do not have published price quotations. There are no contingent liabilities relating to the Group's interest in the investments accounted for using the equity method.

14. Joint operations

In 2015 the Group entered into an agreement with a Ghanaian partner resulting in the incorporation of DeepOcean Ghana Ltd in Ghana, in which DeepOcean owns 49% of the shares. The main purpose of the joint operations is to execute contracts in Ghana. Despite the fact that the Group only holds 49% of the shares, the parties have joint control.

The shareholder agreement in relation to DeepOcean Ghana Ltd requires consent from both parties for all significant decisions. The two partners have rights to substantially all of the economic benefits of the assets held in the separate vehicle. This entity, as well as its fully owned subsidiary DeepOcean Ghana B.V. is therefore classified as a joint operation.

DeepOcean Ghana Ltd is 100% consolidated in DeepOcean Group.

15. Changes in consolidated interests

On 23 April 2018, the Company acquired all shares of Delta Subsea, a US company specialized in IMR and subsea work. Delta Subsea's operations are based in the US, Trinidad & Tobago, Mexico and Israel using local branches in Israel to ensure rapid response, closeness to clients, logistical support and quality of operational monitoring. Delta Subsea owns and operates ten ROVs and is considered to have a #2 market position behind Oceaneering in the US GoM market. In addition to its ROV services business segment, Delta Subsea also generates revenues from its Tooling Solutions as well as Consulting & Engineering units.

The Group expects that DeepOcean will be able to leverage this acquisition as a GoM platform and thus extend its footprint in this region. The Americas region is a key area of growth for DeepOcean as it is considered a leading deep-water basin with opportunities for DeepOcean to provide core life of field subsea services. Further, due to its milder climate, the GoM area also provides an opportunity for winter utilization of North Sea assets. Furthermore, the client base of Delta Subsea, which contains a majority of the Houston based Oil and Gas operators (e.g. Anadarko, Noble Energy, Hess) is a complementary fit to DeepOcean's existing customer range and is considered to strengthen the Group's relationship portfolio.

For the nine-month period ended 31 December 2018, Delta Subsea contributed revenue of US\$28.0 million and net loss of US\$0.8 million to the Group's results. If the acquisition had occurred on 1 January 2018, management estimates that consolidated revenue would have been US\$34.7, and consolidated net loss for the year would have been US\$2.5 million.

15.1 Identifiable assets acquired and liabilities assumed

The following table summarizes the recognized amounts of assets acquired and liabilities assumed at the date of acquisition:

USD (thousands)	01/04/2018
Cash	36,344
Total consideration transferred	36,344

USD (thousands)	01/04/2018
Property, plant and equipment	34,171
Financial assets	3,605
Inventories	17
Trade and other receivables	3,857
Cash and cash equivalents	1,361
Trade and other payables	(3,077)
Total net identifiable net assets acquired	39,934

15.1.1 Measurement of fair values

The valuation techniques used for measuring the fair value of material assets acquired were as follows.

Assets acquired	Valuation technique
Property, plant and equipment	Market comparison technique and cost technique: The valuation model considers quoted market prices for similar items when they are available, and depreciated replacement cost when appropriate. Depreciated replacement cost reflects adjustments for physical deterioration as well as functional and economic obsolescence.
Current assets and liabilities	Current assets and liabilities are acquired at book value, since there were no indicators that book value were overstated or that the fair values exceed book values.

The trade receivables comprise gross contractual amounts due of US\$3.6 million, of which all is expected to be collectible at the date of acquisition.

Fair values measured on a provisional basis
No amounts have been measured on a provisional basis.

15.2 Goodwill

The Company paid less than book value of the equity in Delta Subsea. This suggests that the fair values are lower than the book values. The fair value estimates show that this is not the case, which means that there are unidentified values that gives a negative goodwill (badwill). The badwill is recognized in the consolidated profit and loss for the period.

USD (thousands)	01/04/2018
Consideration transferred	36,344
Fair value of identifiable net assets	(39,934)
Goodwill / (Badwill)	(3,590)

16. Prepaid charter costs

The Group enters into new charter agreements with ship owners on a regular basis. Mobilization cost associated with a new charter are capitalized and amortized over the term of the lease.

17. Inventories

The inventories comprise of the following:

	31 December 2018	31 December 2017
<i>USD (thousands)</i>		
Fuel and oil	3 372	2 327
Spare parts	194	0
Total	3 566	2 327

At 31 December 2018 no inventory was written off (31 December 2017: nil). The inventories are for internal use only and not for re-sale. The cost of inventories utilised is recognised as an expense in direct operating expenses.

18. Trade receivables and contract assets

	31 December 2018	31 December 2017
<i>USD (thousands)</i>		
Trade receivables		
Receivables from third-party customers	46 857	60 521
Receivables from associates and joint-ventures	681	1 134
Allowance for expected credit losses	(47)	(50)
Net trade receivables	47 491	61 605
Contract assets		
Other receivables	3 526	1 341
Other current financial assets	47 717	32 401
Net contract assets	51 243	33 741
Total	98 734	95 346

Allowance for expected credit losses on trade receivables and contract assets

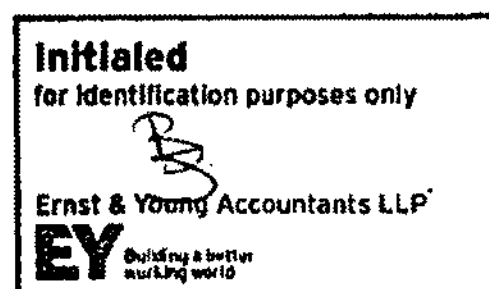
	2018	2017
<i>USD (thousands)</i>		
Balance at 1 January	(50)	(794)
Provision for expected credit losses		(11)
Write-off	-	780
Foreign currency movement	3	(25)
Balance at 31 December	(47)	(50)

19. Cash and cash equivalents

Unrestricted cash and cash equivalents are available for immediate use by the Group. Cash and cash equivalents in the joint operations in Ghana are available for immediate use subject to approval by both partners in the joint arrangement.

Restricted cash

	2018	2017
<i>USD (thousands)</i>		
Withheld employee taxes Norway	2 319	2 457



20. Share capital and premium

USD (thousands)	Number of shares	Share capital	Share premium
Issued at incorporation November 16, 2016	1 000	1	-
New shares issued	1 000	1	58 091
Dividend from share premium	-	-	(35 000)
Foreign currency movement	-	-	-
On issue at 31 December 2017 - fully paid	2 000	2	23 091
Treasury shares	-	-	-
Outstanding at 31 December 2017 - fully paid	2 000	2	23 091
On issue at 1 January 2018	2 000	2	23 091
New shares issued	30 000 000	343	30 000
Foreign currency movement	-	-	1 771
On issue at 31 December 2018 - fully paid	30 002 000	345	54 862
Treasury shares	-	-	-
Outstanding at 31 December 2018 - fully paid	30 002 000	345	54 862
Authorised - par value: EUR 0.01	30 002 000	343	-

The Management Board proposes no dividend for 2018 (2017: nil).

21. Loans and borrowings

This note provides information about the contractual terms of the Group's interest-bearing loans and borrowings, which are measured at amortised cost. For more information about the Group's exposure to currency risk, interest rate risk, liquidity risk and operational risk, reference is made to note 27. On 30 November 2018 the Group's Credit Facility Agreement was amended.

USD (thousands)	31 December, 2018	31 December 2017
Non-current borrowings		
Secured bank loans - Credit Facility - Facility B	18 387	16 636
Unsecured loans from related party	128 299	110 000
Secured loan from related party	1 580	-
Finance charges being amortised ¹	(2 198)	-
Finance lease liabilities	15 735	18 995
	161 803	145 631
Current borrowings		
Secured bank loans - Credit Facility - Facility A	90 657	57 650
Secured bank loans - Credit Facility - Facility B	-	5 594
Finance charges being amortised ¹	-	(3 375)
Bank loan acquired through business combination	-	126
Finance lease liabilities	2 215	3 230
	92 872	63 225
Total	254 675	208 856

¹ The carrying amount of borrowings includes directly attributable costs which are amortized over the term of the loans.

21.1 Secured bank loans

	Secured	Unsecured	Secured	Unsecured
	31 December	31 December	31 December	
USD (thousands)	2018	2018	2017	2017
At 1 January	79 880	110 000	114 502	
Repayment of borrowings	(2 774)		(88 425)	
Accrued interests converted to loan		18 299		
Proceeds of new borrowings	38 988		57 776	75 000
Equity to debt conversion				35 000
Exchange differences	(5 050)		(3 973)	
At 31 December	109 044	128 299	79 880	110 000

The Credit Facility of EUR 155.0 million (US\$177.1 million) consists of EUR 80.0 million revolving credit facility (the "Facility A") a EUR 45.0 million performance guarantee facility (the "Facility C"), and a EUR 30.0 million term loan facility (the "Facility B").

In the Credit Facility an additional EUR 20.0 million (US\$22.9 million) feature is available under Facility A. It is also possible to transfer up to EUR 25.0 million from Facility A to a committed performance guarantee facility (the "Facility D"), the transfer/utilization date being the Facility D Increase Date. The committed amount may not be reversed to Facility A. The Credit Facility is secured by all of the assets of the Group including the assets of its present and future subsidiaries.

The Credit Facility contains customary operating and financial covenants, including restrictions on each obligor (and where expressly provided, the subsidiaries of such obligors) with regard to the extent to which we may, among other things, (i) incur additional indebtedness or guarantees; (ii) create liens or other encumbrances on our property; (iii) enter into a merger or similar transaction; (iv) sell or transfer property except in the ordinary course of business; (v) make dividend and other restricted payments; (vi) repurchase Ordinary Shares; and (vii) make acquisitions.

The key financial covenant requirements applicable before the amended agreement can be summarised as follows:

Leverage Suspension Period	A Leverage Suspension Period up to July 2018.
Minimum liquidity	Cash in hand plus available balance in the Facility. During Leverage Suspension Period liquidity should be USD 30.0 million at any other time other than the months December and January. In December and January liquidity should be USD 50.0 million at any time.
Maximum leverage	Net Financial Debt/Adjusted EBITDA. A maximum of 3.0x up to 1 January 2019 and 2.50x thereafter.
Minimum equity ratio	Total equity attributable to owners of the Company/total assets >= 30%.

The Group was granted a waiver from the minimum liquidity and leverage covenants from 1 July 2018 until the amendment agreement was effected on 30 November 2018. In effect from 30 November 2018 the key financial covenant requirements can be summarised as follows:

Minimum liquidity	Cash in hand + available balance in the Facility should at all times exceed USD 7.5 million.
Minimum Adjusted EBITDA	Total last 12 months adjusted EBITDA for the group up to and including 31 December 2018 shall not be less than USD 7.5 million

At 31 December 2018 the financial covenants for the Company's debt instruments were within their applicable thresholds.

Current and forecasted covenants are monitored continuously. With the revised credit facility agreement, some ease in the financial covenants was given while monitoring of the Company's ability to meet its debt service obligations was tightened (also see note 27.5 on Liquidity), and where necessary action will be taken to ensure access to funding.

The carrying amounts per currency and year of maturity are as follows:

USD (thousands)	Currency	Nominal interest rate	Year of maturity	31 December 2018	31 December 2017
				Carrying amount	Carrying amount
Facility A - Credit Facility	USD	LIBOR + 4.75%	2023	90 657	57 650
Facility B - Term loan	USD	LIBOR + 4.75%	2023	18 387	22 230
Total				109 044	79 880

The fair value of the outstanding borrowings in 2018 is estimated to approximate their carrying amount as the impact of discounting is not significant.

The maturity date for the Facilities is 28 February 2023, being the revised maturity date.

The availability period for the Facility A is up to and including 27 November 2022, or, in case of an extension of the maturity date for Facility A, up to and including the date falling three months before the final maturity date for Facility A.

The availability period for Facility C is up to and including 27 January 2023.

The availability period for Facility D is the period from and including the Facility D Increase Date to and including 27 January 2023.

The repayment schedule on the remaining part of the Facility B term loan of EUR 25.0 million, drawn in USD, was adjusted in the amendment of 30 November 2018 to 2 annual instalments of EUR 6.5, of which the first is due in 2021. Each instalment is to be repaid in the USD equivalent of the EUR reduction.

The interest is in line with market conditions and is based on LIBOR plus a margin of 3.50% to 4.75% (the level of the margin depends on the leverage of the Group). On the undrawn amount of the Facility A revolver loan interest is charged at 40% of margin, on the Facility C and Facility D performance guarantee loan interest (Guarantee Fee) is charged at 2.125% and a commitment fee on the undrawn Facility C and Facility D is charged at 40% of the Guarantee Fee. The credit facility agreement prior to amendment on 30 November 2018 included a Leverage Suspension Period that ended 1 July 2018. As a condition to Leverage Suspension Period the margin and the Guarantee Fee the company paid were increased with 0.75% for as long as the Leverage Suspension Period was applicable. With the amendment of the agreement the margins were kept at the levels of the Leverage Suspension Period and the Guarantee Fee was increased.

For the drawn amounts of committed loan facility, refer to note 28. The Group has the following undrawn borrowing facilities as per 31 December 2018:

USD (thousands)	31 December 2018	31 December 2017
Facility C - Ancillary loan commitment	18 945	23 399
Total	18 945	23 399

The Facility A may be drawn in multiple tranches provided that each tranche must be at least EUR 5.0 million. This minimum amount does not apply to the performance guarantee facility issues. In addition, the Group may add an additional EUR 20.0 million (USD 22.8 million) accordion facility to the Facility A.

21.2 Finance lease liabilities

DeepOcean did not enter any new financial lease agreements during 2018 and had per 31 December 2018, 7 lease agreements all classified as financial leases under IFRS. The lease liabilities are effectively:

<i>USD (thousands)</i>	31 December 2018	31 December 2017
Gross finance lease liabilities - minimum lease payments		
- No later than 1 year	3 145	4 098
- Between 1 and 5 years	14 381	17 118
- Later than 5 years	2 972	4 112
Total gross finance lease liabilities	20 498	25 328
Future finance charge on finance lease	(2 548)	(3 103)
Present value of finance lease liabilities	17 950	22 225

The present value of the finance lease liabilities are as follows:

<i>USD (thousands)</i>	31 December 2018	31 December 2017
No later than 1 year	2 215	3 230
Between 1 and 5 years	12 873	15 108
Later than 5 years	2 862	3 887

22. Loans and borrowings from related parties

<i>USD (thousands)</i>	31 December 2018	31 December 2017
At 1 January	132 266	
Acquisition of business		21 118
Loans from Tricer LuxBidCo 1 S.à r.l. (accrued interests reclass from current to non-current)	18 299	110 000
Repayment of borrowings - reclass as Intercompany	(18 412)	-
Loans and borrowings from related parties		1 434
Exchange differences	(2 274)	(286)
At 31 December	129 879	132 266

The related party Tricer LuxBidCo 1 S.à r.l., shareholder in Tricer NL BidCo 3 BV, provided cash funding through interest bearing loan of USD 75.0 million. Maturity date is 30 December 2046, 30 years from the date of the loan agreement. Unless repaid earlier, the loan should be repaid in full together with accrued but unpaid interest to the lender on the repayment date. The loan is unsecured.

Interest is fixed at a rate of 8% per annum and shall accrue daily and calculated based on a 365-day year. At anniversary day the accrued not paid interests are added to the loan balance.

Tricer LuxBidCo 1 S.à r.l. in addition granted an interest bearing loan of USD 35.0 million. The loan was agreed in connection with an interim dividend of USD 35.0 million to Tricer LuxBidCo 1 S.à r.l. The dividend was not paid to the owner, but remains in the company as debt to the owner. Maturity date is 30 December 2046, 30 years from the date of the loan agreement. Unless repaid earlier, the loan should be repaid in full together with accrued but unpaid interest to the lender on the repayment date. The loan is unsecured.

Interest is fixed at a rate of 8% per annum and shall accrue daily and calculated based on a 365-day year. At anniversary day the accrued not paid interests are added to the loan balance.

The carrying amounts of the credit facilities per currency and year of maturity are as follows:

				31 December	31 December
				2018	2017
<i>USD (thousands)</i>	Currency	Nominal interest rate	Year of maturity	Carrying amount	Carrying amount
Loan from related party	USD	8 %	2046	87 500	75 000
Loan from related party	USD	8 %	2046	40 799	35 000
Total				128 299	110 000

The fair value of the outstanding borrowings in 2018 is estimated to approximate their carrying amount, as the impact of discounting is not significant. The loans from Tricer LuxBidCo 1 S.à r.l. are presented as Non-current portion of loans and borrowings in the statement of financial position as at 31 December 2018.

Other loans and borrowings from related parties consists of a loan from DeepOcean Brasil Serviços Ltda, which was deconsolidated from the Group per 30 December 2016, to AXA Engenharia Submarina Ltda.

23. Post-employment benefits

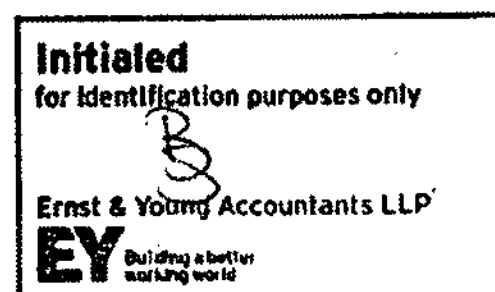
The pension plans expose the Group to actuarial risks, such as longevity risk, currency risk, interest rate risk and market (investment) risk.

The amounts recognised in the statement of financial position are determined as follows:

	31 December	31 December
<i>USD (thousands)</i>	2018	2017
Present value of funded obligations	9,602	8,818
Less: Fair value of plan assets	9,905	8,382
(Surplus)/ deficit in the plan	(303)	436
MNOPF & MNRPF scheme	224	239
Other post-employment benefits	(83)	(3)
Total	(162)	672

The movement in the defined benefit obligation over the year is as follows:

<i>USD (thousands)</i>	2018	2017
Defined benefit obligations at 1 January	8,818	8,982
Benefits paid by the plan	(179)	(189)
Current service costs	827	657
Interest (income)/expense	204	3
Remeasurement, excluding amounts included in interest (income)/ expense	526	(1,254)
Payroll tax	(39)	146
Exchange differences	(555)	473
Defined benefit obligations at 31 December	9,602	8,818



The movement in the fair value of plan assets of the year is as follows:

USD (thousands)	2018	2017
Fair value of plan assets at 1 January	8,382	7,388
Contributions paid by the employer	1,283	956
Benefits paid by the plan	(179)	(162)
Administration costs	(20)	(29)
Interest (income)/expense	211	72
Remeasurement, excluding amounts included in interest (income)/ expense	805	(204)
Exchange differences	(577)	380
Fair value of plan assets at 31 December	9,905	8,382

The amounts recognised in the statement of profit or loss is as follows:

USD (thousands)	2018	2017
Current service costs	827	657
Interest (income)/expense	(8)	(70)
Administration costs	20	29
Payroll tax of net pension cost	(39)	146
Exchange differences	22	112
Total	822	875

The expected rate of return on plan assets is equal to the discount rate as used to calculate the corresponding defined benefit obligation, and is based on high quality bonds.

The Group's defined benefit plan assets combined comprise the following asset categories:

	31 December, 2018	31 December 2017
Equity instruments	9.5%	9.9%
Bonds	16.5%	21.5%
Hold to maturity bonds	60.3%	57.1%
Property	12.2%	10.0%
Other	1.5%	1.5%
Total	100.0%	100.0%

Investments are well diversified, such that the failure of any single investment would not have a material impact on the overall level of assets. The largest proportion of assets is invested in hold to maturity bonds, although the pension fund also invests in equity, property, bonds and other.

The IAS 19R calculations of the defined benefit pension schemes are carried out by the insurance companies. The principal actuarial assumptions used in the calculations are as follows:

	31 December 2018	31 December 2017
Discount rate	2.80%	2.40%
Future salary increases	2.75%	2.50%
Future increase in payroll tax base	0.00%	0.00%

A change of 1% in the assumptions stated above will not have a significant impact on the recognised pension liability in the balance sheet or on the movement recognised in the balance sheet or other comprehensive income.

	defined benefit obligation	
	1 percent increase	1 percent decrease
Discount rate	(1,021)	1,351
Future salary growth	748	(739)
Future pension growth	334	(240)
Life expectancy	48	(54)

Assumptions regarding future mortality experience are set based on actuarial advice in accordance with published statistics and experience. The mortality rates used are in accordance with Nordea Liv's basis of calculation for Group pension insurance, K2013.

	31 December 2018		31 December 2017	
	Men	Women	Men	Women
Age 20	88.6	92.4	88.6	92.4
Age 40	87.0	90.6	87.0	90.6
Age 60	86.0	89.4	86.0	89.4
Age 65	83.5	86.8	83.5	86.8
Age 80	89.3	91.6	89.3	91.6

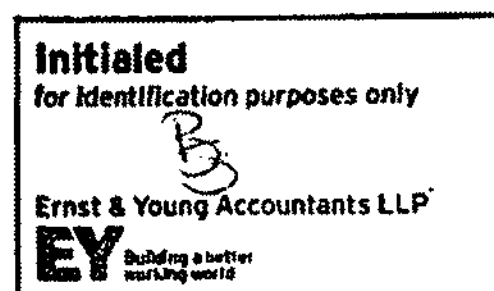
The number of participants of the defined benefit plans and the corresponding average age are stated below:

	31 December 2018		31 December 2017	
	Active	Pensioners	Active	Pensioners
Number of participants	283	20	270	26
Average age	44	64	43	63

24. Provisions

USD (thousands)	Onerous contracts	Dilapidations	Total
Balance at 1 January 2018	2 500	247	2 747
Additional provisions recognised	969	-	969
Provisions utilised during the year	(98)	-	(98)
Provisions reversed during the year	-	-	-
Exchange differences	(157)	-	(157)
Balance at 31 December 2018	3 214	247	3 461
Analysis of provisions			
Current	3 150	-	3 150
Non-current	64	247	311
Total	3 214	247	3 461

The provision are related to employee retention bonuses, property leases and realized losses on customer projects.



25. Derivative financial instruments

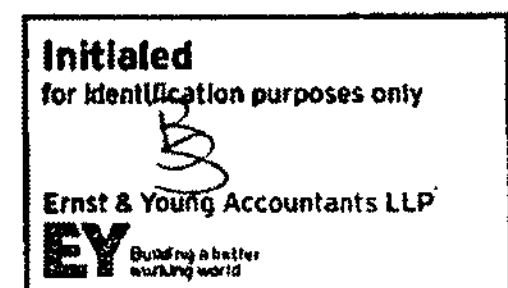
<i>USD (thousands)</i>	31 December 2018	31 December 2017
Non-current portion of derivative liabilities		
Forward foreign exchange contracts and swaps	0	1
	0	1
Current portion of derivative liabilities		
Forward foreign exchange contracts and swaps	3,833	2,490
	3,833	2,490
Total	3,833	2,491

The interest rate swaps are related to the term B loan of the Credit Facility and swaps a floating interest for a fixed interest rate as described in note 21. The Group does not apply hedge accounting in relation to the interest risk; the change in fair value is recognised in the statement of profit or loss.

26. Trade and other payables

<i>USD (thousands)</i>	31 December 2018	31 December 2017
Trade payables	55 004	62 947
Contract liabilities	43 757	49 397
Wage taxes and social securities	6 441	6 228
Other payables	2 973	12 083
Total	108 175	130 655

Trade and other payables have decreased slightly at the end of 2018 compared to 2017. This is mainly caused by a decrease in trade payables due to a lower credit stretch at year end 2018 than 2017. Other payables include accrued interest on loans from related parties.



27. Financial risk management

27.1 Overview

The Group's activities expose it to a variety of financial risks, which can be categorised as market risk, credit risk and liquidity risk. Whereas market risk includes foreign exchange risks and interest rate risks. Management policies have been established to identify, analyse and monitor these risks, and to set appropriate risk limits and controls. Financial risk management is carried out in accordance with the Group Risk Management policy approved by the Executive Management. The written principles and policies are reviewed periodically to reflect changes in market conditions, the activities of the business and laws and regulations affecting our business.

27.2 Market risk - Foreign exchange risk

The Group's revenues are earned in NOK, USD, GBP, and EUR. Sales and expenses in the same currency contribute to mitigating some of the currency risk. The Group continually assesses its exposure and currency derivatives may be used to further reduce this risk.

The main exchange rates used throughout the Group at the balance sheet date, compared to the USD, were as follows:

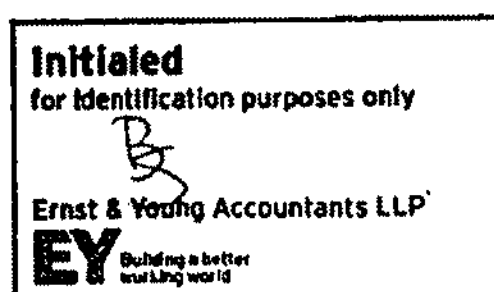
	NOK		GBP		EUR	
	closing	average	closing	average	closing	average
2017	0.12188	0.12098	1.35135	1.28971	1.20048	1.12585
2018	0.11605	0.12290	1.26816	1.33567	1.14270	1.18119

Exposure

A 5% strengthening/weakening of the USD as of the reporting date against the currencies listed above would have increased/(decreased) profit or loss before tax by the amount shown in the next table. This analysis assumes that all other variables remain constant. The analysis was performed on the same basis for 2018 and 2017.

	Equity		Profit or loss before tax	
	strengthening	weakening	strengthening	weakening
31 December 2017				
EUR	16,534	(16,534)	(1,162)	1,162
GBP	1,983	(1,983)	(174)	174
NOK	22,465	(22,465)	(32)	32
31 December 2018				
EUR	16,414	(16,414)	(868)	868
GBP	1,497	(1,497)	(383)	383
NOK	22,131	(22,131)	(604)	604

The effect on profit and loss arises in connection with monetary balances denominated in currencies other than the relevant entity's functional currency; the effect on equity arises principally from the translation of assets and liabilities of entities that are not USD functional.



27.3 Market risk - Interest rate risk profile

The Group is exposed to interest-rate risk to borrowings and cash deposits. Primarily, floating-interest rate loans under the Group's Credit Facility involve risk exposure for the Group's future cash flow. The terms of the Group's loans are described in note 21.

At the end of the reporting period the interest rate profile of the Group's interest-bearing assets and liabilities is as follows:

USD (thousands)	Nominal amount	
	31 December 2018	31 December 2017
Fixed rate instruments		
Unsecured loans from group company not consolidated	128 299	110 000
	128 299	110 000
Variable rate instruments		
Facility A - Credit Facility	90 657	57 650
Facility B - Term loan	18 387	22 230
Finance lease liabilities	17 950	22 225
	126 994	102 105

The Group assesses its interest rate sensitivity at fair value through profit or loss. A potential change of 100 basis points in interest rates at the end of the reporting period shows the Groups sensitivity to potential changes in interest rates which is reasonably possible:

Interest expense	8 571 374
Average rate	4.75 %
Interest change 100 base points	1.00 %
Change interest (+/-)	1 804 500

27.4 Credit risk

Credit risk arises primarily from cash and cash equivalents held at financial institutions, and to a certain extent, from trade receivables.

Cash balances are only held with large recognised financial institutions in each demographic area where the Group operates.

The Group's exposure of trade receivables is managed through establishing proper credit limits, continuous credit risk assessments for each individual customer. If customers are independently rated, these ratings are used. If there is no independent rating, the credit quality is based on past experience, their financial position and other factors. The utilisation of the credit limits is regularly monitored.

The following table sets out details of the age of the trade receivable and related allowance for doubtful debt.

USD (thousands)	31 December 2018	31 December 2017
0 - 60 days	43 507	57 397
60 - 90 days	3 250	963
90 - 120 days	980	1 174
120+ days	(194)	2 121
Gross trade receivable	47 543	61 655
Allowance for doubtful debt	(47)	(50)
Net trade receivables	47 496	61 605

27.5 Liquidity risk

Liquidity risk is the risk that the Group will be unable to fulfil its operational and financial obligations as they fall due. Liquidity risk has become the most significant risk, both for the Group and the business in general. The Subsea business has been through a severe downturn, which has had a major impact on cash flow and cash reserves. Previous strategies with goals for the Group's leverage ratio, have been replaced by a reality where minimum cash covenants in the credit facility agreement being the measuring point. The Group monitors the risk of lack of available capital/cash and cash equivalents through continued evaluations of its liquidity position combined with a rolling cash flow forecast of its operational activities, including the servicing of its financial obligations.

The Group's liquidity reserve comprises cash and cash equivalents and an undrawn credit facility of USD 70.4 million (USD 122.0 million) (note 21.1).

The table below analyses the Group's non-derivative financial liabilities and net-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. Derivative financial liabilities are included in the analysis if their contractual maturities are essential for an understanding of the timing of the cash flows. The amounts disclosed in the table are the contractual undiscounted cash flows.

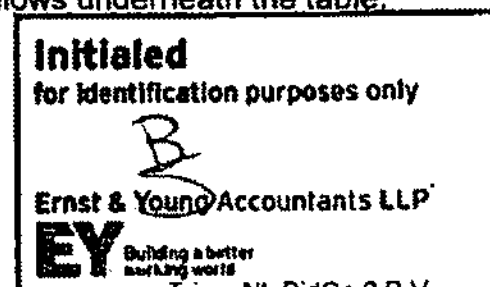
USD (thousands)	1 year or less	1 - 5 years	Over 5 years
31 december 2017			
Secured bank loans - Credit Facility - Facility B	5 594	16 636	-
Secured bank loans - Credit Facility - Facility A	57 650	-	-
Unsecured loans from related party			110 000
Accrued interest			8 853
Finance lease (including interest)	4 096	17 118	4 112
Derivative financial instruments (excluding interest rate swaps)	2 490	-	-
Trade and other payables	69 953	-	-
Total	139 786	33 754	122 965
31 december 2016			
Secured bank loans - Credit Facility - Facility B	-	15 387	-
Secured bank loans - Credit Facility - Facility A	90 657	-	-
Unsecured loans from related party			110 000
Accrued interest			18 299
Bank loans acquired through business combination			-
Finance lease (including interest)	3 145	14 381	2 972
Derivative financial instruments (excluding interest rate swaps)	3 833	0	-
Trade and other payables	61 850	-	-
Total	159 485	32 768	131 271

The interest included in the above table is based on the current amounts borrowed with current interest rates and interest rate swaps. No assumptions are included for possible future changes in borrowings or interest payments.

27.6 Fair value estimation

27.6.1 Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the group has classified its financial instruments into the three levels prescribed under the accounting standards. An explanation of each level follows underneath the table.



31 December 2018				
USD (thousands)	Level 1	Level 2	Level 3	Total
Liabilities				
Derivatives at fair value through profit or loss	-	-	3,833	3,833
Net asset/(liability)	-	-	(3,833)	(3,833)

The table above analyses financial instruments carried at fair value by valuation method and presents the changes in Level 3 instruments for the year ended 31 December 2018. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

There were no transfers between level 1, 2 and 3.

Fair values reflect the credit risk of the instrument and include adjustments to take account of the credit risk of the Group entity and counterparty when appropriate.

27.6.2 Valuation techniques used to determine fair values

The fair value of the forward currency exchange contracts and currency options are primarily based on the fair value quote given by the specialised counterparty. Those quotes are tested for reasonableness by comparison with the Group's own valuation models. The fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date.

27.6.3 Fair value measurements using significant unobservable inputs (level 3)

The following table presents the changes in level 3 items for the period ended 31 December 2018:

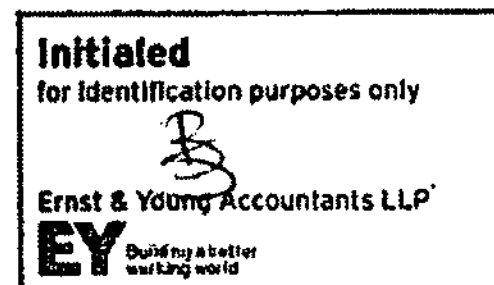
USD (thousands)	Level 1	Level 2	Level 3	Total
At 1 January 2017	-	-	(2 490)	(2 490)
- statement of profit or loss	-	-	(1 706)	(1 706)
- exchange differences	-	-	363	363
At 31 December 2017	-	-	(3 833)	(3 833)

27.7 Capital risk

The Group's objectives when managing capital is to maintain a capital structure that enables the Group to achieve its strategic objectives and daily needs, and to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders.

In order to maintain or adjust the capital structure, the Group may issue new shares, adjust its dividend policy, return capital to shareholders or sell assets to reduce debt taking into account relevant interest cover and leverage covenants of our external borrowings.

The Group monitors capital on the basis of the debt to adjusted EBITDA ratio. This leverage ratio is calculated as (net) debt divided by adjusted EBITDA. Net debt is calculated as total borrowings less cash and cash equivalents. Adjusted EBITDA is defined as EBITDA from continuing operations adjusted for one-off events including restructuring cost and other non-recurring events which are included in other expenses.



	31 December 2018	31 December 2017
<i>USD (thousands)</i>		
Total borrowings	124,798	102,231
Less: cash and cash equivalents	70,391	86,269
Net debt	54,405	15,962
Debt to adjusted EBITDA ratio	9.31	7.29
Net debt to adjusted EBITDA ratio	4.06	1.14

27.8 Financial instruments by category

	Financial assets/ liabilities at amortised cost	Assets/ liabilities at fair value through profit or loss	Total
<i>USD (thousands)</i>			
31 December 2017			
Assets			
Trade receivables	61 605	-	61 605
Cash and cash equivalents	86 270	-	86 270
Total financial assets	147 875	-	147 875
Liabilities			
Borrowings	231 122	-	231 122
Derivative financial liabilities	-	2 491	2 491
Trade payables	62 947	-	62 947
Total financial liabilities	294 069	2 491	296 560
31 December 2018			
Assets			
Trade receivables	47 495	-	47 495
Cash and cash equivalents	70 420	-	70 420
Total financial assets	117 915	-	117 915
Liabilities			
Borrowings	254 675	-	254 675
Derivative financial liabilities	-	3 833	3 833
Trade payables	55 004	-	55 004
Total financial liabilities	309 679	3 833	313 512

The fair value of the receivables and payables approximates their carrying value.

28. Commitments

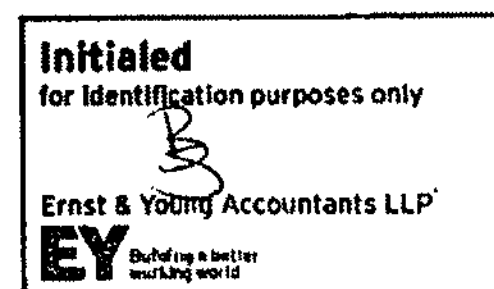
28.1 Operating leases and time charter commitments

The Group leases various vessels under non-cancellable lease agreements. The majority of the contracts are renewable at the end of the lease period at market rate. The Group also leases various office spaces, vehicles, office equipment and other assets under non-cancellable operating lease agreements. The lease expenditure

charged to the statement of profit or loss during the year is disclosed in note 6. Effects of the implementation of IRFS 16 can be found in note 28.4.

The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

<i>USD (thousands)</i>	31 December 2018
Within one year	103,880
Between one and five years	236,853
More than 5 years	5,431
Total	346,164



28.2 Capital commitments

At period end the Group had contractual obligations related to upgrade vessels and equipment as follows:

	31 December 2018	31 December 2017
<i>USD (thousands)</i>		
Within one year	253	3,618
Total	253	3,618

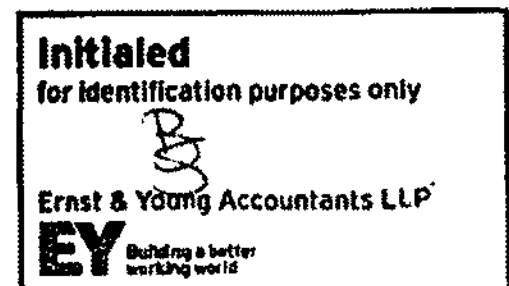
28.3 Ancillary loan commitment

The Group uses the Ancillary Facility for contract guarantees and warranties:

	31 December 2018	31 December 2017
<i>USD (thousands)</i>		
Within one year	7 852	5 216
Between one and five years	24 625	25 407
Total	32 477	30 623

28.4 IFRS 16 Indicative impact on balance sheet and income statement

Balance sheet				Profit or loss			
<i>USD (thousands)</i>	31.12.2018	IFRS 16 Impact	Adjusted	<i>USD (thousands)</i>	31.12.2018	IFRS 16 Impact	Adjusted
Assets				Assets			
Vessels and equipment	155 787		155 787	Revenue from contracts with customers	505 817		505 817
Right-of-use assets		338 113	338 113	Direct operating expenses	(457 618)	90 304	(367 314)
Other non-current assets	14 646		14 646	Depreciation and amortisation	(29 749)	(77 200)	(106 949)
Total non-current assets	170 433	338 113	508 546	Gross profit	18 450	13 104	31 554
Total current assets	173 334		182 135				
Total assets	343 767	338 113	690 681	Sales, general and other expenses	(44 225)		(44 225)
Equity				Profit/(loss) from operating activities	(25 775)	13 104	(12 671)
Total equity	102 189		102 189				
Liabilities				Net finance expense	(18 320)	(13 104)	(31 424)
Lease liability non-current		237 787	237 787				
Other non-current liabilities	36 118		36 118	Loss before tax	(44 095)		(44 095)
Total non-current liabilities	36 118	237 787	273 905				
Lease liability current		100 326	100 326				
Other current liabilities	205 460		205 460				
Total current liabilities	205 460	100 326	305 786				
Total liabilities	241 578	338 113	579 691				
Total equity and liabilities	343 767	338 113	681 880				



29. Contingencies

The Company forms part of a fiscal unity for corporate income tax and transaction tax purposes with its Dutch subsidiary. Each company within the fiscal unity is jointly and severally liable for the fiscal liability of the fiscal unity.

The Company has guaranteed the debts and liabilities of DeepOcean 2 UK Limited and DeepOcean 3 UK Limited, under and prescribed by section 479A and 479C of the Companies Act 2006 existing as at 31st December 2018.

Tax contingencies and provisions

Business operations are carried out in several countries, through subsidiaries and branches of subsidiaries, and the Group is subject to the jurisdiction of a significant number of tax authorities. Furthermore, the mobile offshore nature of the Group's operations means that the Group routinely has to manage complex international tax issues.

The Group is subject to taxation in numerous jurisdictions. In the ordinary course of events operations and transactions will be subject to audit, enquiry and possible re-assessment by different tax authorities. The Group provides for the amount of taxes that it considers probable of being payable as a result of these audits and for which a reasonable estimate can be made. Significant judgement is required in calculating the tax provision. The Group's policy is to co-operate fully with the relevant tax authorities while seeking to defend its tax positions. It is possible that the ultimate resolution of these matters could result in tax charges that are materially higher or lower than the amount provided.

30. Related parties

Key management of the Group includes the members of Board of Directors in DeepOcean Group Holding BV and the Executive Management Team. The compensation paid or payable to key management for employee services is shown below.

USD (thousands)	2018	2017
Salary and other short term employee benefits	1 272	2 050
Post-employment benefits	22	77
Severance pay		680
Total	1 294	2 807

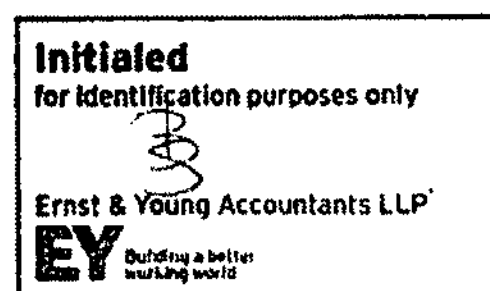
The Company furthermore received operational, financial, legal and tax services from its related parties West Park Management Services Limited amounting to USD 0.6 million during 2018.

31. Subsequent events

DeepOcean has decided to move its Group Holding entity from a Dutch entity (currently DeepOcean Group Holding B.V.) to a Norwegian entity in the course of 2019. This will involve a series of mergers resulting in DeepOcean Group Holding B.V. ceasing to exist and DeepOcean Norway AS becoming the ultimate parent of the DeepOcean Group. (Project Homecoming)

The series of mergers leading to DeepOcean Norway AS becoming the ultimate parent of the DeepOcean Group are as follows:

- DeepOcean Group Holding BV will be merged into Tricer NL BidCo 4 BV
- Merged Tricer NL BidCo 4 BV will be merged into Tricer NL BidCo 3 BV
- Merged Tricer NL BidCo 3 BV will be merged into DeepOcean Norway AS
- DeepOcean Norway will be the surviving entity and will become the group parent company



32. Subsidiaries and investments of the Group

Company	Country	31 December 2018	31 December 2017
ADUS DeepOcean Ltd	UK	100 %	100 %
AXA Enghenaria Submarina Ltda	Brasil	60 %	60 %
CTC Marine Projects (Guernsey) Ltd	Guernsey	100 %	100 %
DeepOcean 1 UK Ltd	UK	100 %	100 %
DeepOcean 2 UK Ltd ¹	UK	100 %	100 %
DeepOcean 3 UK Ltd ²	UK	100 %	100 %
DeepOcean AS	Norway	100 %	100 %
DeepOcean BV	Netherlands	100 %	100 %
DeepOcean de Mexico, S de RL de CV	Mexico	100 %	100 %
DeepOcean Ghana BV	Ghana	[A]	[A]
DeepOcean Ghana Ltd	Ghana	49 %	49 %
DeepOcean Guernsey Ltd	Guernsey	100 %	100 %
DeepOcean Middle East DMOC	UAE	100 %	100 %
DeepOcean Norway AS	Norway	100 %	100 %
DeepOcean Management AS	Norway	100 %	100 %
DeepOcean Maritime AS	Norway	100 %	100 %
DeepOcean Shipping AS	Norway	100 %	100 %
DeepOcean Shipping II AS	Norway	100 %	100 %
DeepOcean Shipping III AS	Norway	100 %	100 %
DeepOcean Shipping IV AS	Norway	100 %	100 %
DeepOcean Shipping V AS	Norway	100 %	100 %
DeepOcean Shipping VI AS	Norway	100 %	100 %
DOMX Maritima, S de RL de CV ³	Mexico	49 %	49 %
Northwest Maritime AS	Norway	100 %	100 %
DeepOcean Subsea Services Limited	UK	100 %	100 %
SeaRov Offshore SAS	France	100 %	100 %
SeaRov Offshore Co Ltd	Myanmar	99 %	99 %
SeaRov Offshore Limited	UK	100 %	100 %
SeaRov Offshore Group	Gabon	100 %	100 %
Delta SubSea LLC	US	100 %	
Delta SubSea International Guyana Inc.	Guyana	100 %	
Subsea Trinidad and Tobago Limited	T&T	100 %	
Level Offshore AS	Norway	50 %	
DeepOcean Group Holding BV	Netherlands	100 %	100 %
Tricer NL Bidco 4 BV	Netherlands	100 %	100 %
Technip DeepOcean FRS JV DA	Norway	50 %	50 %

¹ DeepOcean 2 UK Limited, Company Registration Number 01275998, is a subsidiary company that

² DeepOcean 3 UK Limited, Company Registration Number SC240196, is a subsidiary company

³ Although the Group has 49% of the shares in DOMX Maritima S. de R.L. de C.V. it is fully

[A] 100% subsidiary of DeepOcean Ghana Ltd

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C. Tricer NL Bidco 3 B.V. Company Financial Statements for the year 2018

C.1 Company statement of profit or loss of Tricer NL Bidco 3 B.V. for the year ended 31 December 2018

USD (thousands)		2018	2017
Share in results from participating interests, after tax	37	(48 441)	(52 264)
Effect of bargain purchase			11 858
Interest expense on loan from related party	40	(9 502)	(8 853)
Net foreign exchange differences on loan from related party		-	
Other revenue (cost)		(1)	(15)
Profit/(loss) for the period		(57 944)	(49 274)

C.2 Company statement of financial position of Tricer NL Bidco 3 B.V. as at 31 December 2018

USD (thousands)		31 December 2018	31 December 2017
Assets			
Subsidiaries	37	108 449	102 245
Total non-current assets		108 449	102 245
Cash and cash equivalents		36	
Total current assets		36	-
Total assets		108 485	102 245
Equity			
Share capital		345	2
Share premium		54 862	23 091
Reserves		0	9 559
Retained earnings		(75 022)	(49 273)
Total equity	39	(19 815)	(16 621)
Liabilities			
Borrowings from related parties not consolidated	40	128 300	110 000
Total non-current liabilities		128 300	110 000
Payables to related parties not consolidated	41	-	8 866
Total current liabilities		-	8 866
Total liabilities		128 300	118 866
Total equity and liabilities		108 485	102 245

The accompanying notes are an integral part of these company financial statements.

Notes to the Company Financial Statements

33. General information

The description of the activities of Tricer NL Bidco 3 BV. (the "Company") and the Company structure, as included in the notes to the consolidated financial statements, also apply to the company financial statements.

34. Accounting policies

The Company has prepared its company financial statements in accordance with part 9 of Book 2 of The Netherlands civil code, and specifically, in accordance with section 362.8 of the code. In doing so it has applied the principles of recognition and measurement as adopted in the consolidated financial statements (IFRS). For the Company statement of profit or loss the Company adopted the exemption as described in section 402 of the Netherlands civil code.

Subsidiaries are stated at their net asset value.

Long-term loans and other long-term receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method; less any impairment losses.

35. Other income and expenses after taxation

Profit / (loss) consist of finance expense from interest on loans from parent company at USD 9.5 million.

36. Proposal regarding the appropriation of profit

The Management Board proposes to add the net loss to the accumulated losses.

37. Subsidiaries

The movements in the investments in subsidiaries were as follows:

<i>USD (thousands)</i>	31 December 2018	31 December 2017
Balance at beginning of the period	102 245	-
Fair value of shared acquired	-	69 950
Capital contributions and acquisition	30 000	75 000
Share in result of subsidiaries	(48 441)	(52 264)
Net investment hedges	(1)	5 237
Reclass external loan to IC loan (AXA) - direct in equity	17 930	-
Exchange differences	6 716	6 442
Acquisition of shares from non-controlling interests	-	(2 120)
Balance at end of the period	108 449	102 245

A list of subsidiaries and affiliated companies is prepared in accordance with the relevant legal requirements (The Netherlands Civil Code Book 2, part 9, Sections 379 and 414) and disclosed in note 32 of the consolidated financial statements.

38. Deferred tax asset

During 2018 an assessment was made on unrecognized tax losses carried forward of the Company. The result of this assessment was that no deferred tax asset was recognized.

39. Equity

For the movement in equity we refer to the consolidated statement of changes in equity. Additional information on the share capital and premium is disclosed in note 20 in the consolidated financial statements.

The revaluation reserve qualifies as a legal reserve in accordance with Part 9 of Book 2 of The Netherlands Civil Code.

40. Long-term liabilities

The related party Tricer LuxBidCo 1 S.à r.l., shareholder in Tricer NL BidCo 3 BV, provided cash funding through interest bearing loan of USD 75.0 million. Maturity date is 30 December 2046, 30 years from the date of the loan agreement. Unless repaid earlier, the loan should be repaid in full together with accrued but unpaid interest to the lender on the repayment date. The loan is unsecured.

Interest is fixed at a rate of 8% per annum and shall accrue daily and calculated based on a 365-day year. At anniversary day the accrued not paid interests are added to the loan balance.

Tricer LuxBidCo 1 S.à r.l. in addition granted an interest bearing loan of USD 35.0 million. The loan was agreed in connection with an interim dividend of USD 35.0 million to Tricer LuxBidCo 1 S.à r.l. The dividend was not paid to the owner, but remains in the company as debt to the owner. Maturity date is 30 December 2046, 30 years from the date of the loan agreement. Unless repaid earlier, the loan should be repaid in full together with accrued but unpaid interest to the lender on the repayment date. The loan is unsecured.

Interest is fixed at a rate of 8% per annum and shall accrue daily and calculated based on a 365-day year. At anniversary day the accrued not paid interests are added to the loan balance.

The carrying amounts of the credit facilities per currency and year of maturity are as follows:

				31 December	31 December
				2018	2017
USD (thousands)	Currency	Nominal interest rate	Year of maturity	Carrying amount	Carrying amount
Loan from related party	USD	8 %	2046	87 500	75 000
Loan from related party	USD	8 %	2046	40 799	35 000
Total				128 299	110 000

The fair value of the outstanding borrowings in 2018 is estimated to approximate their carrying amount, as the impact of discounting is not significant. The loans from Tricer LuxBidCo 1 S.à r.l. are presented as Non-current portion of loans and borrowings in the statement of financial position as at 31 December 2018.

41. Trade and other payables

The trade and other payables contain external advisory and insurance costs, and payables to related parties containing of intercompany payables to subsidiaries. This balance is the result of at arm's length transactions during the normal course of business. The fair value of the receivables and payables approximates their carrying value.

42. Corporate income tax

The loss for the year equals taxable losses carried forward. Deferred tax asset is not recognised.

43. Board remuneration

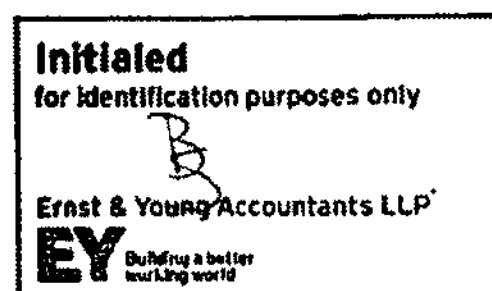
There is no remuneration of the Management Board in 2018 in Tricer NL Bidco 3 BV. For the remuneration of the key management employees, please refer to note 31 of the consolidated financial statements.

44. Subsequent events

DeepOcean has decided to move its Group Holding entity from a Dutch entity (currently DeepOcean Group Holding B.V.) to a Norwegian entity in the course of 2019. This will involve a series of mergers resulting in DeepOcean Group Holding B.V. ceasing to exist and DeepOcean Norway AS becoming the ultimate parent of the DeepOcean Group.

The series of mergers leading to DeepOcean Norway AS becoming the ultimate parent of the DeepOcean Group are as follows:

- DeepOcean Group Holding BV will be merged into Tricer NL BidCo 4 BV
- Merged Tricer NL BidCo 4 BV will be merged into Tricer NL BidCo 3 BV
- Merged Tricer NL BidCo 3 BV will be merged into DeepOcean Norway AS
- DeepOcean Norway will be the surviving entity and will become the group parent company

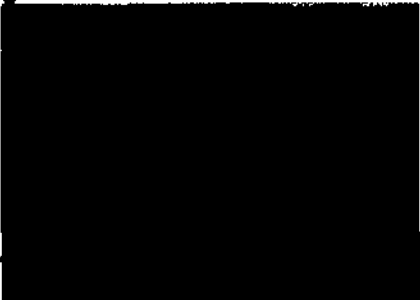


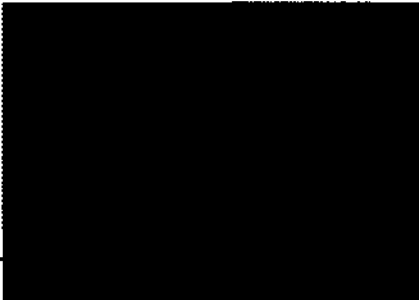
Management Board of Directors

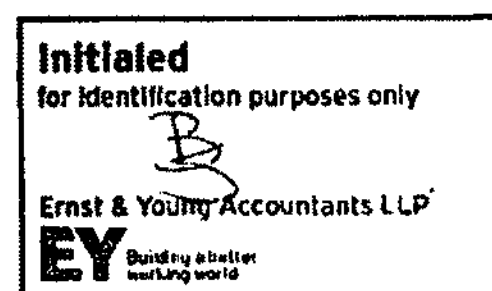
The members of the Management Board have signed the company financial statements pursuant to their statutory obligations under Section 2:101 sub 2 of the Netherlands Civil Code.

Oslo, 21st February 2020

Management Board



Kristian Diesen

Terje Askvig

Other information

Statutory provisions regarding the appropriation of profit

From the Articles of Association,

Article 17.1.

The allocation of profits accrued in a financial year shall be determined by the General Meeting. If the General Meeting does not adopt a resolution regarding the allocation of the profits prior to or at latest immediately after the adoption of the annual accounts, the profits will be reserved.

Article 17.2.

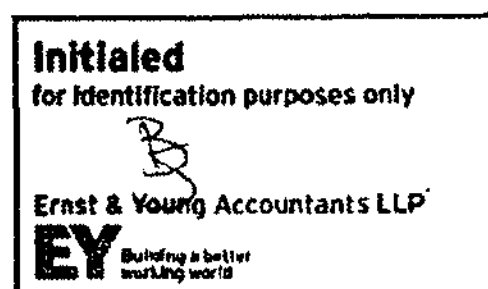
The General Meetings has the authority to make distributions. If the Company is required by law to maintain reserves, this authority only applies to the extent that the equity exceeds these reserves. No resolution of the General Meeting to distribute shall have effect without the consent of the Board. The Board may withhold such consent only if it knows or reasonably should expect that after the distribution, the Company will be unable to continue the payment of its due debts.

Article 17.3

The General Meeting may resolve to make interim distributions on Shares and/or make distributions on Shares at the expense of any reserves of the Company. In addition, the Board may decide to make interim distributions on Shares.

Independent auditor's report

Reference is made to the independent auditor's report included on the next page.



Independent auditor's report

To: the shareholder and the management of Tricer NL Bidco 3 B.V.

Report on the audit of the financial statements 2018 included in the annual report

Our opinion

We have audited the financial statements 2018 of Tricer NL Bidco 3 B.V., based in Amsterdam. The financial statements include the consolidated financial statements and the company financial statements.

In our opinion:

- The accompanying consolidated financial statements give a true and fair view of the financial position of Tricer NL Bidco 3 B.V. as at 31 December 2018, and of its result and its cash flows for 2018 in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and with Part 9 of Book 2 of the Dutch Civil Code
- The accompanying company financial statements give a true and fair view of the financial position of Tricer NL Bidco 3 B.V. as at 31 December 2018, and of its result for 2018 in accordance with Part 9 of Book 2 of the Dutch Civil Code

The consolidated financial statements comprise:

- The consolidated statement of financial position as at 31 December 2018
- The following statements for 2018: the consolidated statement of profit or loss, the consolidated statements of comprehensive income, changes in equity and cash flows
- The notes comprising a summary of the significant accounting policies and other explanatory information

The company financial statements comprise:

- The company balance sheet as at 31 December 2018
- The company profit or loss account for 2018
- The notes comprising a summary of the accounting policies and other explanatory information

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the Our responsibilities for the audit of the financial statements section of our report.

We are independent of Tricer NL Bidco 3 B.V. in accordance with the Wet toezicht accountantsorganisaties (Wta, Audit firms supervision act), the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

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

Emphasis with respect to the going concern assumption

We draw attention to note 2.2 to the financial statements which includes information relating to the going concern assumption. Our opinion is not modified in respect of this matter.

Report on other information included in the annual report

In addition to the financial statements and our auditor's report thereon, the annual report contains other information that consists of:

- The report of the management board
- Other information as required by to Part 9 of Book 2 of the Dutch Civil Code

Based on the following procedures performed, we conclude that the other information:

- Is consistent with the financial statements and does not contain material misstatements
- Contains the information as required by Part 9 of Book 2 of the Dutch Civil Code

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements. By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

Management is responsible for the preparation of the other information, including the management report in accordance with Part 9 of Book 2 of the Dutch Civil Code and other information as required by Part 9 of Book 2 of the Dutch Civil Code.

Description of responsibilities for the financial statements

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with EU-IFRS and Part 9 of Book 2 of the Dutch Civil Code. Furthermore, management is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, management is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting frameworks mentioned, management should prepare the financial statements using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so. Management should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

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. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgment and have maintained professional skepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included among others:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining 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
- Obtaining 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
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management
- Concluding 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, 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 a company to cease to continue as a going concern
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures
- Evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

Because we are ultimately responsible for the opinion, we are also responsible for directing, supervising and performing the group audit. In this respect we have determined the nature and extent of the audit procedures to be carried out for group entities. Decisive were the size and/or the risk profile of the group entities or operations. On this basis, we selected group entities for which an audit or review had to be carried out on the complete set of financial information or specific items.

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

Rotterdam, 21 February 2020

Ernst & Young Accountants LLP

signed by O.A.M. Eberharter

Publication of auditor's report

1 Conditions

Authorization to publish the auditor's report is granted subject to the following conditions:

- ▶ Further consultation with the auditor is essential if, after this authorization has been granted, facts and circumstances become known which materially affect the view given by the financial statements.
- ▶ The authorization concerns inclusion of the auditor's report in the annual report to be tabled at the Annual General Meeting (hereafter AGM) incorporating the financial statements as drawn up.
- ▶ The authorization also concerns inclusion of the auditor's report in the annual report to be filed with the Trade Registrar, provided consideration of the financial statements by the AGM does not result in any amendments.
- ▶ Financial statements for filing at the offices of the Trade Registrar which have been abridged in accordance with Section 397 of Book 2 of the Dutch Civil Code must be derived from the financial statements adopted by the AGM and a draft version of these financial statements for filing purposes must be submitted to us for inspection.
- ▶ The auditor's report can also be included if the financial statements are published electronically, such as on the internet. In such cases, the full financial statements should be published and these should be easily distinguishable from other information provided electronically at the same time.
- ▶ If the published financial statements are to be included in another document which is to be made public, authorization to include the auditor's report must again be granted by the auditor.

2 Explanations to the conditions

2.1 Board of supervisory directors and board of executive directors

The auditor usually forwards his report to the board of supervisory directors and to the board of executive directors. This is pursuant to Book 2 of the Dutch Civil Code, section 393 which stipulates inter alia: "The auditor sets out the outcome of his examination in a report". "The auditor reports on his examination to the board of supervisory directors and the board of executive directors".

2.2 Annual General Meeting (AGM)

Publication of the auditor's report will only be permitted subject to the auditor's express consent. Publication is understood to mean: making available for circulation among the public or to such group of persons as to make it tantamount to the public. Circulation among shareholders or members, as appropriate, also comes within the scope of the term "publication", so that inclusion of the auditor's report in the annual report to be tabled at the AGM similarly requires authorization by the auditor.

2.3 Auditor's reports and financial statements

The authorization concerns publication in the annual report incorporating the financial statements that are the subject of the auditor's report. This condition is based on the auditors' rules of professional practice, which state that the auditor will not be allowed to authorize publication of his report except together with the financial statements to which this report refers.

The auditor will also at all times want to see the rest of the annual report, since the auditor is not allowed to authorize publication of his report if, owing to the contents of the documents jointly published, an incorrect impression is created as to the significance of the financial statements.

2.4 Events between the date of the auditor's report and the AGM

Attention should be paid to the fact that between the date of the auditor's report and the date of the meeting at which adoption, as appropriate, of the financial statements is considered, facts or circumstances may have occurred which materially affect the view given by the financial statements. Under COS 560, the auditor must perform audit procedures designed to obtain sufficient audit evidence to ensure that all events occurring before the date of the auditor's report that warrant amendment of or disclosure in the financial statements have been identified.

If the auditor becomes aware of events that may be of material significance to the financial statements, the auditor must consider whether those events have been adequately recognized and sufficiently disclosed in the notes to the financial statements. If between the date of the auditor's report and the date of publication of the financial statements, the auditor becomes aware of a fact that may have a material impact on the financial statements, the auditor must assess whether the financial statements should be amended, discuss the matter with management and act as circumstances dictate.

2.5 Trade Registrar

The financial statements are tabled at the AGM (legal entities coming within the scope of Title 9 of Book 2 of the Dutch Civil Code table the directors' report and the other information as well). The AGM considers adoption of the financial statements. Only after the financial statements have been adopted, do they become the statutory (i.e., the company) financial statements. As a rule, the statutory financial statements will be adopted without amendment. The auditor's report must be attached to the statutory financial statements as part of the other information. As a rule, the text of this report will be the same as that issued earlier. The documents to be made public by filing at the offices of the Trade Registrar will consist of the statutory financial statements, the directors' report and the other information. The auditor's report which refers to the unabridged financial statements will then have to be incorporated in the other information. If consideration of the financial statements by the AGM does not result in any amendments, the auditor's report may be attached to the financial statements adopted, by the AGM and, provided the annual report and financial statements are filed promptly at the offices of the Trade Registrar, published as part of these annual report and financial statements.

2.6 Other manner of publication

The financial statements may also be published other than by filing at the offices of the Trade Registrar. In that event, too, inclusion of the auditor's report is permitted, provided the financial statements are published in full. If publication concerns part of the financial statements or if the financial statements are published in abridged form, publication of any report the auditor has issued on such financial statements will be prohibited, unless:

- a. He has come to the conclusion that, in the circumstances of the case, the document concerned is appropriate
Or
- b. Based on legal regulations, publication of the document concerned is all that is required

If less than the full financial statements are published, further consultation with the auditor is essential. If the financial statements and the auditor's report are published on the internet, it should be ensured that the financial statements are easily distinguishable from other information contained on the internet site. This can be achieved, for example, by including the financial statements as a separate file in a read-only format or by including a warning message when the reader exits the financial statements document.

2.7 Inclusion in another document

If the published financial statements are to be included in another document which is to be made public, this is considered a new publication and authorization must again be obtained from the auditor. An example of this situation is the publication of an offering circular which includes the financial statements, after these financial statements have been filed at the office of the Trade Registrar together with the other annual reports. For each new publication, authorization must again be obtained from the auditor.

2.8 Events after the AGM

Even if facts and circumstances have become known after the adoption of the financial statements as a result of which they no longer give the statutory true and fair view, the auditor must stand by the report issued on the financial statements as adopted and by the auditor's report filed at the offices of the Trade Registrar. In that event, the legal entity is required to file a statement at the offices of the Trade Registrar on these facts and circumstances accompanied by an auditor's report. In this situation, too, further consultation with the auditor is essential.

The board of directors
Tricer NL Bidco 3 B.V.
Overtoom 141
1054 HG AMSTERDAM

Rotterdam, 20 July 2021

REQ5727089/BS/ntb

Dear Mr. Diesen,

Please find enclosed an authenticated copy of the annual report Tricer NL Bidco 3 B.V. for the financial year ended 31 December 2019 and our auditor's report thereon dated 20 July 2021.

We consent, under the conditions as set out in the enclosed information sheet Publication of auditor's report, to include and publish our auditor's report as enclosed, in the section Other information of copies of the annual report for the financial year ended 31 December 2019, provided that they are identical to the enclosed authenticated copy of the annual report, subject to adoption of the audited financial statements, without modification, by the general meeting. The annual report to be filed with the Trade Register of the Chamber of Commerce, including the audited financial statements should be filed within one month of 20 July 2021. Publication of our auditor's report is only allowed together with the corresponding complete set of the annual report.

Our auditor's report states the name of our firm and the name of the responsible audit partner but without a signature. We kindly request you to include our auditor's report without signature in the version of the annual financial reporting that will be filed and published. We have enclosed one copy of our auditor's report including a digital signature. This copy is meant for your own filing purposes. It is not allowed to file or publish the authenticated copy of annual financial reporting (initialed by us for identification purposes).

The annual report to be filed with the Trade Register of the Chamber of Commerce needs to be filed no later than eight days after adoption of the financial statements by the general meeting (and should have been filed prior to 1 January 2020). Please note that it is legally required to (timely) file the annual report including the audited financial statements with the Trade Register of the Chamber of Commerce and that non-compliance is an offence punishable by law. In certain situations not complying with the publication requirements could even lead to personal liability for the board of directors (and for the supervisory board).

If prior to the general meeting circumstances arise that require a modification to the financial statements, please note that such modifications should be made prior to the general meeting. In this situation, of course, we withdraw our consent granted above.

All members of the board of directors (including the non-executive directors) sign a copy of the financial statements. If a signature is missing, the reason is included in the annual report to be filed. In order to prevent the abuse of signatures we discourage the filing of a signed copy of the annual report. The annual report to be filed with the Trade Register of the Chamber of Commerce should include the general meeting's adoption date of the financial statements.

If you wish to publish the annual report including the audited financial statements on the internet, it is your responsibility to ensure proper separation of the annual report from other information on the website. For example, by presenting the annual report as a separate read-only file, or by issuing a warning if readers switch from the web page containing the annual report ("You are now leaving the secured page containing the annual report, including the audited financial statements").

Yours sincerely,
Ernst & Young Accountants LLP

O.A.M. Eberharter

Enclosures: Auditor's report without signature to be included in the annual report
Signed auditor's report for your files
Annual report initialed for identification purposes
Information sheet Publication of auditor's report

Independent auditor's report

To: the shareholder and the management of Tricer NL Bidco 3 B.V.

Report on the audit of the financial statements 2019 included in the annual report

Our opinion

We have audited the financial statements 2019 of Tricer NL Bidco 3 B.V., based in Amsterdam.

In our opinion:

- The accompanying consolidated financial statements give a true and fair view of the financial position of Tricer NL Bidco 3 B.V. as at 31 December 2019, and of its result and its cash flows for 2019 in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and with Part 9 of Book 2 of the Dutch Civil Code
- The accompanying company financial statements give a true and fair view of the financial position of Tricer NL Bidco 3 B.V. as at 31 December 2019, and of its result for 2019 in accordance with Part 9 of Book 2 of the Dutch Civil Code

The consolidated financial statements comprise:

- The consolidated statement of financial position as at 31 December 2019
- The following statements for 2019: the consolidated statement of profit or loss, the consolidated statements of comprehensive income, changes in equity and cash flows
- The notes comprising a summary of the significant accounting policies and other explanatory information

The company financial statements comprise:

- The company balance sheet as at 31 December 2019
- The company profit or loss account for 2019
- The notes comprising a summary of the accounting policies and other explanatory information

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the "Our responsibilities for the audit of the financial statements" section of our report.

We are independent of Tricer NL Bidco 3 B.V. in accordance with the Wet toezicht accountantsorganisaties (Wta, Audit firms supervision act), the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

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

Emphasis on the ability to continue as a going concern and the developments relating to COVID-19. We draw attention to the disclosures in the notes to the financial statements in note 2.2 Basis of preparation – Going Concern on page 15 and 16 and note 31 Subsequent events on page 58. These notes include information related to the restructuring (plans) and (restated) finance facility agreement while also taking into account the uncertainty surrounding the COVID-19 pandemic. Our opinion is not modified in respect of this matter.

Report on other information included in the annual report

In addition to the financial statements and our auditor's report thereon, the annual report contains other information that consists of:

- The Report of the Board of Directors
- Other information as required by to Part 9 of Book 2 of the Dutch Civil Code

Based on the following procedures performed, we conclude that the other information:

- Is consistent with the financial statements and does not contain material misstatements
- Contains the information as required by Part 9 of Book 2 of the Dutch Civil Code

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements. By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements. Management is responsible for the preparation of the other information, including the Report of the Board of Directors in accordance with Part 9 of Book 2 of the Dutch Civil Code and other information as required by Part 9 of Book 2 of the Dutch Civil Code.

Description of responsibilities for the financial statements

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with EU-IFRS and Part 9 of Book 2 of the Dutch Civil Code. Furthermore, management is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, management is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting frameworks mentioned, management should prepare the financial statements using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so. Management should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

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. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgment and have maintained professional skepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included among others:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining 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
- Obtaining 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
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management
- Concluding 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, 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 a company to cease to continue as a going concern
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures
- Evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

Because we are ultimately responsible for the opinion, we are also responsible for directing, supervising and performing the group audit. In this respect we have determined the nature and extent of the audit procedures to be carried out for group entities. Decisive were the size and/or the risk profile of the group entities or operations. On this basis, we selected group entities for which an audit or review had to be carried out on the complete set of financial information or specific items.

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

Rotterdam, 20 July 2021

Ernst & Young Accountants LLP

O.A.M. Eberharter

Independent auditor's report

To: the shareholder and the management of Tricer NL Bidco 3 B.V.

Report on the audit of the financial statements 2019 included in the annual report

Our opinion

We have audited the financial statements 2019 of Tricer NL Bidco 3 B.V., based in Amsterdam.

In our opinion:

- The accompanying consolidated financial statements give a true and fair view of the financial position of Tricer NL Bidco 3 B.V. as at 31 December 2019, and of its result and its cash flows for 2019 in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and with Part 9 of Book 2 of the Dutch Civil Code
- The accompanying company financial statements give a true and fair view of the financial position of Tricer NL Bidco 3 B.V. as at 31 December 2019, and of its result for 2019 in accordance with Part 9 of Book 2 of the Dutch Civil Code

The consolidated financial statements comprise:

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Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the "Our responsibilities for the audit of the financial statements" section of our report.

We are independent of Tricer NL Bidco 3 B.V. in accordance with the Wet toezicht accountantsorganisaties (Wta, Audit firms supervision act), the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

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- The Report of the Board of Directors
- Other information as required by to Part 9 of Book 2 of the Dutch Civil Code

Based on the following procedures performed, we conclude that the other information:

- Is consistent with the financial statements and does not contain material misstatements
- Contains the information as required by Part 9 of Book 2 of the Dutch Civil Code

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements. By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements. Management is responsible for the preparation of the other information, including the Report of the Board of Directors in accordance with Part 9 of Book 2 of the Dutch Civil Code and other information as required by Part 9 of Book 2 of the Dutch Civil Code.

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

Rotterdam, 20 July 2021

Ernst & Young Accountants LLP

signed by O.A.M. Eberharter

1 Conditions

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- The authorization concerns inclusion of the auditor's report in the annual report to be tabled at the Annual General Meeting (hereafter AGM) incorporating the financial statements as drawn up.
- The authorization also concerns inclusion of the auditor's report in the annual report to be filed with the Trade Registrar, provided consideration of the financial statements by the AGM does not result in any amendments.
- Financial statements for filing at the offices of the Trade Registrar which have been abridged in accordance with Section 397 of Book 2 of the Dutch Civil Code must be derived from the financial statements adopted by the AGM and a draft version of these financial statements for filing purposes must be submitted to us for inspection.
- The auditor's report can also be included if the financial statements are published electronically, such as on the internet. In such cases, the full financial statements should be published and these should be easily distinguishable from other information provided electronically at the same time.
- If the published financial statements are to be included in another document which is to be made public, authorization to include the auditor's report must again be granted by the auditor.

2 Explanations to the conditions

2.1 Board of supervisory directors and board of executive directors

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Publication of the auditor's report will only be permitted subject to the auditor's express consent. Publication is understood to mean: making available for circulation among the public or to such group of persons as to make it tantamount to the public. Circulation among shareholders or members, as appropriate, also comes within the scope of the term "publication", so that inclusion of the auditor's report in the annual report to be tabled at the AGM similarly requires authorization by the auditor.

2.3 Auditor's reports and financial statements

The authorization concerns publication in the annual report incorporating the financial statements that are the subject of the auditor's report. This condition is based on the auditors' rules of professional practice, which state that the auditor will not be allowed to authorize publication of his report except together with the financial statements to which this report refers.

The auditor will also at all times want to see the rest of the annual report, since the auditor is not allowed to authorize publication of his report if, owing to the contents of the documents jointly published, an incorrect impression is created as to the significance of the financial statements.

2.4 Events between the date of the auditor's report and the AGM

Attention should be paid to the fact that between the date of the auditor's report and the date of the meeting at which adoption, as appropriate, of the financial statements is considered, facts or circumstances may have occurred which materially affect the view given by the financial statements. Under COS 560, the auditor must perform audit procedures designed to obtain sufficient audit evidence to ensure that all events occurring before the date of the auditor's report that warrant amendment of or disclosure in the financial statements have been identified.

If the auditor becomes aware of events that may be of material significance to the financial statements, the auditor must consider whether those events have been adequately recognized and sufficiently disclosed in the notes to the financial statements. If between the date of the auditor's report and the date of publication of the financial statements, the auditor becomes aware of a fact that may have a material impact on the financial statements, the auditor must assess whether the financial statements should be amended, discuss the matter with management and act as circumstances dictate.

2.5 Trade Registrar

The financial statements are tabled at the AGM (legal entities coming within the scope of Title 9 of Book 2 of the Dutch Civil Code table the directors' report and the other information as well). The AGM considers adoption of the financial statements. Only after the financial statements have been adopted, do they become the statutory (i.e., the company) financial statements. As a rule, the statutory financial statements will be adopted without amendment. The auditor's report must be attached to the statutory financial statements as part of the other information. As a rule, the text of this report will be the same as that issued earlier. The documents to be made public by filing at the offices of the Trade Registrar will consist of the statutory financial statements, the directors' report and the other information. The auditor's report which refers to the unabridged financial statements will then have to be incorporated in the other information. If consideration of the financial statements by the AGM does not result in any amendments, the auditor's report may be attached to the financial statements adopted, by the AGM and, provided the annual report and financial statements are filed promptly at the offices of the Trade Registrar, published as part of these annual report and financial statements.

2.6 Other manner of publication

The financial statements may also be published other than by filing at the offices of the Trade Registrar. In that event, too, inclusion of the auditor's report is permitted, provided the financial statements are published in full. If publication concerns part of the financial statements or if the financial statements are published in abridged form, publication of any report the auditor has issued on such financial statements will be prohibited, unless:

- a. He has come to the conclusion that, in the circumstances of the case, the document concerned is appropriate
Or
- b. Based on legal regulations, publication of the document concerned is all that is required

If less than the full financial statements are published, further consultation with the auditor is essential. If the financial statements and the auditor's report are published on the internet, it should be ensured that the financial statements are easily distinguishable from other information contained on the internet site. This can be achieved, for example, by including the financial statements as a separate file in a read-only format or by including a warning message when the reader exits the financial statements document.

2.7 Inclusion in another document

If the published financial statements are to be included in another document which is to be made public, this is considered a new publication and authorization must again be obtained from the auditor. An example of this situation is the publication of an offering circular which includes the financial statements, after these financial statements have been filed at the office of the Trade Registrar together with the other annual reports. For each new publication, authorization must again be obtained from the auditor.

2.8 Events after the AGM

Even if facts and circumstances have become known after the adoption of the financial statements as a result of which they no longer give the statutory true and fair view, the auditor must stand by the report issued on the financial statements as adopted and by the auditor's report filed at the offices of the Trade Registrar. In that event, the legal entity is required to file a statement at the offices of the Trade Registrar on these facts and circumstances accompanied by an auditor's report. In this situation, too, further consultation with the auditor is essential.

Consolidated Financial Statements for the year 2019

Tricer NL BidCo 3 B.V.



A. Report of the Management Board

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A.1 Overview

About us

Tricer NL BidCo 3 B.V. (the "Company") is the holding company, ultimate consolidating DeepOcean Group (together referred to as the 'Group' or 'DeepOcean' and individually as 'Group entities').

DeepOcean is leading, pure play subsea services provider in the areas of Survey, IMR (Inspection, Maintenance and Repair), Subsea Construction and Cable Lay & Trenching. DeepOcean Group (The Company & the Group) offers a breadth of subsea services to cover the full lifecycle, from early studies to decommissioning, for the oil and gas as well as renewable offshore industries.

This strong portfolio of services, coupled with a fleet of 18 owned and chartered vessels and an extensive mission equipment portfolio comprising of 50+ Subsea Intervention Assets, such as ROVs, Trenchers, Module Handling Systems as well as Dredging and Excavation Systems, enables DeepOcean to bundle its subsea services to deliver cost-effective, tailored solutions to meet individual client needs.

DeepOcean is independent of any equipment, technique or manufacturer and therefore is able to focus on the best solutions for its clients. With a global track record for safety, cost-efficiency, flawless operations and innovation, DeepOcean is the preferred pure play subsea service provider for its oil and gas as well as renewable energy customers across the globe.

DeepOcean is a leading global IMR, Subsea Construction and Cable Lay & Trenching operator and has a global presence with offices in Norway, UK, the Netherlands, the US, Mexico, Trinidad and Tobago, Ghana, France, Gabon and Congo.

A.2 Financial Review

Financial highlights

The Group realised US\$490.4M of Revenue (2018: US\$505.8M) from continuing operations with a loss for the period from continuing operations of US\$56.6M (2018: US\$55.6M loss). The loss resulted from the continuing downturn in the market (reduced work and depressed margins), restructuring expenses, and oversupply of vessels in the market. No revenue (2018: nil) and US\$3.6M loss (2018: \$2.3M) for the period were realized from discontinued operations.

Backlog

Our accounting backlog represents the aggregated value of signed contracts until the end of the relevant contract period (excluding extension options and letters of intent). Backlog as at 31 December 2019 amounted to US\$207.8M, which is a increase of 9%, compared to 2018 (US\$190.6M). We expect to recognize US\$170M of this backlog in 2020.

Financial debt and liquidity

At 31 December 2019, total interest-bearing debt amounted to US\$101.6M (2018 US\$109.0M), consisting of the drawn amount on the Revolving Credit Facility (RCF) of US\$84.6M and US\$17.0M of the term loan. The borrowing base under the credit facility is fully drawn. The Group has an ancillary facility of EUR45.0M that can conditionally be increased up to EUR70.0M, with a non-reversible transfer of commitment from the RCF. In addition, there is an option to request a EUR20.0M accordion facility to the RCF. For information about terms on the credit facilities, see note 21. Cash and cash equivalents totalled US\$66.6M (2018 US\$70.4M) at the end of the year.

Financially, the Group's liquidity situation has been stable after the agreement with the lenders of postponement of instalments on the term loan finalised on 30th of November 2018. As per 31st of December 2019, financial covenants for the Group's debt instruments were within the applicable thresholds.

Tricer NL BidCo 3 B.V. has unsecured loan from group companies (not consolidated) at USD137.2 million. At 31 December 2019 the consolidated financial statements show a negative equity.

Current market conditions, as indicated in the outlook paragraph below, have their effect on the Group and its ability to generate stable cash flows for the next few years. To address potential effects of this on the prevailing covenant levels, both current and forecasted covenant levels are continually monitored with internal thresholds for effecting action plans.

A.3 Human Resources

As of 31 December 2019, DeepOcean had 1083 full time employees worldwide (2018: 1070; 2017: 919), of which 1079 (2018:1049, 2017: 899) work outside of the Netherlands, divided as follows:

<i>Number of employees</i>	2019	2018
Onshore	501	505
Offshore	582	565
Total	1 083	1 070

A.4 Risk Management

DeepOcean's financial and operational performance may be adversely affected by a variety of risks and economic developments. DeepOcean's Board of Directors sets, and periodically reviews, the level of risk that the Board is willing to take in pursuit of the company's objectives. The CEO together with Executive Management drives the risk management process and facilitates the assessment of strategic risks. The Board of Directors evaluates the effectiveness of DeepOcean's risk management, which results in an appropriate level of objectivity in the assessment of risks.

DeepOcean has implemented a number of internal controls in 2019 and will continue to progress the controls in 2020 to ensure an accurate view of potential risks and to implement mitigating actions for any risks. The DeepOcean approach is centralised around four key pillars.

- Governing documents & procedures
 - The business management system is currently being redesigned and this will lead to a simplified but more effective and coherent set up of procedures and governing documents
- Top down risk assessment
 - The top down risk assessment was conducted by the CEO and the corporate team in Q3 2019 and was presented to the board of directors in September 2019
 - This risk assessment was set on a DeepOcean scale with the following criteria
 - Very high-risk exposure; Board of directors' focus
 - High risk exposure; CEO focus
 - Medium risk exposure; Senior management team focus
 - Low risk exposure; Regional management focus
- Internal audits
 - Internal audits conducted by the CFO team in 2019 and subsequently in Q1 2020 included;
 - Mexico
 - Delta Subsea
 - DeepOcean Ghana Ltd
 - GNS Subsea Services

The internal audits systematically reviewed all income statement and balance sheet accounts, including back up documentation, bank reconciliations, financial closing processes and project reviews. The audits also included a business risk assessment with the regional managing director and the regional finance director. After the conclusion of each internal audit, an audit summary was prepared by the CFO team and presented to the CEO and executive team. The audit summary includes an action plan with follow up dates for each region to ensure the progress of any outstanding items

- Self-risk assessment
 - The self-risk assessments are carried out by the regions before the internal audits and this self-assessment helps build the basis for the internal audit

Group risk profile

Below is an overview of material risks that are of most relevance for achieving DeepOcean's long-term goals and strategy. This risk overview is not exhaustive. There may be risks which are currently not deemed material, but which could have a substantial adverse effect. (See note 3 – Financial statement)

Risk category	DeepOcean's Risk Appetite	Key Risk Areas
Business & Marketing Risk	For both Business & Marketing risk and Commercial risks, acceptable risk levels vary depending on the subject at hand, where expected rewards have to justify the risk.	Customer and geographical concentration
Commercial Risk		- Demand from oil & gas and offshore renewables companies - Inability to be (price) competitive - Contracting risk
Operational Risk	Operational risks are handled with a moderate risk appetite. However, all risks related to HSEQS are subject to low risk appetite.	- Fleet flexibility - Innovation - Unsuccessful project execution - HSEQS incidents - Asset unreliability - Inability to attract and retain key employees - Organizational alignment - Cyber security
Regulatory Risk	Compliance is subject to a very low risk appetite as DeepOcean strives for a 100% compliance with legal and regulatory requirements.	- Non-Compliance with law and regulation - Countries of operation
Financial Risk	Financial risk appetite is low, with the intent to limit financial risks and maintain long-term solvency.	- Liquidity & Credit Risk - Currency Risk - Interest rate risk

Insurance & legal

DeepOcean is insured against a variety of risks. Risks related to general liability are covered at Company level. Vessels and equipment are insured, and local cover is arranged for risks associated with normal business operations, such as insurance for the buildings and for employees. Some operating companies are involved in claims, either as the claimant or the defendant, within the context of normal business operations. Where necessary proper provisions have been accounted for in the financial statements (refer to note 10.4 and 24). Based on developments thus far, it is not anticipated that DeepOcean's financial position will be noticeably affected by any of these proceedings.

A.5 Governance

Corporate Governance

The Management Board members are jointly responsible for the management of the Company and the enterprise connected with it. The Management Board consist of Kristian Diesen and Terje Askvig.

General Meetings

At least one General Meeting of Shareholders, the Annual General Meeting ('AGM'), shall be held or at least once a written resolution of shareholders shall be adopted during each financial year. The meeting shall be held at such time as the Directors shall designate. The meeting shall be held at the municipality in which the Company has its official seat or in another location, provided that in such case all of the Company's issued capital is represented and each person with meeting rights, to the extent required by law, has been duly convened or has given consent thereto.

A.6 Research and Development

The Company is continually working to improve the current product/service portfolio and is developing several new products and services in order to stay competitive (reduced project costs, increased efficiencies, improved operational results) in the markets serviced by DeepOcean (e.g. onshoring of ROV activities, Unmanned Surface Vessels or autonomous ROVs). In addition, these developments will support DeepOcean in potentially entering new markets, by being able to provide an additional range of services (e.g. Deep Sea Mineral Harvesting). In 2019 a substantial progress was made on the engineering and development of the Autonomous Inspection Drone and the DeepOcean Integrated Operations Center. The centre will become operational Q2-2020 and will allow to support the onshoring of operations for vessels in the North Sea.

A.7 Outlook

The average oil price for 2019 dropped 10% from 2018 level to US\$64.3 per barrel Brent Crude, which is still a level where the majority of E&P operators generate healthy cash flows from operations and invest in maintaining and increasing production. Overall offshore E&P spending grew by around 2% for the year and spending on subsea services grew at around 8%. In the IMR segment, activity grew by approximately 3% globally, still resulting in limited improvements in rates and revenues.

Market analysis indicates continuation of growth in both activity and spending in the years to come, eyeing around 4% activity growth p.a. for IMR services and double-digit growth for cable lay and trenching services within the booming offshore wind segment and swiftly recovering SURF segment. This view is further underpinned by offshore sanctioning activity in 2019, which was the highest in six years and represented an increase of 66% year over year in terms of estimated spending. Moreover, after years of shift towards increasing share of spot work, 2019 represented the first year of increase in year-end backlog in both nominal terms and share of secured work since the 2013 for DeepOcean, an early indication of market tightening within the IMR segment. Nevertheless, our near-term expectations for the year to come are to experience similar utilisation and pricing levels as in 2019.

DeepOcean continues to hold great confidence in the fundamental outlook for subsea services. Our service offerings span segments within oil & gas and offshore wind, but also emerging industries within other forms of renewable energy and seabed mining. The split of our Cable Lay & Trenching division and establishment of Enshore has broadened our opportunity set and ability to address a larger client universe, further enhancing our strong position within the high growth niche of seabed intervention.

Clients continue to appreciate DeepOcean's "can do" attitude and value-oriented solutions. With our asset light and equipment independent business model, we are well positioned as a partner of choice for tomorrow's IMR services. We are investing in new technology for safer and more efficient ways of delivering our services and will continue to invest in such technologies in the years to come.

In the course of 2019 DeepOcean has continued to run a rigorous cost reduction exercise and will continue to cut cost and leverage operational efficiencies in order to support improved financial results as well as to ensure competitiveness even under a prolonged low oil price.

DeepOcean's strategy sees significant organic growth along with the forecasted market recovery and supported by key cost reduction as well as technology initiatives. As part of the strategy, DeepOcean aims to become a US\$1B company.

In the short term the weak financial results have forced DeepOcean to selectively reduce its workforce, but it is expected that the workforce will increase along with the forecasted revenue increase over the next few years.

A.8 Subsequent events

Subsequent to the end of 2019, there was the beginning of the COVID-19 pandemic and market uncertainty during the first quarter of 2020, the spread of the COVID-19 virus caused global disruption, with negative consequences both for human health and economic activity. At the date of this report, employees in several DeepOcean offices continue to work from home. However, offshore activities in the North Sea and Africa continue as planned with heightened HSEQ focus and protocols.

From a financial reporting perspective, the COVID-19 pandemic and the market uncertainty has impacted the execution of deliveries to clients and the performance of the company. However, as stated above this impact has been mitigated as much as possible by the Group.

Subsequent to the end of 2020, the executive management have continued multiple processes to further safeguard operations and provide the business with stability for the future. Key subsequent events include:

- Approved restructuring plan procedure under Corporate Insolvency and Governance Act 2020 (an "RPP") of the UK business (DeepOcean 1 UK Ltd, DeepOcean Subsea Cables Ltd and Enshore Subsea Ltd)
- Amendment and restatement of the current syndicated credit facility – including a maturity extension and other concessions from the lenders such as lower margins (reduced finance cost), and changes to the bank covenants
- \$15M new equity from majority shareholder Triton (March 2021) which shows – renewed commitment to their investment in DeepOcean and confidence in DeepOcean's future
- Renegotiated reduced charter rates for the Group's long-term charters in the Norway region

One major impact of the RPP process is increased negative equity. This negative equity position is heavily impacted by the due impairment of the right-of-use assets in the UK business (DeepOcean 1 UK Limited, Enshore Subsea Limited & DeepOcean Subsea Cables Limited); US\$83.7M negative impact on the equity position, while the liabilities remained on the balance sheet at the end of 2020. The liabilities of \$91.4M were extinguished from the balance sheet on the 6th January 2021, when a settlement agreed was signed with the external counterparties.

A new loan agreement was signed in January 2021. The key financial covenants as part of a new loan agreement are as follows:

- Liquidity shall at all times exceed \$7.5M until 31st December 2023
- EBITDA covenant is not applicable currently and will be reintroduced on 31st December 2022 with a compliant EBITDA of \$15M over the prior 12 months

Management Board

Article 276 of Book 2 of the Dutch Civil Code ensures a balanced representation of men and women in board of directors of companies such as the Company. Balanced representation of men and women is deemed to exist if at least 30% of the seats are filled by men and at least 30% are filled by women.

The Board is currently not composed according to the principles encouraged by Article 2:276 of the Dutch Civil Code. The company appoints the director deemed to be the most suitable from the available pool of senior manager and other candidates. The Management Board recognises the benefits of diversity, including gender balance and will strive for more diversity in the Management Board, however the board members will also be selected on the basis of wide-ranging experience, backgrounds, skills, knowledge and insights.

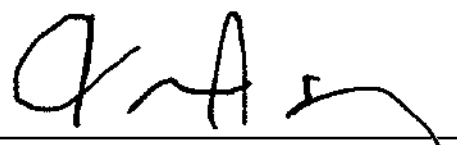
The members of the Management Board have signed the financial statements pursuant to their statutory obligations under Section 2:101 sub 2 the Netherlands Civil Code.

Oslo, 19th July 2021

Management Board



Kristian Diesen



Terje Askvig

B. Consolidated Financial Statements

Notes to the Financial statements

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B.1 Consolidated statement of profit or loss for the year ended 31 December 2019

<i>USD (thousands)</i>	Note	2019	2018
Revenue from contracts with customers	5	490 394	505 817
Direct operating expenses	6	(331 828)	(457 618)
Depreciation and amortisation	11,12	(135 257)	(29 749)
Gross profit		23 309	18 451
Sales, general and administrative expenses	6	(22 404)	(33 711)
Impairment of fixed assets	6	(5 252)	(138)
Other expenses	6	(20 112)	(11 470)
Share of net income from investments accounted for using the equity method	13	487	948
Loss from operating activities		(23 972)	(25 920)
Finance income		481	354
Finance expense		(37 409)	(28 229)
Net finance expense	9	(36 928)	(27 875)
Loss before tax		(60 900)	(53 795)
Corporate income tax (expense)/credit	10	4 282	(1 810)
Loss for the period from continuing operations		(56 618)	(55 605)
Discontinued operations			
Loss for the period from discontinued operations	4	(3 632)	(2 347)
Loss for the period		(60 250)	(57 952)
Total loss attributable to:			
Shareholders of the parent		(59 891)	(57 013)
Non-controlling interests		(359)	(939)
		(60 250)	(57 952)

The accompanying notes are an integral part of these consolidated financial statements.

B.2 Consolidated statement of comprehensive income for the year ended 31 December 2019

<i>USD (thousands)</i>	<i>Note</i>	2019	2018
Loss for the period		(60 250)	(57 952)
Items that will not be reclassified to profit or loss			
Reclass external loan to IC loan	22	-	17 930
		-	17 930
Items that may be reclassified subsequently to profit or loss			
Net investment hedge	27	-	(1)
Foreign currency translation differences of foreign operations		(2 028)	11 251
		(2 028)	11 250
Total comprehensive loss for the period, net of tax		(62 278)	(28 772)
Total comprehensive loss attributable to:			
Shareholders of the parent		(62 220)	(30 104)
Non-controlling interests		(58)	1 332
Total comprehensive loss for the period, net of tax		(62 278)	(28 772)
Total comprehensive loss for the period, net of tax arises from:			
Continuing operations		(58 646)	(26 425)
Discontinued operations		(3 632)	(2 347)
Total comprehensive loss for the period, net of tax		(62 278)	(28 772)

The accompanying notes are an integral part of these consolidated financial statements.

B.3 Consolidated statement of financial position as at 31 Dec 2019

31 December 31 December

USD (thousands)	Note	2019	2018
Assets			
Vessels and equipment	11	361 601	155 787
Intangible assets	12	2 895	2 914
Equity accounted investees	13	591	987
Post-employment benefit asset	23	409	421
Prepaid charter costs	16	2 065	2 772
Deferred tax assets	10	16 137	7 552
Total non-current assets		383 698	170 433
Inventories	17	3 391	3 566
Trade receivables and contract assets	18	98 334	98 734
Current income tax receivable	10	996	694
Assets held for sale	11	15 000	(0)
Cash and cash equivalents	19	66 622	70 420
Total current assets		184 343	173 414
Total assets		568 041	343 847
Equity			
Share capital	20	338	345
Share premium	20	55 513	54 862
Other reserves		27	-
Accumulated losses		(131 535)	(75 022)
Total equity attributable to owners of the Company		(75 657)	(19 815)
Non-controlling interests		(8 836)	(8 778)
Total equity		(84 493)	(28 593)
Liabilities			
Non-current portion of loans and borrowings	21	185 670	31 924
Non-current portion of loans and borrowings from related parties	22	138 688	129 879
Other non-current liabilities		693	707
Non-current portion of post-employment benefit obligation	23	1 276	259
Non-current portion of derivative financial liabilities	25	0	0
Non-current provisions	24	183	311
Non-current income tax liabilities	10	45	116
Deferred income tax liabilities	10	1 215	1 215
Total non-current liabilities		327 770	164 411
Current portion of loans and borrowings	21	202 407	92 871
Current portion of post-employment benefit obligation	23	(0)	(0)
Current portion of derivative financial liabilities	25	4 104	3 833
Trade and other payables	26	115 740	108 175
Current provisions	24	2 569	3 150
Current income tax liabilities	10	(56)	
Total current liabilities		324 764	208 029
Total liabilities		652 534	372 440
Total equity and liabilities		568 041	343 847

The accompanying notes are an integral part of these consolidated financial statements.

B.4 Consolidated statement of changes in equity for the year ended 31 December 2019

Attributable to shareholders of the Company									
USD (thousands)	Notes	Share capital	Share premium	Translation reserve Foreign operations	Other reserves	Retained earnings / (accumulated losses)	Total	Non-controlling interest	Total equity
Balance at 1 January 2018		2	23 091	11 679	(2 120)	(49 273)	(16 621)	(10 109)	(26 730)
Comprehensive income									
Loss for the period		-	-	-	-	(57 013)	(57 013)	(939)	(57 952)
Other comprehensive income									
Net investment hedges	27	-	-	(1)	-	-	(1)	-	(1)
Reclass external loan to IC loan (AXA)						17 930	17 930		17 930
Foreign currency translation of Tricer Lux USD loan						9 351	9 351		9 351
Foreign currency translation differences of foreign operations		-	-	-	-	(370)	(370)	2 270	1 900
Total comprehensive loss for the period		-	-	(1)	-	(30 102)	(30 103)	1 331	(28 772)
Transactions with owners									
Capital contribution		343	29 657	-	-	-	30 000	-	30 000
Foreign currency movement		-	2 114	(11 678)	2 120	4 353	(3 091)	-	(3 091)
Total transactions with owners of the Company		343	31 771	(11 678)	2 120	4 353	26 909	-	26 909
Balance at 31 December 2018		345	54 862	-	-	(75 022)	(19 815)	(8 778)	(28 593)
Attributable to shareholders of the Company									
USD (thousands)	Notes	Share capital	Share premium	Translation reserve Foreign operations	Other reserves	Accumulated losses	Total	Non-controlling interest	Total equity
Balance at 1 January 2019		345	54 862	-	-	(75 022)	(19 815)	(8 778)	(28 593)
Comprehensive income									
Loss for the period		-	-	-	-	(59 891)	(59 891)	(359)	(60 250)
Other comprehensive income									
Net investment hedges	27	-	-	-	-	-	-	-	-
Foreign currency translation of Tricer Lux USD loan						(2 328)	(2 328)		(2 328)
Foreign currency translation differences of foreign operations		-	-	-	-	-	-	301	300
Total comprehensive loss for the period		-	-	-	-	(62 219)	(62 219)	(58)	(62 277)
Transactions with owners									
Capital contribution		0	1 703	-	27	-	1 730	-	1 730
Foreign currency movement		(7)	(1 052)	-	-	5 706	4 647	-	4 647
Total transactions with owners of the Company		(7)	651	-	27	5 706	6 377	-	6 377
Balance at 31 December 2019		338	55 513	-	27	(131 535)	(75 657)	(8 836)	(84 493)

The accompanying notes are an integral part of these consolidated financial statements.

B.5 Consolidated statement of cash flows for the year ended 31 December 2019

<i>USD (thousands)</i>	<i>Notes</i>	2019	2018
Cash flows from continuing operations			
Cash flows from operating activities			
Loss from operating activities		(23 972)	(25 920)
Depreciation and amortisation	11	135 257	29 748
Depreciation and amortisation IFRS16		(107 720)	
Operational expenses adjustments IFRS16		(2 919)	
Share of net income from investments accounted for using the equity method	13	(487)	(948)
Profit on sale of fixed assets	6	(97)	(777)
Impairment losses	6,11	5 252	138
RSU and GSOP income/(expenses) (1)		-	358
		5 314	2 599
Changes in working capital:			
Inventories	17	176	(1 239)
Trade and other receivables	18	356	(3 361)
Prepayments	16	708	-
Trade and other payables	26	7 796	(2 795)
Provisions and employee benefits	23,24	275	(148)
Cash (used in)/generated from operating activities		14 625	(4 944)
Interest and other finance costs paid	21	(11 502)	(14 996)
Interest and other finance income received	21	524	318
Income taxes (paid)/received	10	(2 729)	1 618
Net cash (used in)/generated from operating activities		918	(18 004)
Cash flows from investing activities			
Proceeds from sale of fixed assets	11	1 224	1 629
Purchase of vessels and equipment	11	(6 218)	(16 091)
Acquisition of Group companies	11,15		(36 344)
Dividends received from equity accounted investees		866	875
Net cash used in investing activities		(4 128)	(49 931)
Cash flows from financing activities			
Proceeds from issuance of shares	20		30 000
Proceeds of borrowings	21	9 987	26 179
Repayment of borrowings	21	(5 885)	
Transaction costs related to loans and borrowings	21		
Payment of finance lease		(4 680)	(4 037)
Settlement of derivatives			
Net cash (used in)/generated from financing activities		(578)	52 142
Net decrease in cash and cash equivalents from continuing operations		(3 788)	(15 793)
Cash flows from discontinued operations			
Net change in cash and cash equivalents from discontinued operations		-	-
Net decrease in cash and cash equivalents		(3 788)	(15 793)
Cash and cash equivalents at 1 January		70 413	86 270
Translation differences on cash and cash equivalents		(3)	(64)
Cash and cash equivalents at 31 December	19	66 622	70 413

The accompanying notes are an integral part of these consolidated financial statements.

(1) RSU = Restricted Stock-Unit Plan; GSOP = Growth Stock Option Plan.

B.6 Notes to the Consolidated Financial Statements

1. General information

Tricer NL BidCo 3 BV ("the Company") has its official seat in Amsterdam, the Netherlands. The address of the Company's registered office is Overtoom 141, 1054 HG, Amsterdam, the Netherlands. The Company is registered with the trade register of the Chamber of Commerce under number 67303846. Its ultimate shareholder is Tricer HoldCo S.C.A., having its statutory seat in Luxembourg, and is registered with the Registre de Commerce et des Sociétés under number B210246.

These consolidated financial statements as at and for the year ended 31 December 2019 comprise the Company and its subsidiaries and joint ventures (together referred to as the 'Group' or 'DeepOcean' and individually as 'Group entities').

The Company is the leading, pure play subsea services provider in the areas of Survey, IMR (Inspection, Maintenance and Repair), Subsea Construction and Cable Lay & Trenching.

2. Significant accounting policies

The principal accounting policies applied in the preparation of consolidated financial statements are set out below. These policies have been applied consistently to all periods presented in these consolidated financial statements, unless otherwise stated.

2.1 Statement of compliance

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and as issued by the International Accounting Standards Board (IASB) and with Part 9 of Book 2 of the Dutch Civil Code. The Group presents its financial information in USD x 1,000, except when indicated otherwise.

The consolidated financial statements have been prepared by the Executive Management and were approved by the Management Board on Monday 19th July 2021.

2.2 Basis of preparation – Going Concern

Subsequent to the end of 2019, there was the beginning of the COVID-19 pandemic and market uncertainty during the first quarter of 2020, the spread of the COVID-19 virus caused global disruption, with negative consequences both for human health and economic activity. At the date of this report, employees in several DeepOcean offices continue to work from home. However, offshore activities in the North Sea and Africa continued as planned with heightened HSEQ focus and protocols.

From a financial reporting perspective, the COVID-19 pandemic and the market uncertainty has impacted the execution of deliveries to clients and the performance of the company. However, as stated above this impact has been mitigated as much as possible by the Group.

2020 was a challenging year for the Group, due to a number of factors including the COVID-19 pandemic, the sharp decline of commodity prices in Q1 2020 and the challenging market for the UK business (DeepOcean 1 UK Limited, Enshore Subsea Limited & DeepOcean Subsea Cables Limited) of the Group. DeepOcean executed several measures to ensure the future viability of the Group including reduction in employees (specifically eliminating SG&A positions), reduced investment plans, negotiated reduced vessel rates on long term charters and initiated a full restructuring of the UK business. However, despite the challenging conditions there was no breach of the bank covenants (Liquidity & LTM EBITDA) in 2020.

The restructuring plan procedure under Corporate Insolvency and Governance Act 2020 (an "RPP") of the UK business was not simply a liquidation of certain entities, but has a multitude of interlinked elements that cover the legal, financial and commercial spheres – which in its entirety have ensured the future viability of the Group and will make it increasingly competitive in the years to come. The process follows an extended period of loss-making operations by the UK business and reflects changes in the industry's procurement strategies and available installation capacity, as well as a mismatch between the UK business contractual commitments and market

conditions. The RPP has been approved in court and the UK business is in the process of a solvent wind down. This court approved process has given the Group certainty for ongoing operations and future activities. The key outcomes of the RPP are as follows:

- The UK business has been released of all their liabilities as of 22nd April 2021 (Except a certain % of creditor recovery)
- The liabilities included long term charter vessels with out of market rates
- The solvent wind down of the UK business
- Stops the major cash drain of the Group
- The Group will have more funding headroom, allowing it to be more aggressive towards growth areas and focus on growth in the right areas.
- The retention of the trenching assets to either operate or monetize
- Removes the UK Business which has been the major budget deviation and underperforming business for the Group over the last 36 months

One major impact of the RPP process is temporary negative equity. This temporary negative equity position is due to the impairment of the right-of-use assets in the UK business (DeepOcean 1 UK Limited, Enshore Subsea Limited & DeepOcean Subsea Cables Limited); US\$83.7M negative impact on the equity position, while the liabilities remained on the balance sheet at the end of 2020. The liabilities of \$91.4M were extinguished from the balance sheet on the 6th January 2021, when a settlement agreed was signed with the external counterparties.

In addition, to the RPP process in the UK business, the Group has continued multiple processes to further safeguard operations and provide the business with stability for the future. These processes include the following:

- Amendment and restatement of the current syndicated credit facility – including a maturity extension and other concessions from the lenders such as lower margins (reduced finance cost), and changes to the bank covenants. For more details, reference is made to note 21.1.
- \$15M new equity from majority shareholder Triton (March 2021) which shows – renewed commitment to their investment in DeepOcean and confidence in DeepOcean's future
- Significantly reduced charter rates for the Group's long-term charters in the Norway region

These activities and processes have been the main focus of the Group's management to ensure a solid going concern for the wider DeepOcean Group and are the key anchor and preparation for this process of management assessment.

Management has decided to move its Group Holding entity from a Dutch entity (currently DeepOcean Group Holding B.V.) to a Norwegian entity in the course of 2021. This was to be completed in 2020, however, the focus of the executive management was on the RPP process for the UK business. This will involve a series of mergers resulting in DeepOcean Group Holding BV ceasing to exist and DeepOcean Norway AS becoming the ultimate parent of the DeepOcean Group. (Project Homecoming)

The series of mergers leading to DeepOcean Norway AS becoming the ultimate parent of the DeepOcean Group are as follows:

- DeepOcean Group Holding BV will be merged into Tricer NL BidCo 4 BV
- Merged Tricer NL BidCo 4 BV will be merged into Tricer NL BidCo 3 BV
- Merged Tricer NL BidCo 3 BV will be merged into DeepOcean Norway AS
- DeepOcean Norway will be the surviving entity and will become the group parent company

2.3 Changes in accounting policy and disclosures

New standards, amendments and interpretations adopted by the Company

The Company applied IFRS 16 for the first time in 2019, starting on the 1st of January 2019. The nature and effect of the changes caused by the adoption of these new accounting standards are described below.

The Company has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

IFRS 16, 'Leases'

IFRS 16 was issued in January 2019 and replaces IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases-Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

Effective 1 January 2019 the Group adopted IFRS 16 using the modified retrospective approach and, consequently, comparative information has not been restated. The Group recognised the cumulative effect of initially applying the standard as an adjustment to the opening balance.

IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for most leases under a single on-balance sheet model. At the commencement date of a lease, the Group, as lessee, recognizes a liability to make lease payments and an asset representing the right to use the underlying asset during the lease term ("right-of-use asset"). The standard includes a number of optional practical expedients related to recognition and initial application. Interest expenses on the lease liability as well as depreciation expenses on the right of use asset are calculated and presented separately in the statement of income.

At the date of initial application of IFRS 16, the Group measured lease liabilities at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate at 1 January 2019. Further, the Group recognised right-of-use assets at an amount equal to the lease liability adjusted for prepaid and accrued lease payments.

The Group has applied the following exemptions (practical expedients) to leases previously classified as operating leases at the date of initial application:

- Exemption for short-term leases (defined as 12 months or less)
- Exemption for low value assets

IFRS 16 impact on the consolidated financial statements

On transition to IFRS 16, the Group recognised \$297.3 million USD of right-of-use assets and 297.3 million USD as lease liabilities.

Reference is made to note 28 for further information about the standard, the policy and the IFRS 16 implementation impact

New standards, amendments and interpretations not yet adopted by the Company:

Other standards, amendments to standards, and interpretations of standards, issued but not yet effective, are either not expected to materially impact DeepOcean's Consolidated financial statements, or are not expected to be relevant to DeepOcean's Consolidated financial statements upon adoption.

2.4 Use of estimates and judgments

The preparation of the consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities and disclosure of contingent assets and liabilities as of the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results may differ materially from these estimates. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 3.

2.5 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control is achieved where the Company has the power to govern the financial and operating policies of an entity to affect and obtain benefits from its activities.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred to the former owners of the acquired business, equity interests issued by the Group, fair value of any asset or liability resulting from a contingent consideration arrangement, and fair value of any pre-existing equity interest in the subsidiary. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an

acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated, when necessary amounts reported by subsidiaries have been adjusted to conform to the Group's accounting policies.

On the loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interest and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, it is accounted for as investments accounted for using the equity method or as financial asset at fair value through profit and loss depending on the level of influence retained.

Non-controlling interests

The Group recognises any non-controlling interest on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquirer's identifiable net assets.

Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions - that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

Transactions eliminated on consolidation

Intercompany transactions, intercompany balances and income/expenses on transactions between Group companies are eliminated. Profits and losses resulting from intercompany transactions that are recognised in assets are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

2.6 Discontinued operations

A discontinued operation is a component of the Group's business, the operation and cash flows of which can be clearly distinguished from the rest of the Group and which:

- Represents a separate major line of business or geographical area of operations
- Is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations; or
- Is a subsidiary acquired exclusive with a view to resale.

Classification as a discontinued operation occurs on disposal, abandonment, termination or when the operation meets the criteria to be classified as held for sale, if earlier. When an operation is classified as a discontinued operation, the comparative statement of comprehensive income has been re-presented as if the operation had been discontinued from the start of the comparative year.

2.7 Foreign currency

Functional and presentation currency

These consolidated financial statements are presented in USD, which is the currency of the primary stakeholders. Items included in the financial information of individual entities in the Group are measured using the individual entity's functional currency, which is the currency of the primary economic environment in which the entity operates. The Group is primarily exposed to fluctuations in the foreign currency exchange rates of the Norwegian Kroner, United States Dollar, British Pound and the Euro.

Transaction and balances

Transactions in foreign currencies are translated into the respective functional currencies of Group entities at exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of profit or loss. Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the statement of profit or loss within finance income or expense.

Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet,
- Income and expenses for each statement of profit or loss are translated at average exchange rates (unless this average is not reasonable approximation of the cumulative effect of the rate prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions),
- All resulting exchange differences are recognised in other comprehensive income,

Share capital and share premium, for each balance sheet presented are translated at the closing rate at the date of that balance sheet. Resulting exchange differences are recognised directly in equity.

2.8 Revenue from contracts with customers

Tricer NL BidCo 3 B.V.(the "Company"), is an integrated provider of subsea and marine support vessels and services, such as inspection, maintenance and repair of subsea infrastructures, survey and seabed mapping, seabed intervention, including subsea trenching and protection services, and subsea installation (SURF) and decommissioning services.

Revenue from contracts with customers is recognized when control of the services is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for services.

In general, the Company's revenue streams can be divided into day-rate projects and lump-sum projects.

Under IFRS 15 principles, day-rate projects and lump-sum projects are assessed under the IFRS 15 model. There has not been identified any lease nor sub-lease components in the Company's revenue streams.

1. Day-rate projects:

Day-rate projects relate to the activity in which the Company and its customer have agreed on a daily fee for the services to be provided by the Company in relation to the project. The performance obligation of day-rate projects is considered the daily delivery of the required service by the vessel to the customer of the company. Promises made in the contract with the customer are assessed as whether such promises are capable of being distinct, hereof distinct in the context of the contract, and the transaction price allocated accordingly. The Company recognizes revenue from day-rate project contracts over time, because the customer simultaneously receives and consumes the benefits provided by the Company. The revenue is as such recognized linear on a day-by-day basis over the contract period, and the transaction price is estimated at the contract inception, including any variable considerations.

2. Lump-sum projects:

Lump-sum projects concern projects in which the Company and its customers have agreed on a fixed fee for the services to be provided by the Company in relation to the project. This can be a mixture of the services as described above.

The performance obligation of the Company's lump-sum contracts is assessed on a contract-by-contract basis, evaluation whether any promises made in the contract are capable of being distinct, hereof distinct in the context of the contract. The Company have evaluated that the promised goods or services provided in contracts is capable of being distinct, however not distinct within the context of the project. IFRS 15 states that if a promised good or service is not distinct, an entity shall combine that good or service with other promised goods or services until it identifies a bundle of goods or services that is distinct. In some cases, that would result in the entity accounting for all the goods or services promised in a contract as a single performance obligation. Hence, the Company assess that the bundle of services provided on lump-sum contracts, is one performance obligation.

The Company recognizes revenue from lump-sum project contracts over time, because the customer simultaneously receives and consumes the benefits provided by the Company. The transaction price is estimated at the contract inception, including any variable considerations

The revenue is recognized in accordance with the stage of completion of a contract using a cost-to-cost input model to measure percentage of completion. The method relies on the Company's ability to estimate future costs in an

accurate manner. The estimate to complete (ETC) is based on the schedule of the remaining work and its value, and the ETC is updated monthly. The reviews monitor actual cost of work performed project to date, the estimate cost to complete and the estimate cost at completion. This enables a reliable estimate for the likely outcome in terms of profitability of each project.

Variation considerations

If the consideration in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the services to the customer. Such variation considerations

The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

Contract modifications

A contract modification occurs when the Company and the customer approve a change in the contract scope, price or both. The accounting for a contract modification depends on whether distinct goods or services are added to the arrangement, and on the related pricing in the modified arrangement.

The Company recognize revenue from contract with customers arising from variation orders in the case the Company concludes that rights and obligations created or changed by a modification are enforceable, considering all relevant facts and circumstances including the terms of the contract and other evidences.

Warranty obligations

The Company provides warranties related to its performed services. In case the Company has not met the required criteria in the contract, additional required works are generally for the account of the Company. Such assurance-type warranties are accounted for as a provision under IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

Principle versus agent

The Company has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

Contract balances

Contract assets: A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Trade receivables: A receivable represents the Company's right to an amount of consideration that is unconditional.

Contract liabilities:

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognized when the payment is made. Contract liabilities are recognized as revenue when the Company fulfils the performance obligation (s) under the contract.

2.9 Leasing

At the inception of a contract, The Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Recognition of leases and exemptions

At the lease commencement date, the Group recognizes a lease liability and corresponding right-of-use asset for all lease agreements in which it is the lessee, except for the following exemptions applied:

- Short-term leases (defined as 12 months or less)

- Low value assets

For these leases, the Group recognizes the lease payments as other operating expenses in the statement of profit or loss when they incur.

Lease liabilities

The lease liability is recognized at the commencement date of the lease. The Group measures the lease liability at the present value of the lease payments for the right to use the underlying asset during the lease term that are not paid at the commencement date. The lease term represents the non-cancellable period of the lease, together with periods covered by an option either to extend or to terminate the lease when the Group is reasonably certain to exercise this option.

The lease payments included in the measurement comprise of:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date
- Amount expected to be payable by the Group under residual value guarantees
- The exercise price of a purchase option, if the Group is reasonably certain to exercise that option
- Payments of penalties for terminating the lease, if the lease term reflects the Group exercising an option to terminate the lease.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications, or to reflect adjustments in lease payments due to an adjustment in an index or rate.

The Group does not include variable lease payments in the lease liability. Instead, the Group recognizes these variable lease expenses in profit or loss.

Right-of-use assets

The Group measures the right-of use asset at cost, less any accumulated depreciation and impairment losses, adjusted for any remeasurement of lease liabilities. The cost of the right-of-use asset comprise:

- The amount of the initial measurement of the lease liability recognized
- Any lease payments made at or before the commencement date, less any incentives received
- Any initial direct costs incurred by the Group. An estimate of the costs to be incurred by the Group in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

The Group applies IAS 36 Impairment of Assets to determine whether the right-of-use asset is impaired and to account for any impairment loss identified.

2.10 Employee benefits

Pension obligations

The Group operates various defined contribution pension schemes and three defined benefit pension schemes.

Defined contribution plans

With a defined contribution plan the Group pays contributions to an insurance company. After the contribution has been made, the Group has no further commitment to pay. The contribution is recognised as employee expenses. Prepaid contributions are reflected as an asset (pension fund) to the degree the contribution can be refunded or will reduce future payments. The assets of the scheme are held separately from those of the Group in an independently administered fund. The amount recognised in the Statement of the profit or loss account represents the contributions payable to the scheme in respect of the financial year.

Defined benefit plans

A defined benefit plan is a pension scheme which is not a defined contribution plan. A defined benefit plan is a pension scheme which defines a pension payment which an employee will receive at pension age. The pension payments are normally dependent on one or more factors such as age, number of years in the company, and salary. The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation. In countries where there is no deep market in such bonds, the market rates on government bonds are used.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise. Past-service costs are recognised immediately in income.

One of the defined benefit schemes operated by one of the Group companies represents amounts payable to the Merchant Navy Officers Pension Fund ('MNOFF') in UK. The MNOFF is an industry-wide, multi-employer defined benefit scheme. The Group is unable to identify its share of the scheme's underlying assets and liabilities on a consistent and reasonable basis. The Group accrues an estimated future liability based on the last valuation received and makes payments during the year. Contributions are charged to the profit or loss account in the year in which they are payable, as communicated by the MNOFF.

The two other defined benefit schemes are operated by Norwegian entities. These pension plans are administered by a pension insurance company. The schemes carry, based on present social security regulations, an entitlement to an old-age pension corresponding to a percentage of pensionable income at the time of retirement. The pensions are coordinated with those under the Norwegian National Insurance Scheme.

In the US the group maintains a contributory 401(k) plan.

Bonus plan

In 2019 there was no bonus plan in place.

2.11 Expenses*Direct operating expenses*

Direct operating expenses are charged to profit or loss as incurred. Direct operating expenses principally include operating expenses associated with vessels charter, equipment lease, crew costs and consumable or project related materials. Direct operating expenses are reduced by the amount of partial reimbursements of labour costs received from any government (such as the Norwegian Government) and income from insurance claims.

Sales, general and administrative expenses

Sales, general and administrative expenses are charged to profit or loss as incurred. DeepOcean's sales, general and administrative expenses consist principally of:

- Salaries for employees not allocated to direct expenses, as well as expenses related to share-based compensation;
- Professional fees for independent auditors, lawyers and other consulting expenses;
- Premises, office and travel costs;
- Marketing costs;
- IT and communication expenses.

Other income and expenses

Other income and expenses are charged to profit or loss as incurred. Other income and expenses consist principally of restructuring costs, profit and loss on the sale of fixed assets, impairments, allowance for doubtful debt, and other extraordinary expenses.

Finance income and costs

Finance income and costs consist of finance cost, finance income and foreign currency gains and losses. Finance income comprises interest income on funds invested. Interest income is recognised in profit or loss as it accrues, using the effective interest method. Finance cost comprises interest expense on borrowings, amortised finance charges that are recognised in the statement of profit or loss, and financial instruments carried at fair value through profit and loss.

2.12 Taxation

Taxation expense or income represents the sum of the current tax and deferred tax. Taxes are computed based on tax rates and tax laws enacted or announced at the balance sheet date.

Current tax

Current tax is based on the taxable income for the year, together with any adjustments to tax payable in respect of prior years and considering the potential impact of uncertain tax positions. Taxable income differs from income before taxes as reported in the Consolidated Income Statement because it excludes items of income or expense that are taxable or deductible in other periods and items that are never taxable or deductible. Current tax relating to items recognised directly in equity is recognised in equity and not the Consolidated Statement of Other Comprehensive Income.

Deferred tax

Deferred tax is calculated on the basis of in the difference between reported and fiscal value of assets and liabilities and is accounted for using the balance sheet liability method. Deferred tax assets are recognised to the extent that it is probable that they will be utilised within the next few years and reduced when it is no longer probable that they will be utilized. Assets or liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition of other assets or liabilities in a transaction (other than in a business combination), that does not affect either the taxable income or the accounting income before taxes.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and interests in associates, and joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the near future.

Deferred tax is charged or credited to the Consolidated Income Statement, except when it relates to items charged or credited directly in the Consolidated Statement of Comprehensive Income in which case the deferred tax is also recognised within the Consolidated Statement of Comprehensive Income.

2.13 Owned vessels and equipment (Fixed Assets)**Recognition and measurement**

Vessels and equipment are stated at cost less accumulated depreciation and impairments, if any. The cost of assets includes the costs of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located as well as capitalised borrowing costs.

Dry-dock expenditure incurred to maintain a vessel's classification is capitalised as a distinct component of the asset and amortised over the period until the next dry docking is scheduled for the asset (usually 2½ to 5 years). All other repair and maintenance costs are recognised in the profit or loss as incurred.

Vessels and equipment that are being constructed or developed for future use are classified as assets under construction. Assets under construction are carried at cost, less recognised impairment loss, if any. The assets under construction are reclassified to the relevant asset category upon completion.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

Depreciation

Depreciation for vessels and equipment commences once the asset is placed in service for its intended use. Depreciable lives are determined through economic analysis, reviewing existing business plans and comparison to similar assets. For the vessels, depreciation is calculated per significant component, as the depreciable lives of the different components may vary. The identification of significant components requires management judgment (refer to note 3). Depreciation is calculated as the cost of vessels and equipment less their estimated residual values using the straight-line basis over their estimated useful lives.

Category	Asset Type/Component	Years
Surface vessels	Vessel hull	30
Surface vessels	Loading and unloading equipment	15
Surface vessels	Main engine	20
Surface vessels	Residential containers	15
Surface vessels	Other equipment	15
Surface vessels	Dry docking	2.5 - 5
Subsea equipment	Equipment (ROV, trenchers, etc.)	10
Other	Furniture and fittings	3 - 10
Other	Office equipment	2 - 5
Other	Vehicles	3 - 5

Residual values are estimated based on historical experience with regard to these assets and are established in conjunction with the estimated useful lives of the asset. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. Major modifications, which extend the useful life of marine vessels, are capitalised and amortised over the adjusted remaining useful life of the vessel. Marine inspection costs are expensed in the period incurred.

Non-current assets (or disposal groups) are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs to sell.

2.14 Intangible assets and goodwill

Recognition and measurement

Goodwill

Goodwill on subsidiaries and joint ventures is recognised separately as intangible assets and carried at cost less accumulated impairment losses.

Research and development

Expenditure on research activities is recognised in profit or loss as incurred. Development expenditure is capitalised only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognised in profit or loss as incurred.

Other intangible assets

Other intangible assets, including customer relationships, backlog, patents and trademarks, that are acquired by the Group and have finite useful lives, are measured at cost less accumulated amortisation and any accumulated impairment losses.

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values, using the straight-line method, over their estimated useful lives, and is recognised in profit or loss. Goodwill is not amortised but assessed for impairment annually.

Category	Asset Type/Component	Years
Intangible assets	Goodwill	-
Intangible assets	Customer relationships	10
Intangible assets	Backlog	10

2.15 Interests in equity-accounted investees

Interests in equity-accounted investees can comprise associates or joint ventures (refer to 2.16.1).

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies. Interests in associates are accounted for using the equity method. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of equity-accounted investees, until the date on which significant influence ceases.

2.16 Joint arrangements

Joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor. The Group recognises its direct right to the assets, liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses. These have been incorporated in the financial statements under the appropriate headings.

2.16.1 Joint ventures

Joint ventures are accounted for using the equity method, where interests in joint ventures are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses and movements in other comprehensive income. When the Group's share of losses in a joint venture equals or exceeds its interests in the joint ventures (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint ventures), the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint ventures.

The Group determines at each reporting date whether there is any objective evidence that the investment, using the equity method, needs to be impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the investments and its carrying value and recognises the amount adjacent to share of profit/(loss) of an investee in the statement of profit or loss.

Profits and losses resulting from upstream and downstream transactions between the Group and its investments are recognised in the Group's financial statements only to the extent of unrelated investor's interests in the investments.

2.16.2 Joint operations

The Group recognises its direct right to the assets, liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses and incorporates this in the financial statements under the appropriate headings.

When the Group participates in, but does not have joint control of, a joint operation it shall also account for its interest in the arrangement in accordance with the above if the Group has rights to the assets, and obligations for the liabilities, relating to the joint operation.

2.17 Impairment of non-financial assets

Non-financial assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). Prior impairments of non-financial assets (other than goodwill) are reviewed for possible reversal at each reporting date.

2.18 Financial assets

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

The Company classified its financial assets in four categories:

- Financial assets at amortised cost
- Financial assets at fair value through profit or loss
- Derivatives at fair value designated as hedging instruments

Financial assets at amortised cost:

The Company measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows and,
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Company's financial assets at amortised cost includes trade receivables and other short-term deposit. Trade receivables that do not contain a significant financing component are measured at the transaction price determined under IFRS 15 Revenue from contracts with customers.

The Company's financial assets classified in the category 'amortized cost" comprise 'trade receivables', 'restricted cash' and 'cash and cash equivalents.

Financial assets at fair value through profit or loss:

Financial assets at fair value through profit or loss are acquired principally for the purpose of selling in the short term. Derivatives are also in this category unless they are designated as hedging instruments. Derivatives are initially recognized at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Derivatives are classified as current liability or current asset if they are expected to be settled within 12 months, otherwise they are classified as non-current. Changes in fair value of the derivatives, which are not used as hedging instrument, are recorded in the statement of profit or loss and presented under other finance (expense)/income.

Derivatives at fair value designated as hedging instruments:

Derivatives at fair value are carried in the statement of financial position at fair value with net changes in fair value in OCI.

Impairment of financial assets:

The Company recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For trade receivables and contract assets, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date.

Derecognition of financial assets:

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e., removed from the Company's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired, or
- the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either
- the Company has transferred substantially all the risks and rewards of the asset, or
- the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

2.19 Inventories

Inventories consist of fuel, spare parts and other supplies to be consumed in the rendering of services. These supplies are measured at the lower of cost and net realisable value. The cost of inventories is based on the First-in-First-out (FIFO) principle, and includes expenditure incurred in acquiring the inventories and other costs incurred in bringing them to their existing location and condition. Within spare parts a distinction is to be made between 'immaterial' and material spare parts. The immaterial spare parts are to be carried as inventories and recognised as an expense as they are consumed. Material spare parts will qualify for recognition as vessels and equipment. For clarification purposes the useful life (and depreciation) of these material spare parts will commence when it is put in use rather than when it is acquired.

2.20 Trade receivables

Trade receivables are amounts due from customers for services performed in the ordinary course of business representing a right to an amount of consideration that is unconditional.

At initial recognition trade receivables without a significant finance component are recognized at their transaction price and subsequently at amortized cost. If collection is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets. For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. An impairment analysis is performed on all trade receivables at each reporting period to measure any potential credit losses. The assessment includes a review of geographical region, customer type, customer history, customer dialogue, current market conditions and future market conditions. Also, all reasonable and supportable information is taken into consideration in this assessment to ensure a probability-weighted outcome. Generally, trade receivables are written-off if past due for more than one year and are not subject to settlement negotiations.

2.21 Cash and cash equivalents

In the consolidated balance sheet cash and cash equivalents comprise cash in hand and deposits held at call with banks. Bank overdrafts, if any, are shown within borrowings in current liabilities.

2.22 Share capital

Ordinary shares are classified as equity. The term 'shares' as used in the consolidated financial statements means ordinary shares issued by the Company. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

2.23 Financial liabilities

Financial liabilities are classified, at initial recognition, as loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. Derivatives are recognised initially at fair value. Loans, borrowings and payables are recognised at fair value net of directly attributable transaction costs. Derivatives are financial liabilities when the fair value is negative, accounted for similarly as derivatives as assets.

Loans, borrowings and payables:

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss. Payables are measured at their nominal amount when the effect of discounting is not material.

Derecognition of financial liabilities:

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial assets and liabilities:

Financial assets and liabilities are offset, and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

Hedge accounting:

Hedges of net investments in foreign operations are accounted for similarly to cash flow hedges. Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognized in other comprehensive income and accumulated in the translation reserves in equity. The gain or loss relating to the ineffective portion is recognized immediately in profit or loss under other finance (expense)/income. Gains and losses accumulated in equity are reclassified to profit or loss when the foreign operation is partially disposed of or sold.

2.24 Loans and borrowings

Loans and borrowings are recognised initially at carrying amount, less attributable transaction costs. Subsequent to initial recognition, borrowings are measured at amortised cost using the effective interest method. The amount due within one year is presented under current liabilities.

Attributable transaction costs include costs associated with the issuance of debt and are amortised using the effective interest rate method of amortisation over the expected life of the related debt agreement or on a straight-line basis over the expected life of the related debt agreement if the straight-line method approximates the effective-interest rate method of amortisation.

2.25 Provisions

Provisions are recognised when: (i) the Group has a present legal or constructive obligation as a result of past events; (ii) it is probable that an outflow of resources will be required to settle the obligation; (iii) the amount has been reliably estimated. Provisions are not recognised for future operating losses. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

Onerous contracts

A provision for onerous contracts is recognised when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract.

2.26 Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade and other payables are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade and other payables are recognised initially at fair value plus any directly attributable transaction costs if any. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

2.27 Statement of cash flows

The consolidated statement of cash flows is prepared using the indirect method. The consolidated statement of cash flows distinguishes between operating, investing and financing activities. Cash flows in foreign currencies are converted at the exchange rate at the dates of the transactions. Currency exchange differences on cash held are separately shown. Payments and receipts of corporate taxes are included as cash flow from operating activities.

In the consolidated statement of cash flows, cash and cash equivalents includes cash in hand, deposits held at call with banks and bank overdrafts. In the consolidated balance sheet, bank overdrafts are shown within borrowings in current liabilities.

3. Accounting estimates and judgments

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items that are more likely to be materially adjusted due to estimates and assumptions turning out to be wrong. Detailed information about each of these estimates and judgements is included in other notes together with information about the basis of calculation for each affected line item in the financial statements.

3.1 Revenue recognition on long term contracts

The Group accounts for long-term construction, engineering and project management contracts using the input method based on cost incurred (cost method), which is standard for the Group's industry. Contract revenues and total cost estimates are reviewed and revised periodically as work progresses. Adjustments based on the input method are reflected in contract revenues in the reporting period. To the extent that these adjustments result in a reduction or elimination of previously reported contract revenues or costs, a charge or credit is recognised against current earnings; amounts in prior periods are not restated. Such a charge or credit may be significant depending on the size of the project or the adjustment.

The input method requires the Group to make reliable estimates of progress toward completion of contracts and contract revenues and contract costs. The Group believes it assesses its business risks in a manner that allows it to evaluate the outcome of projects for purposes of making reliable estimates. The Group's business risks have involved, and will continue to involve, unforeseen difficulties including weather, economic instability, labour strikes, localised civil unrest, and engineering and logistical changes, particularly in major projects.

3.2 Corporate income taxes

The Group is subject to taxation in numerous jurisdictions and different taxation regimes, including tax regimes covered by production sharing contracts of our customers, the Norwegian tonnage tax regime and deemed profit regimes. Significant judgement is required in calculating the consolidated tax provision. There are transactions for which the ultimate tax determination is uncertain and for which the Group makes provisions based on an assessment of internal estimates and/or appropriate external advice, including decisions regarding whether to recognise deferred tax assets in respect of tax losses. Each year the Group completes a detailed review of uncertain tax positions across the Group and makes provisions based on the probability of the liability arising. Where the final tax outcome of these matters differs from the amounts that were initially recorded, the difference will impact the tax charge in the period in which the outcome is determined.

The Group also recognises the increased scrutiny applied by tax authorities on intercompany transactions. As such, the Group has considered its key transactions with affiliates and has reasonable grounds for concluding that the prices used are at arm's length. This is supported by internal transfer pricing documentation that is consistent with the OECD Guidelines (OECD Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations).

3.3 Vessels and equipment

Vessels and equipment are recorded at cost, and depreciation is recorded on a straight-line basis over the useful lives of the assets. Management uses their experience to estimate the remaining useful life and residual value of an asset. Reassessment particularly takes place when an asset has been upgraded or does not serve its original purpose anymore. When events or changes in circumstances indicate that the carrying value of vessels and equipment may not be recoverable a test for impairment is carried out by management. Where the 'value-in-use' method is used to determine the recoverable amount of an asset, management use their judgment in determining asset utilisation, profitability, remaining life, and the discount rate when performing the calculation. The determination and identification of different components of the vessels is subject to judgment from management. Each part of the vessel that forms a significant part and has a different depreciable life is considered a significant component.

3.4 Allowance for doubtful debt

Trade receivables are shown net of impairment losses arising from identified doubtful receivables from customers. Trade receivables were impaired taking into account the financial position of the debtors, the days outstanding and expected outcome of negotiations and legal proceedings against debtors. Unbilled revenue on (completed) projects does not include impairment losses.

3.5 Fair value of derivatives

The fair value of financial instruments that are not traded in an active market (e.g.: over-the-counter derivatives) is determined by using valuation techniques. The Group uses its judgement to select a variety of methods and makes assumptions that are mainly based on market conditions existing at the end of each reporting period. The Group has used discounted cash flow analysis for various foreign exchange contracts that are not traded in active markets. For definition of fair value hierarchy please see note 27.6.1.

3.6 Defined benefit pension schemes

The present value of the pension obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. Management utilises the services of various qualified actuaries to calculate an estimate of the defined benefit pension liability. Any changes in assumptions made (such as the discount rate) will impact the carrying amount of pension obligations. Other key assumptions for pension obligations are based in part on current market conditions.

3.7 Recognition of provisions and disclosure of contingent liabilities

The Group, in the ordinary course of business, may be subject to various claims and lawsuits involving service providers, employees, tax authorities and others. In consultation with internal and external advisors, management will recognise a provision for related expenses and claims, if information available prior to issuance of the consolidated financial statements indicates a probable event and if the amount of the loss/cost can be reasonably estimated. Contingent liabilities for which a possible obligation exists are disclosed but not recognised.

4. Discontinued operations

All operations related to AXA Enghenaria Submarina Ltda, the Brazilian legal entity of which the group owns 60%, are reported as discontinued operations.

The financial performance from discontinued operations is presented below and resulted in a net loss of \$3.63M:

<i>USD (thousands)</i>	2019	2018
Revenue		
Direct operating expenses		(1 528)
Depreciation and amortisation	(48)	(13)
Gross loss	(48)	(1 541)
Sales, general and administrative expenses	(16)	(35)
Other income		
Results/(loss) from operating activities	(64)	(1 576)
Finance income	43	4
Finance expense	(3 611)	(775)
Net finance expense	(3 568)	(771)
Loss before tax	(3 632)	(2 347)
Corporate income tax credit		
Loss for the period	(3 632)	(2 347)
Results/(loss) attributable to:		
Shareholders of the parent	(3 632)	(2 347)
Non-controlling interests		
Loss for the period	(3 632)	(2 347)

The loss for the period in AXA Engenharia Submarina Ltda, the discontinued operation, are mainly comprised of an FX impact related to a group loan from DeepOcean Brazil

5. Revenue

For management purposes, the Group is organised in various operating segments, based on a combination of geographical regions and service/product lines. The Executive Director of the Board fulfil the role of Chief Operating Decision Maker (CODM) in the Group, and monitor the operating results of its business units separately for the purpose of decision making and performance assessment. Financial information for this exists in management accounting, however individually the segments do not meet the quantitative thresholds required by IFRS 8.22 (a) for reportable segments. The regions all have similar characteristics in terms of economic, nature of service, type of customer, methods of distribution and regulatory environment. Therefore, the operating segments are combined into one reportable segment as presented in this consolidated statement. Net Income measures the Group's performance.

5.1 Geographic information

Revenue

The Group operates highly mobile vessels, which operate in multiple jurisdictions. Revenues from external customers are allocated based on the country of the registered office of the Group subsidiary executing the services.

<i>USD (thousands)</i>	2019	2018
Norw ay	212 040	210 352
United Kingdom	151 247	210 248
Netherlands	6 788	5 620
Americas	75 579	40 316
Africa	44 740	39 281
Total revenue	490 394	505 817

Non-current assets

The allocation of assets is based on the country of the registered office of the Group subsidiary.

<i>USD (thousands)</i>	31 December 2019	31 December 2018
Norw ay	170 089	100 855
United Kingdom	118 303	27 376
Netherlands	38 036	1 318
Americas	55 937	37 342
Africa	1 991	3 543
Total non-current assets	384 356	170 434

5.2 Major customers

Revenue from customers contributing more than 10% to the total revenue is summarised below:

<i>USD (thousands)</i>	2019	2018
Revenue	190 523	238 121
Number of customers	2	3

The two customers contributing more than 10% of overall group revenue each in 2019 are: Equinor Energy AS; AkerBP AS;

5.3 Seasonality of operations

The Group's activities in all segments are subject to seasonal fluctuations as a result of weather conditions. During the winter months, the possibility of adverse weather conditions is significantly higher compared to the summer months. As a result, the Group's revenues and results typically are lower in the first and fourth quarter of the year, particularly in operations in the northern hemisphere.

6. Expenses by nature

The direct operating; sales, general and administrative expenses; and other (income)/expenses are presented below:

- Direct operating expenses:

<i>USD (thousands)</i>	2019	2018
Employee costs	182 185	198 778
Vessel charter costs	28 923	150 113
Other rentals	14 497	18 429
Parts, materials and consumables	57 521	69 947
Other direct operating expenses	48 703	21 872
Total Direct operating expenses	331 828	459 140
From continuing operations	331 828	457 618
From discontinued operations	-	1 528
IFRS 16 impact		
Vessel charter costs	107 232	
Other rentals	1 736	

- Sales, general and administrative expenses:

<i>USD (thousands)</i>	2019	2018
Employee costs	8 954	19 638
Premises and office costs	2 781	4 197
Travel cost	2 262	2 349
Professional fees	2 884	4 714
IT and communications	2 559	2 456
Marketing	705	795
Other (income)/expense	2 275	(404)
Total Sales, general and administrative expenses	22 420	33 745
From continuing operations	22 404	33 745
From discontinued operations	16	35
IFRS 16 impact		
Premises and office costs	1 614	
Travel cost	58	

- Other expenses / (income):

<i>USD (thousands)</i>	2019	2018
Profit on the sale of fixed assets	(97)	(777)
Restructuring costs	14 334	12 248
Impairment of loans to related parties	-	-
Allowance for doubtful debt	5 875	-
Other extraordinary costs	-	-
Total other expense	20 112	11 471
From continuing operations	20 112	11 471
From discontinued operations	-	-
Impairment of fixed assets	5 252	138
Total other expense, including impairments of fixed assets	25 364	11 609

The restructuring costs comprise mainly of fees paid to advisors of the Company, severance payments, specific costs such as salaries related to clearly defined restructuring activities and costs related to the cold stacking of certain vessels.

7. Employee costs

The employee costs include cost related to the Group's long-term incentive plans and pensions.

<i>USD (thousands)</i>	2019	2018
Pensions - defined contribution plans	4 505	4 544
Pensions - defined benefit plans	959	990
Long term incentive plan (RSU)	-	358

8. Independent auditor's remuneration

With reference to Section 2:382a of the Netherlands Civil Code, fees billed to the Group by the principal auditing firm Ernst & Young (EY) Netherlands as the independent statutory auditor of the Group and other member firms of E&Y International, were:

<i>USD (thousands)</i>	2019	2018
Audit - Statutory	576	601
Other related services	-	-
Tax advisory services	79	44
Other services	119	85
Total	774	730

9. Net finance income/(expenses)

<i>USD (thousands)</i>	2019	2018
Finance income		
Interest income on bank and loans	(510)	(318)
Other finance income	(14)	(35)
Total finance income	(524)	(353)
Finance expense		
Interest expense on bank loans and overdrafts	7 943	7 719
Interest expense on loan from related party	10 888	8 875
Interest expense on finance lease	779	853
Interest expense on operational lease	IFRS16 20 314	
Unrealised result of currency derivatives	(104)	1 505
Realised result of currency derivatives	423	125
Net foreign exchange expense	2 663	6 449
Net foreign exchange expense	IFRS16 (4 244)	
Other finance expense	2 358	2 703
Total finance expense	41 020	28 229
Net finance expense recognised in statement of profit or loss	40 496	27 876
From continuing operations	36 928	27 105
From discontinued operations	3 568	771

10. Corporate income tax

10.1 Current corporate income tax

<i>USD (thousands)</i>	2019	2018
Current income tax on loss for the year	2 729	344
Adjustments with respect to prior years	0	36
Non-deductible withholding tax	2 723	1 398
Current corporate income tax expense	5 452	1 778
Origination and reversal of temporary differences	(9 734)	32
Deferred income tax expense/(credit)	(9 734)	32
Total income tax expense/(credit)	(4 282)	1 810

The income tax expense recognised in the period can be reconciled to the accounting profit as follows:

<i>USD (thousands)</i>	2019	2018
Loss before tax from continuing operations	(60 900)	(55 605)
Loss before tax from discontinued operations	(3 632)	(2 347)
Loss before tax for the period	(64 532)	(57 952)
Corporate income tax expense calculated at 25%	(16 133)	(14 488)
Effect of different income tax rates in other jurisdictions	4 273	3 964
Permanent differences/(non-deductible expenses)	3 570	(461)
Non-taxable income	-	-
Unrecognised DTA/(utilisation of previously unrecognised DTA)	(1 740)	9 225
Prior year adjustments	0	36
Other	5 748	3 534
Total	(4 282)	1 810

	2019	2018
Corporate income tax expense calculated at 25%	25,0%	25,0%
Effect of different income tax rates in other jurisdictions	-6,6%	-6,8%
Permanent differences/(non-deductible expenses)	-5,5%	0,8%
Non-taxable income	0,0%	0,0%
Unrecognised DTA/(utilisation of previously unrecognised DTA)	2,7%	-15,9%
Prior year adjustments	0,0%	-0,1%
Other	-8,9%	-6,1%
Total	6,7%	-3,1%

Effective tax rate analysis

2019

For the year ended 31 December 2019 the Group recorded a net tax of \$4.3 million. This resulted in an effective tax rate of 6.7%.

2018

For the year ended 31 December 2018 the Group recorded a net tax of \$1.8 million. This resulted in an effective tax rate of minus 3.1%.

10.2 Recognized deferred tax assets and liabilities

The net movement on the deferred income tax account is as follows:

<i>USD (thousands)</i>	Balance 1 January 2018	Recognised in profit or loss	Recognised in other comprehensive income	Exchange differences	Balance 31 December 2018
Vessels and equipment	126	(58)	-	(6)	62
Receivables	(14)	(46)	-	0	(60)
Post employment benefits	443	(198)	(239)	(10)	(4)
Provisions	669	(429)	459	(57)	642
Tax losses carried forward	4 312	924	-	(427)	4 809
Other	1 010	(226)	(36)	21	769
Total	6 546	(34)	184	(479)	6 218

<i>USD (thousands)</i>	Balance 1 January 2019	Recognised in profit or loss	Recognised in other comprehensive income	Exchange differences	Balance 31 December 2019
Vessels and equipment	62	2 271	-	3	2 336
Receivables	(60)	36	18	2	(4)
Post employment benefits	(4)	155	-	4	155
Provisions	642	(10)	(0)	(3)	629
Tax losses carried forward	4 809	4 147	-	108	9 064
Other	769	3 135	(1 164)	(43)	2 697
Total	6 218	9 734	(1 146)	71	14 877

The movement in deferred income tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

Deferred tax assets and liabilities

<i>USD (thousands)</i>	Assets		Liabilities		Net	
	31 December 2019	31 December 2018	31 December 2019	31 December 2018	31 December 2019	31 December 2018
Vessels and equipment	2 336	61	-	-	2 336	61
Receivables	(3)	(60)	-	-	(3)	(60)
Post employment benefits	146	(14)	-	-	146	(14)
Provisions	627	641	-	-	627	641
Tax losses carried forward	9 419	5 179	-	-	9 419	5 179
Other	3 612	1 745	(1 260)	(1 215)	2 352	530
Set off of tax components					-	-
Total	16 137	7 552	(1 260)	(1 215)	14 877	6 337
To be recovered after 12 months	8 153	7 552	(1 260)	(1 215)		
To be recovered within 12 months	7 984	-	-	-		
Total	16 137	7 552	(1 260)	(1 215)		

The recognised deferred tax assets are dependent on future taxable profits in excess of profits arising from the reversal of existing taxable temporary differences. Based on forecasted results for each relevant entity, management considered it probable that sufficient future taxable profits will be generated to utilise deferred tax assets.

10.3 Unrecognised deferred tax assets

<i>USD (thousands)</i>	2019	2018
Deductible temporary differences	(1)	2 444
Tax losses	2 470	12 873
Capital allowances	33	12
Total	2 502	15 329

Unrecognised deferred tax assets relate to temporary differences and tax losses carried forward in certain entities where it is currently not probable that future taxable profits will be generated to utilise these assets.

10.4 Tax liabilities

Group companies receive enquiries from tax authorities and tax audits are performed by tax authorities with Group companies, which may result in disputes in respect of filed tax returns. Tax liabilities are recognised when it is considered probable that there will be a future outflow of funds to a tax authority. In such cases, a provision is made for the amount that is expected to be settled, where this can be reasonably estimated. This requires the application of judgement as to the ultimate outcome, which can change over time depending on facts and circumstances. A change in estimate of the likelihood of a future outflow and/or in the expected amount to be settled would be recognised in income in the period in which the change occurs.

11. Vessels and equipment

<i>USD (thousands)</i>	Vessels	Mission equipment	Other	Right-of-use- assets	Assets under construction	Total
Costs						
Balance at 1 January 2018	206 333	232 522	10 780		3 068	452 703
Additions	6 255	3 722	1 514		4 962	16 453
Acquisition of business		39 649	2 310		35	41 994
Retirement and disposals		(6 889)	(195)		(762)	(7 846)
Exchange differences	(3 100)	(13 178)	(1 593)		(763)	(18 634)
Balance at 31 December 2018	209 488	255 826	12 816	-	6 540	484 670
Balance at 1 January 2019	209 488	255 826	12 816	-	6 540	484 670
Additions		4 694	89	359 539	5 731	370 053
Reclassification	99	3 622	133		(8 150)	(4 296)
Asset classified as held for sale	(86 406)					(86 406)
Retirement and disposals	(16 788)	(90 833)	(3 955)		(1 665)	(113 241)
Impairments	(21 916)					(21 916)
Exchange differences	599	13	1 618		(433)	1 797
Balance at 31 December 2019	85 076	173 322	10 701	359 539	2 023	630 661
Accumulated depreciation						
Balance at 1 January 2018	(142 103)	(163 647)	(6 837)	-	-	(312 587)
Depreciation charge	(9 868)	(18 277)	(1 617)			(29 762)
Retirement and disposals		6 458	408			6 866
Impairments			(138)			(138)
Exchange differences	2 827	2 438	1 473			6 738
Balance at 31 December 2018	(149 144)	(173 028)	(6 711)	-	-	(328 883)
Balance at 1 January 2019	(149 144)	(173 028)	(6 711)	-	-	(328 883)
Depreciation charge	(9 423)	(16 881)	(1 281)	(107 720)		(135 305)
Retirement and disposals	16 790	89 650	2 942			109 382
Assets classified as held for sale	71 290					71 290
Impairments	16 664					16 664
Exchange differences	(358)	582	(415)	(2 017)		(2 208)
Balance at 31 December 2019	(54 181)	(99 677)	(5 465)	(109 737)	-	(269 060)
Carrying amounts						
At 1 January 2018	64 230	68 875	3 943	-	3 068	140 116
At 31 December 2018	60 344	82 798	6 105	-	6 540	155 787
At 1 January 2019	60 344	82 798	6 105	-	6 540	155 787
At 31 December 2019	30 895	73 645	5 236	249 802	2 023	361 601

Impairment vessels and equipment

In 2019 there were indications that the carrying amount of certain vessels might exceed the estimated recoverable amount (the higher of its value in use and fair value less costs to sell), the possible existence of an impairment loss was investigated.

The Group performed its annual impairment test in December 2019. The Group considers the relationship between its enterprise value and its book value, among other factors, when reviewing for indicators of impairment. External valuations of the owned vessels were also included in this assessment. In the reporting period, management assessed the fair value of these assets and concluded impairments would be necessary. This resulted in a 2019 impairment of USD 5.3 million.

Assets held for sale

In the reporting period, there were assets reclassified to assets held for sale amounting to \$15.0 million (note 4).

12. Goodwill and intangible assets

<i>USD (thousands)</i>	Goodwill	Customer relationships	Backlog	Total
Costs				
Balance at 1 January 2018	1 059	1 282	305	2 646
Additions		318		318
Reclassification		305	(305)	-
Exchange differences	(50)		-	(50)
Balance at 31 December 2018	1 009	1 905	-	2 914
Balance at 1 January 2019	1 009	1 905	-	2 914
Exchange differences	(19)		-	(19)
Balance at 31 December 2019	990	1 905	-	2 895
Accumulated Amortisation				
Balance at 1 January 2018				-
Balance at 31 December 2018	-	-	-	-
Balance at 1 January 2019	-	-	-	-
Balance at 31 December 2019	-	-	-	-
Carrying amounts				
At 1 January 2017	1 059	1 282	305	2 646
At 31 December 2017	1 009	1 905	-	2 914
At 1 January 2018	1 009	1 905	-	2 914
At 31 December 2018	990	1 905	-	2 895

In 2019 there was no further Goodwill recognized, and no additions to minor intangible assets.

13. Equity-accounted investees

13.1 Joint ventures

On 1 December 2014 the Group entered into a joint venture agreement with Technip Norge AS, resulting in the incorporation of Technip-DeepOcean PRS JV DA ('PRS') in Norway, in which both parties own 50% of the shares. The main purpose of the joint venture is to execute the PRS Framework Agreement. The parties have joint control.

In 2018 the Group entered into a joint venture with Level Personal AS, resulting in the incorporation of Level Offshore AS in Norway, in which both parties hold 50% of the shares. The main purpose of the joint venture is to provide staffing services to the offshore industry and the marine market.

<i>USD (thousands)</i>	Share	Profit/(loss)	Assets	Liabilities	Equity	DeepOcean's share in equity	Carrying value
31 December 2018							
Technip-DeepOcean PRS JV DA	50 %	950	3 320	(2 253)	(1 067)	(533)	533
Level Offshore AS	50 %	264	1 380	(1 025)	(355)	(177)	58
Total		1 214	4 700	(3 278)	(1 422)	(711)	591

During the year ended 31 December 2019, the Group did receive dividend from its equity-accounted investments amounting US\$0.9 million (2018: US\$0.8 million). None of these companies are publicly listed and consequently do not have published price quotations. There are no contingent liabilities relating to the Group's interest in the investments accounted for using the equity method.

14. Joint operations

In 2015 the Group entered into an agreement with a Ghanaian partner resulting in the incorporation of DeepOcean Ghana Ltd in Ghana, in which DeepOcean owns 49% of the shares. The main purpose of the joint operations is to execute contracts in Ghana. Despite the fact that the Group only holds 49% of the shares, the parties have joint control.

The shareholder agreement in relation to DeepOcean Ghana Ltd requires consent from both parties for all significant decisions. The two partners have rights to substantially all of the economic benefits of the assets held in the separate vehicle. This entity, as well as its fully owned subsidiary DeepOcean Ghana B.V. is therefore classified as a joint operation.

DeepOcean Ghana Ltd is 100% consolidated in DeepOcean Group.

15. Changes in consolidated interests

In 2019, the Company has liquidated Northwest Maritime AS. Also, DeepOcean Shipping VI AS has been merged into DeepOcean AS.

16. Prepaid charter costs

The Group enters into new charter agreements with ship owners on a regular basis. Mobilization cost associated with a new charter are capitalized and amortized over the term of the lease.

17. Inventories

The inventories comprise of the following:

<i>USD (thousands)</i>	31 December 2019	31 December 2018
Fuel and oil	3 203	3 372
Spare parts	188	194
Total	3 391	3 566

At 31 December 2019 no inventory was written off (31 December 2018: nil). The inventories are for internal use only and not for re-sale. The cost of inventories utilised is recognised as an expense in direct operating expenses.

18. Trade receivables and contract assets

Figure 1 - Table 1

	31 December	31 December
<i>USD (thousands)</i>	2019	2018
Trade receivables		
Receivables from third-party customers	73 381	46 857
Receivables from associates and joint-ventures	500	681
Allowance for expected credit losses	(5 803)	(47)
Net trade receivables	68 078	47 491
Contracts assets		
Other receivables	2 759	3 526
Other current financial assets	27 498	47 717
Net contract assets	30 257	51 243
Total	98 335	98 734

Allowance for expected credit losses on trade receivables and contract assets (ref. note 27.4)

<i>USD (thousands)</i>	2019	2018
Balance at 1 January	(47)	(50)
Provision for expected credit losses	(5 756)	
Write-off	-	-
Foreign currency movement	-	3
Balance at 31 December	(5 803)	(47)

19. Cash and cash equivalents

Unrestricted cash and cash equivalents are available for immediate use by the Group. Cash and cash equivalents in the joint operations in Ghana are available for immediate use subject to approval by both partners in the joint arrangement.

Restricted cash

<i>USD (thousands)</i>	2019	2018
Withheld employee taxes Norway	2 533	2 319

20. Share capital and premium

<i>USD (thousands)</i>	Number of shares	Share capital	Share premium
On issue at 1 January 2018	2 000	2	23 091
New shares issued	30 000 000	343	30 000
Foreign currency movement	-		1 771
On issue at 31 December 2018 - fully paid	30 002 000	345	54 862
Treasury shares		-	-
Outstanding at 31 December 2018 - fully paid	30 002 000	345	54 862
On issue at 1 January 2019	30 002 000	345	54 862
New shares issued	10	0	1 703
Foreign currency movement	-	(7)	(1 052)
On issue at 31 December 2019 - fully paid	30 002 010	338	55 513
Treasury shares		-	-
Outstanding at 31 December 2019 - fully paid	30 002 010	338	55 513

The Management Board proposes no dividend for 2019 (2018: nil).

21. Loans and borrowings

This note provides information about the contractual terms of the Group's interest-bearing loans and borrowings, which are measured at amortised cost. For more information about the Group's exposure to currency risk, interest rate risk, liquidity risk and operational risk, reference is made to note 27.

<i>USD (thousands)</i>		31 December 2019	31 December 2018
Non-current borrowings			
Secured bank loans - Credit Facility - Facility B		17 009	18 387
Unsecured loans from related party		137 187	128 299
Secured loan from related party		1 501	1 580
Finance charges being amortised ¹		(1 161)	(2 198)
Finance lease liabilities		20 155	15 735
Operational lease liabilities	IFRS16	149 667	
		324 358	161 803
Current borrowings			
Secured bank loans - Credit Facility - Facility A		84 575	90 657
Secured bank loans - Credit Facility - Facility B		-	-
Finance charges being amortised ¹		-	-
Bank loan acquired through business combination		-	-
Finance lease liabilities		4 220	2 215
Operational lease liabilities	IFRS16	113 612	
		202 407	92 872
Total		526 765	254 675

¹ The carrying amount of borrowings includes directly attributable costs which are amortized over the term of the loans.

21.1 Secured bank loans

	31 December 2019	31 December 2018
<i>USD (thousands)</i>		
At 1 January	109 044	79 880
Repayment of borrowings	(4 640)	15 638
Proceeds of new borrowings	-	36 988
Exchange differences	(2 820)	(23 462)
At 31 December	101 584	109 044

The Credit Facility of EUR 155.0 million (US\$173.7 million) consists of EUR 80.0 million revolving credit facility (the "Facility A") a EUR 45.0 million performance guarantee facility (the "Facility C"), and a EUR 30.0 million term loan facility (the "Facility B").

In the Credit Facility an additional EUR 20.0 million (US\$22.4 million) feature is available under Facility A. It is also possible to transfer up to EUR 25.0 million from Facility A to a committed performance guarantee facility (the "Facility D"), the transfer/utilization date being the Facility D Increase Date. The committed amount may not be reversed to Facility A. The Credit Facility is secured by all of the assets of the Group including the assets of its present and future subsidiaries.

The Credit Facility contains customary operating and financial covenants, including restrictions on each obligor (and where expressly provided, the subsidiaries of such obligors) with regard to the extent to which we may, among other things, (i) incur additional indebtedness or guarantees; (ii) create liens or other encumbrances on our property; (iii) enter into a merger or similar transaction; (iv) sell or transfer property except in the ordinary course of business; (v) make dividend and other restricted payments; (vi) repurchase Ordinary Shares; and (vii) make acquisitions.

In effect from 30 November 2018 the key financial covenant requirements can be summarised as follows:

Minimum liquidity	Cash in hand + available balance in the Facility should at all times exceed USD 7.5 million.
Minimum Adjusted EBITDA	Total last 12 months adjusted EBITDA for the group per 31 December 2019 shall not be less than USD 16.5 million.

At 31 December 2019 the financial covenants for the Company's debt instruments were within their applicable thresholds.

Current and forecasted covenants are monitored continuously. With the revised credit facility agreement, some ease in the financial covenants was given while monitoring of the Company's ability to meet its debt service obligations was tightened (also see note 27.5 on Liquidity), and where necessary action will be taken to ensure access to funding.

The carrying amounts per currency and year of maturity are as follows:

				31 December 2019	31 December 2018
<i>USD (thousands)</i>	Currency	Nominal interest rate	Year of maturity	Carrying amount	Carrying amount
Facility A - Credit Facility	USD	LIBOR + 4.75%	2023	84 575	90 657
Facility B - Term loan	USD	LIBOR + 4.75%	2023	17 009	18 387
Total				101 584	109 044

The fair value of the outstanding borrowings in 2019 is estimated to approximate their carrying amount as the impact of discounting is not significant.

The maturity date for the Facilities is 28 February 2023, being the revised maturity date.

The availability period for the Facility A is up to and including 27 November 2022, or, in case of an extension of the maturity date for Facility A, up to and including the date falling three months before the final maturity date for Facility A.

The availability period for Facility C is up to and including 27 January 2023.

The availability period for Facility D is the period from and including the Facility D Increase Date to and including 27 January 2023.

The repayment schedule on the remaining part of the Facility B term loan of EUR 25.0 million, drawn in USD, was adjusted in the amendment of 30 November 2018 to 2 annual instalments of EUR 6.5, of which the first is due in 2021. Each instalment is to be repaid in the USD equivalent of the EUR reduction.

The interest is in line with market conditions and is based on LIBOR plus a margin of 4.75% (the level of the margin depends on the leverage of the Group). On the undrawn amount of the Facility A revolver loan interest is charged at 40% of margin, on the Facility C and Facility D performance guarantee loan interest (Guarantee Fee) is charged at 2.125% and a commitment fee on the undrawn Facility C and Facility D is charged at 40% of the Guarantee Fee. The credit facility agreement prior to amendment on 30 November 2018 included a Leverage Suspension Period that ended 1 July 2018. As a condition to Leverage Suspension Period the margin and the Guarantee Fee the company paid were increased with 0.75% for as long as the Leverage Suspension Period was applicable. With the amendment of the agreement the margins were kept at the levels of the Leverage Suspension Period and the Guarantee Fee was increased.

For the drawn amounts of committed loan facility, refer to note 28. The Group has the following undrawn borrowing facilities as per 31 December 2019:

	31 December 2019	31 December 2018
<i>USD (thousands)</i>		
Facility C - Ancillary loan commitment	16 163	18 945
Total	16 163	18 945

The Facility A may be drawn in multiple tranches provided that each tranche must be at least EUR 5.0 million. This minimum amount does not apply to the performance guarantee facility issues. In addition, the Group may add an additional EUR 20.0 million (USD 22.4 million) accordion facility to the Facility A.

21.2 Finance lease liabilities

DeepOcean did enter into new financial lease agreements during 2019 and had per 31 December 2019, 9 lease agreements all classified as financial leases under IFRS. The lease liabilities are effectively:

	31 December 2019	31 December 2018
<i>USD (thousands)</i>		
Gross finance lease liabilities - minimum lease payments		
- No later than 1 year	6 548	3 145
- Between 1 and 5 years	22 126	14 381
- Later than 5 years	-	2 972
Total gross finance lease liabilities	28 674	20 498
Future finance charge on finance lease	(4 299)	(2 548)
Present value of finance lease liabilities	24 375	17 950

The present value of the finance lease liabilities are as follows:

	31 December 2019	31 December 2018
<i>USD (thousands)</i>		
No later than 1 year	4 927	2 215
Between 1 and 5 years	19 447	12 873
Later than 5 years	1	2 862

22. Loans and borrowings from related parties

	31 December 2019	31 December 2018
<i>USD (thousands)</i>		
At 1 January	129 879	132 266
Loans from Tricer LuxBidCo 1 S.à.r.l (accrued interest reclass from current to non-current)	10 124	18 299
Proceeds of new loan	497	
Repayment of borrowings - reclass as Intercompany		(18 412)
Restructuring of loans from Tricer Lux BidCo	(1 736)	
Exchange differences	(76)	(2 274)
At 31 December	138 688	129 879

The related party Tricer LuxBidCo 1 S.à r.l., shareholder in Tricer NL BidCo 3 BV, provided cash funding through interest bearing loan of USD 75.0 million. Maturity date is 30 December 2046, 30 years from the date of the loan agreement. Unless repaid earlier, the loan should be repaid in full together with accrued but unpaid interest to the lender on the repayment date. The loan is unsecured.

Interest is fixed at a rate of 8% per annum and shall accrue daily and calculated based on a 365-day year. At anniversary day the accrued not paid interests are added to the loan balance.

Tricer LuxBidCo 1 S.à r.l. in addition granted an interest-bearing loan of USD 35.0 million. The loan was agreed in connection with an interim dividend of USD 35.0 million to Tricer LuxBidCo 1 S.à r.l. The dividend was not paid to the owner, but remains in the company as debt to the owner. Maturity date is 30 December 2046, 30 years from the date of the loan agreement. Unless repaid earlier, the loan should be repaid in full together with accrued but unpaid interest to the lender on the repayment date. The loan is unsecured.

Interest is fixed at a rate of 8% per annum and shall accrue daily and calculated based on a 365-day year. At anniversary day the accrued not paid interests are added to the loan balance.

The carrying amounts of the credit facilities per currency and year of maturity are as follows:

				31 December 2019	31 December 2018
<i>USD (thousands)</i>	Currency	Nominal interest rate	Year of maturity	Carrying amount	Carrying amount
Loan from related party	USD	8 %	2046	93 200	87 500
Loan from related party	USD	8 %	2046	43 467	40 799
Loan from related party	USD	8 %	2046	497	
Total				137 164	128 299

The fair value of the outstanding borrowings in 2018 is estimated to approximate their carrying amount, as the impact of discounting is not significant. The loans from Tricer LuxBidCo 1 S.à r.l. are presented as Non-current portion of loans and borrowings in the statement of financial position as at 31 December 2018.

Other loans and borrowings from related parties consists of a loan from DeepOcean Brasil Serviços Ltda, which was deconsolidated from the Group per 30 December 2016, to AXA Enghenaria Submarina Ltda.

23. Post-employment benefits

The pension plans expose the Group to actuarial risks, such as longevity risk, currency risk, interest rate risk and market (investment) risk.

The amounts recognised in the statement of financial position are determined as follows:

	31 December 2019	31 December 2018
<i>USD (thousands)</i>		
Present value of funded obligations	9 030	9 602
Less: Fair value of plan assets	8 397	9 905
(Surplus)/ deficit in the plan	633	(303)
MNOPF & MNRPF scheme	234	224
Other post-employment benefits	-	(83)
Total	867	(162)

The movement in the defined benefit obligation over the year is as follows:

	2019	2018
<i>USD (thousands)</i>		
Defined benefit obligations at 1 January	9 682	8 818
Benefits paid by the plan	(201)	(179)
Current service costs	832	827
Interest (income)/expense	250	204
Remeasurement, excluding amounts included in interest (income)/ expense	(1 507)	526
Payroll tax	68	(39)
Exchange differences	(94)	(475)
Defined benefit obligations at 31 December	9 030	9 682

The movement in the fair value of plan assets of the year is as follows:

	2019	2018
<i>USD (thousands)</i>		
Fair value of plan assets at 1 January	10 078	8 382
Contributions paid by the employer	334	1 283
Benefits paid by the plan	(175)	(179)
Administration costs	(19)	(20)
Interest (income)/expense	257	211
Remeasurement, excluding amounts included in interest (income)/ expense	(1 978)	805
Exchange differences	(99)	(404)
Fair value of plan assets at 31 December	8 397	10 078

The amounts recognised in the statement of profit or loss is as follows:

	2019	2018
<i>USD (thousands)</i>		
Current service costs	832	827
Interest (income)/expense	(7)	(8)
Administration costs	19	20
Payroll tax of net pension cost	68	(39)
Exchange differences	5	22
Total	917	822

The expected rate of return on plan assets is equal to the discount rate as used to calculate the corresponding defined benefit obligation and is based on high quality bonds.

The Group's defined benefit plan assets combined comprise the following asset categories:

	31 December 2019	31 December 2018
Equity instruments	9,6%	9,5%
Bonds	12,4%	16,5%
Hold to maturity bonds	62,7%	60,3%
Property	13,4%	12,2%
Other	1,9%	1,5%
Total	100,0%	100,0%

Investments are well diversified, such that the failure of any single investment would not have a material impact on the overall level of assets. The largest proportion of assets is invested in hold to maturity bonds, although the pension fund also invests in equity, property, bonds and other.

The IAS 19R calculations of the defined benefit pension schemes are carried out by the insurance companies. The principal actuarial assumptions used in the calculations are as follows:

	31 December 2019	31 December 2018
Discount rate	2,07 %	2,60 %
Future salary increases	2,25 %	2,75 %
Future increase in payroll tax base	0,00 %	0,00 %

A change of 1% in the assumptions stated above will not have a significant impact on the recognised pension liability in the balance sheet or on the movement recognised in the balance sheet or other comprehensive income.

	defined benefit obligation	
	1 percent increase	1 percent decrease
Discount rate	(1 013)	1 186
Future salary growth	1 263	(1 077)
Future pension growth	350	(232)
Life expectancy	44	(51)

Assumptions regarding future mortality experience are set based on actuarial advice in accordance with published statistics and experience. The mortality rates used are in accordance with Nordea Liv's basis of calculation for Group pension insurance, K2013.

	31 December 2019		31 December 2018	
	Men	Women	Men	Women
Age 20	88,6	92,4	88,6	92,4
Age 40	87,0	90,6	87,0	90,6
Age 60	86,0	89,4	86,0	89,4
Age 65	83,5	86,8	83,5	86,8
Age 80	89,3	91,6	89,3	91,6

The number of participants of the defined benefit plans and the corresponding average age are stated below:

	31 December 2019		31 December 2018	
	Active	Pensioners	Active	Pensioners
Number of participants	237	20	263	20
Average age	44	65	44	64

24. Provisions

<i>USD (thousands)</i>	Onerous contracts	Dilapidations	Total
Balance at 1 January 2019	3 214	247	3 461
Additional provisions recognised	1 161	-	1 161
Provisions utilised during the year	(1 613)	-	(1 613)
Provisions reversed during the year	(100)	-	(100)
Exchange differences	(94)	(64)	(158)
Balance at 31 December 2019	2 569	183	2 752
Analysis of provisions			
Current	2 569	-	2 569
Non-current		183	183
Total	2 569	183	2 752

The provisions are related to employee retention bonuses, property leases and realized losses on customer projects.

25. Derivative financial instruments

<i>USD (thousands)</i>	31 December 2019	31 December 2018
Non-current portion of derivative liabilities	0	-
Current portion of derivative liabilities		
Forward foreign exchange contracts and sw aps	4 104	3 833
	4 104	3 833
Total	4 104	3 833

The interest rate swaps are related to the term B loan of the Credit Facility and swaps a floating interest for a fixed interest rate as described in note 21. The Group does not apply hedge accounting in relation to the interest risk; the change in fair value is recognised in the statement of profit or loss.

26. Trade and other payables

<i>USD (thousands)</i>	31 December 2019	31 December 2018
Trade payables	50 970	55 004
Contract liabilities	58 753	43 757
Wage taxes and social securities	6 040	6 441
Other payables	(3)	2 973
Total	115 762	108 175

Trade and other payables have increased slightly at the end of 2019 compared to 2018. This is mainly caused by an increase in project cost at year end 2019 than 2018.

27. Financial risk management

27.1 Overview

The Group's activities expose it to a variety of financial risks, which can be categorised as market risk, credit risk and liquidity risk. Whereas market risk includes foreign exchange risks and interest rate risks. Management policies have been established to identify, analyse and monitor these risks, and to set appropriate risk limits and controls. Financial risk management is carried out in accordance with the Group Risk Management policy approved by the Executive Management. The written principles and policies are reviewed periodically to reflect changes in market conditions, the activities of the business and laws and regulations affecting our business.

27.2 Market risk - Foreign exchange risk

The Group's revenues are earned in NOK, USD, GBP, and EUR. Sales and expenses in the same currency contribute to mitigating some of the currency risk. The Group continually assesses its exposure and currency derivatives may be used to further reduce this risk.

The main exchange rates used throughout the Group at the balance sheet date, compared to the USD, were as follows:

	NOK		GBP		EUR	
	closing	average	closing	average	closing	average
2018	0,11505	0,12290	1,26816	1,33567	1,14270	1,18119
2019	0,11387	0,11367	1,32228	1,27730	1,12079	1,11955

Exposure

Strengthening/weakening of the USD as of the reporting date against the currencies listed above would have increased/(decreased) profit or loss before tax by the amount shown in the next table. This analysis was performed on a 10% variation in 2019, while in 2018 the analysis was performed on a 5% variation.

	Equity		Profit or loss before tax	
	strengthening	weakening	strengthening	weakening
31 December 2018				
EUR	16 414	(16 414)	(866)	866
GBP	1 497	(1 497)	(383)	383
NOK	22 131	(22 131)	(604)	604
31 December 2019				
EUR	6 428	(6 428)	(556)	556
GBP	1 667	(1 667)	(3 088)	3 088
NOK	46 118	(46 118)	415	(415)

The effect on profit and loss arises in connection with monetary balances denominated in currencies other than the relevant entity's functional currency; the effect on equity arises principally from the translation of assets and liabilities of entities that are not USD functional.

27.3 Market risk - Interest rate risk profile

The Group is exposed to interest-rate risk to borrowings and cash deposits. Primarily, floating-interest rate loans under the Group's Credit Facility involve risk exposure for the Group's future cash flow. The terms of the Group's loans are described in note 21.

At the end of the reporting period the interest rate profile of the Group's interest-bearing assets and liabilities is as follows:

<i>USD (thousands)</i>	Nominal amount	
	31 December 2019	31 December 2018
Fixed rate instruments		
Unsecured loans from group company not consolidated	-	128 299
	-	128 299
Variable rate instruments		
Facility A - Credit Facility	84 575	90 657
Facility B - Term loan	17 009	18 387
Finance lease liabilities	133 767	15 735
	235 351	124 779

The Group assesses its interest rate sensitivity at fair value through profit or loss. A potential change of 100 basis points in interest rates at the end of the reporting period shows the Group's sensitivity to potential changes in interest rates which is reasonably possible:

Interest expense	8 721 491
Average rate	4,75 %
Interest change 100 base points	1,00 %
Change interest (+/-)	1 836 103

27.4 Credit risk

Credit risk arises primarily from cash and cash equivalents held at financial institutions, and to a certain extent, from trade receivables.

Cash balances are only held with large recognised financial institutions in each demographic area where the Group operates.

The Group's exposure of trade receivables is managed through establishing proper credit limits, continuous credit risk assessments for each individual customer. If customers are independently rated, these ratings are used. If there is no independent rating, the credit quality is based on past experience, their financial position and other factors. The utilisation of the credit limits is regularly monitored.

The following table sets out details of the age of the trade receivable and related allowance for doubtful debt

<i>USD (thousands)</i>	31 December 2019	31 December 2018
0 - 60 days	64 203	43 502
60 - 90 days	2 179	3 250
90 - 120 days	1 675	980
120+ days	5 824	(194)
Gross trade receivable	73 881	47 538
Allowance for doubtful debt	(5 803)	(47)
Net trade receivables	68 078	47 491

27.5 Liquidity risk

Liquidity risk is the risk that the Group will be unable to fulfil its operational and financial obligations as they fall due. Liquidity risk has become the most significant risk, both for the Group and the business in general. The Subsea business has been through a severe downturn, which has had a major impact on cash flow and cash reserves. Previous strategies with goals for the Group's leverage ratio, have been replaced by a reality where minimum cash covenants in the credit facility agreement being the measuring point. The Group monitors the risk of lack of available capital/cash and cash equivalents through continued evaluations of its liquidity position combined with a rolling cash flow forecast of its operational activities, including the servicing of its financial obligations.

The Group's liquidity reserve comprises cash and cash equivalents of USD 66.5 million and an undrawn credit facility of USD 21.7 million (note 21.1).

The table below analyses the Group's non-derivative financial liabilities and net-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. Derivative financial liabilities are included in the analysis if their contractual maturities are essential for an understanding of the timing of the cash flows. The amounts disclosed in the table are the contractual undiscounted cash flows.

<i>USD (thousands)</i>	1 year or less	1 - 5 years	Over 5 years
31 December 2018			
Secured bank loans - Credit Facility - Facility B	-	18 387	-
Secured bank loans - Credit Facility - Facility A	90 657	-	-
Unsecured loan from related party	-	-	128 299
Finance lease (including interest)	3 145	14 381	2 972
Interest (including interest rate swap)	-	-	-
Derivative financial instruments (excluding interest rate swaps)	3 833	0	-
Trade and other payables	61 850	-	-
Total	159 485	32 768	131 271
31 December 2019			
Secured bank loans - Credit Facility - Facility B	-	17 009	-
Secured bank loans - Credit Facility - Facility A	84 575	-	-
Unsecured loan from related party	-	-	138 664
Finance lease (including interest)	6 548	22 126	-
Derivative financial instruments (excluding interest rate swaps)	4 104	0	-
Trade and other payables	57 008	-	-
Total	152 235	39 135	138 664

The interest included in the above table is based on the current amounts borrowed with current interest rates and interest rate swaps. No assumptions are included for possible future changes in borrowings or interest payments.

27.6 Fair value estimation

27.6.1 Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the group has classified its financial instruments into the three levels prescribed under the accounting standards. An explanation of each level follows underneath the table.

USD (thousands)	31 December 2019			
	Level 1	Level 2	Level 3	Total
Liabilities				
Derivatives at fair value through profit or loss	4 104	-	-	4 104
Net asset/(liability)	(4 104)	-	-	(4 104)

The table above analyses financial instruments carried at fair value by valuation method and presents the changes in Level 1 instruments for the year ended 31 December 2019. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

There were transfers between level 3 and level 1.

Fair values reflect the credit risk of the instrument and include adjustments to take account of the credit risk of the Group entity and counterparty when appropriate.

27.6.2 Valuation techniques used to determine fair values

The fair value of the forward currency exchange contracts and currency options are primarily based on the fair value quote given by the specialised counterparty. Those quotes are tested for reasonableness by comparison with the Group's own valuation models. The fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date.

27.6.3 Fair value measurements using quoted prices (level 1)

The following table presents the changes in level 1 items for the period ended 31 December 2019:

USD (thousands)	Level 1	Level 2	Level 3	Total
At 1 January 2019	-	-	(3 833)	(3 833)
Transfers into level	(3 833)	-	3 833	-
Total gains/(losses) recognised in:	-	-	-	-
- statement of profit or loss	(310)	-	-	(310)
- statement of other comprehensive income	-	-	-	-
- exchange differences	39	-	-	39
At 31 December 2019	(4 104)	-	-	(4 104)

27.7 Capital risk

The Group's objectives when managing capital is to maintain a capital structure that enables the Group to achieve its strategic objectives and daily needs, and to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders.

In order to maintain or adjust the capital structure, the Group may issue new shares, adjust its dividend policy, return capital to shareholders or sell assets to reduce debt taking into account relevant interest cover and leverage covenants of our external borrowings.

The Group monitors capital on the basis of the debt to adjusted EBITDA ratio. This leverage ratio is calculated as (net) debt divided by adjusted EBITDA. Net debt is calculated as total borrowings less cash and cash equivalents. Adjusted EBITDA is defined as EBITDA from continuing operations adjusted for one-off events including restructuring cost and other non-recurring events which are included in other expenses. The basis of the adjusted EBITDA in 2019 is based on IFRS 16 implemented, while 2018 numbers are excluding IFRS 16 impact.

	31 December 2019	31 December 2018
USD (thousands)		
Total borrowings	526 765	254 675
Less: cash and cash equivalents	66 622	70 420
Net debt	460 143	184 255
Debt to adjusted EBITDA ratio	3,85	18,16
Net debt to adjusted EBITDA ratio	3,37	13,14

27.8 Financial instruments by category

<i>USD (thousands)</i>	Financial assets/ liabilities at amortised cost	Assets/ liabilities at fair value through profit or loss	Total
31 December 2018			
Assets			
Trade receivables	47 495	-	47 495
Cash and cash equivalents	70 420	-	70 420
Total financial assets	117 915	-	117 915
Liabilities			
Borrowings	254 675	-	254 675
Derivative financial liabilities	-	3 833	3 833
Trade payables	55 004	-	55 004
Total financial liabilities	309 679	3 833	313 512
31 December 2019			
Assets			
Trade receivables	68 078	-	68 078
Cash and cash equivalents	66 622	-	66 622
Total financial assets	134 700	-	134 700
Liabilities			
Borrowings	526 765	-	526 765
Derivative financial liabilities	-	4 104	4 104
Trade payables	50 970	-	50 970
Total financial liabilities	577 735	4 104	581 839

The fair value of the receivables and payables approximates their carrying value.

28. Commitments

28.1 Leases

Right-of-use assets	Vessels	Property leases	Cars & trucks	Total
Acquisition cost 1 January 2019	284 948	12 233	147	297 328
Addition of right-of-use assets	58 655	3 423	133	62 211
Acquisition cost 31 December 2019	343 603	15 656	280	359 539
Accumulated depreciation and impairment 1 January 2019				-
Depreciation	106 555	3 082	93	109 731
Accumulated depreciation and impairment 31 December 2019	106 555	3 082	93	109 731
Carrying amount of right-of-use assets 31 December 2019	237 048	12 574	187	249 809
Lease liabilities				
Undiscounted lease liabilities and maturity of cash outflows				Total
Less than 1 year				121 673
1-2 years				94 640
2-3 years				65 479
3-4 years				14 327
4-5 years				1 666
More than 5 years				3 275
Total undiscounted lease liabilities at 31 December 2019				301 060
Summary of the lease liabilities				Total
At initial application 01.01.2019				297 300
New lease liabilities recognised in the year				59 566
Cash payments for the principal portion of the lease liability				-110 534
Interest expense on lease liabilities				20 318
Currency exchange differences				-3 371
Total lease liabilities at 31 December 2019				263 279
Current lease liabilities				113 612
Non-current lease liabilities				149 667
Summary of other lease expenses recognised in profit or loss				Total
Total lease expenses included in other operating expenses				37 534

Practical expedients applied

The Group also leases personal computers, IT equipment and machinery with contract terms of 1 to 3 years. The Group has elected to apply the practical expedient of low value assets for some of these leases and does not recognise lease liabilities or right-of-use assets. The leases are instead expensed when they incur. The Group has also applied the practical expedient to not recognise lease liabilities and right-of-use assets for short-term leases, presented in the table above.

Variable lease payments

In addition to the lease liabilities above, the Group is committed to pay variable lease payments for some of their leases. The variable lease payments are expensed as incurred.

Extension options

The Group's lease of buildings has lease terms that vary from 10 years to 25 years, and several agreements involve a right of renewal which may be exercised during the last period of the lease terms. The Group assesses the likelihood of exercising options at the commencement date, the date when the extension option is made available to DeepOcean. The existence of the extension options is used to maximise operational flexibility and to reduce residual value risks with legal ownership. The extension options are exercisable only by DeepOcean. The Group's potential future lease payments is not included in the lease liabilities.

Purchase options

The Group leases machinery and equipment and vehicles with lease terms of 3 to 5 years. The existence of an option to purchase the machinery and equipment is used to maximise operational flexibility and to reduce residual value risks associated with legal ownership. Some of these contracts includes a right to purchase the assets at the end of the contract term. Consideration payable for purchasing the underlying assets are included when estimating the lease term and lease payments only to the extent it is reasonably certain that DeepOcean will exercise its options. The Group assesses at the commencement date whether it is reasonably certain to exercise the purchase right.

28.2 Capital commitments

At period end the Group had no contractual obligations related to upgrade vessels and equipment:

	31 December 2019	31 December 2018
<i>USD (thousands)</i>		
Within one year	-	253
Total	-	253

28.3 Ancillary loan commitment

The Group uses the Ancillary Facility for contract guarantees and warranties:

	31 December 2019	31 December 2018
<i>USD (thousands)</i>		
Within one year	16 904	7 852
Between one and five years	17 368	24 625
Total	34 272	32 477

29. Contingencies

The Company forms part of a fiscal unity for corporate income tax and transaction tax purposes with its Dutch subsidiary. Each company within the fiscal unity is jointly and severally liable for the fiscal liability of the fiscal unity.

The Company has guaranteed the debts and liabilities of DeepOcean 2 UK Limited and DeepOcean 3 UK Limited, under and prescribed by section 479A and 479C of the Companies Act 2006 existing as at 31st December 2019.

Tax contingencies and provisions

Business operations are carried out in several countries, through subsidiaries and branches of subsidiaries, and the Group is subject to the jurisdiction of a significant number of tax authorities. Furthermore, the mobile offshore nature of the Group's operations means that the Group routinely has to manage complex international tax issues.

The Group is subject to taxation in numerous jurisdictions. In the ordinary course of events operations and transactions will be subject to audit, enquiry and possible re-assessment by different tax authorities. The Group provides for the amount of taxes that it considers probable of being payable as a result of these audits and for which a reasonable estimate can be made. Significant judgement is required in calculating the tax provision. The Group's policy is to co-operate fully with the relevant tax authorities while seeking to defend its tax positions. It is possible that the ultimate resolution of these matters could result in tax charges that are materially higher or lower than the amount provided.

30. Related parties

Key management of the Group includes the members of Board of Directors in DeepOcean Group Holding B.V. and the Executive Management Team. The compensation paid or payable to key management for employee services is shown below.

<i>USD (thousands)</i>	2019	2018
Salaries and other short term employee benefits	2 112	1 272
Post-employment benefits	29	22
Total	2 141	1 294

For further information about the remuneration of the Board of Directors, reference is made to the note 46 in the company financial statements.

The Company furthermore received operational, financial, legal and tax services from its related parties West Park Management Services Limited and Triton Advisers Ltd amounting to USD 2.1 million during 2019.

31. Subsequent events

Subsequent to the end of 2019, there was the beginning of the COVID-19 pandemic and market uncertainty during the first quarter of 2020, the spread of the COVID-19 virus caused global disruption, with negative consequences both for human health and economic activity. At the date of this report, employees in several DeepOcean offices continue to work from home. However, offshore activities in the North Sea and Africa continue as planned with heightened HSEQ focus and protocols.

From a financial reporting perspective, the COVID-19 pandemic and the market uncertainty has impacted the execution of deliveries to clients and the performance of the company. However, as stated above this impact has been mitigated as much as possible by the Group.

Subsequent to the end of 2020, the executive management have continued multiple processes to further safeguard operations and provide the business with stability for the future. Key subsequent events include:

- Approved restructuring plan procedure under Corporate Insolvency and Governance Act 2020 (an "RPP") of the UK business (DeepOcean 1 UK Ltd, DeepOcean Subsea Cables Ltd and Enshore Subsea Ltd)
- Amendment and restatement of the current syndicated credit facility – including a maturity extension and other concessions from the lenders such as lower margins (reduced finance cost), and changes to the bank covenants
- \$15M new equity from majority shareholder Triton (March 2021) which shows – renewed commitment to their investment in DeepOcean and confidence in DeepOcean's future
- Renegotiated reduced charter rates for the Group's long-term charters in the Norway region

One major impact of the RPP process is increased negative equity. This negative equity position is heavily impacted by the due impairment of the right-of-use assets in the UK business (DeepOcean 1 UK Limited, Enshore Subsea Limited & DeepOcean Subsea Cables Limited); US\$83.7M negative impact on the equity position, while the liabilities remained on the balance sheet at the end of 2020. The liabilities of \$91.4M were extinguished from the balance sheet on the 6th January 2021, when a settlement agreed was signed with the external counterparties.

A new loan agreement was signed in January 2021. The key financial covenants as part of a new loan agreement are as follows:

- Liquidity shall at all times exceed \$7.5M until 31st December 2023
- EBITDA covenant is not applicable currently and will be reintroduced on 31st December 2022 with a compliant EBITDA of \$15M over the prior 12 months

32. Subsidiaries and investments of the Group

Company	Country	31 December	31 December
		2019	2018
ADUS DeepOcean Ltd (liquidated Dec 19)	UK	0 %	100 %
AXA Enghenaria Submarina Ltda	Brasil	60 %	60 %
CTC Marine Projects (Guernsey) Ltd	Guernsey	100 %	100 %
DeepOcean 1 UK Ltd	UK	100 %	100 %
DeepOcean 2 UK Ltd ¹	UK	100 %	100 %
DeepOcean 3 UK Ltd ²	UK	100 %	100 %
DeepOcean Africa AS	Norway	100 %	100 %
DeepOcean AS	Norway	100 %	100 %
DeepOcean BV	Netherlands	100 %	100 %
DeepOcean de Mexico, S de RL de CV	Mexico	100 %	100 %
DeepOcean Ghana BV	Ghana	[A]	[A]
DeepOcean Ghana Ltd	Ghana	49 %	49 %
DeepOcean Group Holding BV	Netherlands	100 %	100 %
DeepOcean Guernsey Ltd	Guernsey	100 %	100 %
DeepOcean Management AS	Norway	100 %	100 %
DeepOcean Maritime AS	Norway	100 %	100 %
DeepOcean Middle East DMCC	UAE	100 %	100 %
DeepOcean Norway AS	Norway	100 %	100 %
DeepOcean Shipping AS	Norway	100 %	100 %
DeepOcean Shipping II AS	Norway	100 %	100 %
DeepOcean Shipping III AS	Norway	100 %	100 %
DeepOcean Shipping V AS	Norway	100 %	100 %
DeepOcean Shipping VI AS (merged with DeepOcean AS)	Norway		100 %
DeepOcean Subsea Cables Ltd	UK	100 %	
DeepOcean Subsea Services Limited	UK	100 %	100 %
Delta SubSea International Guyana Inc.	Guyana	100 %	100 %
Delta SubSea LLC	US	100 %	100 %
DOMX Maritima, S de RL de CV ³	Mexico	49 %	49 %
Ensore Subsea Ltd	UK	100 %	
Level Offshore AS	Norway	50 %	50 %
Northwest Maritime AS (liquidated Dec 19)	Norway		100 %
SeaRov Offshore Co Ltd	Myanmar	99 %	99 %
SeaRov Offshore Group	Gabon	100 %	100 %
SeaRov Offshore Limited	UK	100 %	100 %
SeaRov Offshore SAS	France	100 %	100 %
Subsea Trinidad and Tobago Limited	T&T	100 %	100 %
Technip DeepOcean PRS JV DA	Norway	50 %	50 %
Tricer NL Bidco 4 BV	Netherlands	100 %	100 %

¹ DeepOcean 2 UK Limited, Company Registration Number 01275998, is a subsidiary company that is exempt from the requirement to have a Company Audit on their accounts, in accordance with section 479A of the Companies Act

² DeepOcean 3 UK Limited, Company Registration Number SC240196, is a subsidiary company that is exempt from the requirement to have a Company Audit on their accounts, in accordance with section 479A of the Companies Act 2006.

³ Although the Group has 49% of the shares in DOMX Maritima S. de R.L. de C.V. it is fully consolidated

[A] 100% subsidiary of DeepOcean Ghana Ltd

C. Tricer NL Bidco 3 B.V. Company Financial Statements for the year 2019

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C.1 Company statement of profit or loss of Tricer NL BidCo 3 B.V. for the year ended 31 December 2019

<i>USD (thousands)</i>		2019	2018
Share in results from participating interests, after tax	37	(48 593)	(48 441)
Interest expense on loan from related party	40	(10 888)	(9 502)
Other revenue (cost)		(410)	(1)
Profit/(loss) for the period		(59 891)	(57 944)

C.2 Company statement of financial position of Tricer NL BidCo 3 B.V. as at 31 December 2019

<i>USD (thousands)</i>		31 December 2019	31 December 2018
Assets			
Subsidiaries	37	61 607	108 449
Deferred tax assets	38	-	-
Total non-current assets		61 607	108 449
Trade receivables and contract assets	40	-	-
Receivables from related parties	40	-	-
Cash and cash equivalents		0	36
Total current assets		-	36
Total assets		61 607	108 485
Equity			
Share capital		338	345
Share premium		55 513	54 862
Reserves		27	-
Retained earnings		(131 535)	(75 022)
Total equity	39	(75 657)	(19 815)
Liabilities			
Borrowings from related parties not consolidated	40	137 187	128 300
Total non-current liabilities		137 187	128 300
Trade and other payables	41	38	-
Payables to related parties not consolidated	40	39	-
Total current liabilities		77	-
Total liabilities		137 264	128 300
Total equity and liabilities		61 607	108 485

The accompanying notes are an integral part of these company financial statements.

C.3 Notes to the Company Financial Statements

33. General information

The description of the activities of Tricer NL Bidco 3 BV. (the "Company") and the Company structure, as included in the notes to the consolidated financial statements, also apply to the company financial statements.

34. Accounting policies

The Company has prepared its company financial statements in accordance with part 9 of Book 2 of the Netherlands civil code, and specifically, in accordance with section 362.8 of the code. In doing so it has applied the principles of recognition and measurement as adopted in the consolidated financial statements (IFRS). For the Company statement of profit or loss the Company adopted the exemption as described in section 402 of the Netherlands civil code.

Subsidiaries are stated at their net asset value.

Long-term loans and other long-term receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method; less any impairment losses.

35. Other income and expenses after taxation

Profit / (loss) consist of finance expense from interest on loans from parent company at USD 10.9 million.

36. Proposal regarding the appropriation of profit

The Management Board proposes to add the net loss to the accumulated losses.

37. Subsidiaries

The movements in the investments in subsidiaries were as follows:

	31 December 2019	31 December 2018
<i>USD (thousands)</i>		
Balance at beginning of the period	108 449	102 245
Capital contributions and acquisition	-	30 000
Adjustments prior years		-
Reclass external loan to internal loan	-	17 930
Share in result of subsidiaries	(48 593)	(48 441)
Exchange differences	1 751	6 715
Balance at end of the period	61 607	108 449

A list of subsidiaries and affiliated companies is prepared in accordance with the relevant legal requirements (the Netherlands Civil Code Book 2, part 9, Sections 379 and 414) and disclosed in note 32 of the consolidated financial statements.

38. Deferred tax asset

No deferred tax asset was recognized in 2019.

39. Equity

For the movement in equity we refer to the consolidated statement of changes in equity. Additional information on the share capital and premium is disclosed in note 20 in the consolidated financial statements.

The revaluation reserve qualifies as a legal reserve in accordance with Part 9 of Book 2 of the Netherlands Civil Code.

40. Long-term liabilities

The related party Tricer LuxBidCo 1 S.à r.l., shareholder in Tricer NL BidCo 3 BV, provided cash funding through interest bearing loan of USD 75.0 million. Maturity date is 30 December 2046, 30 years from the date of the loan agreement. Unless repaid earlier, the loan should be repaid in full together with accrued but unpaid interest to the lender on the repayment date. The loan is unsecured.

Interest is fixed at a rate of 8% per annum and shall accrue daily and calculated based on a 365-day year. At anniversary day the accrued not paid interests are added to the loan balance.

Tricer LuxBidCo 1 S.à r.l. in addition granted an interest bearing loan of USD 35.0 million. The loan was agreed in connection with an interim dividend of USD 35.0 million to Tricer LuxBidCo 1 S.à r.l. The dividend was not paid to the owner, but remains in the company as debt to the owner. Maturity date is 30 December 2046, 30 years from the date of the loan agreement. Unless repaid earlier, the loan should be repaid in full together with accrued but unpaid interest to the lender on the repayment date. The loan is unsecured.

Interest is fixed at a rate of 8% per annum and shall accrue daily and calculated based on a 365-day year. At anniversary day the accrued not paid interests are added to the loan balance.

The carrying amounts of the credit facilities per currency and year of maturity are as follows:

<i>USD (thousands)</i>	Currency	Nominal interest rate	Year of maturity	31 December 2019	31 December 2018
				Carrying amount	Carrying amount
Loan from related party	USD	8 %	2046	93 200	87 500
Loan from related party	USD	8 %	2046	43 467	40 799
Loan from related party	USD	8 %	2046	497	
Total				137 164	128 299

The fair value of the outstanding borrowings in 2019 is estimated to approximate their carrying amount, as the impact of discounting is not significant. The loans from Tricer LuxBidCo 1 S.à r.l. are presented as Non-current portion of loans and borrowings in the statement of financial position as at 31 December 2019.

41. Trade and other payables

The trade and other payables contain external advisory and insurance costs, and payables to related parties containing of intercompany payables to subsidiaries. This balance is the result of at arm's length transactions during the normal course of business. The fair value of the receivables and payables approximates their carrying value.

42. Corporate income tax

The loss for the year equals taxable losses carried forward. Deferred tax asset is not recognised.

43. Board remuneration

There is no remuneration of the Management Board in 2019 in Tricer NL Bidco 3 BV. For the remuneration of the key management employees, please refer to note 31 of the consolidated financial statements.

44. Basis of preparation – Going Concern

2020 was a challenging year for the Group, due to a number of factors including the continuing COVID-19 pandemic, the sharp decline of commodity prices in Q1 2020 and the challenging market for the UK business (DeepOcean 1 UK Limited, Enshore Subsea Limited & DeepOcean Subsea Cables Limited) of the Group. DeepOcean executed several measures to ensure the future viability of the Group including reduction in employees (specifically eliminating SG&A positions), reduced investment plans, negotiated reduced vessel rates on long term charters and initiated a full restructuring of the UK business. However, despite the challenging conditions there was no breach of the bank covenants (Liquidity & LTM EBITDA) in 2020.

The restructuring plan procedure under Corporate Insolvency and Governance Act 2020 (an “RPP”) of the UK business was not simply a liquidation of certain entities, but has a multitude of interlinked elements that cover the legal, financial and commercial spheres – which in its entirety have ensured the future viability of the Group and will make it increasingly competitive in the years to come. The process follows an extended period of loss-making operations by the UK business and reflects changes in the industry's procurement strategies and available installation capacity, as well as a mismatch between the UK business contractual commitments and market conditions. The RPP has been approved in court and the UK business is in the process of a solvent wind down. This court approved process has given the Group certainty for ongoing operations and future activities. The key outcomes of the RPP are as follows:

- The UK business has been released of all their liabilities as of 22nd April 2021 (Except a certain % of creditor recovery)
- The liabilities included long term charter vessels with out of market rates
- The solvent wind down of the UK business
- Stops the major cash drain of the Group
- The Group will have more funding headroom, allowing it to be more aggressive towards growth areas and focus on growth in the right areas.
- The retention of the trenching assets to either operate or monetize
- Removes the UK Business which has been the major budget deviation and underperforming business for the Group over the last 36 months

One major impact of the RPP process is temporary negative equity. This temporary negative equity position is due to the impairment of the right-of-use assets in the UK business (DeepOcean 1 UK Limited, Enshore Subsea Limited & DeepOcean Subsea Cables Limited); US\$83.7M negative impact on the equity position, while the liabilities remained on the balance sheet at the end of 2020. The liabilities of \$91.4M were extinguished from the balance sheet on the 6th January 2021, when a settlement agreed was signed with the external counterparties.

In addition, to the RPP process in the UK business, the Group has continued multiple processes to further safeguard operations and provide the business with stability for the future. These processes include the following:

- Amendment and restatement of the current syndicated credit facility – including a maturity extension and other concessions from the lenders such as lower margins (reduced finance cost), and changes to the bank covenants. For more details, reference is made to note 21.1.
- \$15M new equity from majority shareholder Triton (March 2021) which shows – renewed commitment to their investment in DeepOcean and confidence in DeepOcean's future
- Significantly reduced charter rates for the Group's long-term charters in the Norway region

These activities and processes have been the main focus of the Group's management in 2020 to ensure a solid going concern for the wider DeepOcean Group and are the key anchor and preparation for this process of management assessment.

Management has decided to move its Group Holding entity from a Dutch entity (currently DeepOcean Group Holding B.V.) to a Norwegian entity in the course of 2021. This was to be completed in 2020, however, the focus of the executive management was on the RPP process for the UK business. This will involve a series of mergers resulting in DeepOcean Group Holding BV ceasing to exist and DeepOcean Norway AS becoming the ultimate parent of the DeepOcean Group. (Project Homecoming)

The series of mergers leading to DeepOcean Norway AS becoming the ultimate parent of the DeepOcean Group are as follows:

- DeepOcean Group Holding BV will be merged into Tricer NL BidCo 4 BV
- Merged Tricer NL BidCo 4 BV will be merged into Tricer NL BidCo 3 BV
- Merged Tricer NL BidCo 3 BV will be merged into DeepOcean Norway AS
- DeepOcean Norway will be the surviving entity and will become the group parent company

45. Subsequent events

Subsequent to the end of 2019, there was the beginning of the COVID-19 pandemic and market uncertainty during the first quarter of 2020, the spread of the COVID-19 virus caused global disruption, with negative consequences both for human health and economic activity. At the date of this report, employees in several DeepOcean offices continue to work from home. However, offshore activities in the North Sea and Africa continue as planned with heightened HSEQ focus and protocols.

From a financial reporting perspective, the COVID-19 pandemic and the market uncertainty has impacted the execution of deliveries to clients and the performance of the company. However, as stated above this impact has been mitigated as much as possible by the Group.

Subsequent to the end of 2020, the executive management have continued multiple processes to further safeguard operations and provide the business with stability for the future. Key subsequent events include:

- Approved restructuring plan procedure under Corporate Insolvency and Governance Act 2020 (an "RPP") of the UK business (DeepOcean 1 UK Ltd, DeepOcean Subsea Cables Ltd and Enshore Subsea Ltd)
- Amendment and restatement of the current syndicated credit facility – including a maturity extension and other concessions from the lenders such as lower margins (reduced finance cost), and changes to the bank covenants
- \$15M new equity from majority shareholder Triton (March 2021) which shows – renewed commitment to their investment in DeepOcean and confidence in DeepOcean's future
- Renegotiated reduced charter rates for the Group's long-term charters in the Norway region

One major impact of the RPP process is increased negative equity. This negative equity position is heavily impacted by the due impairment of the right-of-use assets in the UK business (DeepOcean 1 UK Limited, Enshore Subsea Limited & DeepOcean Subsea Cables Limited); US\$83.7M negative impact on the equity position, while the liabilities remained on the balance sheet at the end of 2020. The liabilities of \$91.4M were extinguished from the balance sheet on the 6th January 2021, when a settlement agreed was signed with the external counterparties.

A new loan agreement was signed in January 2021. The key financial covenants as part of a new loan agreement are as follows:

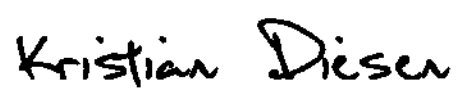
- Liquidity shall at all times exceed \$7.5M until 31st December 2023
- EBITDA covenant is not applicable currently and will be reintroduced on 31st December 2022 with a compliant EBITDA of \$15M over the prior 12 months

Management Board of Directors

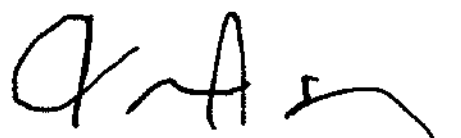
The members of the Management Board have signed the company financial statements pursuant to their statutory obligations under Section 2:101 sub 2 of the Netherlands Civil Code.

Oslo, 19th July 2021

Management Board



Kristian. Diesen,



Terje. Askvig,

Other information

Statutory provisions regarding the appropriation of profit

From the Articles of Association,

Article 17.1.

The allocation of profits accrued in a financial year shall be determined by the General Meeting. If the General Meeting does not adopt a resolution regarding the allocation of the profits prior to or at latest immediately after the adoption of the annual accounts, the profits will be reserved.

Article 17.2.

The General Meetings has the authority to make distributions. If the Company is required by law to maintain reserves, this authority only applies to the extent that the equity exceeds these reserves. No resolution of the General Meeting to distribute shall have effect without the consent of the Board. The Board may withhold such consent only if it knows or reasonably should expect that after the distribution, the Company will be unable to continue the payment of its due debts.

Article 17.3

The General Meeting may resolve to make interim distributions on Shares and/or make distributions on Shares at the expense of any reserves of the Company. In addition, the Board may decide to make interim distributions on Shares.

Independent auditor's report

Reference is made to the independent auditor's report included on the next page.

The board of directors
Tricer NL Bidco 3 B.V.
Attn. Mr. K. Diesen
Overtoom 141
1054 HG AMSTERDAM

Rotterdam, 20 July 2021

REQ5727075/BS/ntb

Dear Mr. Diesen,

Please find enclosed an authenticated copy of the annual report Tricer NL Bidco 3 B.V. for the financial year ended 31 December 2020 and our auditor's report thereon dated 20 July 2021.

We consent, under the conditions as set out in the enclosed information sheet Publication of auditor's report, to include and publish our auditor's report as enclosed, in the section Other information of copies of the annual report for the financial year ended 31 December 2020, provided that they are identical to the enclosed authenticated copy of the annual report, subject to adoption of the audited financial statements, without modification, by the general meeting. The annual report to be filed with the Trade Register of the Chamber of Commerce, including the audited financial statements should be filed within one month of 20 July 2021. Publication of our auditor's report is only allowed together with the corresponding complete set of the annual report.

Our auditor's report states the name of our firm and the name of the responsible audit partner but without a signature. We kindly request you to include our auditor's report without a signature in the version of the annual financial reporting that will be filed and published. We have enclosed one copy of our auditor's report including a signature. This copy is meant for your own filing purposes. It is not allowed to file or publish the authenticated copy of annual financial reporting (initialed by us for identification purposes).

The annual report to be filed with the Trade Register of the Chamber of Commerce needs to be filed no later than eight days after adoption of the financial statements by the general meeting and prior to 1 January 2022. Please note that it is legally required to (timely) file the annual report including the audited financial statements with the Trade Register of the Chamber of Commerce and that non-compliance is an offence punishable by law. In certain situations not complying with the publication requirements could even lead to personal liability for the board of directors (and for the supervisory board).

If prior to the general meeting circumstances arise that require a modification to the financial statements, please note that such modifications should be made prior to the general meeting. In this situation, of course, we withdraw our consent granted above.

All members of the board of directors (including the non-executive directors) sign a copy of the financial statements. If a signature is missing, the reason is included in the annual report to be filed. In order to prevent the abuse of signatures we discourage the filing of a signed copy of the annual report. The annual report to be filed with the Trade Register of the Chamber of Commerce should include the general meeting's adoption date of the financial statements.

If you wish to publish the annual report including the audited financial statements on the internet, it is your responsibility to ensure proper separation of the annual report from other information on the website. For example, by presenting the annual report as a separate read-only file, or by issuing a warning if readers switch from the web page containing the annual report ("You are now leaving the secured page containing the annual report, including the audited financial statements").

Yours sincerely,
Ernst & Young Accountants LLP

O.A.M. Eberharter

Enclosures: Signed auditor's report for your files
Auditor's report without a signature to be included in the annual report
Annual report initialed for identification purposes
Information sheet Publication of auditor's report

Independent auditor's report

To: the shareholder, the non-executive board and the board of directors of Tricer NL Bidco 3 B.V.

Report on the audit of the financial statements 2020 included in the annual report

Our opinion

We have audited the financial statements 2020 of Tricer NL Bidco 3 B.V., based in Amsterdam.

In our opinion:

- The accompanying consolidated financial statements give a true and fair view of the financial position of Tricer NL Bidco 3 B.V. as at 31 December 2020, and of its result and its cash flows for 2020 in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and with Part 9 of Book 2 of the Dutch Civil Code.
- The accompanying company financial statements give a true and fair view of the financial position of Tricer NL Bidco 3 B.V. as at 31 December 2020, and of its result for 2020 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The consolidated financial statements comprise:

- The consolidated statement of financial position as at 31 December 2020
- The following statements for 2020: the consolidated statement of profit or loss, the consolidated statements of comprehensive income, changes in equity and cash flows
- The notes comprising a summary of the significant accounting policies and other explanatory information

The company financial statements comprise:

- The company balance sheet as at 31 December 2020
- The company statement of profit or loss for 2020
- The notes comprising a summary of the accounting policies and other explanatory information

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the Our responsibilities for the audit of the financial statements section of our report.

We are independent of Tricer NL Bidco 3 B.V. in accordance with the Wet toezicht accountantsorganisaties (Wta, Audit firms supervision act), the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

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

Emphasis on the ability to continue as a going concern and the developments relating to COVID-19. We draw attention to the disclosures in the notes to the financial statements in note 2.2 Basis of preparation – Going Concern on page 15 and 16, the disclosure about discontinued operations in note 4 on page 30 and note 31 Subsequent events on page 58. These notes include information related to the restructuring (plans) and (restated) finance facility agreement while also taking into account the uncertainty surrounding the COVID-19 pandemic. Our opinion is not modified in respect of this matter.

Report on other information included in the annual report

In addition to the financial statements and our auditor's report thereon, the annual report contains other information that consists of:

- The Report of the Board of Directors
- Other information as required by to Part 9 of Book 2 of the Dutch Civil Code

Based on the following procedures performed, we conclude that the other information:

- Is consistent with the financial statements and does not contain material misstatements
- Contains the information as required by Part 9 of Book 2 of the Dutch Civil Code

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements. By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

Management is responsible for the preparation of the other information, including the Report of the Board of Directors in accordance with Part 9 of Book 2 of the Dutch Civil Code and other information as required by Part 9 of Book 2 of the Dutch Civil Code.

Description of responsibilities for the financial statements

Responsibilities of management and the non-executive board for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with EU-IFRS and Part 9 of Book 2 of the Dutch Civil Code. Furthermore, management is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, management is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting frameworks mentioned, management should prepare the financial statements using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so. Management should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

The non-executive board is responsible for overseeing the company's financial reporting process.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

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. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgment and have maintained professional skepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included among others:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining 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
- Obtaining 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
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management
- Concluding 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, 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 a company to cease to continue as a going concern
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures
- Evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

Because we are ultimately responsible for the opinion, we are also responsible for directing, supervising and performing the group audit. In this respect we have determined the nature and extent of the audit procedures to be carried out for group entities. Decisive were the size and/or the risk profile of the group entities or operations. On this basis, we selected group entities for which an audit or review had to be carried out on the complete set of financial information or specific items.

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

Rotterdam, 20 July 2021

Ernst & Young Accountants LLP

O.A.M. Eberharter

Independent auditor's report

To: the shareholder, the non-executive board and the board of directors of Tricer NL Bidco 3 B.V.

Report on the audit of the financial statements 2020 included in the annual report

Our opinion

We have audited the financial statements 2020 of Tricer NL Bidco 3 B.V., based in Amsterdam.

In our opinion:

- The accompanying consolidated financial statements give a true and fair view of the financial position of DeepOcean Group Holding B.V. as at 31 December 2020, and of its result and its cash flows for 2020 in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and with Part 9 of Book 2 of the Dutch Civil Code.
- The accompanying company financial statements give a true and fair view of the financial position of Tricer NL Bidco 3 B.V. as at 31 December 2020, and of its result for 2020 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The consolidated financial statements comprise:

- The consolidated statement of financial position as at 31 December 2020
- The following statements for 2020: the consolidated statement of profit or loss, the consolidated statements of comprehensive income, changes in equity and cash flows
- The notes comprising a summary of the significant accounting policies and other explanatory information

The company financial statements comprise:

- The company balance sheet as at 31 December 2020
- The company statement of profit or loss for 2020
- The notes comprising a summary of the accounting policies and other explanatory information

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the "Our responsibilities for the audit of the financial statements section" of our report.

We are independent of Tricer NL Bidco 3 B.V. in accordance with the Wet toezicht accountantsorganisaties (Wta, Audit firms supervision act), the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

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

Emphasis on the ability to continue as a going concern and the developments relating to COVID-19. We draw attention to the disclosures in the notes to the financial statements in note 2.2 Basis of preparation – Going Concern on page 15 and 16, the disclosure about discontinued operations in note 4 on page 30 and note 31 Subsequent events on page 58. These notes include information related to the restructuring (plans) and (restated) finance facility agreement while also taking into account the uncertainty surrounding the Covid-19 pandemic. Our opinion is not modified in respect of this matter.

Report on other information included in the annual report

In addition to the financial statements and our auditor's report thereon, the annual report contains other information that consists of:

- The Report of the Board of Directors
- Other information as required by to Part 9 of Book 2 of the Dutch Civil Code

Based on the following procedures performed, we conclude that the other information:

- Is consistent with the financial statements and does not contain material misstatements
- Contains the information as required by Part 9 of Book 2 of the Dutch Civil Code

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements. By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

Management is responsible for the preparation of the other information, including the Report of the Board of Directors in accordance with Part 9 of Book 2 of the Dutch Civil Code and other information as required by Part 9 of Book 2 of the Dutch Civil Code.

Description of responsibilities for the financial statements

Responsibilities of management and the non-executive board for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with EU-IFRS and Part 9 of Book 2 of the Dutch Civil Code. Furthermore, management is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, management is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting frameworks mentioned, management should prepare the financial statements using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so. Management should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

The non-executive board is responsible for overseeing the company's financial reporting process.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

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. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgment and have maintained professional skepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included among others:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining 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
- Obtaining 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
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management
- Concluding 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, 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 a company to cease to continue as a going concern
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures
- Evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

Because we are ultimately responsible for the opinion, we are also responsible for directing, supervising and performing the group audit. In this respect we have determined the nature and extent of the audit procedures to be carried out for group entities. Decisive were the size and/or the risk profile of the group entities or operations. On this basis, we selected group entities for which an audit or review had to be carried out on the complete set of financial information or specific items.

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

Rotterdam, 20 July 2021

Ernst & Young Accountants LLP

signed by O.A.M. Eberharter

1 Conditions

Authorization to publish the auditor's report is granted subject to the following conditions:

- Further consultation with the auditor is essential if, after this authorization has been granted, facts and circumstances become known which materially affect the view given by the financial statements.
- The authorization concerns inclusion of the auditor's report in the annual report to be tabled at the Annual General Meeting (hereafter AGM) incorporating the financial statements as drawn up.
- The authorization also concerns inclusion of the auditor's report in the annual report to be filed with the Trade Registrar, provided consideration of the financial statements by the AGM does not result in any amendments.
- Financial statements for filing at the offices of the Trade Registrar which have been abridged in accordance with Section 397 of Book 2 of the Dutch Civil Code must be derived from the financial statements adopted by the AGM and a draft version of these financial statements for filing purposes must be submitted to us for inspection.
- The auditor's report can also be included if the financial statements are published electronically, such as on the internet. In such cases, the full financial statements should be published and these should be easily distinguishable from other information provided electronically at the same time.
- If the published financial statements are to be included in another document which is to be made public, authorization to include the auditor's report must again be granted by the auditor.

2 Explanations to the conditions

2.1 Board of supervisory directors and board of executive directors

The auditor usually forwards his report to the board of supervisory directors and to the board of executive directors. This is pursuant to Book 2 of the Dutch Civil Code, section 393 which stipulates inter alia: "The auditor sets out the outcome of his examination in a report". "The auditor reports on his examination to the board of supervisory directors and the board of executive directors".

2.2 Annual General Meeting (AGM)

Publication of the auditor's report will only be permitted subject to the auditor's express consent. Publication is understood to mean: making available for circulation among the public or to such group of persons as to make it tantamount to the public. Circulation among shareholders or members, as appropriate, also comes within the scope of the term "publication", so that inclusion of the auditor's report in the annual report to be tabled at the AGM similarly requires authorization by the auditor.

2.3 Auditor's reports and financial statements

The authorization concerns publication in the annual report incorporating the financial statements that are the subject of the auditor's report. This condition is based on the auditors' rules of professional practice, which state that the auditor will not be allowed to authorize publication of his report except together with the financial statements to which this report refers.

The auditor will also at all times want to see the rest of the annual report, since the auditor is not allowed to authorize publication of his report if, owing to the contents of the documents jointly published, an incorrect impression is created as to the significance of the financial statements.

2.4 Events between the date of the auditor's report and the AGM

Attention should be paid to the fact that between the date of the auditor's report and the date of the meeting at which adoption, as appropriate, of the financial statements is considered, facts or circumstances may have occurred which materially affect the view given by the financial statements. Under COS 560, the auditor must perform audit procedures designed to obtain sufficient audit evidence to ensure that all events occurring before the date of the auditor's report that warrant amendment of or disclosure in the financial statements have been identified.

If the auditor becomes aware of events that may be of material significance to the financial statements, the auditor must consider whether those events have been adequately recognized and sufficiently disclosed in the notes to the financial statements. If between the date of the auditor's report and the date of publication of the financial statements, the auditor becomes aware of a fact that may have a material impact on the financial statements, the auditor must assess whether the financial statements should be amended, discuss the matter with management and act as circumstances dictate.

2.5 Trade Registrar

The financial statements are tabled at the AGM (legal entities coming within the scope of Title 9 of Book 2 of the Dutch Civil Code table the directors' report and the other information as well). The AGM considers adoption of the financial statements. Only after the financial statements have been adopted, do they become the statutory (i.e., the company) financial statements. As a rule, the statutory financial statements will be adopted without amendment. The auditor's report must be attached to the statutory financial statements as part of the other information. As a rule, the text of this report will be the same as that issued earlier. The documents to be made public by filing at the offices of the Trade Registrar will consist of the statutory financial statements, the directors' report and the other information. The auditor's report which refers to the unabridged financial statements will then have to be incorporated in the other information. If consideration of the financial statements by the AGM does not result in any amendments, the auditor's report may be attached to the financial statements adopted, by the AGM and, provided the annual report and financial statements are filed promptly at the offices of the Trade Registrar, published as part of these annual report and financial statements.

2.6 Other manner of publication

The financial statements may also be published other than by filing at the offices of the Trade Registrar. In that event, too, inclusion of the auditor's report is permitted, provided the financial statements are published in full. If publication concerns part of the financial statements or if the financial statements are published in abridged form, publication of any report the auditor has issued on such financial statements will be prohibited, unless:

- a. He has come to the conclusion that, in the circumstances of the case, the document concerned is appropriate
Or
- b. Based on legal regulations, publication of the document concerned is all that is required

If less than the full financial statements are published, further consultation with the auditor is essential. If the financial statements and the auditor's report are published on the internet, it should be ensured that the financial statements are easily distinguishable from other information contained on the internet site. This can be achieved, for example, by including the financial statements as a separate file in a read-only format or by including a warning message when the reader exits the financial statements document.

2.7 Inclusion in another document

If the published financial statements are to be included in another document which is to be made public, this is considered a new publication and authorization must again be obtained from the auditor. An example of this situation is the publication of an offering circular which includes the financial statements, after these financial statements have been filed at the office of the Trade Registrar together with the other annual reports. For each new publication, authorization must again be obtained from the auditor.

2.8 Events after the AGM

Even if facts and circumstances have become known after the adoption of the financial statements as a result of which they no longer give the statutory true and fair view, the auditor must stand by the report issued on the financial statements as adopted and by the auditor's report filed at the offices of the Trade Registrar. In that event, the legal entity is required to file a statement at the offices of the Trade Registrar on these facts and circumstances accompanied by an auditor's report. In this situation, too, further consultation with the auditor is essential.

Consolidated Financial Statements for the year 2020

Tricer NL BidCo 3 B.V.



A. Report of the Board of Directors

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A.1 Overview

About us

Tricer NL BidCo 3 B.V.(the “Company”) is the holding company, ultimate consolidating DeepOcean Group (together referred to as the ‘Group’ or ‘DeepOcean’ and individually as ‘Group entities’).

The leading, pure play subsea services provider in the areas of Survey, IMR (Inspection, Maintenance and Repair), Subsea Construction and Cable Lay & Trenching. DeepOcean Group Holding B.V (the Company) and its subsidiaries (the Group) offers a breadth of subsea services to cover the full lifecycle, from early studies to decommissioning, for the oil and gas as well as renewable offshore industries.

This strong portfolio of services, coupled with a fleet of 18 owned and chartered vessels and an extensive mission equipment portfolio comprising of 50+ Subsea Intervention Assets, such as ROVs, Trenchers, Module Handling Systems as well as Dredging and Excavation Systems, enables DeepOcean to bundle its subsea services to deliver cost-effective, tailored solutions to meet individual client needs.

DeepOcean Group Holding B.V and its subsidiaries (commonly referred to as DeepOcean or The Group) is independent of any equipment, technique or manufacturer and therefore can focus on the best solutions for its clients. With a global track record for safety, cost-efficiency, flawless operations and innovation, DeepOcean is the preferred pure play subsea service provider for its oil and gas as well as renewable energy customers across the globe.

The company is a leading global IMR, Subsea Construction and Cable Lay & Trenching operator and has a global presence with offices in Norway, UK, the Netherlands, the US, Mexico, Trinidad and Tobago, Ghana, France, Gabon and Congo.

A.2 Financial Review

Financial highlights

The Group realised US\$352.5M of Revenue (2019: US\$490.4M) from continuing operations with a loss for the period from continuing operations of US\$14.5M (2019: US\$56.6M loss). The loss resulted from the continuing downturn in the market (reduced work and depressed margins), restructuring expenses, and oversupply of vessels in the market. Revenue of \$73.6M (2019: nil) and US\$143.3M loss (2019: \$3.6M) for the period were realized from discontinued operations.

The Group has an Equity position for 2020 of US\$233.5M negative (2019: US\$84.5M). This temporary negative equity position is due to the impairment of the right-of-use assets in the UK business (DeepOcean 1 UK Limited, Enshore Subsea Limited & DeepOcean Subsea Cables Limited); US\$83.7M negative impact on the equity position, while the liabilities remained on the balance sheet at the end of 2020. The liabilities of \$91.4M were extinguished from the balance sheet on the 6th January 2021, when a settlement agreed was signed with the external counterparties. The impairment of the right-of-use assets in the UK business is related to the RPP process. An RPP is a restructuring plan procedure under Corporate Insolvency and Governance Act 2020 (an “RPP”) of the UK business.

A new loan agreement was signed in January 2021. The key financial covenants as part of a new loan agreement are as follows:

- Liquidity shall at all times exceed \$7.5M until 31st December 2023
- EBITDA covenant is not applicable currently and will be reintroduced on 31st December 2022 with a compliant EBITDA of \$15M over the prior 12 months

Backlog

Our accounting backlog represents the aggregated value of signed contracts until the end of the relevant contract period (excluding extension options and letters of intent). Backlog as at 31 December 2020 amounted to US\$209.0M, which is flat year over year, compared to 2019 (US\$207.8M). We expect to recognize US\$129M of this backlog in 2021.

Financial debt and liquidity

At 31 December 2020, total interest-bearing debt amounted to US\$99.5M (2019 US\$101.6M), consisting of the drawn amount on the multi-currency Revolving Credit Facility (RCF) of US\$87.9M and US\$11.6 of the term loan. The borrowing base under the credit facility shows an availability of USD 9.8 million. The Group has an ancillary facility of EUR45.0M that can conditionally be increased up to EUR70.0M, with a non-reversible transfer of commitment from the RCF. In addition, there is an option to request a EUR20.0M accordion facility to the RCF. For information about terms on the credit facilities, see note 21. Cash and cash equivalents totalled US\$71.1M (2019 US\$66.5M) at the end of the year.

Financially, the Group's took precautionary measures when Covid-19 hit with full strength in March 2020 by keeping the RCF fully utilised and closely monitoring the liquidity situation. As per 31st of December 2020, separate financial covenants for the Group's debt instruments and liquidity were defined in the Lock-up Agreement. The group were within the applicable thresholds.

Current market conditions, as indicated in the outlook paragraph below, have their effect on the Group and its ability to generate stable cash flows for the next few years. To address potential effects of this on the prevailing covenant levels, both current and forecasted covenant levels are continually monitored with internal thresholds for effecting action plans.

Tricer NL BidCo 3 B.V. has unsecured loans from group companies (not consolidated) at USD147.8 million. At 31 December 2020 the consolidated financial statements show a negative equity.

A.3 Human Resources

As of 31 December 2020, DeepOcean had 1053 full time employees worldwide (2019: 1083; 2018: 1070), of which 1050 (2019:1079, 2018: 1049) work outside of the Netherlands, divided as follows:

<i>Number of employees</i>	2020	2019
Onshore	498	501
Offshore	555	582
Total	1 053	1 083

A.4 Risk Management

DeepOcean's financial and operational performance may be adversely affected by a variety of risks and economic developments. DeepOcean's Board of Directors sets, and periodically reviews, the level of risk that the Board is willing to take in pursuit of the company's objectives. The CEO together with Executive Management drives the risk management process and facilitates the assessment of strategic risks. The Board of Directors evaluates the effectiveness of DeepOcean's risk management, which results in an appropriate level of objectivity in the assessment of risks.

DeepOcean has continued several internal controls in 2020 and will continue to progress the controls in 2021 to ensure an accurate view of potential risks and to implement mitigating actions for any risks. The DeepOcean approach is centralised around four key pillars.

- Governing documents & procedures
 - The business management system is currently being redesigned and this will lead to a simplified but more effective and coherent set up of procedures and governing documents
- Top down risk assessment
 - The top down risk assessment was conducted by the CEO and the corporate team in Q3 2019 and was presented to the board of directors in September 2019
 - This risk assessment was set on a DeepOcean scale with the following criteria
 - Very high-risk exposure; Board of directors' focus
 - High risk exposure; CEO focus
 - Medium risk exposure; Senior management team focus
 - Low risk exposure; Regional management focus
- Internal audits

The internal audits systematically reviewed all income statement and balance sheet accounts, including back up documentation, bank reconciliations, financial closing processes and project reviews. The audits also included a business risk assessment with the regional managing director and the regional finance director. After the conclusion of each internal audit, an audit summary was prepared by the CFO team and presented to the CEO and executive team. The audit summary includes an action plan with follow up dates for each region to ensure the progress of any outstanding items. The internal audits will be further strengthened by the implementation of the new ERP system in DeepOcean. All entities are now contained in the ERP system and use it on a day-day basis. This system will be the key tool to evaluate all regions performance and compliance from a financial reporting position

- Self-risk assessment
 - The self-risk assessments are carried out by the regions before the internal audits and this self-assessment helps build the basis for the internal audit

Group risk profile

Below is an overview of material risks that are of most relevance for achieving DeepOcean's long-term goals and strategy. This risk overview is not exhaustive. There may be risks which are currently not deemed material, but which could have a substantial adverse effect. (See note 3 – Financial statement)

Risk category	DeepOcean's Risk Appetite	Key Risk Areas
Business & Marketing Risk	For both Business & Marketing risk and Commercial risks, acceptable risk levels vary depending on the subject at hand, where expected rewards must justify the risk.	• Customer and geographical concentration
Commercial Risk		• Demand from oil & gas and offshore renewables companies • Inability to be (price) competitive • Contracting risk
Operational Risk	Operational risks are handled with a moderate risk appetite. However, all risks related to HSEQS are subject to low risk appetite.	• Fleet flexibility • Innovation • Unsuccessful project execution • HSEQS incidents • Asset unreliability • Inability to attract and retain key employees • Organizational alignment • Cyber security
Regulatory Risk	Compliance is subject to a very low risk appetite as DeepOcean strives for a 100% compliance with legal and regulatory requirements.	• Non-Compliance with law and regulation • Countries of operation
Financial Risk	Financial risk appetite is low, with the intent to limit financial risks and maintain long-term solvency.	• Liquidity & Credit Risk • Currency Risk • Interest rate risk

Insurance & legal

DeepOcean is insured against a variety of risks. Risks related to general liability are covered at Company level. Vessels and equipment are insured, and local cover is arranged for risks associated with normal business operations, such as insurance for the buildings and for employees. Some operating companies are involved in claims, either as the claimant or the defendant, within the context of normal business operations. Where necessary proper provisions have been accounted for in the financial statements (refer to note 10.4 and 24). Based on developments thus far, it is not anticipated that DeepOcean's financial position will be noticeably affected by any of these proceedings.

A.5 Governance

Corporate Governance

The Management Board members are jointly responsible for the management of the Company and the enterprise connected with it. The Management Board consist of Kristian Diesen and Terje Askvig.

General Meetings

At least one General Meeting of Shareholders, the Annual General Meeting ('AGM'), shall be held or at least once a written resolution of shareholders shall be adopted during each financial year. The meeting shall be held at such time as the Directors shall designate. The meeting shall be held at the municipality in which the Company has its official seat or in another location, provided that in such case all of the Company's issued capital is represented and each person with meeting rights, to the extent required by law, has been duly convened or has given consent thereto.

A.6 Research and Development

The Group is continually working to improve the current product/service portfolio and is developing several new products and services in order to stay competitive (reduced project costs, increased efficiencies, improved operational results) in the markets serviced by DeepOcean (e.g. Unmanned Surface Vessels, autonomous ROVs and automation of data handling). In addition, these developments will support DeepOcean in potentially entering new markets, by being able to provide an additional range of services (e.g. Deep-Sea Mineral Harvesting). The Remote Operations Center in Haugesund is now fully operational and adoption by clients is progressing satisfactory. The Autonomous Inspection Drone will be tested out Q3 2021 in the North Sea during live operations. Other projects are also progressing as planned.

A.7 Outlook

The average crude price (Brent) dropped by 35% from 2019 (\$64.3) to 2020 (\$42.0). This came on the back of an earlier drop in crude pricing of 10% from 2018 (\$71.3) to 2019 (\$64.3). The driver for this is primarily due to a shortage in demand, driven by global economic changes due to COVID-19.

A sustainable crude price level, where the majority of E&P operators generate healthy cash flows from operations and invest in maintaining and increasing production, is >\$60, and thus the lower prices in 2020 have also impacted DeepOcean's business. However, the negative effects were somewhat mitigated by various stimulus packages for Oil producers in DeepOcean's core markets, such as Norway.

2020 was a challenging year for the Group, due to a number of factors including the continuing COVID-19 pandemic, the sharp decline of commodity prices in Q1 2020 and the challenging market for the UK business (DeepOcean 1 UK Limited, Enshore Subsea Limited & DeepOcean Subsea Cables Limited) of the Group.

In the course of 2020 and early 2021 DeepOcean has restructured its loss-making part of the UK business and thereby significantly reduced unsustainable long-term charter liabilities as well as improved DeepOcean's overall profitability and cash flow. As a result of the restructuring, DeepOcean also achieved further charter rate reductions with existing charterers and a restated loan facility.

Looking towards 2021, an increase of average crude pricing can already be seen in Q1 2021 at around \$60 levels, which seems to be driven by a rebounding global economy and resulting increased energy demand. Considering this positive development and generally high activity of DeepOcean's key clients, it is likely that DeepOcean's revenues will increase year over year from 2020 to 2021. This is based on the oil price staying at current levels and no further major impact from COVID-19.

DeepOcean continues to hold great confidence in the fundamental outlook for subsea services. Our service offerings span segments within oil & gas and offshore renewables, but also emerging industries within the ocean space, including seabed mining. Despite oil & gas being forecasted to be the major revenue contributor in the near term, DeepOcean is also geared up and has proven capabilities to allow it to take a more significant stake in the energy transition.

Clients continue to appreciate DeepOcean's "can do" attitude and value-oriented solutions. With our asset light and equipment independent business model, we are well positioned as a partner of choice for tomorrow's

subsea services. We are investing in new technology for safer and more efficient ways of delivering our services, such as the roll-out of DeepOcean's remote operating centre in 2020 and will continue to invest in such technologies in the years to come.

A.8 Subsequent events

Subsequent to the end of 2020, the executive management have continued multiple processes to further safeguard operations and provide the business with stability for the future. Key subsequent events include:

- Approved restructuring plan procedure under Corporate Insolvency and Governance Act 2020 (an "RPP") of the UK business (DeepOcean 1 UK Ltd, DeepOcean Subsea Cables Ltd and Enshore Subsea Ltd)
- Amendment and restatement of the current syndicated credit facility – including a maturity extension and other concessions from the lenders such as lower margins (reduced finance cost), and changes to the bank covenants
- \$15M new equity from majority shareholder Triton (March 2021) which shows – renewed commitment to their investment in DeepOcean and confidence in DeepOcean's future
- Renegotiated reduced charter rates for the Group's long-term charters in the Norway region

One major impact of the RPP process is temporary negative equity. This temporary negative equity position is due to the impairment of the right-of-use assets in the UK business (DeepOcean 1 UK Limited, Enshore Subsea Limited & DeepOcean Subsea Cables Limited); US\$83.7M negative impact on the equity position, while the liabilities remained on the balance sheet at the end of 2020. The liabilities of \$91.4M were extinguished from the balance sheet on the 6th January 2021, when a settlement agreed was signed with the external counterparties.

A new loan agreement was signed in January 2021. The key financial covenants as part of a new loan agreement are as follows:

- Liquidity shall at all times exceed \$7.5M until 31st December 2023
- EBITDA covenant is not applicable currently and will be reintroduced on 31st December 2022 with a compliant EBITDA of \$15M over the prior 12 months

Management Board

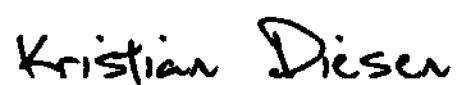
Article 276 of Book 2 of the Dutch Civil Code ensures a balanced representation of men and women in board of directors of companies such as the Company. Balanced representation of men and women is deemed to exist if at least 30% of the seats are filled by men and at least 30% are filled by women.

The Board is currently not composed according to the principles encouraged by Article 2:276 of the Dutch Civil Code. The company appoints the director deemed to be the most suitable from the available pool of senior manager and other candidates. The Management Board recognises the benefits of diversity, including gender balance and will strive for more diversity in the Management Board, however the board members will also be selected on the basis of wide-ranging experience, backgrounds, skills, knowledge and insights.

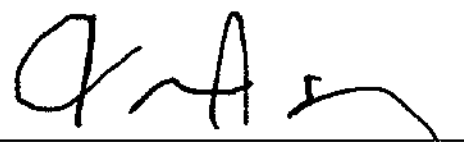
The members of the Management Board have signed the financial statements pursuant to their statutory obligations under Section 2:101 sub 2 the Netherlands Civil Code.

Oslo, 19th July 2021

Management Board



K. Diesen,



T. Askvig,

B. Consolidated Financial Statements

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B.1 Consolidated statement of profit or loss for the year ended 31 December 2020

<i>USD (thousands)</i>	<i>Note</i>	2020	2019
Revenue from contracts with customers	5	352 490	490 394
Direct operating expenses	6	(203 766)	(331 828)
Depreciation and amortisation	11,12	(88 271)	(135 257)
Gross profit		60 453	23 309
Sales, general and administrative expenses	6	(28 859)	(22 404)
Impairment of fixed assets	6	(3 970)	(5 252)
Other expenses	6	(14 069)	(20 112)
Share of net income from investments accounted for using the equity method	13	432	487
Profit/(Loss) from operating activities		13 987	(23 972)
Finance income		(34)	481
Finance expense		(23 125)	(37 409)
Net finance expense	9	(23 159)	(36 928)
Loss before tax		(9 172)	(60 900)
Corporate income tax (expense)/credit	10	(5 292)	4 282
Loss for the period from continuing operations		(14 464)	(56 618)
Discontinued operations			
Loss for the period from discontinued operations	4	(143 346)	(3 632)
Loss for the period		(157 810)	(60 250)
Total loss attributable to:			
Shareholders of the parent		(156 061)	(59 891)
Non-controlling interests		(1 749)	(359)
		(157 810)	(60 250)

The accompanying notes are an integral part of these consolidated financial statements.

B.2 Consolidated statement of comprehensive income for the year ended 31 December 2020

<i>USD (thousands)</i>	<i>Note</i>	2020	2019
Loss for the period		(157 810)	(60 250)
		-	-
Items that may be reclassified subsequently to profit or loss			
Net investment hedge	27	-	-
Foreign currency translation differences of foreign operations		(2 470)	(2 028)
		(2 470)	(2 028)
Total comprehensive loss for the period, net of tax		(160 280)	(62 278)
Total comprehensive loss attributable to:			
Shareholders of the parent		(160 593)	(62 220)
Non-controlling interests		313	(58)
Total comprehensive loss for the period, net of tax		(160 280)	(62 278)
Total comprehensive loss for the period, net of tax arises from:			
Continuing operations		(16 934)	(58 646)
Discontinued operations		(143 346)	(3 632)
Total comprehensive loss for the period, net of tax		(160 280)	(62 278)

The accompanying notes are an integral part of these consolidated financial statements.

B.3 Consolidated statement of financial position as at 31 Dec 2020

<i>USD (thousands)</i>	Note	31 December 2020	31 December 2019
Assets			
Vessels and equipment	11	127 217	361 601
Intangible assets	12	3 056	2 895
Equity accounted investees	13	609	591
Post-employment benefit asset	23	38	409
Prepaid charter costs	16	(0)	2 065
Deferred tax assets	10	15 056	16 137
Total non-current assets		145 976	383 698
Inventories	17	2 586	3 391
Trade receivables and contract assets	18	86 936	98 334
Current income tax receivable		498	996
Assets held for sale	11	(0)	15 000
Cash and cash equivalents	19	66 448	66 622
Total current assets		156 468	184 343
Assets held for sale	4	4 068	-
Total assets		306 512	568 041
Equity			
Share capital	20	369	338
Share premium	20	60 533	55 513
Other reserves		-	27
Accumulated losses directly associated with asset held for sale	4	(92 950)	
Accumulated losses		(192 951)	(131 535)
Total equity attributable to owners of the Company		(224 999)	(75 657)
Non-controlling interests	4	(8 523)	(8 836)
Total equity		(233 522)	(84 493)
Liabilities			
Non-current portion of loans and borrowings	21	40 540	185 670
Non-current portion of loans and borrowings from related parties	22	148 972	138 688
Other non-current liabilities		-	693
Non-current portion of post-employment benefit obligation	23	571	1 276
Non-current provisions	24	0	183
Non-current income tax liabilities	10	45	45
Deferred income tax liabilities	10	1 215	1 215
Total non-current liabilities		191 343	327 770
Current portion of loans and borrowings	21	124 479	202 407
Current portion of derivative financial liabilities	25	341	4 104
Trade and other payables	26	116 899	115 740
Current provisions	24	1 887	2 569
Current income tax liabilities	10	(456)	(56)
Total current liabilities		243 150	324 764
Liabilities direct associated with assets held for sale	4	105 541	-
Total liabilities		540 034	652 534
Total equity and liabilities		306 512	568 041

The accompanying notes are an integral part of these consolidated financial statements

B.4 Consolidated statement of changes in equity for the year ended 31 December 2020

Attributable to shareholders of the Company									
USD (thousands)	Notes	Share capital	Share premium	Translation reserve Foreign operations	Other reserves	Accumulated losses	Total	Non-controlling interest	Total equity
Balance at 1 January 2019		345	54 862	-	-	(75 022)	(19 815)	(8 778)	(28 593)
Comprehensive income									
Loss for the period		-	-	-	-	(59 891)	(59 891)	(359)	(60 250)
Other comprehensive income									
Foreign currency translation of Tricer Lux USD loan		-	-	-	-	(2 328)	(2 328)	-	(2 328)
Foreign currency translation differences of foreign operations		-	-	-	-	-	-	301	300
Total comprehensive loss for the period		-	-	-	-	(62 219)	(62 219)	(58)	(62 278)
Transactions with owners									
Capital contribution		-	1 703		27		1 730	-	1 730
Foreign currency movement		(7)	(1 052)			5 706	4 647	-	4 647
Total transactions with owners of the Company		(7)	651	-	27	5 706	6 377	-	6 377
Balance at 31 December 2019		338	55 513	-	27	(131 535)	(75 657)	(8 836)	(84 494)

Attributable to shareholders of the Company									
USD (thousands)	Notes	Share capital	Share premium	Translation reserve Foreign operations	Other reserves	Accumulated losses	Total	Non-controlling interest	Total equity
Balance at 1 January 2020		338	55 513	-	27	(131 535)	(75 657)	(8 836)	(84 494)
Comprehensive income									
Loss for the period continuing operations		-	-	-	-	(14 464)	(14 464)		(14 464)
Loss for the period discontinued operations						(141 597)	(141 597)	(1 749)	(143 346)
Other comprehensive income									
Net investment hedges		-	-	-	-	-	-	-	-
Foreign currency translation differences of foreign operations		-	-	-	-	(4 531)	(4 531)	2 062	(2 470)
Total comprehensive loss for the period		-	-	-	-	(160 592)	(160 592)	313	(160 279)
Reduced liabilities IFRS16						6 227			
Transactions with owners									
Capital contribution				-	-	-	-	-	-
Foreign currency movement		31	5 020	(27)			5 024	-	5 024
Total transactions with owners of the Company		31	5 020	(27)	-	6 227	11 251	-	11 251
Balance at 31 December 2020		369	60 533	(27)	27	(285 900)	(224 998)	(8 523)	(233 522)

The accompanying notes are an integral part of these consolidated financial statements.

B.5 Consolidated statement of cash flows for the year ended 31 December 2020

<i>USD (thousands)</i>	<i>Notes</i>	2020	2019
Cash flows from continuing operations			
Cash flows from operating activities			
Result from operating activities		13 987	(23 972)
Depreciation and amortisation	11	88 271	135 257
Depreciation and amortisation IFRS16		(70 701)	(107 720)
Operational expenses adjustments IFRS16		(10 498)	(2 919)
Share of net income from investments accounted for using the equity method	13	(432)	(487)
Profit on sale of fixed assets	6	(3 764)	(97)
Impairment losses	6,11	4 021	5 252
Impairment losses IFRS16		-	
		20 884	5 314
Changes in working capital:			
Inventories	17	805	176
Trade and other receivables	18	2 144	356
Prepayments	16	2 066	708
Trade and other payables	25,26	9 761	7 796
Provisions and employee benefits	23,24	(2 951)	275
Cash generated from operating activities		32 709	14 625
Interest and other finance costs paid	21	(17 007)	(11 502)
Interest and other finance income received	21	70	524
Income taxes paid	10	(7 827)	(2 729)
Net cash generated from operating activities		7 945	918
Cash flows from investing activities			
Proceeds from sale of fixed assets	11	15 000	1 224
Purchase of vessels and equipment	11	(11 545)	(6 218)
Dividends received from equity accounted investees		416	866
Net cash (used in)/generated from investing activities		3 871	(4 128)
Cash flows from financing activities			
Proceeds from issuance of shares	20		
Proceeds of borrowings	21	8 907	9 987
Repayment of borrowings	21	(12 930)	(5 885)
Transaction costs related to loans and borrowings	21		
Payment of finance lease		(4 691)	(4 680)
Settlement of derivatives			
Net cash used in financing activities		(8 714)	(578)
Net (decrease)/increase in cash and cash equivalents from continuing operations		3 102	(3 788)
Cash flows from discontinued operations			
Increase assets held for sale	4	(4 068)	
Net change in cash and cash equivalents from discontinued operations		(4 068)	-
Net decrease in cash and cash equivalents		(966)	(3 788)
Cash and cash equivalents at 1 January		66 622	70 413
Translation differences on cash and cash equivalents		791	(3)
Cash and cash equivalents at 31 December	19	66 447	66 622

The accompanying notes are an integral part of these consolidated financial statements.

B.6 Notes to the Consolidated Financial Statements

1. General information

Tricer NL BidCo 3 BV ("the Company") has its official seat in Amsterdam, the Netherlands. The address of the Company's registered office is Overtoom 141, 1054 HG, Amsterdam, the Netherlands. The Company is registered with the trade register of the Chamber of Commerce under number 67303846. Its ultimate shareholder is Tricer HoldCo S.C.A., having its statutory seat in Luxembourg, and is registered with the Registre de Commerce et des Sociétés under number B210246.

These consolidated financial statements, as at and for the year ended 31 December 2020 comprise DeepOcean Group Holding B.V (the Company) and its subsidiaries (the Group).

The Company is the leading, pure play subsea services provider in the areas of Survey, IMR (Inspection, Maintenance and Repair), Subsea Construction and Cable Lay & Trenching.

2. Significant accounting policies

The principal accounting policies applied in the preparation of consolidated financial statements are set out below. These policies have been applied consistently to all periods presented in these consolidated financial statements, unless otherwise stated.

2.1 Statement of compliance

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and as issued by the International Accounting Standards Board (IASB) and with Part 9 of Book 2 of the Dutch Civil Code. The Group presents its financial information in USD x 1,000, except when indicated otherwise.

The consolidated financial statements have been prepared by the Executive Management and were approved by the Board of Directors on Monday 19th July 2021.

2.2 Basis of preparation – Going Concern

2020 was a challenging year for the Group, due to a number of factors including the continuing COVID-19 pandemic, the sharp decline of commodity prices in Q1 2020 and the challenging market for the UK business (DeepOcean 1 UK Limited, Enshore Subsea Limited & DeepOcean Subsea Cables Limited) of the Group. DeepOcean executed several measures to ensure the future viability of the Group including reduction in employees (specifically eliminating SG&A positions), reduced investment plans, negotiated reduced vessel rates on long term charters and initiated a full restructuring of the UK business. However, despite the challenging conditions there was no breach of the bank covenants (Liquidity & LTM EBITDA) in 2020.

The restructuring plan procedure under Corporate Insolvency and Governance Act 2020 (an "RPP") of the UK business was not simply a liquidation of certain entities, but has a multitude of interlinked elements that cover the legal, financial and commercial spheres – which in its entirety have ensured the future viability of the Group and will make it increasingly competitive in the years to come. The process follows an extended period of loss-making operations by the UK business and reflects changes in the industry's procurement strategies and available installation capacity, as well as a mismatch between the UK business contractual commitments and market conditions. The RPP has been approved in court and the UK business is in the process of a solvent wind down. This court approved process has given the Group certainty for ongoing operations and future activities. The key outcomes of the RPP are as follows:

- The UK business has been released of all their liabilities as of 22nd April 2021 (Except a certain % of creditor recovery)
- The liabilities included long term charter vessels with out of market rates
- The solvent wind down of the UK business
- Stops the major cash drain of the Group
- The Group will have more funding headroom, allowing it to be more aggressive towards growth areas and focus on growth in the right areas.
- The retention of the trenching assets to either operate or monetize

- Removes the UK Business which has been the major budget deviation and underperforming business for the Group over the last 36 months

One major impact of the RPP process is temporary negative equity. This temporary negative equity position is due to the impairment of the right-of-use assets in the UK business (DeepOcean 1 UK Limited, Enshore Subsea Limited & DeepOcean Subsea Cables Limited); US\$83.7M negative impact on the equity position, while the liabilities remained on the balance sheet at the end of 2020. The liabilities of \$91.4M were extinguished from the balance sheet on the 6th January 2021, when a settlement agreed was signed with the external counterparties.

In addition, to the RPP process in the UK business, the Group has continued multiple processes to further safeguard operations and provide the business with stability for the future. These processes include the following:

- Amendment and restatement of the current syndicated credit facility – including a maturity extension and other concessions from the lenders such as lower margins (reduced finance cost), and changes to the bank covenants. For more details, reference is made to note 21.1.
- \$15M new equity from majority shareholder Triton (March 2021) which shows – renewed commitment to their investment in DeepOcean and confidence in DeepOcean's future
- Significantly reduced charter rates for the Group's long-term charters in the Norway region

These activities and processes have been the main focus of the Group's management in 2020 to ensure a solid going concern for the wider DeepOcean Group and are the key anchor and preparation for this process of management assessment.

Management has decided to move its Group Holding entity from a Dutch entity (currently DeepOcean Group Holding B.V.) to a Norwegian entity in the course of 2021. This was to be completed in 2020, however, the focus of the executive management was on the RPP process for the UK business. This will involve a series of mergers resulting in DeepOcean Group Holding BV ceasing to exist and DeepOcean Norway AS becoming the ultimate parent of the DeepOcean Group. (Project Homecoming)

The series of mergers leading to DeepOcean Norway AS becoming the ultimate parent of the DeepOcean Group are as follows:

- DeepOcean Group Holding BV will be merged into Tricer NL BidCo 4 BV
- Merged Tricer NL BidCo 4 BV will be merged into Tricer NL BidCo 3 BV
- Merged Tricer NL BidCo 3 BV will be merged into DeepOcean Norway AS
- DeepOcean Norway will be the surviving entity and will become the group parent company

2.3 Changes in accounting policy and disclosures

New standards, amendments and interpretations not yet adopted by the Company:

Other standards, amendments to standards, and interpretations of standards, issued but not yet effective, are either not expected to materially affect DeepOcean's consolidated financial statements, or are not expected to be relevant to DeepOcean's consolidated financial statements upon adoption.

2.4 Use of estimates and judgments

The preparation of the consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities and disclosure of contingent assets and liabilities as of the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results may differ materially from these estimates. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 3.

2.5 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control is achieved where the Company has the power to govern the financial and operating policies of an entity to affect and obtain benefits from its activities.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred to the former owners of the acquired business, equity interests issued by the Group, fair value of any asset or liability resulting from a contingent consideration arrangement, and fair value of any pre-existing equity interest in the subsidiary. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated, when necessary amounts reported by subsidiaries have been adjusted to conform to the Group's accounting policies.

On the loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interest and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, it is accounted for as investments accounted for using the equity method or as financial asset at fair value through profit and loss depending on the level of influence retained.

Non-controlling interests

The Group recognises any non-controlling interest on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquirer's identifiable net assets.

Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions - that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

Transactions eliminated on consolidation

Intercompany transactions, intercompany balances and income/expenses on transactions between Group companies are eliminated. Profits and losses resulting from intercompany transactions that are recognised in assets are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

2.6 Discontinued operations

A discontinued operation is a component of the Group's business, the operation and cash flows of which can be clearly distinguished from the rest of the Group and which:

- Represents a separate major line of business or geographical area of operations
- Is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations; or
- Is a subsidiary acquired exclusive with a view to resale.

Classification as a discontinued operation occurs on disposal, abandonment, termination or when the operation meets the criteria to be classified as held for sale, if earlier. When an operation is classified as a discontinued operation, the comparative statement of comprehensive income has been re-presented as if the operation had been discontinued from the start of the comparative year. Reference is made to note 4 of the annual financial statement.

2.7 Foreign currency

Functional and presentation currency

These consolidated financial statements are presented in USD, which is the currency of the primary stakeholders. Items included in the financial information of individual entities in the Group are measured using the individual entity's functional currency, which is the currency of the primary economic environment in which the entity operates. The Group is primarily exposed to fluctuations in the foreign currency exchange rates of the Norwegian Kroner, United States Dollar, British Pound and the Euro.

Transaction and balances

Transactions in foreign currencies are translated into the respective functional currencies of Group entities at exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of profit or loss. Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the statement of profit or loss within finance income or expense.

Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet,
- Income and expenses for each statement of profit or loss are translated at average exchange rates (unless this average is not reasonable approximation of the cumulative effect of the rate prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions),
- All resulting exchange differences are recognised in other comprehensive income,

Share capital and share premium, for each balance sheet presented are translated at the closing rate at the date of that balance sheet. Resulting exchange differences are recognised directly in equity.

2.8 Revenue from contracts with customers

Tricer NL BidCo 3 B.V.(the "Company"), is an integrated provider of subsea and marine support vessels and services, such as inspection, maintenance and repair of subsea infrastructures, survey and seabed mapping, seabed intervention, including subsea trenching and protection services, and subsea installation (SURF) and decommissioning services.

Revenue from contracts with customers is recognized when control of the services is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for services.

In general, the Company's revenue streams can be divided into day-rate projects and lump-sum projects.

Under IFRS 15 principles, day-rate projects and lump-sum projects are assessed under the IFRS 15 model. There has not been identified any lease nor sub-lease components in the Company's revenue streams.

1. Day-rate projects:

Day-rate projects relate to the activity in which the Company and its customer have agreed on a daily fee for the services to be provided by the Company in relation to the project. The performance obligation of day-rate projects is considered the daily delivery of the required service by the vessel to the customer of the company. Promises made in the contract with the customer are assessed as whether such promises are capable of being distinct, hereof distinct in the context of the contract, and the transaction price allocated accordingly. The Company recognizes revenue from day-rate project contracts over time, because the customer simultaneously receives and consumes the benefits provided by the Company. The revenue is as such recognized linear on a day-by-day basis over the contract period, and the transaction price is estimated at the contract inception, including any variable considerations.

2. Lump-sum projects:

Lump-sum projects concern projects in which the Company and its customers have agreed on a fixed fee for the services to be provided by the Company in relation to the project. This can be a mixture of the services as described above.

The performance obligation of the Company's lump-sum contracts is assessed on a contract-by-contract basis, evaluation whether any promises made in the contract are capable of being distinct, hereof distinct in the context of the contract. The Company have evaluated that the promised goods or services provided in contracts is capable of being distinct, however not distinct within the context of the project. IFRS 15 states that if a promised good or service is not distinct, an entity shall combine that good or service with other promised goods or services until it identifies a bundle of goods or services that is distinct. In some cases, that would result in the entity accounting for all the goods or services promised in a contract as a single performance obligation. Hence, the Company assess that the bundle of services provided on lump-sum contracts, is one performance obligation.

The Company recognizes revenue from lump-sum project contracts over time, because the customer simultaneously receives and consumes the benefits provided by the Company. The transaction price is estimated at the contract inception, including any variable considerations

The revenue is recognized in accordance with the stage of completion of a contract using a cost-to-cost input model to measure percentage of completion. The method relies on the Company's ability to estimate future costs in an accurate manner. The estimate to complete (ETC) is based on the schedule of the remaining work and its value, and the ETC is updated monthly. The reviews monitor actual cost of work performed project to date, the estimate cost to complete and the estimate cost at completion. This enables a reliable estimate for the likely outcome in terms of profitability of each project.

Variation considerations

If the consideration in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the services to the customer. Such variation considerations

The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

Contract modifications

A contract modification occurs when the Company and the customer approve a change in the contract scope, price or both. The accounting for a contract modification depends on whether distinct goods or services are added to the arrangement, and on the related pricing in the modified arrangement.

The Company recognize revenue from contract with customers arising from variation orders in the case the Company concludes that rights and obligations created or changed by a modification are enforceable, considering all relevant facts and circumstances including the terms of the contract and other evidences.

Warranty obligations

The Company provides warranties related to its performed services. In case the Company has not met the required criteria in the contract, additional required works are generally for the account of the Company. Such assurance-type warranties are accounted for as a provision under IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

Principle versus agent

The Company has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

Contract balances

Contract assets: A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Trade receivables: A receivable represents the Company's right to an amount of consideration that is unconditional.

Contract liabilities:

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognized when the payment is made. Contract liabilities are recognized as revenue when the Company fulfils the performance obligation (s) under the contract.

2.9 Leasing

At the inception of a contract, The Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Recognition of leases and exemptions

At the lease commencement date, the Group recognizes a lease liability and corresponding right-of-use asset for all lease agreements in which it is the lessee, except for the following exemptions applied:

- Short-term leases (defined as 12 months or less)
- Low value assets

For these leases, the Group recognizes the lease payments as other operating expenses in the statement of profit or loss when they incur.

Lease liabilities

The lease liability is recognized at the commencement date of the lease. The Group measures the lease liability at the present value of the lease payments for the right to use the underlying asset during the lease term that are not paid at the commencement date. The lease term represents the non-cancellable period of the lease, together with periods covered by an option either to extend or to terminate the lease when the Group is reasonably certain to exercise this option.

The lease payments included in the measurement comprise of:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date
- Amount expected to be payable by the Group under residual value guarantees
- The exercise price of a purchase option, if the Group is reasonably certain to exercise that option
- Payments of penalties for terminating the lease, if the lease term reflects the Group exercising an option to terminate the lease.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications, or to reflect adjustments in lease payments due to an adjustment in an index or rate.

The Group does not include variable lease payments in the lease liability. Instead, the Group recognizes these variable lease expenses in profit or loss.

Right-of-use assets

The Group measures the right-of use asset at cost, less any accumulated depreciation and impairment losses, adjusted for any remeasurement of lease liabilities. The cost of the right-of-use asset comprise:

- The amount of the initial measurement of the lease liability recognized

- Any lease payments made at or before the commencement date, less any incentives received
- Any initial direct costs incurred by the Group. An estimate of the costs to be incurred by the Group in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

The Group applies IAS 36 Impairment of Assets to determine whether the right-of-use asset is impaired and to account for any impairment loss identified.

2.10 Employee benefits

Pension obligations

The Group operates various defined contribution pension schemes and three defined benefit pension schemes.

Defined contribution plans

With a defined contribution plan the Group pays contributions to an insurance company. After the contribution has been made, the Group has no further commitment to pay. The contribution is recognised as employee expenses. Prepaid contributions are reflected as an asset (pension fund) to the degree the contribution can be refunded or will reduce future payments. The assets of the scheme are held separately from those of the Group in an independently administered fund. The amount recognised in the Statement of the profit or loss account represents the contributions payable to the scheme in respect of the financial year.

Defined benefit plans

A defined benefit plan is a pension scheme which is not a defined contribution plan. A defined benefit plan is a pension scheme which defines a pension payment which an employee will receive at pension age. The pension payments are normally dependent on one or more factors such as age, number of years in the company, and salary. The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation. In countries where there is no deep market in such bonds, the market rates on government bonds are used.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise. Past-service costs are recognised immediately in income.

One of the defined benefit schemes operated by one of the Group companies represents amounts payable to the Merchant Navy Officers Pension Fund ('MNOFF') in UK. The MNOFF is an industry-wide, multi-employer defined benefit scheme. The Group is unable to identify its share of the scheme's underlying assets and liabilities on a consistent and reasonable basis. The Group accrues an estimated future liability based on the last valuation received and makes payments during the year. Contributions are charged to the profit or loss account in the year in which they are payable, as communicated by the MNOFF.

The two other defined benefit schemes are operated by Norwegian entities. These pension plans are administered by a pension insurance company. The schemes carry, based on present social security regulations, an entitlement to an old-age pension corresponding to a percentage of pensionable income at the time of retirement. The pensions are coordinated with those under the Norwegian National Insurance Scheme.

In the US the group maintains a contributory 401(k) plan.

Bonus plan

In 2020 there was no bonus plan in place.

2.11 Expenses

Direct operating expenses

Direct operating expenses are charged to profit or loss as incurred. Direct operating expenses principally include operating expenses associated with vessels charter, equipment lease, crew costs and consumable or project related materials. Direct operating expenses are reduced by the amount of partial reimbursements of labour costs received from any government (such as the Norwegian Government) and income from insurance claims.

Sales, general and administrative expenses

Sales, general and administrative expenses are charged to profit or loss as incurred. DeepOcean's sales, general and administrative expenses consist principally of:

- Salaries for employees not allocated to direct expenses, as well as expenses related to share-based compensation;
- Professional fees for independent auditors, lawyers and other consulting expenses;
- Premises, office and travel costs;
- Marketing costs;
- IT and communication expenses.

Other income and expenses

Other income and expenses are charged to profit or loss as incurred. Other income and expenses consist principally of restructuring costs, profit and loss on the sale of fixed assets, impairments, allowance for doubtful debt, and other extraordinary expenses.

Finance income and costs

Finance income and costs consist of finance cost, finance income and foreign currency gains and losses. Finance income comprises interest income on funds invested. Interest income is recognised in profit or loss as it accrues, using the effective interest method. Finance cost comprises interest expense on borrowings, amortised finance charges that are recognised in the statement of profit or loss, and financial instruments carried at fair value through profit and loss.

2.12 Taxation

Taxation expense or income represents the sum of the current tax and deferred tax. Taxes are computed based on tax rates and tax laws enacted or announced at the balance sheet date.

Current tax

Current tax is based on the taxable income for the year, together with any adjustments to tax payable in respect of prior years and considering the potential impact of uncertain tax positions. Taxable income differs from income before taxes as reported in the Consolidated Income Statement because it excludes items of income or expense that are taxable or deductible in other periods and items that are never taxable or deductible. Current tax relating to items recognised directly in equity is recognised in equity and not the Consolidated Statement of Other Comprehensive Income.

Deferred tax

Deferred tax is calculated on the basis of in the difference between reported and fiscal value of assets and liabilities and is accounted for using the balance sheet liability method. Deferred tax assets are recognised to the extent that it is probable that they will be utilised within the next few years and reduced when it is no longer probable that they will be utilized. Assets or liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition of other assets or liabilities in a transaction (other than in a business combination), that does not affect either the taxable income or the accounting income before taxes.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and interests in associates, and joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the near future.

Deferred tax is charged or credited to the Consolidated Income Statement, except when it relates to items charged or credited directly in the Consolidated Statement of Comprehensive Income in which case the deferred tax is also recognised within the Consolidated Statement of Comprehensive Income.

2.13 Owned vessels and equipment (Fixed Assets)***Recognition and measurement***

Vessels and equipment are stated at cost less accumulated depreciation and impairments, if any. The cost of assets includes the costs of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located as well as capitalised borrowing costs.

Dry-dock expenditure incurred to maintain a vessel's classification is capitalised as a distinct component of the asset and amortised over the period until the next dry docking is scheduled for the asset (usually 2½ to 5 years). All other repair and maintenance costs are recognised in the profit or loss as incurred.

Vessels and equipment that are being constructed or developed for future use are classified as assets under construction. Assets under construction are carried at cost, less recognised impairment loss, if any. The assets under construction are reclassified to the relevant asset category upon completion.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

Depreciation

Depreciation for vessels and equipment commences once the asset is placed in service for its intended use. Depreciable lives are determined through economic analysis, reviewing existing business plans and comparison to similar assets. For the vessels, depreciation is calculated per significant component, as the depreciable lives of the different components may vary. The identification of significant components requires management judgment (refer to note 3). Depreciation is calculated as the cost of vessels and equipment less their estimated residual values using the straight-line basis over their estimated useful lives.

Category	Asset Type/Component	Years
Surface vessels	Vessel hull	30
Surface vessels	Loading and unloading equipment	15
Surface vessels	Main engine	20
Surface vessels	Residential containers	15
Surface vessels	Other equipment	15
Surface vessels	Dry docking	2.5 - 5
Subsea equipment	Equipment (ROV, trenchers, etc.)	10
Other	Furniture and fittings	3 - 10
Other	Office equipment	2 - 5
Other	Vehicles	3 - 5

Residual values are estimated based on historical experience with regard to these assets and are established in conjunction with the estimated useful lives of the asset. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. Major modifications, which extend the useful life of marine vessels, are capitalised and amortised over the adjusted remaining useful life of the vessel. Marine inspection costs are expensed in the period incurred.

Non-current assets (or disposal groups) are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs to sell.

2.14 Intangible assets and goodwill***Recognition and measurement******Goodwill***

Goodwill on subsidiaries and joint ventures is recognised separately as intangible assets and carried at cost less accumulated impairment losses.

Research and development

Expenditure on research activities is recognised in profit or loss as incurred. Development expenditure is capitalised only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognised in profit or loss as incurred.

Other intangible assets

Other intangible assets, including customer relationships, backlog, patents and trademarks, that are acquired by the Group and have finite useful lives, are measured at cost less accumulated amortisation and any accumulated impairment losses.

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values, using the straight-line method, over their estimated useful lives, and is recognised in profit or loss. Goodwill is not amortised but assessed for impairment annually.

Category	Asset Type/Component	Years
Intangible assets	Goodwill	-
Intangible assets	Customer relationships	10
Intangible assets	Backlog	10

2.15 Interests in equity-accounted investees

Interests in equity-accounted investees can comprise associates or joint ventures (refer to 2.16.1).

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies. Interests in associates are accounted for using the equity method. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of equity-accounted investees, until the date on which significant influence ceases.

2.16 Joint arrangements

Joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor. The Group recognises its direct right to the assets, liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses. These have been incorporated in the financial statements under the appropriate headings.

2.16.1 Joint ventures

Joint ventures are accounted for using the equity method, where interests in joint ventures are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses and movements in other comprehensive income. When the Group's share of losses in a joint venture equals or exceeds its interests in the joint ventures (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint ventures), the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint ventures.

The Group determines at each reporting date whether there is any objective evidence that the investment, using the equity method, needs to be impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the investments and its carrying value and recognises the amount adjacent to share of profit/(loss) of an investee in the statement of profit or loss.

Profits and losses resulting from upstream and downstream transactions between the Group and its investments are recognised in the Group's financial statements only to the extent of unrelated investor's interests in the investments.

2.16.2 Joint operations

The Group recognises its direct right to the assets, liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses and incorporates this in the financial statements under the appropriate headings.

When the Group participates in, but does not have joint control of, a joint operation it shall also account for its interest in the arrangement in accordance with the above if the Group has rights to the assets, and obligations for the liabilities, relating to the joint operation.

2.17 Impairment of non-financial assets

Non-financial assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). Prior impairments of non-financial assets (other than goodwill) are reviewed for possible reversal at each reporting date.

2.18 Financial assets

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

The Company classified its financial assets in four categories:

- Financial assets at amortised cost
- Financial assets at fair value through profit or loss
- Derivatives at fair value designated as hedging instruments

Financial assets at amortised cost:

The Company measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows and,
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Company's financial assets at amortised cost includes trade receivables and other short-term deposit. Trade receivables that do not contain a significant financing component are measured at the transaction price determined under IFRS 15 Revenue from contracts with customers.

The Company's financial assets classified in the category 'amortized cost' comprise 'trade receivables', 'restricted cash' and 'cash and cash equivalents'.

Financial assets at fair value through profit or loss:

Financial assets at fair value through profit or loss are acquired principally for the purpose of selling in the short term. Derivatives are also in this category unless they are designated as hedging instruments. Derivatives are initially recognized at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Derivatives are classified as current liability or current asset if they are expected to be settled within 12 months, otherwise they are classified as non-current. Changes in fair value of the derivatives, which are not used as hedging instrument, are recorded in the statement of profit or loss and presented under other finance (expense)/income.

Derivatives at fair value designated as hedging instruments:

Derivatives at fair value are carried in the statement of financial position at fair value with net changes in fair value in OCI.

Impairment of financial assets:

The Company recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For trade receivables and contract assets, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date.

Derecognition of financial assets:

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e., removed from the Company's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired, or
- the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either
- the Company has transferred substantially all the risks and rewards of the asset, or
- the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

2.19 Inventories

Inventories consist of fuel, spare parts and other supplies to be consumed in the rendering of services. These supplies are measured at the lower of cost and net realisable value. The cost of inventories is based on the First-in-First-out (FIFO) principle, and includes expenditure incurred in acquiring the inventories and other costs incurred in bringing them to their existing location and condition. Within spare parts a distinction is to be made between 'immaterial' and material spare parts. The immaterial spare parts are to be carried as inventories and recognised as an expense as they are consumed. Material spare parts will qualify for recognition as vessels and equipment. For clarification purposes the useful life (and depreciation) of these material spare parts will commence when it is put in use rather than when it is acquired.

2.20 Trade receivables

Trade receivables are amounts due from customers for services performed in the ordinary course of business representing a right to an amount of consideration that is unconditional.

At initial recognition trade receivables without a significant finance component are recognized at their transaction price and subsequently at amortized cost. If collection is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets. For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. An impairment analysis is performed on all trade receivables at each reporting period to measure any potential credit losses. The assessment includes a review of geographical region, customer type, customer history, customer dialogue, current market conditions and future market conditions. Also, all reasonable and supportable information is taken into consideration in this assessment to ensure a probability-weighted outcome. Generally, trade receivables are written-off if past due for more than one year and are not subject to settlement negotiations.

2.21 Cash and cash equivalents

In the consolidated balance sheet cash and cash equivalents comprise cash in hand and deposits held at call with banks. Bank overdrafts, if any, are shown within borrowings in current liabilities.

2.22 Share capital

Ordinary shares are classified as equity. The term 'shares' as used in the consolidated financial statements means ordinary shares issued by the Company. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

2.23 Financial liabilities

Financial liabilities are classified, at initial recognition, as loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. Derivatives are recognised initially at fair value. Loans, borrowings and payables are recognised at fair value net of directly attributable transaction costs.

Derivatives are financial liabilities when the fair value is negative, accounted for similarly as derivatives as assets.

Loans, borrowings and payables:

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

Payables are measured at their nominal amount when the effect of discounting is not material.

Derecognition of financial liabilities:

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial assets and liabilities:

Financial assets and liabilities are offset, and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

Hedge accounting:

Hedges of net investments in foreign operations are accounted for similarly to cash flow hedges. Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognized in other comprehensive income and accumulated in the translation reserves in equity. The gain or loss relating to the ineffective portion is recognized immediately in profit or loss under other finance (expense)/income. Gains and losses accumulated in equity are reclassified to profit or loss when the foreign operation is partially disposed of or sold.

2.24 Loans and borrowings

Loans and borrowings are recognised initially at carrying amount, less attributable transaction costs. Subsequent to initial recognition, borrowings are measured at amortised cost using the effective interest method. The amount due within one year is presented under current liabilities.

Attributable transaction costs include costs associated with the issuance of debt and are amortised using the effective interest rate method of amortisation over the expected life of the related debt agreement or on a straight-line basis over the expected life of the related debt agreement if the straight-line method approximates the effective-interest rate method of amortisation.

2.25 Provisions

Provisions are recognised when: (i) the Group has a present legal or constructive obligation as a result of past events; (ii) it is probable that an outflow of resources will be required to settle the obligation; (iii) the amount has

been reliably estimated. Provisions are not recognised for future operating losses. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

Onerous contracts

A provision for onerous contracts is recognised when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract.

2.26 Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade and other payables are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade and other payables are recognised initially at fair value plus any directly attributable transaction costs if any. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

2.27 Statement of cash flows

The consolidated statement of cash flows is prepared using the indirect method. The consolidated statement of cash flows distinguishes between operating, investing and financing activities. Cash flows in foreign currencies are converted at the exchange rate at the dates of the transactions. Currency exchange differences on cash held are separately shown. Payments and receipts of corporate taxes are included as cash flow from operating activities.

In the consolidated statement of cash flows, cash and cash equivalents includes cash in hand, deposits held at call with banks and bank overdrafts. In the consolidated balance sheet, bank overdrafts are shown within borrowings in current liabilities.

3. Accounting estimates and judgments

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items that are more likely to be materially adjusted due to estimates and assumptions turning out to be wrong. Detailed information about each of these estimates and judgements is included in other notes together with information about the basis of calculation for each affected line item in the financial statements.

3.1 Revenue recognition on long term contracts

The Group accounts for long-term construction, engineering and project management contracts using the input method based on cost incurred (cost method), which is standard for the Group's industry. Contract revenues and total cost estimates are reviewed and revised periodically as work progresses. Adjustments based on the input method are reflected in contract revenues in the reporting period. To the extent that these adjustments result in a reduction or elimination of previously reported contract revenues or costs, a charge or credit is recognised against current earnings; amounts in prior periods are not restated. Such a charge or credit may be significant depending on the size of the project or the adjustment.

The input method requires the Group to make reliable estimates of progress toward completion of contracts and contract revenues and contract costs. The Group believes it assesses its business risks in a manner that allows it to evaluate the outcome of projects for purposes of making reliable estimates. The Group's business risks have involved, and will continue to involve, unforeseen difficulties including weather, economic instability, labour strikes, localised civil unrest, and engineering and logistical changes, particularly in major projects.

3.2 Corporate income taxes

The Group is subject to taxation in numerous jurisdictions and different taxation regimes, including tax regimes covered by production sharing contracts of our customers, the Norwegian tonnage tax regime and deemed profit regimes. Significant judgement is required in calculating the consolidated tax provision. There are transactions for which the ultimate tax determination is uncertain and for which the Group makes provisions based on an assessment of internal estimates and/or appropriate external advice, including decisions regarding whether to recognise deferred tax assets in respect of tax losses. Each year the Group completes a detailed review of uncertain tax positions across the Group and makes provisions based on the probability of the liability arising. Where the final tax outcome of these matters differs from the amounts that were initially recorded, the difference will impact the tax charge in the period in which the outcome is determined.

The Group also recognises the increased scrutiny applied by tax authorities on intercompany transactions. As such, the Group has considered its key transactions with affiliates and has reasonable grounds for concluding that the prices used are at arm's length. This is supported by internal transfer pricing documentation that is consistent with the OECD Guidelines (OECD Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations).

3.3 Vessels and equipment

Vessels and equipment are recorded at cost, and depreciation is recorded on a straight-line basis over the useful lives of the assets. Management uses their experience to estimate the remaining useful life and residual value of an asset. Reassessment particularly takes place when an asset has been upgraded or does not serve its original purpose anymore. When events or changes in circumstances indicate that the carrying value of vessels and equipment may not be recoverable a test for impairment is carried out by management. Where the 'value-in-use' method is used to determine the recoverable amount of an asset, management use their judgment in determining asset utilisation, profitability, remaining life, and the discount rate when performing the calculation. The determination and identification of different components of the vessels is subject to judgment from management. Each part of the vessel that forms a significant part and has a different depreciable life is considered a significant component.

3.4 Allowance for doubtful debt

Trade receivables are shown net of impairment losses arising from identified doubtful receivables from customers. Trade receivables were impaired taking into account the financial position of the debtors, the days outstanding and expected outcome of negotiations and legal proceedings against debtors. Unbilled revenue on (completed) projects does not include impairment losses.

3.5 Fair value of derivatives

The fair value of financial instruments that are not traded in an active market (e.g.: over-the-counter derivatives) is determined by using valuation techniques. The Group uses its judgement to select a variety of methods and makes assumptions that are mainly based on market conditions existing at the end of each reporting period. The Group has used discounted cash flow analysis for various foreign exchange contracts that are not traded in active markets. For definition of fair value hierarchy please see note 27.6.1.

3.6 Defined benefit pension schemes

The present value of the pension obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. Management utilises the services of various qualified actuaries to calculate an estimate of the defined benefit pension liability. Any changes in assumptions made (such as the discount rate) will impact the carrying amount of pension obligations. Other key assumptions for pension obligations are based in part on current market conditions.

3.7 Recognition of provisions and disclosure of contingent liabilities

The Group, in the ordinary course of business, may be subject to various claims and lawsuits involving service providers, employees, tax authorities and others. In consultation with internal and external advisors, management will recognise a provision for related expenses and claims, if information available prior to issuance of the consolidated financial statements indicates a probable event and if the amount of the loss/cost can be reasonably estimated. Contingent liabilities for which a possible obligation exists are disclosed but not recognised.

4. Discontinued operations

The companies DeepOcean 1 UK Ltd, DeepOcean Subsea Cables Ltd and Enshore Subsea Ltd are considered as discontinued operations. The above UK companies are the companies comprising the RPP. Reference is made to note 2.2 with regards the nature of the RPP.

In addition, all operations related to AXA Enghenaria Submarina Ltda, the Brazilian legal entity of which the group owns 60%, are reported as discontinued operations.

The financial performance from discontinued operations is presented below and resulted in a net loss of \$143.3M

<i>USD (thousands)</i>	2020	2019
Revenue	73 641	
Direct operating expenses	(50 426)	
Depreciation and amortisation	(37 997)	(48)
Impairment	(94 230)	
Gross loss	(109 012)	(48)
Sales, general and administrative expenses	(18 155)	(16)
Other income	50	
Results/(loss) from operating activities	(127 116)	(64)
Finance income	106	43
Finance expense	(16 336)	(3 611)
Net finance expense	(16 230)	(3 568)
Loss before tax	(143 346)	(3 632)
Corporate income tax credit		
Loss for the period	(143 346)	(3 632)
Results/(loss) attributable to:		
Shareholders of the parent	(141 597)	(3 632)
Non-controlling interests	1 749	
Loss for the period	(143 346)	(3 632)

The balance sheet position of the discontinued operations is presented in the below table.

	31 December
<i>USD (thousands)</i>	2020
Assets	
Vessels and equipment	120
Equity accounted investees	(0)
Loans and other receivables	0
Prepaid charter costs	(0)
Total non-current assets	120
Inventories	(23)
Trade receivables and contract assets	(925)
Current income tax receivable	247
Cash and cash equivalents	4 649
Total current assets	3 948
Total assets	4 068
Accumulated losses	(92 950)
Total equity attributable to owners of the Company	(92 950)
Non-controlling interests	(8 523)
Total equity	(101 473)
Non-current portion of loans and borrowings	52 938
Non-current portion of post-employment benefit obligation	242
Total non-current liabilities	53 180
Current portion of loans and borrowings	39 567
Current portion of post-employment benefit obligation	(0)
Trade and other payables	12 810
Current provisions	(0)
Current income tax liabilities	(16)
Total current liabilities	52 361
Total liabilities	105 541
Total equity and liabilities	4 068

5. Revenue

For management purposes, the Group is organised in various operating segments, based on a combination of geographical regions and service/product lines. The Executive Director of the Board fulfil the role of Chief Operating Decision Maker (CODM) in the Group and monitor the operating results of its business units separately for the purpose of decision making and performance assessment. Financial information for this exists in management accounting, however individually the segments do not meet the quantitative thresholds required by IFRS 8.22 (a) for reportable segments. The regions all have similar characteristics in terms of economic, nature of service, type of customer, methods of distribution and regulatory environment. Therefore, the operating segments are combined into one reportable segment as presented in this consolidated statement. Net Income measures the Group's performance.

5.1 Geographic information

Revenue

The Group operates highly mobile vessels, which operate in multiple jurisdictions. Revenues from external customers are allocated based on the country of the registered office of the Group subsidiary executing the services.

<i>USD (thousands)</i>	2020	2019
Norway	241 708	212 040
United Kingdom	94 596	151 247
Netherlands	(5 792)	6 788
Americas	62 438	75 579
Africa	33 181	44 740
Total revenue	426 131	490 394
Revenue from continuing operations	352 490	490 394
Revenue from discontinued operations	73 641	

Non-current assets

The allocation of assets is based on the country of the registered office of the Group subsidiary.

<i>USD (thousands)</i>	31 December 2020	31 December 2019
Norway	93 669	170 089
United Kingdom	1 201	118 303
Netherlands	2 456	38 036
Americas	48 299	55 937
Africa	471	1 991
Total non-current assets	146 096	384 356

5.2 Major customers

Revenue from customers contributing more than 10% to the total revenue is summarised below:

<i>USD (thousands)</i>	2020	2019
Revenue	169 601	190 523
Number of customers	2	2

The two customers contributing more than 10% of overall group revenue each in 2020 are: Equinor Energy AS; AkerBP AS;

5.3 Seasonality of operations

The Group's activities in all segments are subject to seasonal fluctuations as a result of weather conditions. During the winter months, the possibility of adverse weather conditions is significantly higher compared to the summer months. As a result, the Group's revenues and results typically are lower in the first and fourth quarter of the year, particularly in operations in the northern hemisphere.

6. Expenses by nature

The direct operating; sales, general and administrative expenses; and other (income)/expenses are presented below:

- Direct operating expenses:

<i>USD (thousands)</i>	2020	2019
Employee costs	137 760	182 185
Vessel charter costs	19 892	28 923
Other rentals	15 168	14 497
Parts, materials and consumables	40 452	57 521
Other direct operating expenses	40 919	48 703
Total Direct operating expenses	254 192	331 828
From continuing operations	203 766	331 828
From discontinued operations	50 426	
IFRS 16 impact		
Vessel charter costs	78 683	107 232
Other rentals	1 022	1 736

- Sales, general and administrative expenses:

<i>USD (thousands)</i>	2020	2019
Employee costs	25 742	8 954
Premises and office costs	3 015	2 781
Travel cost	420	2 262
Professional fees	12 415	2 884
IT and communications	3 069	2 559
Marketing	671	705
Other (income)/expense	1 682	2 275
Total Sales, general and administrative expenses	47 014	22 420
From continuing operations	28 859	22 420
From discontinued operations	18 155	16
IFRS 16 impact		
Premises and office costs	1 425	1 614
Travel cost	68	58

- Other expenses / (income):

<i>USD (thousands)</i>	2020	2019
(Profit)/loss on the sale of fixed assets	3 764	(97)
Restructuring costs	271	14 334
Impairment of loans to related parties	-	-
Allowance for doubtful debt	9 984	5 875
Other extraordinary costs	-	-
Total other expense	14 019	20 112
From continuing operations	3 890	20 112
From discontinued operations	10 129	
Impairment of fixed assets	98 200	5 252
Total other expense, including impairments of fixed assets	112 219	25 364
From continuing operations	18 040	25 364
From discontinued operations	94 179	

7. Employee costs

The employee costs include cost related to the Group's long-term incentive plans and pensions.

<i>USD (thousands)</i>	2020	2019
Pensions - defined contribution plans	4 850	4 505
Pensions - defined benefit plans	745	959

8. Independent auditor's remuneration

With reference to Section 2:382a of the Netherlands Civil Code, fees billed to the Group by the principal auditing firm Ernst & Young (EY) Netherlands as the independent statutory auditor of the Group and other member firms of E&Y International, were:

<i>USD (thousands)</i>	2020	2019
Audit - Statutory	762	576
Tax advisory services	-	79
Other services	-	119
Total	762	774

9. Net finance income/(expenses)

<i>USD (thousands)</i>	2020	2019
Finance income		
Interest income on bank and loans	(68)	(510)
Other finance income	(5)	(14)
Total finance income	(72)	(524)
Finance expense		
Interest expense on bank loans and overdrafts	9 356	7 943
Interest expense on loan from related party	11 728	10 888
Interest expense on finance lease	564	779
Interest expense on operational lease	IFRS16 13 472	20 314
Unrealized result of currency derivatives	(8 136)	(104)
Realized result of currency derivatives	4 476	423
Net foreign exchange expense	5 793	2 663
Net foreign exchange expense	IFRS16 (404)	(4 244)
Other finance expense	2 612	2 358
Total finance expense	39 461	41 019
Net finance expense recognised in statement of profit or loss	39 389	40 495
From continuing operations	23 159	36 927
From discontinued operations	16 230	3 568

10. Corporate income tax**10.1 Current corporate income tax**

<i>USD (thousands)</i>	2020	2019
Current income tax on loss for the year	6 130	2 729
Adjustments with respect to prior years	20	0
Non-deductable withholding tax	1 677	2 723
Current corporate income tax expense	7 827	5 452
Origination and reversal of temporary differences	(2 535)	(9 734)
Deferred income tax credit	(2 535)	(9 734)
Total income tax expense/(credit)	5 292	(4 282)
From continuing operations	5 292	(4 282)
From discontinued operations	-	-

The income tax expense recognised in the period can be reconciled to the accounting profit as follows:

<i>USD (thousands)</i>	2020	2019
Loss before tax from continuing operations	(9 172)	(60 900)
Loss before tax from discontinued operations	(143 346)	(3 632)
Loss before tax for the period	(152 518)	(64 532)
Corporate income tax expense calculated at 25%	(38 129)	(16 133)
Effect of different income tax rates in other jurisdictions	1 787	4 273
Permanent differences	3 840	3 570
Non-taxable income	-	-
Unrecognised DTA/(utilisation of previously unrecognised DTA)	37 906	(1 740)
Prior year adjustments	20	0
Other	(132)	5 748
Total	5 292	(4 282)

	2020	2019
Corporate income tax expense calculated at 25%	25,0%	25,0%
Effect of different income tax rates in other jurisdictions	-1,2%	-6,6%
Permanent differences	-2,5%	-5,5%
Non-taxable income	0,0%	0,0%
Unrecognised DTA/(utilisation of previously unrecognised DTA)	-24,9%	2,7%
Prior year adjustments	0,0%	0,0%
Other	0,1%	-8,9%
Total	-3,5%	6,6%

Effective tax rate analysis**2020**

For the year ended 31 December 2020 the Group recorded a net tax cost of \$5,3 million. This resulted in an effective tax rate of minus 3,5%.

2019

For the year ended 31 December 2019 the Group recorded a net tax income of \$4,3 million. This resulted in an effective tax rate of minus 6.6%.

10.2 Recognized deferred tax assets and liabilities

The net movement on the deferred income tax account is as follows:

<i>USD (thousands)</i>	Balance 1 January 2019	Recognised in profit or loss	Recognised in other comprehensive income	Exchange differences	Balance 31 December 2019
Vessels and equipment	62	2 271	-	3	2 336
Receivables	(60)	36	18	2	(4)
Post employment benefits	(4)	155	-	4	155
Provisions	642	(10)	(0)	(3)	629
Tax losses carried forward	4 809	4 147	-	108	9 064
Other	769	3 135	(1 164)	(43)	2 697
Total	6 218	9 734	(1 146)	71	14 877

<i>USD (thousands)</i>	Balance 1 January 2020	Recognised in profit or loss	Recognised in other comprehensive income	Exchange differences	Balance 31 December 2020
Vessels and equipment	2 336	(1 975)	696	11	1 068
Receivables	(4)	8	-	0	4
Post employment benefits	155	7	-	4	166
Provisions	629	(151)	-	6	484
Tax losses carried forward	9 064	3 895	(3 428)	(116)	9 415
Other	2 697	751	(26)	257	3 679
Total	14 877	2 535	(2 758)	162	14 816

The movement in deferred income tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

Deferred tax assets and liabilities

	Assets		Liabilities		Net	
	31 December	31 December	31 December	31 December	31 December	31 December
<i>USD (thousands)</i>	2020	2019 [¶]	2020	2019 [¶]	2020	2019
Vessels and equipment	1 068	2 336	-	-	1 068	2 336
Receivables	5	(3)	-	-	5	(3)
Post employment benefits	156	146	-	-	156	146
Provisions	456	627	-	-	456	627
Tax losses carried forward	9 049	9 419	-	-	9 049	9 419
Other	4 322	3 612	(1 260)	(1 260)	3 062	2 352
Set off of tax components					-	-
Total	15 056	16 137	(1 260)	(1 260)	13 796	14 877
To be recovered after 12 months	10 556	8 153	(1 260)	(1 260)		
To be recovered within 12 months	4 500	7 984	-	-		
Total	15 056	16 137	(1 260)	(1 260)		

The recognised deferred tax assets are dependent on future taxable profits in excess of profits arising from the reversal of existing taxable temporary differences. Based on forecasted results for each relevant entity, management considered it probable that enough future taxable profits will be generated to utilise deferred tax assets.

10.3 Unrecognised deferred tax assets

<i>USD (thousands)</i>	2020	2019
Deductible temporary differences	(1)	(1)
Tax losses	-	2 470
Capital allowances	-	33
Total	(1)	2 502

Unrecognised deferred tax assets relate to temporary differences and tax losses carried forward in certain entities where it is currently not probable that future taxable profits will be generated to utilise these assets.

10.4 Tax liabilities

Group companies receive enquiries from tax authorities and tax audits are performed by tax authorities with Group companies, which may result in disputes in respect of filed tax returns. Tax liabilities are recognised when it is considered probable that there will be a future outflow of funds to a tax authority. In such cases, a provision is made for the amount that is expected to be settled, where this can be reasonably estimated. This requires the application of judgement as to the ultimate outcome, which can change over time depending on facts and circumstances. A change in estimate of the likelihood of a future outflow and/or in the expected amount to be settled would be recognised in income in the period in which the change occurs.

11. Vessels and equipment

<i>USD (thousands)</i>	Vessels	Mission equipment	Other	Right-of-use- assets	Assets under construction	Total
Costs						
Balance at 1 January 2019	209 488	255 826	12 816	-	6 540	484 670
Additions		4 694	89	359 539	5 731	370 053
Reclassification	99	3 622	133		(8 150)	(4 296)
Asset classified as held for sale	(86 406)					(86 406)
Retirement and disposals	(16 788)	(90 833)	(3 955)		(1 665)	(113 241)
Impairments	(21 916)					(21 916)
Exchange differences	599	13	1 618		(433)	1 797
Balance at 31 December 2019	85 076	173 322	10 701	359 539	2 023	630 661
Balance at 1 January 2020	85 076	173 322	10 701	359 539	2 023	630 661
Additions		1 507	89	(11 038)	9 949	507
Reclassification		7 186	133		(7 319)	-
Retirement and disposals	(21 359)	(24 662)	(4 400)	(170 829)	(628)	(221 878)
Exchange differences	(3 318)			660		(2 658)
Balance at 31 December 2020	60 399	157 353	6 523	178 332	4 025	406 632
Accumulated depreciation						
Balance at 1 January 2019	(149 144)	(173 028)	(6 711)		-	(328 883)
Depreciation charge	(9 423)	(16 881)	(1 281)	(107 720)		(135 305)
Retirement and disposals	16 790	89 650	2 942			109 382
Assets classified as held for sale	71 290					71 290
Impairments	16 664					16 664
Exchange differences	(358)	582	(415)	(2 017)		(2 208)
Balance at 31 December 2019	(54 181)	(99 677)	(5 465)	(109 737)	-	(269 060)
Balance at 1 January 2020	(54 181)	(99 677)	(5 465)	(109 737)	-	(269 060)
Depreciation charge	(4 956)	(16 376)	(909)	(104 027)		(126 268)
Retirement and disposals	21 359	24 829	4 400	162 340		212 928
Impairments	-	(20 876)		(77 324)		(98 200)
Exchange differences	738	582	(15)			1 305
Balance at 31 December 2020	(37 040)	(111 518)	(1 989)	(128 748)	-	(279 295)
Carrying amounts						
At 1 January 2019	60 344	82 798	6 105	-	6 540	155 787
At 31 December 2019	30 895	73 645	5 236	249 802	2 023	361 601
At 1 January 2020	30 895	73 645	5 236	249 802	2 023	361 601
At 31 December 2020	23 359	45 835	4 534	49 584	4 025	127 337

Impairment vessels and equipment

The Group performed its annual impairment test in December 2020. The Group considers the relationship between its enterprise value and its book value, among other factors, when reviewing for indicators of impairment. External valuations of the owned vessels were also included in this assessment. In the reporting period, management assessed the fair value of these assets and concluded impairments would be necessary. This resulted in a 2020 impairment of USD 98,2 million of which USD 94,2 million is related to discontinued operations.

12. Goodwill and intangible assets

Figure 1 - Table 1

<i>USD (thousands)</i>	Goodwill	Customer relationships	Other intangible assets	Total
Costs				
Balance at 1 January 2019	989	1 906	-	2 895
Balance at 31 December 2019	989	1 906	-	2 895
Balance at 1 January 2020	989	1 906	-	2 895
Additions			72	72
Exchange differences	89			89
Balance at 31 December 2020	1 078	1 906	72	3 056
Accumulated Amortisation				
Balance at 1 January 2019				-
Balance at 31 December 2019	-	-	-	-
Balance at 1 January 2020	-	-	-	-
Balance at 31 December 2020	-	-	-	-
Carrying amounts				
At 1 January 2019	989	1 906	-	2 895
At 31 December 2019	989	1 906	-	2 895
At 1 January 2020	989	1 906	-	2 895
At 31 December 2020	1 078	1 906	72	3 056

In 2020 there was no further Goodwill recognized, and no additions to minor intangible assets.

13. Equity-accounted investees**13.1 Joint ventures**

On 1 December 2014, the Group entered into a joint venture agreement with Technip Norge AS, resulting in the incorporation of Technip-DeepOcean PRS JV DA ('PRS') in Norway, in which both parties own 50% of the shares. The main purpose of the joint venture is to execute the PRS Framework Agreement. The parties have joint control.

In 2018, the Group entered into a joint venture with Level Personal AS, resulting in the incorporation of Level Offshore AS in Norway, in which both parties hold 50% of the shares. The main purpose of the joint venture is to provide staffing services to the offshore industry and the marine market.

<i>USD (thousands)</i>	Share	Profit/(loss)	Assets	Liabilities	Equity	DeepOcean's share in equity	Carrying value
31 December 2018							
Technip-DeepOcean PRS JV DA	50 %	968	4 637	(3 539)	(1 098)	(549)	550
Level Offshore AS	50 %	659	4 044	(3 057)	(988)	(494)	59
Total		1 626	8 681	(6 596)	(2 085)	(1 042)	609

During the year ended 31 December 2020, the Group did receive dividend from its equity-accounted investments amounting US\$0.4 million (2019: US\$0.9 million). None of these companies are publicly listed and consequently do

not have published price quotations. There are no contingent liabilities relating to the Group's interest in the investments accounted for using the equity method.

14. Joint operations

In 2015 the Group entered into an agreement with a Ghanaian partner resulting in the incorporation of DeepOcean Ghana Ltd in Ghana, in which DeepOcean owns 49% of the shares. The main purpose of the joint operations is to execute contracts in Ghana. Despite the fact that the Group only holds 49% of the shares, the parties have joint control.

The shareholder agreement in relation to DeepOcean Ghana Ltd requires consent from both parties for all significant decisions. The two partners have rights to substantially all of the economic benefits of the assets held in the separate vehicle. This entity, as well as its fully owned subsidiary DeepOcean Ghana B.V. is therefore classified as a joint operation.

DeepOcean Ghana Ltd is 100% consolidated in DeepOcean Group.

15. Changes in consolidated interests

No changes in consolidated interests during 2020. The planned wind down and liquidation of UK companies will be done in 2021.

16. Prepaid charter costs

The Group enters into new charter agreements with ship owners on a regular basis. Mobilization cost associated with a new charter are capitalized and amortized over the term of the lease.

17. Inventories

The inventories comprise of the following:

	31 December 2020	31 December 2019
<i>USD (thousands)</i>		
Fuel and oil	2 287	3 203
Spare parts	277	188
Total	2 563	3 391

At 31 December 2020 no inventory was written off (31 December 2019: nil). The inventories are for internal use only and not for re-sale. The cost of inventories utilised is recognised as an expense in direct operating expenses.

18. Trade receivables and contract assets

	31 December 2020	31 December 2019
<i>USD (thousands)</i>		
Trade receivables		
Receivables from third-party customers	61 083	72 231
Receivables from associates and joint-ventures	559	500
Allowance for expected credit losses	(14 051)	(5 803)
Net trade receivables	47 591	66 928
Contracts assets		
Other receivables	3 705	2 759
Other current financial assets	34 717	34 726
Net contract assets	38 421	37 485
Total	86 012	104 413

Allowance for expected credit losses on trade receivables and contract assets (ref. note 27.4)

<i>USD (thousands)</i>	2020	2019
Balance at 1 January	(5 803)	(47)
Provision for expected credit losses	(8 248)	(5 756)
Write-off	-	-
Foreign currency movement	-	-
Balance at 31 December	(14 051)	(5 803)

19. Cash and cash equivalents

Unrestricted cash and cash equivalents are available for immediate use by the Group. Cash and cash equivalents in the joint operations in Ghana are available for immediate use subject to approval by both partners in the joint arrangement.

Restricted cash

<i>USD (thousands)</i>	2020	2019
Withheld employee taxes Norway	2 706	2 533

20. Share capital and premium

<i>USD (thousands)</i>	Number of shares	Share capital	Share premium
On issue at 1 January 2019	30 002 000	345	54 862
New shares issued	10	-	1 703
Foreign currency movement	-	(7)	(1 052)
On issue at 31 December 2019 - fully paid	30 002 010	338	55 513
Treasury shares		-	-
Outstanding at 31 December 2019 - fully paid	30 002 010	338	55 513
On issue at 1 January 2020	30 002 010	338	55 513
New shares issued		-	
Foreign currency movement	-	31	5 020
On issue at 31 December 2020 - fully paid	30 002 010	369	60 533
Treasury shares		-	-
Outstanding at 31 December 2020 - fully paid	30 002 010	369	60 533

The Board of Directors proposes no dividend for 2020 (2019: nil).

21. Loans and borrowings

This note provides information about the contractual terms of the Group's interest-bearing loans and borrowings, which are measured at amortised cost. For more information about the Group's exposure to currency risk, interest rate risk, liquidity risk and operational risk, reference is made to note 27.

<i>USD (thousands)</i>		31 December 2020	31 December 2019
Non-current borrowings			
Secured bank loans - Credit Facility - Facility B		11 613	17 009
Unsecured loans from related parties		147 773	137 187
Secured loan from related party			1 501
Finance charges being amortised ¹		(181)	(1 161)
Finance lease liabilities		13 018	20 155
Operational lease liabilities	IFRS16	69 028	149 667
		241 251	324 358
Current borrowings			
Secured bank loans - Credit Facility - Facility A		87 887	84 575
Secured bank loans - Credit Facility - Facility B		-	-
Finance charges being amortised ¹		-	-
Bank loan acquired through business combination		-	-
Finance lease liabilities		6 665	4 220
Operational lease liabilities	IFRS16	69 494	113 612
		164 046	202 407
Total		405 297	526 765

¹ The carrying amount of borrowings includes directly attributable costs which are amortized over the term of the loans.

21.1 Secured bank loans

	31 December	31 December
<i>USD (thousands)</i>	2020	2019
At 1 January	101 584	109 044
Repayment of borrowings	(12 930)	(4 640)
Proceeds of new borrowings	9 227	
Exchange differences	1 619	(2 820)
At 31 December	99 500	101 584

The Credit Facility of EUR 155.0 million (US\$173.7 million) consists of EUR 80.0 million revolving credit facility (the "Facility A") a EUR 45.0 million bank bonds and guarantees facility (the "Facility C"), and a EUR 16.2 million term loan facility (the "Facility B").

In the Credit Facility an additional EUR 20.0 million (US\$22.4 million) feature is available under Facility A. It is also possible to transfer up to EUR 25.0 million from Facility A to a committed guarantee facility (the "Facility D"), the transfer/utilization date being the Facility D Increase Date. The committed amount may not be reversed to Facility A. The Credit Facility is secured by all assets of the Group including the assets of its present and future subsidiaries.

The Credit Facility contains customary operating and financial covenants, including restrictions on each obligor (and where expressly provided, the subsidiaries of such obligors) with regard to the extent to which the entities may, among other things, (i) incur additional indebtedness or guarantees; (ii) create liens or other encumbrances on our property; (iii) enter into a merger or similar transaction; (iv) sell or transfer property except in the ordinary course of business; (v) make dividend and other restricted payments; (vi) repurchase Ordinary Shares; and (vii) make acquisitions.

In effect, from 30 November 2018 the key financial covenant requirements were minimum liquidity positions at each month end period and LTM adjusted EBITDA at each month end period. However, the key financial covenants have now been renegotiated as part of a new loan agreement and are as follows:

- Liquidity shall at all times exceed \$7.5M until 31st December 2023
- EBITDA covenant is not applicable currently and will be reintroduced on 31st December 2022 with a compliant EBITDA of \$15M over the prior 12 months

Prior to the finalised loan agreement, there was a lock-up period agreement signed on the 18th November 2020. The lock up agreement provided waivers and forbearance which temporarily waive any default, potential Event of Default or Event of Default under or in respect of the Facilities Agreement arising directly and solely as a result of the Restructuring including:

- any failure by the Parent or any Group Company to comply with clause 22.1(d)(viii) (Financial Covenants) of the Facilities Agreement including any failure to deliver a quarterly compliance certificate evidencing compliance with that clause pursuant to clause 21.4 (Compliance Certificates) of the Facilities Agreement

The lock up agreement and subsequent new loan agreement were negotiated and agreed in parallel to the RPP process in the UK.

Current and forecasted covenants are monitored continually. Under the lock up agreement the monitoring of the, of the Company's ability to meet its debt service obligations was tightened (also see note 27.5 on Liquidity), with weekly reporting and minimum cash in Pledged Accounts set to USD 17.5 million and where necessary action will be taken to ensure access to funding.

At 31 December 2020 the financial covenants for the Company's debt instruments were within their applicable thresholds under the lock up agreement.

The carrying amounts per currency and year of maturity are as follows:

				31 December	31 December
				2020	2019
<i>USD (thousands)</i>	Currency	Nom inal interest rate	Year of maturity	Carrying amount	Carrying amount
Facility A - Credit Facility	USD	LIBOR + 4.75%	2023	87 887	84 575
Facility B - Term loan	USD	LIBOR + 4.75%	2023	11 613	17 009
Total				99 500	101 584

The fair value of the outstanding borrowings in 2020 is estimated to approximate their carrying amount as the impact of discounting is not significant.

The maturity date for the Facilities is 28 February 2023.

The availability period for the Facility A is up to and including 27 November 2022, or, in case of an extension of the maturity date for Facility A, up to and including the date falling three months before the final maturity date for Facility A.

The availability period for Facility C is up to and including 27 January 2023.

The availability period for Facility D is the period from and including the Facility D Increase Date to and including 27 January 2023.

The repayment schedule on the remaining part of the Facility B term loan of EUR 25.0 million, drawn in USD, was adjusted in the amendment of 30 November 2018 to 2 annual instalments of EUR 6.5, of which the first is due in 2021. Each instalment is to be repaid in the USD equivalent of the EUR reduction.

The term loan was repaid by USD 5.2 million late November in relation to the sale of the vessel Deep Endeavour. This will be deducted from the next instalment due in 2021.

The interest is in line with market conditions and is based on LIBOR plus a margin of 4.75% (the level of the margin depends on the leverage of the Group). On the undrawn amount of the Facility A revolver loan interest is charged at 40% of margin, on the Facility C and Facility D performance guarantee loan interest (Guarantee Fee) is charged at 2.125% and a commitment fee on the undrawn Facility C and Facility D is charged at 40% of the Guarantee Fee.

For the drawn amounts of committed loan facility, refer to note 28. The Group has the following undrawn borrowing facilities as per 31 December 2020:

	31 December	31 December
<i>USD (thousands)</i>	2020	2019
Facility C - Ancillary loan commitment	31 689	16 163
Total	31 689	16 163

The Facility A may be drawn in multiple tranches provided that each tranche must be at least EUR 5.0 million. This minimum amount does not apply to the performance guarantee facility issues. In addition, the Group may add an additional EUR 20.0 million (USD 22.4 million) accordion facility to the Facility A.

21.2 Finance lease liabilities

DeepOcean had per 31 December 2020, 9 lease agreements all classified as financial leases under IFRS. The lease liabilities are effectively:

<i>USD (thousands)</i>	31 December 2020	31 December 2019
Gross finance lease liabilities - minimum lease payments		
- No later than 1 year	7 995	6 548
- Between 1 and 5 years	15 530	22 126
- Later than 5 years	-	-
Total gross finance lease liabilities	23 525	28 674
Future finance charge on finance lease	(3 842)	(4 299)
Present value of finance lease liabilities	19 683	24 375

The present value of the finance lease liabilities are as follows:

<i>USD (thousands)</i>	31 December 2020	31 December 2019
No later than 1 year	6 665	4 927
Between 1 and 5 years	13 018	19 447
Later than 5 years	-	1

22. Loans and borrowings from related parties

<i>USD (thousands)</i>	31 December 2020	31 December 2019
At 1 January	138 688	129 879
Loans from Tricer LuxBidCo 1 S.à r.l. (accrued interest reclass from current to non-current)	11 728	10 124
Proceeds of new loan		497
Restructuring of loans from Tricer Lux BidCo		(1 736)
Exchange differences	(1 444)	(76)
At 31 December	148 972	138 688

The related party Tricer LuxBidCo 1 S.à r.l., shareholder in Tricer NL BidCo 3 BV, provided cash funding through interest bearing loan of USD 75.0 million. Maturity date is 30 December 2046, 30 years from the date of the loan agreement. Unless repaid earlier, the loan should be repaid in full together with accrued but unpaid interest to the lender on the repayment date. The loan is unsecured.

Interest is fixed at a rate of 8% per annum and shall accrue daily and calculated based on a 365-day year. At anniversary day the accrued not paid interests are added to the loan balance.

Tricer LuxBidCo 1 S.à r.l. in addition granted an interest-bearing loan of USD 35.0 million. The loan was agreed in connection with an interim dividend of USD 35.0 million to Tricer LuxBidCo 1 S.à r.l. The dividend was not paid to the owner, but remains in the company as debt to the owner. Maturity date is 30 December 2046, 30 years from the date of the loan agreement. Unless repaid earlier, the loan should be repaid in full together with accrued but unpaid interest to the lender on the repayment date. The loan is unsecured.

Interest is fixed at a rate of 8% per annum and shall accrue daily and calculated based on a 365-day year. At anniversary day the accrued not paid interests are added to the loan balance.

The carrying amounts of the credit facilities per currency and year of maturity are as follows:

<i>USD (thousands)</i>	Currency	Nominal interest rate	Year of maturity	31 December 2020	31 December 2019
				Carrying amount	Carrying amount
Loan from related party	USD	8 %	2046	100 676	93 200
Loan from related party	USD	8 %	2046	46 954	43 467
Loan from related party	USD	8 %	2046	142	497
Total				147 772	137 164

The fair value of the outstanding borrowings in 2020 is estimated to approximate their carrying amount, as the impact of discounting is not significant. The loans from Tricer LuxBidCo 1 S.à r.l. are presented as Non-current portion of loans and borrowings in the statement of financial position as at 31 December 2020.

Other loans and borrowings from related parties consists of a loan from DeepOcean Brasil Serviços Ltda, which was deconsolidated from the Group per 30 December 2016, to AXA Engenharia Submarina Ltda.

23. Post-employment benefits

The pension plans expose the Group to actuarial risks, such as longevity risk, currency risk, interest rate risk and market (investment) risk.

The amounts recognised in the statement of financial position are determined as follows:

<i>USD (thousands)</i>	31 December 2020	31 December 2019
Present value of funded obligations	9 642	9 030
Less: Fair value of plan assets	9 110	8 397
(Surplus)/ deficit in the plan	532	633
MNOPF & MNRPF scheme	242	234
Total	774	867

The movement in the defined benefit obligation over the year is as follows:

<i>USD (thousands)</i>	2020	2019
Defined benefit obligations at 1 January	9 030	9 682
Benefits paid by the plan	(112)	(201)
Current service costs	735	832
Interest (income)/expense	150	250
Remeasurement, excluding amounts included in interest (income)/ expense	(260)	(1 507)
Payroll tax	(131)	68
Exchange differences	230	(94)
Defined benefit obligations at 31 December	9 642	9 030

The movement in the fair value of plan assets of the year is as follows:

<i>USD (thousands)</i>	2020	2019
Fair value of plan assets at 1 January	8 397	10 078
Contributions paid by the employer	932	334
Benefits paid by the plan	(112)	(175)
Administration costs	(22)	(19)
Interest (income)/expense	143	257
Remeasurement, excluding amounts included in interest (income)/ expense	(452)	(1 978)
Exchange differences	226	(99)
Fair value of plan assets at 31 December	9 110	8 397

The amounts recognised in the statement of profit or loss is as follows:

<i>USD (thousands)</i>	2020	2019
Current service costs	735	832
Interest (income)/expense	8	(7)
Administration costs	22	19
Payroll tax of net pension cost	(131)	68
Exchange differences	4	5
Total	638	917

The expected rate of return on plan assets is equal to the discount rate as used to calculate the corresponding defined benefit obligation and is based on high quality bonds.

The Group's defined benefit plan assets combined comprise the following asset categories:

	31 December 2020	31 December 2019
Equity instruments	9,0%	9,6%
Bonds	14,0%	12,4%
Hold to maturity bonds	62,0%	62,7%
Property	14,0%	13,4%
Other	1,0%	1,9%
Total	100,0%	100,0%

Investments are well diversified, such that the failure of any single investment would not have a material impact on the overall level of assets. The largest proportion of assets is invested in hold to maturity bonds, although the pension fund also invests in equity, property, bonds and other.

The IAS 19R calculations of the defined benefit pension schemes are carried out by the insurance companies. The principal actuarial assumptions used in the calculations are as follows:

	31 December 2020	31 December 2019
Discount rate	1,80 %	2,07 %
Future salary increases	2,25 %	2,25 %
Future increase in payroll tax base	0,00 %	0,00 %

A change of 1% in the assumptions stated above will not have a significant impact on the recognised pension liability in the balance sheet or on the movement recognised in the balance sheet or other comprehensive income.

	defined benefit obligation	
	1 percent increase	1 percent decrease
Discount rate	(485)	1 261
Future salary growth	2 661	(2 135)
Future pension growth	354	-
Life expectancy	44	(50)

Assumptions regarding future mortality experience are set based on actuarial advice in accordance with published statistics and experience. The mortality rates used are in accordance with Nordea Liv's basis of calculation for Group pension insurance, K2013.

	31 December 2020		31 December 2019	
	Men	Women	Men	Women
Age 20	88,6	92,4	88,6	92,4
Age 40	87,0	90,6	87,0	90,6
Age 60	86,0	89,4	86,0	89,4
Age 65	83,5	86,8	83,5	86,8
Age 80	89,3	91,6	89,3	91,6

The number of participants of the defined benefit plans and the corresponding average age are stated below:

	31 December 2020		31 December 2019	
	Active	Pensioners	Active	Pensioners
Number of participants	231	19	237	20
Average age	46	64	44	65

24. Provisions

USD (thousands)	Onerous contracts	Dilapidations	Total
Balance at 1 January 2020	2 569	183	2 752
Provisions utilised during the year	(406)	-	(406)
Provisions reversed during the year	-	-	-
Exchange differences	(394)	(64)	(458)
Balance at 31 December 2020	1 769	119	1 888
Analysis of provisions			
Current	1 769	119	1 888
Non-current	-	-	-
Total	1 769	119	1 888

The provisions are related to employee retention bonuses, property leases and realized losses on customer projects.

25. Derivative financial instruments

	31 December 2020	31 December 2019
<i>USD (thousands)</i>		
Non-current portion of derivative liabilities	0	-
Current portion of derivative liabilities		
Forward foreign exchange contracts and swaps	341	4 104
	341	4 104
Total	341	4 104

The interest rate swaps are related to the term B loan of the Credit Facility and swaps a floating interest for a fixed interest rate as described in note 21. The Group does not apply hedge accounting in relation to the interest risk; the change in fair value is recognised in the statement of profit or loss.

26. Trade and other payables

	31 December 2020	31 December 2019
<i>USD (thousands)</i>		
Trade payables	49 022	50 970
Contract liabilities	70 305	58 753
Wage taxes and social securities	6 124	6 040
Other payables	1 133	(3)
Total	126 584	115 760

Trade and other payables have increased at the end of 2020 compared to 2019. This is mainly caused by an increase in project cost at year end 2020 than 2019.

27. Financial risk management**27.1 Overview**

The Group's activities expose it to a variety of financial risks, which can be categorised as market risk, credit risk and liquidity risk. Whereas market risk includes foreign exchange risks and interest rate risks. Management policies have been established to identify, analyse and monitor these risks, and to set appropriate risk limits and controls. Financial risk management is carried out in accordance with the Group Risk Management policy approved by the Executive Management. The written principles and policies are reviewed periodically to reflect changes in market conditions, the activities of the business and laws and regulations affecting our business.

27.2 Market risk - Foreign exchange risk

The Group's revenues are earned in NOK, USD, GBP, and EUR. Sales and expenses in the same currency contribute to mitigating some of the currency risk. The Group continually assesses its exposure and currency derivatives may be used to further reduce this risk.

The main exchange rates used throughout the Group at the balance sheet date, compared to the USD, were as follows:

	NOK		GBP		EUR	
	closing	average	closing	average	closing	average
2019	0,11387	0,11367	1,32228	1,27730	1,12079	1,11955
2020	0,11628	0,10646	1,36720	1,28400	1,22155	1,14142

Exposure

Strengthening/weakening of the USD as of the reporting date against the currencies listed above would have increased/(decreased) profit or loss before tax by the amount shown in the next table. This analysis was performed on a 10% variation in 2020 and 2019.

	Equity		Profit or loss before tax	
	strengthening	w eakening	strengthening	w eakening
31 December 2019				
EUR	6 428	(6 428)	(556)	556
GBP	1 667	(1 667)	(3 088)	3 088
NOK	46 118	(46 118)	415	(415)
31 December 2020				
EUR	5 894	(5 894)	(1 039)	1 039
GBP	(9 348)	9 348	(12 275)	12 275
NOK	48 670	(48 670)	952	(952)

The effect on profit and loss arises in connection with monetary balances denominated in currencies other than the relevant entity's functional currency; the effect on equity arises principally from the translation of assets and liabilities of entities that are not USD functional.

27.3 Market risk - Interest rate risk profile

The Group is exposed to interest-rate risk to borrowings and cash deposits. Primarily, floating-interest rate loans under the Group's Credit Facility involve risk exposure for the Group's future cash flow. The terms of the Group's loans are described in note 21.

At the end of the reporting period the interest rate profile of the Group's interest-bearing assets and liabilities is as follows:

<i>USD (thousands)</i>	31 December 2020	31 December 2019
Fixed rate instruments		
Unsecured loans from group company not consolidated	147 773	137 187
	147 773	137 187
Variable rate instruments		
Facility A - Credit Facility	87 887	84 575
Facility B - Termloan	11 613	17 009
Finance lease liabilities	19 683	24 375
	119 183	125 959

The Group assesses its interest rate sensitivity at fair value through profit or loss. A potential change of 100 basis points in interest rates at the end of the reporting period shows the Groups sensitivity to potential changes in interest rates which is reasonably possible:

Interest expense	9 920 203
Average rate	4,75 %
Interest change 100 base points	1,00 %
Change interest (+/-)	2 088 464

27.4 Credit risk

Credit risk arises primarily from cash and cash equivalents held at financial institutions, and to a certain extent, from trade receivables.

Cash balances are only held with large recognised financial institutions in each demographic area where the Group operates.

The Group's exposure of trade receivables is managed through establishing proper credit limits, continuous credit risk assessments for each individual customer. If customers are independently rated, these ratings are used. If there is no independent rating, the credit quality is based on past experience, their financial position and other factors. The utilisation of the credit limits is regularly monitored.

The following table sets out details of the age of the trade receivable and related allowance for doubtful debt.

	31 December 2020	31 December 2019
<i>USD (thousands)</i>		
0 - 60 days	51 259	64 203
60 - 90 days	1 155	2 179
90 - 120 days	7 717	1 675
120+ days	1 511	5 824
Gross trade receivable	61 642	73 881
Allowance for doubtful debt	(14 051)	(5 803)
Net trade receivables	47 591	68 078

27.5 Liquidity risk

Liquidity risk is the risk that the Group will be unable to fulfil its operational and financial obligations as they fall due. Liquidity risk has become the most significant risk, both for the Group and the business in general. The Subsea business has been through a severe downturn, which has had a major impact on cash flow and cash reserves. Previous strategies with goals for the Group's leverage ratio, have been replaced by a reality where minimum cash covenants in the credit facility agreement being the measuring point. The Group monitors the risk of lack of available capital/cash and cash equivalents through continued evaluations of its liquidity position combined with a rolling cash flow forecast of its operational activities, including the servicing of its financial obligations.

The Group's liquidity reserve comprises cash and cash equivalents of USD 66,4 million and an undrawn credit facility of USD 9,8 million.

The table below analyses the Group's non-derivative financial liabilities and net-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. Derivative financial liabilities are included in the analysis if their contractual maturities are essential for an understanding of the timing of the cash flows. The amounts disclosed in the table are the contractual undiscounted cash flows.

<i>USD (thousands)</i>	1 year or less	1 - 5 years	Over 5 years
31 december 2019			
Secured bank loans - Credit Facility - Facility B	-	17 009	-
Secured bank loans - Credit Facility - Facility A	84 575	-	-
Unsecured loan from related party	-	-	138 664
Finance lease (including interest)	6 548	22 126	-
Derivative financial instruments (excluding interest rate swaps)	4 104	0	-
Trade and other payables	57 008	-	-
Total	152 235	39 135	138 664
31 december 2020			
Secured bank loans - Credit Facility - Facility B	-	11 613	-
Secured bank loans - Credit Facility - Facility A	87 887	-	-
Finance lease (including interest)	7 995	15 530	-
Derivative financial instruments (excluding interest rate swaps)	341	-	-
Trade and other payables	56 279	-	-
Total	152 502	27 143	-

The interest included in the above table is based on the current amounts borrowed with current interest rates and interest rate swaps. No assumptions are included for possible future changes in borrowings or interest payments.

27.6 Fair value estimation

27.6.1 Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the group has classified its financial instruments into the three levels prescribed under the accounting standards. An explanation of each level follows underneath the table.

USD (thousands)	31 December 2020			
	Level 1	Level 2	Level 3	Total
Liabilities				
Derivatives at fair value through profit or loss	341	-	-	341
Net asset/(liability)	(341)	-	-	(341)

The table above analyses financial instruments carried at fair value by valuation method and presents the changes in Level 1 instruments for the year ended 31 December 2020. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

There were transfers between level 3 and level 1.

Fair values reflect the credit risk of the instrument and include adjustments to take account of the credit risk of the Group entity and counterparty when appropriate.

27.6.2 Valuation techniques used to determine fair values

The fair value of the forward currency exchange contracts and currency options are primarily based on the fair value quote given by the specialised counterparty. Those quotes are tested for reasonableness by comparison with the Group's own valuation models. The fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date.

27.6.3 Fair value measurements using quoted prices (level 1)

The following table presents the changes in level 1 items for the period ended 31 December 2020:

USD (thousands)	Level 1	Level 2	Level 3	Total
At 1 January 2020	(4 104)	-	-	(4 104)
- statement of profit or loss	3 525	-	-	3 525
- exchange differences	238	-	-	238
At 31 December 2020	(341)	-	-	(341)

27.7 Capital risk

The Group's objectives when managing capital is to maintain a capital structure that enables the Group to achieve its strategic objectives and daily needs, and to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders.

In order to maintain or adjust the capital structure, the Group may issue new shares, adjust its dividend policy, return capital to shareholders or sell assets to reduce debt taking into account relevant interest cover and leverage covenants of our external borrowings.

The Group monitors capital on the basis of the debt to adjusted EBITDA ratio. This leverage ratio is calculated as (net) debt divided by adjusted EBITDA. Net debt is calculated as total borrowings less cash and cash equivalents.

Adjusted EBITDA is defined as EBITDA from continuing operations adjusted for one-off events including restructuring cost and other non-recurring events which are included in other expenses.

	31 December 2020	31 December 2019
<i>USD (thousands)</i>		
Total borrowings	405 297	526 765
Less: cash and cash equivalents	66 448	66 622
Net debt	338 849	460 143
Debt to adjusted EBITDA ratio	3,37	3,85
Net debt to adjusted EBITDA ratio	2,82	3,37

27.8 Financial instruments by category

<i>USD (thousands)</i>	Financial assets/ liabilities at amortised cost	Assets/ liabilities at fair value through profit or loss	Total
31 December 2019			
Assets			
Trade receivables	68 078	-	68 078
Cash and cash equivalents	66 622	-	66 622
Total financial assets	134 700	-	134 700
Liabilities			
Borrowings	526 765	-	526 765
Derivative financial liabilities	-	4 104	4 104
Trade payables	50 970	-	50 970
Total financial liabilities	577 735	4 104	581 839
31 December 2020			
Assets			
Trade receivables	47 591	-	47 591
Cash and cash equivalents	66 448	-	66 448
Total financial assets	114 039	-	114 039
Liabilities			
Borrowings	405 297	-	405 297
Derivative financial liabilities	-	341	341
Trade payables	49 022	-	49 022
Total financial liabilities	454 319	341	454 660

The fair value of the receivables and payables approximates their carrying value.

28. Commitments**28.1 Leases**

Right-of-use assets	Vessels	Property leases	Cars & trucks	Total
Acquisition cost 1 January 2019	284 948	12 233	147	297 328
Addition of right-of-use assets	58 655	3 423	133	62 211
Acquisition cost 31 December 2019	343 603	15 656	280	359 539
Accumulated depreciation and impairment 1 January 2019				
Depreciation	106 555	3 082	93	109 730
Accumulated depreciation and impairment 31 December 2019	106 555	3 082	93	109 730
Carrying amount of right-of-use assets 31 December 2019	237 048	12 574	187	249 809
Acquisition cost 1 January 2020	343 603	15 656	280	359 539
Addition of right-of-use assets	(11 038)	0	-	(11 038)
Disposals	(164 531)	(6 298)	-	(170 829)
Currency exchange differences	1 043	(383)	-	660
Acquisition cost 31 December 2020	169 077	8 975	280	178 332
Accumulated depreciation and impairment 1 January 2020	106 561	3 082	93	109 737
Depreciation	102 186	3 057	92	105 336
Impairment losses in the period	77 325	-	-	77 325
Disposals	(160 582)	(1 758)	-	(162 340)
Accumulated depreciation and impairment 31 December 2020	125 491	4 382	185	130 057
Carrying amount of right-of-use assets 31 December 2020	43 587	4 593	95	48 275

Undiscounted lease liabilities and maturity of cash outflows	2020	2019
Less than 1 year	68 323	121 673
1-2 years	56 125	94 640
2-3 years	12 933	65 479
3-4 years	1 695	14 327
4-5 years	1 730	1 666
More than 5 years	1 600	3 275
Total undiscounted lease liabilities at 31 December 2020	142 406	301 060

Summary of the lease liabilities	Total	Total
Lease liabilities at 1 January	263 279	297 300
New lease liabilities recognised in the year	-22 512	59 566
Transfers and reclassifications	-6	-
Cash payments for the principal portion of the lease liability	-115 151	-110 534
Interest expense on lease liabilities	13 250	20 318
Currency exchange differences	-338	-3 271
Total lease liabilities at 31 December	138 522	263 379
Current lease liabilities	69 494	113 612
Non-current lease liabilities	69 028	149 667

Summary of other lease expenses recognised in profit or loss	Total	Total
Total lease expenses included in other operating expenses	21 978	37 534

Practical expedients applied

The Group also leases personal computers, IT equipment and machinery with contract terms of 1 to 3 years. The Group has elected to apply the practical expedient of low value assets for some of these leases and does not recognise lease liabilities or right-of-use assets. The leases are instead expensed when they incur. The Group has also applied the practical expedient to not recognise lease liabilities and right-of-use assets for short-term leases, presented in the table above.

Variable lease payments

In addition to the lease liabilities above, the Group is committed to pay variable lease payments for some of their leases. The variable lease payments are expensed as incurred.

Extension options

The Group's lease of buildings has lease terms that vary from 10 years to 25 years, and several agreements involve a right of renewal which may be exercised during the last period of the lease terms. The Group assesses the likelihood of exercising options at the commencement date, the date when the extension option is made available to DeepOcean. The existence of the extension options is used to maximise operational flexibility and to reduce residual value risks with legal ownership. The extension options are exercisable only by DeepOcean. The Group's potential future lease payments is not included in the lease liabilities.

Purchase options

The Group leases machinery and equipment and vehicles with lease terms of 3 to 5 years. The existence of an option to purchase the machinery and equipment is used to maximise operational flexibility and to reduce residual value risks associated with legal ownership. Some of these contracts includes a right to purchase the assets at the end of the contract term. Consideration payable for purchasing the underlying assets are included when estimating the lease term and lease payments only to the extent it is reasonably certain that DeepOcean will exercise its options. The Group assesses at the commencement date whether it is reasonably certain to exercise the purchase right.

28.2 Capital commitments

At period end the Group had no contractual obligations related to upgrade vessels and equipment:

	31 December	31 December
<i>USD (thousands)</i>	2020	2019
Within one year	-	-
Total	-	-

28.3 Ancillary loan commitment

The Group uses the Ancillary Facility for contract guarantees and warranties:

	31 December	31 December
<i>USD (thousands)</i>	2020	2019
Within one year	12 304	16 904
Between one and five years	10 977	17 368
Total	23 281	34 272

29. Contingencies

The Company forms part of a fiscal unity for corporate income tax and transaction tax purposes with its Dutch subsidiary. Each company within the fiscal unity is jointly and severally liable for the fiscal liability of the fiscal unity.

The Company has guaranteed the debts and liabilities of DeepOcean 2 UK Limited and DeepOcean 3 UK Limited, under and prescribed by section 479A and 479C of the Companies Act 2006 existing as at 31st December 2020.

Tax contingencies and provisions

Business operations are carried out in several countries, through subsidiaries and branches of subsidiaries, and the Group is subject to the jurisdiction of a significant number of tax authorities. Furthermore, the mobile offshore nature of the Group's operations means that the Group routinely has to manage complex international tax issues.

The Group is subject to taxation in numerous jurisdictions. In the ordinary course of events operations and transactions will be subject to audit, enquiry and possible re-assessment by different tax authorities. The Group provides for the amount of taxes that it considers probable of being payable as a result of these audits and for which a reasonable estimate can be made. Significant judgement is required in calculating the tax provision. The Group's policy is to co-operate fully with the relevant tax authorities while seeking to defend its tax positions. It is possible that the ultimate resolution of these matters could result in tax charges that are materially higher or lower than the amount provided.

30. Related parties

Key management of the Group includes the members of Board of Directors and the Executive Management Team. The compensation paid or payable to key management for employee services is shown below.

<i>USD (thousands)</i>	2020	2019
Salaries and other short term employee benefits	1 906	2 112
Post-employment benefits	32	29
Total	1 938	2 141

For further information about the remuneration of the Board of Directors, reference is made to the note 46 in the company financial statements.

The Company furthermore received operational, financial, legal and tax services from its related parties West Park Management Services Limited and Triton Advisers Ltd amounting to USD 0,8 million during 2020.

31. Subsequent events

Subsequent to the end of 2020, the executive management have continued multiple processes to further safeguard operations and provide the business with stability for the future. Key subsequent events include:

- Approved restructuring plan procedure under Corporate Insolvency and Governance Act 2020 (an “RPP”) of the UK business (DeepOcean 1 UK Ltd, DeepOcean Subsea Cables Ltd and Enshore Subsea Ltd)
- Amendment and restatement of the current syndicated credit facility – including a maturity extension and other concessions from the lenders such as lower margins (reduced finance cost), and changes to the bank covenants
- \$15M new equity from majority shareholder Triton (March 2021) which shows – renewed commitment to their investment in DeepOcean and confidence in DeepOcean's future
- Renegotiated reduced charter rates for the Group's long-term charters in the Norway region

32. Subsidiaries and investments of the Group

Company	Country	31 December	31 December
		2020	2019
AXA Enghenaria Submarina Ltda	Brasil	60 %	60 %
CTC Marine Projects (Guernsey) Ltd	Guernsey	100 %	100 %
DeepOcean 1 UK Ltd	UK	100 %	100 %
DeepOcean 2 UK Ltd ¹	UK	100 %	100 %
DeepOcean 3 UK Ltd ²	UK	100 %	100 %
DeepOcean Africa AS	Norway	100 %	100 %
DeepOcean AS	Norway	100 %	100 %
DeepOcean BV	Netherlands	100 %	100 %
DeepOcean de Mexico, S de RL de CV	Mexico	100 %	100 %
DeepOcean Ghana BV	Ghana	[A]	[A]
DeepOcean Ghana Ltd	Ghana	49 %	49 %
DeepOcean Group Holding BV	Netherlands	100 %	100 %
DeepOcean Guernsey Ltd	Guernsey	100 %	100 %
DeepOcean Management AS	Norway	100 %	100 %
DeepOcean Maritime AS	Norway	100 %	100 %
DeepOcean Middle East DMCC	UAE	100 %	100 %
DeepOcean Norway AS	Norway	100 %	100 %
DeepOcean Shipping AS	Norway	100 %	100 %
DeepOcean Shipping II AS	Norway	100 %	100 %
DeepOcean Shipping III AS	Norway	100 %	100 %
DeepOcean Shipping V AS	Norway	100 %	100 %
DeepOcean Subsea Cables Ltd	UK	100 %	100 %
DeepOcean Subsea Services Limited	UK	100 %	100 %
Delta SubSea International Guyana Inc.	Guyana	100 %	100 %
Delta SubSea LLC	US	100 %	100 %
DOMX Marítima, S de RL de CV ³	Mexico	49 %	49 %
Ensore Subsea Ltd	UK	100 %	100 %
Level Offshore AS	Norway	50 %	50 %
SeaRov Offshore Co Ltd	Myanmar	99 %	99 %
SeaRov Offshore Group	Gabon	100 %	100 %
SeaRov Offshore Limited	UK	100 %	100 %
SeaRov Offshore SAS	France	100 %	100 %
Subsea Trinidad and Tobago Limited	T&T	100 %	100 %
Technip DeepOcean PRS JV DA	Norway	50 %	50 %
Tricer NL BidCo 4 BV	Netherlands	100 %	100 %

¹ DeepOcean 2 UK Limited, Company Registration Number 01275998, is a subsidiary company that is exempt from the requirement to have a Company Audit on their accounts, in accordance with section 479A of the Companies Act

² DeepOcean 3 UK Limited, Company Registration Number SC240196, is a subsidiary company that is exempt from the requirement to have a Company Audit on their accounts, in accordance with section 479A of the Companies Act 2006.

³ Although the Group has 49% of the shares in DOMX Marítima S. de R.L. de C.V. it is fully consolidated

[A] 100% subsidiary of DeepOcean Ghana Ltd

C. Tricer NL Bidco 3 B.V. Company Financial Statements for the year 2020

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C.1 Company statement of profit or loss of Tricer NL BidCo 3 B.V. for the year ended 31 December 2020

<i>USD (thousands)</i>		2020	2019
Share in results from participating interests, after tax	37	(144 955)	(48 593)
Interest expense on loan from related party	35	(11 728)	(10 888)
Other revenue (cost)		622	(410)
Profit/(loss) for the period		(156 061)	(59 891)

C.2 Company statement of financial position of Tricer NL BidCo 3 B.V. as at 31 December 2020

<i>USD (thousands)</i>		31 December 2020	31 December 2019
Assets			
Subsidiaries	37	-	61 607
Non-current loan receivables to related parties		-	-
Total non-current assets		-	61 607
Trade receivables and contract assets	40	-	-
Receivables from related parties	40	-	-
Current income tax receivable		-	-
Cash and cash equivalents		-	-
Total current assets		-	-
Total assets		-	61 607
Equity			
Share capital		369	338
Share premium		60 533	55 513
Reserves		-	27
Retained earnings		(285 901)	(131 535)
Total equity	39	(224 999)	(75 657)
Liabilities			
Borrowings from related parties not consolidated	40	147 773	137 187
Total non-current liabilities		147 773	137 187
Current portion of loans and borrowings	40	-	-
Trade and other payables	41	362	38
Payables to related parties not consolidated	41	-	39
Current liabilities	41	-	-
Current Provisions	37	76 864	-
Other taxes and social securities		-	-
Total current liabilities		77 226	77
Total liabilities		224 999	137 264
Total equity and liabilities		-	61 607

The accompanying notes are an integral part of these company financial statements.

C.3 Notes to the Company Financial Statements

33. General information

The description of the activities of Tricer NL Bidco 3 BV. (the "Company") and the Company structure, as included in the notes to the consolidated financial statements, also apply to the company financial statements.

34. Accounting policies

The Company has prepared its company financial statements in accordance with part 9 of Book 2 of the Netherlands civil code, and specifically, in accordance with section 362.8 of the code. In doing so, it has applied the principles of recognition and measurement as adopted in the consolidated financial statements (IFRS). For the Company statement of profit or loss the Company adopted the exemption as described in section 402 of the Netherlands civil code.

Subsidiaries are stated at their net asset value.

Long-term loans and other long-term receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method; less any impairment losses.

35. Other income and expenses after taxation

Other income and expenses after tax includes amongst others the remuneration of the Executive Management and Board of Directors. The Executive Management as well as the Board of Directors form part of the key management employees of the Group.

36. Proposal regarding the appropriation of profit

The Board of Directors proposes to add the net result to retained earnings

37. Subsidiaries

The movements in the investments in subsidiaries were as follows:

<i>USD (thousands)</i>	31 December 2020	31 December 2019
Balance at beginning of the period	61 607	108 449
Adjustments previous years		
Reclass external loan to internal loan	-	-
Share in result of subsidiaries	(144 955)	(48 593)
Exchange differences	6 484	1 751
Balance at end of the period	(76 864)	61 607

A list of subsidiaries and affiliated companies is prepared in accordance with the relevant legal requirements (the Netherlands Civil Code Book 2, part 9, Sections 379 and 414) and disclosed in note 32 of the consolidated financial statements. The parent company is responsible to cover the losses in subsidiaries; therefore, we have a negative value in the parent's balance sheet. The provision for the negative investment primarily relates to the UK companies that are part of the restructuring process and thus, the provision will be released in 2021.

38. Deferred tax asset

No deferred tax asset was recognized in 2020.

39. Equity

For the movement in equity we refer to the consolidated statement of changes in equity. Additional information on the share capital and premium is disclosed in note 20 in the consolidated financial statements.

The revaluation reserve qualifies as a legal reserve in accordance with Part 9 of Book 2 of the Netherlands Civil Code.

40. Long-term liabilities

The related party Tricer LuxBidCo 1 S.à r.l., shareholder in Tricer NL BidCo 3 BV, provided cash funding through interest bearing loan of USD 75.0 million. Maturity date is 30 December 2046, 30 years from the date of the loan agreement. Unless repaid earlier, the loan should be repaid in full together with accrued but unpaid interest to the lender on the repayment date. The loan is unsecured.

Interest is fixed at a rate of 8% per annum and shall accrue daily and calculated based on a 365-day year. At anniversary day the accrued not paid interests are added to the loan balance.

Tricer LuxBidCo 1 S.à r.l. in addition granted an interest bearing loan of USD 35.0 million. The loan was agreed in connection with an interim dividend of USD 35.0 million to Tricer LuxBidCo 1 S.à r.l. The dividend was not paid to the owner, but remains in the company as debt to the owner. Maturity date is 30 December 2046, 30 years from the date of the loan agreement. Unless repaid earlier, the loan should be repaid in full together with accrued but unpaid interest to the lender on the repayment date. The loan is unsecured.

Interest is fixed at a rate of 8% per annum and shall accrue daily and calculated based on a 365-day year. At anniversary day the accrued not paid interests are added to the loan balance.

The carrying amounts of the credit facilities per currency and year of maturity are as follows:

<i>USD (thousands)</i>	Currency	Nominal interest rate	Year of maturity	31 December 2020	31 December 2019
				Carrying amount	Carrying amount
Loan from related party	USD	8 %	2046	100 676	93 200
Loan from related party	USD	8 %	2046	46 954	43 467
Loan from related party	USD	8 %	2046	142	497
Total				147 772	137 164

41. Trade and other payables

The trade and other payables contain external advisory and insurance costs, and payables to related parties containing of intercompany payables to subsidiaries. This balance is the result of at arm's length transactions during the normal course of business. The fair value of the receivables and payables approximates their carrying value.

42. Corporate income tax

The loss for the year equals taxable losses carried forward. Deferred tax asset is not recognised.

43. Commitments and contingencies

The Company forms part of a fiscal unity for corporate income tax and transaction tax purposes with its Dutch subsidiary. Each company within the fiscal unity is jointly and severally liable for the fiscal liability of the fiscal unity.

44. Board remuneration

There is no remuneration of the Management Board in 2020 in Tricer NL Bidco 3 BV. For the remuneration of the key management employees, please refer to note 31 of the consolidated financial statements.

45. Basis of preparation – Going Concern

2020 was a challenging year for the Group, due to a number of factors including the continuing COVID-19 pandemic, the sharp decline of commodity prices in Q1 2020 and the challenging market for the UK business (DeepOcean 1 UK Limited, Enshore Subsea Limited & DeepOcean Subsea Cables Limited) of the Group. DeepOcean executed several measures to ensure the future viability of the Group including reduction in employees (specifically eliminating SG&A positions), reduced investment plans, negotiated reduced vessel rates on long term charters and initiated a full restructuring of the UK business. However, despite the challenging conditions there was no breach of the bank covenants (Liquidity & LTM EBITDA) in 2020.

The restructuring plan procedure under Corporate Insolvency and Governance Act 2020 (an “RPP”) of the UK business was not simply a liquidation of certain entities, but has a multitude of interlinked elements that cover the legal, financial and commercial spheres – which in its entirety have ensured the future viability of the Group and will make it increasingly competitive in the years to come. The process follows an extended period of loss-making operations by the UK business and reflects changes in the industry's procurement strategies and available installation capacity, as well as a mismatch between the UK business contractual commitments and market conditions. The RPP has been approved in court and the UK business is in the process of a solvent wind down. This court-approved process has given the Group certainty for ongoing operations and future activities. The key outcomes of the RPP are as follows:

- The UK business has been released of all their liabilities as of 22nd April 2021 (Except a certain % of creditor recovery)
- The liabilities included long term charter vessels with out of market rates
- The solvent wind down of the UK business
- Stops the major cash drain of the Group
- The Group will have more funding headroom, allowing it to be more aggressive towards growth areas and focus on growth in the right areas.
- The retention of the trenching assets to either operate or monetize
- Removes the UK Business which has been the major budget deviation and underperforming business for the Group over the last 36 months

In addition, to the RPP process in the UK business, the Group has continued multiple processes to further safeguard operations and provide the business with stability for the future. These processes include the following:

- Amendment and restatement of the current syndicated credit facility – including a maturity extension and other concessions from the lenders such as lower margins (reduced finance cost), and changes to the bank covenants
- \$15M new equity from majority shareholder Triton (March 2021) which shows – renewed commitment to their investment in DeepOcean and confidence in DeepOcean's future
- Significantly reduced charter rates for the Group's long-term charters in the Norway region

These activities and processes have been the main focus of the Group's management in 2020 to ensure a solid going concern for the wider DeepOcean Group and are the key anchor and preparation for this process of management assessment.

Management has decided to move its Group Holding entity from a Dutch entity (currently DeepOcean Group Holding B.V.) to a Norwegian entity in the course of 2021. This was to be completed in 2020, however, the focus of the executive management was on the RPP process for the UK business. This will involve a series of mergers resulting in DeepOcean Group Holding BV ceasing to exist and DeepOcean Norway AS becoming the ultimate parent of the DeepOcean Group. (Project Homecoming)

The series of mergers leading to DeepOcean Norway AS becoming the ultimate parent of the DeepOcean Group are as follows:

- DeepOcean Group Holding BV will be merged into Tricer NL BidCo 4 BV
- Merged Tricer NL BidCo 4 BV will be merged into Tricer NL BidCo 3 BV
- Merged Tricer NL BidCo 3 BV will be merged into DeepOcean Norway AS
- DeepOcean Norway will be the surviving entity and will become the group parent company

46. Subsequent events

Subsequent to the end of 2020, the executive management have continued multiple processes to further safeguard operations and provide the business with stability for the future. Key subsequent events include:

- Approved restructuring plan procedure under Corporate Insolvency and Governance Act 2020 (an "RPP") of the UK business (DeepOcean 1 UK Ltd, DeepOcean Subsea Cables Ltd and Enshore Subsea Ltd)
- Amendment and restatement of the current syndicated credit facility – including a maturity extension and other concessions from the lenders such as lower margins (reduced finance cost), and changes to the bank covenants
- \$15M new equity from majority shareholder Triton (March 2021) which shows – renewed commitment to their investment in DeepOcean and confidence in DeepOcean's future
- Renegotiated reduced charter rates for the Group's long-term charters in the Norway region

One major impact of the RPP process is temporary negative equity. This temporary negative equity position is due to the impairment of the right-of-use assets in the UK business (DeepOcean 1 UK Limited, Enshore Subsea Limited & DeepOcean Subsea Cables Limited); US\$83.7M negative impact on the equity position, while the liabilities remained on the balance sheet at the end of 2020. The liabilities of \$91.4M were extinguished from the balance sheet on the 6th January 2021, when a settlement agreed was signed with the external counterparties.

A new loan agreement was signed in January 2021. The key financial covenants as part of a new loan agreement are as follows:

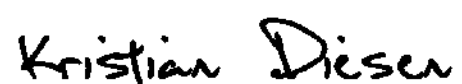
- Liquidity shall at all times exceed \$7.5M until 31st December 2023
- EBITDA covenant is not applicable currently and will be reintroduced on 31st December 2022 with a compliant EBITDA of \$15M over the prior 12 months

Management Board of Directors

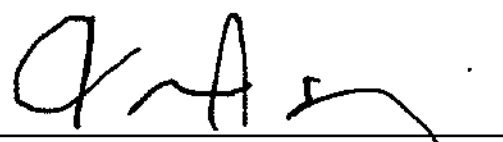
The members of the Management Board have signed the company financial statements pursuant to their statutory obligations under Section 2:101 sub 2 of the Netherlands Civil Code.

Oslo, 19th July 2021

Management Board



K. Diesen, Non-Executive Director



T. Askvig, Non-Executive Director

Other information

Statutory provisions regarding the appropriation of profit

From the Articles of Association,

Article 17.1.

The allocation of profits accrued in a financial year shall be determined by the General Meeting. If the General Meeting does not adopt a resolution regarding the allocation of the profits prior to or at latest immediately after the adoption of the annual accounts, the profits will be reserved.

Article 17.2.

The General Meetings has the authority to make distributions. If the Company is required by law to maintain reserves, this authority only applies to the extent that the equity exceeds these reserves. No resolution of the General Meeting to distribute shall have effect without the consent of the Board. The Board may withhold such consent only if it knows or reasonably should expect that after the distribution, the Company will be unable to continue the payment of its due debts.

Article 17.3

The General Meeting may resolve to make interim distributions on Shares and/or make distributions on Shares at the expense of any reserves of the Company. In addition, the Board may decide to make interim distributions on Shares.

Independent auditor's report

Reference is made to the independent auditor's report included on the next page.

Interim financial statements of Tricer NL Bidco 3 BV as of 30 June 2021

All amounts in EUR

Fixed assets	
<i>Tangible assets</i>	
<i>Financial assets</i>	
Investment in subsidiaries	165 725 085
Total financial fixed assets	165 725 085
Total fixed assets	165 725 085
Current assets	
<i>Receivables</i>	
Total accounts receivable	0
Cash and cash equivalents	685
Total current assets	685
TOTAL ASSETS	165 725 771
Equity	
<i>Paid-in capital</i>	
Share capital	452 010
Share premium	61 912 958
Other paid-in capital	24 018
Total paid-in-capital	62 388 986
<i>Retained earnings</i>	
Other equity	-25 937 248
Total retained earnings	-25 937 248
Total equity	36 451 738
Liabilities	
<i>Non-current liabilities</i>	
LT borrowings	124 143 920
Total non-current liabilities	124 143 920
<i>Current liabilities</i>	
Trade creditors	91 897
Trade creditors from companies in the same group	54 496
Accrued interest expense	4 954 039
Other short-term liabilities	29 680
Total current liabilities	5 130 112
Total liabilities	5 130 112
TOTAL EQUITY AND LIABILITIES	165 725 771

(English translation)

ERKLÆRING**OM****SAMTYKKE****STATEMENT****OF****CONSENT****Undertegnede:**

- DeepOcean Group Holding B.V., et nederlandsk selskap med begrenset ansvar, med registreringsnummer 55630561 og forretningsadresse Herengracht 433, 1017 BR Amsterdam, Nederland.

Undertegnede er i det følgende omtalt som **"Aksjonæren"**.

The Undersigned:

- DeepOcean Group Holding B.V., a Dutch limited liability company with registration number 55630561 and business address at Overtoom 141, 1054 HG Amsterdam, the Netherlands.

The undersigned is in the following referred to as the **"Shareholder"**.

1 SAMTYKKE**1.1 Bakgrunn**

På datoen for dette samtykket eier Aksjonæren samtlige aksjer i DeepOcean Norway AS, org. nr. 896 696 262, med forretningsadresse Karmsundgata 74, 5529 Haugesund, Norge (**"DONO"**).

Det er planlagt at DONO og selskapet Tricer NL Bidco 3 B.V. (**"Tricer 3"** og sammen med DONO de **"Fusjonerende Selskapene"**) skal gjennomføre en grenseoverskridende fusjon i samsvar med reglene i aksjeloven § 13-25 jf. allmennaksjeloven § 13-25 til § 13-36, Europaparlaments- og rådsdirektiv 2005/56/EG av 26. oktober 2005 vedrørende grenseoverskridende fusjoner for selskaper med begrenset ansvar (**"Direktivet"**) og 2:309 og 2:333b i den nederlandske sivilloven (**"DCC"**), hvorefter DONO (som det overtakende selskapet) skal overta alle eiendeler, rettigheter og forpliktelser til Tricer 3 (som det overdragende selskapet) (**"Fusjonen"**). På gjennomføringstidspunktet av Fusjonen skal Tricer 3 slettes i samsvar med nederlandsk lovgivning.

I samsvar med allmennaksjeloven § 13-28 (1) til (3) skal styret i hvert av selskapene i Fusjonen sørge for utarbeidelse av en sakkyndig redegjørelse for fusjonsplanen de har utarbeidet i forbindelse med Fusjonen. Forannevnte krav til sakkyndig redegjørelse gjelder likevel ikke dersom samtlige aksjonærer i de fusjonerende selskapene samtykker til å fravike disse kravene, jf. allmennaksjeloven § 13-28 (4).

I samsvar med første setning av 2:328(1) og (2) i DCC, skal en revisor som vist til i 2:393 i DCC, og som er oppnevnt av de Fusjonerende Selskapene, (i)

1 CONSENT**1.1 Introduction**

At the date of this consent, the Shareholder holds all shares of DeepOcean Norway AS, reg. no. 896 696 262, with business address at Karmsundgata 74 5529 Haugesund, Norway (the **"DONO"**).

It is intended that DONO and the company Tricer NL Bidco 3 B.V. (**"Tricer 3"** and together the **"Merging Companies"**) shall enter into a cross-border merger in accordance with the rules set out in Section 13-25 of the Norwegian Private Limited Liability Companies Act cf. Section 13-25 to 13-36 of the Norwegian Public Limited Liability Companies Act (the **"NCA"**), the Directive 2005/56/EG of the European Parliament and of the Council of the 26 October 2005 on cross-border mergers of limited liability companies (the **"Directive"**) and section 2:309 and 2:333b Dutch Civil Code (**"DCC"**), whereas DONO (as the acquiring company) shall assume all assets, rights and liabilities of Tricer 3 (as the acquired company) (the **"Merger"**). Tricer 3 shall cease to exist pursuant to Dutch law upon the completion of the Merger.

Pursuant to Section 13-28 (1) to (3) of the NCA, the board of directors of each company participating in the Merger shall ensure that an expert statement of the merger plan prepared in connection with the Merger is prepared. However, the aforementioned requirements do not apply if all shareholders of the merging companies consent to deviate from such requirements, cf. Section 13-28 (4) of the NCA.

Pursuant to the provisions of the first sentence of section 2:328(1) and (2) DCC, an auditor as referred to in of section 2:393 DCC appointed by the boards of

undersøke fusjonsplanen og bekrefte hvorvidt bytteforholdet av aksjene er rimelig, og (ii) utarbeide en rapport hvor han gir sin erklæring i henhold til 2:327 i DCC, med mindre aksjonærene i de Fusjonerende Selskapene har samtykket til å fravike de forannevnte bestemmelsen. På datoen for denne samtykkeerklæringen har aksjonærene i Tricer 3 gitt sine samtykker til at bestemmelsene i første setning av 2:328(1) og (2) i DCC ikke kommer til anvendelse ved Fusjonen og at bestemmelsene i andre setning av 2:328 (1) fremdeles er gjeldende.

the Merging Companies should (i) investigate the merger plan and state whether the exchange ratio of the shares is fair, and (ii) prepare a report in which he expresses his opinion on the statements as referred to in section 2:327 DCC, unless the shareholders of the Merging Companies consent to these provisions being declared inapplicable. On or around the date of this statement of consent, the shareholders of Tricer 3 have also consented that the provisions of the first sentence of section 2:328(1) and (2) DCC are inapplicable in connection with the Merger and that the provisions of section 2:328 (1) second sentence will remain applicable.

1.2 Erklæring om samtykke

Ved signatur på denne samtykkeerklæringen gir Aksjonæren herved følgende ugjenkallelige samtykker:

- til å fravike kravene i allmennaksjeloven § 13-28 (1) til (3), jf. § 13-28 (4);
- i henhold til 2:328(6) i DCC samtykkes det til at bestemmelsene i første setning av 2:328(1) og (2) i DCC ikke kommer til anvendelse; og
- at bestemmelsene i andre setning av 2:328 (1) fremdeles er gjeldende.

* * *

1.2 Statement of consent

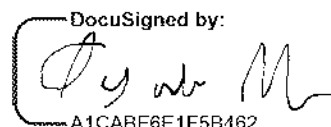
By signature on this statement of consent, the Shareholder hereby gives its irrevocable consents:

- to deviate from the requirements set out in Section 13-28 (1) to (3) of the NCA, cf. Section 13-28 (4);
- that the provisions of the first sentence of section 2:328(1) and (2) of the DCC are being declared inapplicable, in accordance with the provisions of section 2:328(6) of the DCC; and
- that the provisions of section 2:328(1) second sentence will remain applicable.

* * *

Signed in: **Haugesund** (place) on **17 September 2021** (date)
For og på vegne av / For and on behalf of

DeepOcean Group Holding B.V.

DocuSigned by:

A1CABF6E1F5B462...

By: Øyvind Mikaelson
Title: Executive Director

(English translation)

ERKLÆRING**OM****SAMTYKKE****STATEMENT****OF****CONSENT****Undertegnede:**

- Tricer Lux Bidco 1 S.A.R.L., et luxembourgsk selskap med begrenset ansvar, med registreringsnummer B 210306 og forretningsadresse 2, rue Edward Steichen, L-2540 Luxembourg, Grand Duchy of Luxembourg ("**Tricer Lux**"),
- Tricer Mipco 2 AS, et norsk aksjeselskap med organisasjonsnummer 821 657 652 og forretningsadresse c/o Triton Advisers (Norway) AS, Kronprinsesse Märthas plass 1, 0160 Oslo, Norge ("**Mipco 2**"), og
- Tricer Mipco 3 AS, et norsk aksjeselskap med organisasjonsnummer 921 657 641 og forretningsadresse c/o Triton Advisers (Norway) AS, Kronprinsesse Märthas plass 1, 0160 Oslo, Norge ("**Mipco 3**").

De Undertegnede er i det følgende omtalt som "**Aksjonærene**".

1 SAMTYKKE**1.1 Bakgrunn**

Aksjonærene eier samtlige aksjer i Tricer NL Bidco 3 B.V. ("**Tricer 3**"), et nederlandsk selskap med begrenset ansvar, med organisasjonsnummer 67303846 og adresse Herengracht 433, 1017 BR Amsterdam, Nederland.

Det er planlagt at Tricer 3 og DeepOcean Norway AS ("**DONO**" og sammen med Tricer 3 de "**Fusjonerende Selskapene**") skal gjennomføre en grenseoverskridende fusjon i samsvar med reglene i aksjeloven § 13-25 jf. allmennaksjeloven § 13-25 til § 13-36, Europaparlaments- og rådsdirektiv 2005/56/EG av 26. oktober 2005 vedrørende grenseoverskridende fusjoner for selskaper med begrenset ansvar ("**Direktivet**") og 2:309 og 2:333b i den nederlandske sivilloven ("**DCC**"), hvorefter DONO (som det overtakende selskapet) skal overta alle eiendeler, rettigheter og forpliktelser til Tricer 3 (som det overdragende selskapet) ("**Fusjonen**"). På gjennomføringstidspunktet av Fusjonen skal Tricer 3

The Undersigned:

- Tricer Lux Bidco 1 S.A.R.L., a Luxembourg limited company with registration number B210306 and business address 2, rue Edward Steichen, L-2540 Luxembourg, Grand Duchy of Luxembourg ("**Tricer Lux**"),
- Tricer Mipco 2 AS, a Norwegian limited company with registration number 821 657 652 and business address at c/o Triton Advisers (Norway) AS, Kronprinsesse Märthas plass 1, 0160 Oslo, Norge ("**Mipco 2**"), and
- Tricer Mipco 3 AS, a Norwegian limited company with registration number 921 657 641 and business address at c/o Triton Advisers (Norway) AS, Kronprinsesse Märthas plass 1, 0160 Oslo, Norge ("**Mipco 3**"), and

The Undersigned are in the following referred to as the "**Shareholders**".

1 CONSENT**1.1 Introduction**

The Shareholders hold all shares of Tricer NL Bidco 3 B.V. ("**Tricer 3**"), a Dutch limited company with registration number 67303846 and address Overtoom 141, 1054 HG Amsterdam, the Netherlands.

It is intended that Tricer 3 and DeepOcean Norway AS ("**DONO**" together with Tricer 3 the "**Merging Companies**") shall enter into a cross-border merger in accordance with the rules set out in Section 13-25 of the Norwegian Private Limited Liability Companies Act cf. Section 13-25 to 13-36 of the Norwegian Public Limited Liability Companies Act (the "**NCA**"), the Directive 2005/56/EG of the European Parliament and of the Council of the 26 October 2005 on cross-border mergers of limited liability companies (the "**Directive**") and section 2:309 and 2:333b Dutch Civil Code ("**DCC**"), whereas DONO (as the acquiring company) shall assume all assets, rights and liabilities of Tricer 3 (as the acquired company) (the "**Merger**"). Tricer 3 shall cease to exist

slettes i samsvar med nederlandsk lovgivning.

I samsvar med allmennaksjeloven § 13-28 (1) til (3) skal styret i hvert av selskapene i Fusjonen sørge for utarbeidelse av en sakkyndig redegjørelse for fusjonsplanen de har utarbeidet i forbindelse med Fusjonen. Forannevnte krav til sakkyndig redegjørelse gjelder likevel ikke dersom samtlige aksjonærer i de fusjonerende selskapene samtykker til å fravike disse kravene, jf. allmennaksjeloven § 13-28 (4).

I samsvar med første setning av 2:328(1) og (2) i DCC, skal en revisor som vist til i 2:393 i DCC, og som er oppnevnt av de Fusjonerende Selskapene, (i) undersøke fusjonsplanen og bekrefte hvorvidt bytteforholdet av aksjene er rimelig, og (ii) utarbeide en rapport hvor han gir sin erklæring i henhold til 2:327 i DCC, med mindre aksjonærene i de Fusjonerende Selskapene har samtykket til å fravike de forannevnte bestemmelsen. På datoen for denne samtykkeerklæringen har også eneaksjonæren i DONO gitt sitt samtykke til at bestemmelsene i første setning av 2:328(1) og (2) i DCC ikke kommer til anvendelse ved Fusjonen og at bestemmelsene i andre setning av 2:328 (1) fremdeles er gjeldende.

1.2 Erklæring om samtykke

Ved signatur på denne samtykkeerklæringen gir hver av Aksjonærene herved følgende ugjenkallelige samtykker:

- til å fravike kravene i allmennaksjeloven § 13-28 (1) til (3), jf. § 13-28 (4);
- i henhold til 2:328(6) i DCC samtykkes det til at bestemmelsene i første setning av 2:328(1) og (2) i DCC ikke kommer til anvendelse; og
- at bestemmelsene i andre setning av 2:328 (1) fremdeles er gjeldende.

* * *

Signatursider følger

pursuant to Dutch law upon the completion of the Merger.

Pursuant to Section 13-28 (1) to (3) of the NCA, the board of directors of each company participating in the Merger shall ensure that an expert statement of the merger plan prepared in connection with the Merger is prepared. However, the aforementioned requirements do not apply if all shareholders of the merging companies consent to deviate from such requirements, cf. Section 13-28 (4) of the NCA.

Pursuant to the provisions of the first sentence of section 2:328(1) and (2) DCC, an auditor as referred to in of section 2:393 DCC appointed by the boards of the Merging Companies should (i) investigate the merger plan and state whether the exchange ratio of the shares is fair, and (ii) prepare a report in which he expresses his opinion on the statements as referred to in section 2:327 DCC, unless the shareholders of the Merging Companies consent to these provisions being declared inapplicable. On or around the date of this statement of consent, the sole shareholder of DONO has consented that the provisions of the first sentence of section 2:328(1) and (2) DCC are inapplicable in connection with the Merger and that the provisions of section 2:328 (1) second sentence will remain applicable.

1.2 Statement of consent

By signature on this statement of consent, each of the Shareholders hereby give their respective irrevocable consents:

- to deviate from the requirements set out in Section 13-28 (1) to (3) of the NCA, cf. Section 13-28 (4);
- that the provisions of the first sentence of section 2:328(1) and (2) of the DCC are being declared inapplicable, in accordance with the provisions of section 2:328(6) the DCC; and
- that the provisions of section 2:328 (1) second sentence will remain applicable.

* * *

Signatory pages follows

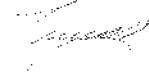
Signed in: **Luxembourg** *(place)* on **17 September 2021** *(date)*

For og på vegne av / For and on behalf of

Tricer Lux BidCo 1 SARL



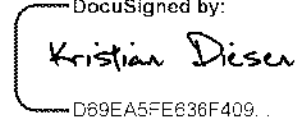
Name: Pierre-Alexandre Lechantre
Title: Manager



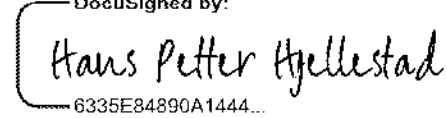
Name: Joakim Lindström-Formicola
Title: Manager

Signed in: **Oslo** (place) on **17 September** (date)
For og på vegne av / For and on behalf of

Tricer Mipco 2 AS

DocuSigned by:

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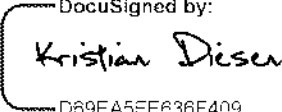
Kristian Diesen
(Styreleder / chairman of the board)

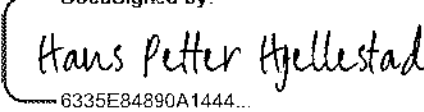
DocuSigned by:

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Hans Petter Hjellestad
(Styremedlem / board member)

Signed in: **Oslo** (place) on **17 September** (date)
For og på vegne av / For and on behalf of

Tricer Mipco 3 AS

DocuSigned by:

D69EA5FE636F409...
Kristian Diesen
(Styreleder / chairman of the board)

DocuSigned by:

6335E84890A1444...
Hans Petter Hjellestad
(Styremedlem / board member)

AGREEMENT

Tricer Lux BidCo 1 SARL,

Tricer MIPco 2 AS,

Tricer MIPco 3 AS

as the Shareholders

and

Tricer NL Bidco 3 B.V.

as the Company

Date 17 September 2021

Stibbe

(1)

THIS AGREEMENT (the "**Agreement**") is entered into on 17 September 2021,

BETWEEN:

- (1) **Tricer Lux BidCo 1 S.à r.l.**, a limited liability company (*société à responsabilité limitée*) governed by the laws of Luxembourg, having its registered office at 2, rue Edward Steichen, L-2540 Luxembourg, Grand Duchy of Luxembourg, and registered with the Luxembourg Register of Commerce and Companies of Luxembourg under number B 210306

("BidCo");

- (2) **Tricer MIPco 2 AS**, a private company (*aksjeselskap*) organised under the laws of Norway, having its address at c/o Triton Advisers (Norway) AS, Kronprinsesse Märthas plass 1, 0160, Oslo, Norway and registered in the trade register of Norway (*Foretaksregisteret*) under number 821 657 652

("MIPco 2 AS");

- (3) **Tricer MIPco 3 AS**, a private company (*aksjeselskap*) organised under the laws of Norway, having its address at c/o Triton Advisers (Norway) AS, Kronprinsesse Märthas plass 1, 0160, Oslo, Norway and registered in the trade register of Norway (*Foretaksregisteret*) under number 921 657 641

("MIPco 3 AS" and hereinafter together with BidCo and MIPCO 2 AS to be referred to as the "**Shareholders**" and individually as a "**Shareholder**"); and

- (4) **Tricer NL Bidco 3 B.V.**, a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) having its seat in Amsterdam, its address at Overtoom 141, 1054 HG Amsterdam and registered in the trade register of the Dutch Chamber of Commerce under number 67303846

(the "**Company**").

The parties to this Agreement are hereinafter collectively referred to as the "**Parties**" and individually as a "**Party**".

RECITALS:

- (A) The Shareholders jointly hold all outstanding shares in the issued capital of the Company. The Shares are registered in the name of the Shareholders.
- (B) It is intended that the Company and **DeepOcean Norway AS**, a private limited company (*aksjeselskap*) organised under the laws of Norway, with its registered office at Karmsundgata 74, 5529 Haugesund, Norway and registered with the Norwegian Register of Business Enterprises under organization number 896 696 262 (the "**Acquiring Company**") shall enter into a legal cross-border merger as referred to in section 2:333C DCC, in such way that the Acquiring Company shall acquire all assets and liabilities (*het gehele vermogen*) of the Company under universal succession of title (*algemene titel*) and that the Company shall cease to exist (the "**Merger**").

Stibbe

(2)

IT IS AGREED as follows:

1. COMPENSATION

- 1.1. In case a shareholder of the Company votes against the Merger, this shareholder can request a compensation per share in the Company as referred to in section 2:333(h)(1) DCC (the "**Compensation Right**").
- 1.2. Each Shareholder agrees to waive and hereby waives its Compensation Right.
- 1.3. To the extent necessary only, the Company and the Shareholders hereby agree, in accordance with section 2:333(h)(2) DCC, to include the nominal value of the shares in the merger proposal as compensation as referred to in section 2:333(d)(f) DCC.

2. MISCELLANEOUS

- 2.1. The Agreement constitutes the entire agreement between the Parties relating to the Compensation Right. The Agreement supersedes and terminates any earlier agreements, either verbally or in writing, between the Parties relating to the Compensation Right. None of the Parties shall have any right or remedy against the other arising out of or in connection with any such earlier agreements.
- 2.2. This Agreement can only be amended or terminated by a written agreement between the Parties.
- 2.3. The Parties waive all their rights to rescind (*ontbinden*) or nullify (*vernietigen*) this Agreement.
- 2.4. The Parties have not agreed on any conditions subsequent (*ontbindende voorwaarden*) and/or conditions precedent (*opschortende voorwaarden*) in respect of the Compensation Right.
- 2.5. This Agreement together with the rights and obligations arising therefrom shall be governed by and construed in accordance with Dutch law.
- 2.6. All disputes arising out of or in connection with this Agreement shall in the first instance be submitted to the district court (*rechtbank*) in Amsterdam, the Netherlands and shall not be submitted to any other court, without prejudice to the right of appeal (*hoger beroep*) and appeal in cassation (*cassatie*).
- 2.7. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same document.

(signature pages to follow)

Stibbe

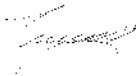
(3)

THUS AGREED AND SIGNED ON THE DATE FIRST ABOVE WRITTEN,

Tricer Lux BidCo 1 SARL



by : Pierre-Alexandre Lechantre
title : Manager



by : Joakim Lindström-Formicola
title : Manager

Stibbe

(4)

THUS AGREED AND SIGNED ON THE DATE FIRST ABOVE WRITTEN,

Tricer MIPco 2 AS

DocuSigned by:
Kristian Diesen
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by : Kristian Diesen
title : Chairman

DocuSigned by:
Hans Petter Hjellestad
6335E84890A1444...

by : H.P. Hjellestad
title : Board membe

Stibbe

(5)

THUS AGREED AND SIGNED ON THE DATE FIRST ABOVE WRITTEN,

Tricer MIPco 3 AS

DocuSigned by:
Kristian Diesen
D69EA5FE636F409...

by : Kristian Diesen
title : chairman

DocuSigned by:
Hans Petter Hjellevstad
6335E84890A1444...

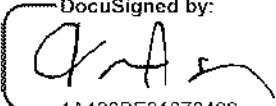
by : H.P. Hjellevstad
title : Board membe

Stibbe

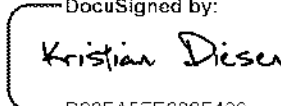
(6)

THUS AGREED AND SIGNED ON THE DATE FIRST ABOVE WRITTEN,

Tricer NL Bidco 3 B.V.

DocuSigned by:

1A426BE91378499...

by : Terje Askvig
title : managing director

DocuSigned by:

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by : Kristian Diesen
title : managing director

Independent auditor's report pursuant to Section 2:328, subsection 1 of the Dutch Civil Code

To: the management of the companies mentioned below

Our opinion

We have read the proposal for legal merger dated 17 September 2021 of the following companies:

1. Tricer NL Bidco 3 B.V. based in Amsterdam, the Netherlands (the disappearing company), and
2. DeepOcean Norway AS based in Haugesund, Norway (the acquiring company).

We have audited the shareholders' equity of the company ceasing to exist as included in the proposal for legal merger, and as enclosed for identification purposes.

In our opinion the shareholders' equity of the company ceasing to exist, as at the date of its interim financial statements as referred to in Section 2:313 subsection 2 of the Dutch Civil Code as at 31 August 2021 (including capital increases executed in September 2021), on the basis of valuation methods generally accepted in the Netherlands, was at least equal to the nominal paid-up amount on the aggregate number of shares to be acquired by its shareholders under the legal merger.

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing.

Our responsibilities under those standards are further described in the "Our responsibilities for the audit of the shareholders' equity of the company ceasing to exist" section of our report.

We are independent of Tricer NL Bidco 3 B.V. and DeepOcean Norway AS in accordance with the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

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

Restriction on use

This auditor's report is solely issued in connection with the aforementioned proposal for legal merger and therefore cannot be used for other purposes.

Description of responsibilities

Responsibilities of managements for the proposal for legal merger

Managements are responsible for the preparation of the proposal for legal merger in accordance with Part 7 of Book 2 of the Dutch Civil Code. Furthermore, management of each of the aforementioned companies is responsible for such internal control as management determines is necessary to enable the preparation of the proposal for legal merger that is free from material misstatement, whether due to error or fraud.

As part of the preparation of the proposal for legal merger, managements are responsible for assessing the company's ability to continue as a going concern. Based on the applicable financial reporting framework(s), managements should prepare the proposal for legal merger using the going concern basis of accounting unless management either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Managements should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the proposal for legal merger.

Our responsibilities for the audit of the shareholders' equity of the company ceasing to exist
Our objective is to plan and perform the audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

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 this proposal for legal merger. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgement and have maintained professional scepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements.

Our audit included among others

- Identifying and assessing the risks of material misstatement of the shareholders' equity of the company ceasing to exist, whether due to error or fraud, designing and performing audit procedures responsive to those risks, and obtaining 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
- Obtaining 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
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by managements
- Concluding 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 proposal for legal merger 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 a company to cease to continue as a going concern

- Evaluating the overall presentation, structure and content of the proposal for legal merger, including the disclosures
- Evaluating whether the proposal for legal merger represent the underlying transactions and events free from material misstatement

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 findings in internal control that we identify during our audit.

Rotterdam, 17 September 2021

Ernst & Young Accountants LLP

O.A.M. Eberharter

Interim balance sheet
As at 31 August (including capital increases
executed in September 2021)

Tricer NL Bidco 3 BV

DEEPOCEAN



A.1 Interim balance sheet as at 31 August (including capital increases executed in September 2021)

<i>EUR</i>	31 August 2021
Assets	
Non-current assets	
Investment in subsidiaries	53 870 568
Loan receivables, intercompany	38 921 282
Total non-current assets	92 791 851
Current assets	
Trade receivables from group companies	7 280 765
Other receivables	20 550
Cash and cash equivalents	496 314
Total current assets	7 797 630
Total assets	100 589 481
Equity	
<i>Paid-in capital</i>	
Share capital	552 000
Share premium	696 350 052
Other paid-in capital	24 018
Total paid-in-capital	696 926 070
<i>Retained earnings</i>	
Translation reserve	-224 709
Gain/Loss Net Investment Hedging	25 523
Other equity	-672 764 573
Total retained earnings	-672 963 759
Total equity	23 962 312
Liabilities	
Current liabilities	
ST borrowings	73 783 880
Trade creditors	2 311 844
Trade creditors from companies in the sa	215 108
Other short-term liabilities	316 338
Total current liabilities	76 627 169
Total liabilities	76 627 169
Total equity and liabilities	100 589 481

A.2 Notes to the Interim balance sheet as at 31 August (including capital increases executed in September 2021)

1. General information

Tricer NL Bidco 3 B.V., hereinafter to be referred as 'the Company', has its statutory seat in Amsterdam, the Netherlands. The address of the Company's registered office is Overtoom 141, 1054 HG Amsterdam, the Netherlands. The Company is registered with the trade register of the Chamber of Commerce under number 55630561. Its ultimate shareholder is Tricer HoldCo S.C.A., having its statutory seat in Luxembourg, and is registered with the Registre de Commerce et des Sociétés under number B210246.

The Company is the leading, pure play subsea services provider in the areas of Survey, IMR (Inspection, Maintenance and Repair), Subsea Construction and Cable Lay & Trenching.

2. Significant accounting policies

The Company has prepared its company financial statements in accordance with part 9 of Book 2 of the Netherlands civil code, and specifically, in accordance with section 362.8 of the code. In doing so, it has applied the principles of recognition and measurement as adopted in the consolidated financial statements (IFRS).

For more information on detailed accounting principles, please refer to the annual accounts for Tricer NL Bidco 3 BV 2020 signed on 20 July 2021.