



## ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2021 - GENERELL INFORMASJON

### Enheten

Organisasjonsnummer: 980 722 805  
Organisasjonsform: Aksjeselskap  
Foretaksnavn: DEEPOCEAN AS  
Forretningsadresse: Karmsundgata 74  
5529 HAUGESUND

### Regnskapsår

Årsregnskapets periode: 01.01.2021 - 31.12.2021

### Konsern

Morselskap i konsern: Ja  
Konsernregnskap lagt ved: Nei

### Regnskapsregler

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

### Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Eirik Røkenes Vrålstad  
Dato for fastsettelse av årsregnskapet: 28.06.2022

### Grunnlag for avgivelse

År 2021: Årsregnskapet er elektronisk innlevert  
År 2020: Tall er hentet fra elektronisk innlevert årsregnskap fra 2021

*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, 21.02.2023



## Resultatregnskap

Beløp i: NOK	Note	2021	2020
<b>RESULTATREGNSKAP</b>			
<b>Inntekter</b>			
Revenue		3 057 984 036	2 607 339 592
Gain from sale of fixed assets		9 649 053	0
Impairment of receivable			2 947 017
<b>Sum inntekter</b>		<b>3 067 633 089</b>	<b>2 610 286 609</b>
<b>Kostnader</b>			
Cost of goods sold		2 228 371 092	1 917 982 338
Personell costs		321 922 014	301 791 934
Ordinary depreciation		28 327 132	75 895 394
Nedskrivning av varige driftsmidler og immaterielle eiendeler		4 915 779	34 592 488
Other operating expenses		110 861 174	41 274 251
<b>Sum kostnader</b>		<b>2 694 397 191</b>	<b>2 371 536 405</b>
<b>Driftsresultat</b>		<b>373 235 898</b>	<b>238 750 204</b>
<b>Finansinntekter og finanskostnader</b>			
Finance income		126 875 776	110 509 016
<b>Sum finansinntekter</b>		<b>126 875 776</b>	<b>110 509 016</b>
Finance expenses		227 464 574	227 870 968
<b>Sum finanskostnader</b>		<b>227 464 574</b>	<b>227 870 968</b>
<b>Netto finans</b>		<b>-100 588 798</b>	<b>-117 361 952</b>
<b>Ordinært resultat før skattekostnad</b>			
<b>Ordinært resultat før skattekostnad</b>		<b>272 647 100</b>	<b>121 388 252</b>
Tax expense		86 487 879	58 235 384
<b>Ordinært resultat etter skattekostnad</b>		<b>186 159 221</b>	<b>63 152 868</b>
<b>Årsresultat</b>		<b>186 159 221</b>	<b>63 152 868</b>
<b>Overføringer og disponeringer</b>			
Konsernbidrag		200 000 000	94 995 138
Transfer from share premium			-31 842 271
Transfer from other equity		-13 840 780	



## Resultatregnskap

<b>Beløp i: NOK</b>	<b>Note</b>	<b>2021</b>	<b>2020</b>
Sum overføringer og disponeringer		186 159 220	63 152 867



### Balanse

Beløp i: NOK	Note	2021	2020
<b>BALANSE - EIENDELER</b>			
<b>Anleggsmidler</b>			
<b>Immaterielle eiendeler</b>			
Utsatt skattefordel		20 293 193	38 448 918
<b>Sum immaterielle eiendeler</b>		<b>20 293 193</b>	<b>38 448 918</b>
<b>Varige driftsmidler</b>			
Property, plant and Equipment		165 479 286	188 604 625
Assets under Construction		28 425 390	3 176 499
<b>Sum varige driftsmidler</b>		<b>193 904 676</b>	<b>191 781 124</b>
<b>Finansielle anleggsmidler</b>			
Investering i datterselskap		348 833 624	598 958 214
Investering i annet foretak i samme konsern		5 679 183	5 236 933
Lån til foretak i samme konsern		261 510 203	70 852 029
<b>Sum finansielle anleggsmidler</b>		<b>616 023 010</b>	<b>675 047 176</b>
<b>Sum anleggsmidler</b>		<b>830 220 879</b>	<b>905 277 218</b>
<b>Omløpsmidler</b>			
<b>Varer</b>			
Inventories		33 152 641	10 240 851
<b>Sum varer</b>		<b>33 152 641</b>	<b>10 240 851</b>
<b>Fordringer</b>			
Accounts receivables		489 538 567	227 348 300
Receivables from group companies		3 864 471	117 433 341
Other current assets		235 130 632	136 508 525
<b>Sum fordringer</b>		<b>728 533 670</b>	<b>481 290 166</b>
<b>Investeringer</b>			
<b>Sum investeringer</b>		<b>0</b>	<b>0</b>
<b>Bankinnskudd, kontanter og lignende</b>			
Cash and cash equivalents		282 809 256	337 297 769
<b>Sum bankinnskudd, kontanter og lignende</b>		<b>282 809 256</b>	<b>337 297 769</b>



### Balanse

Beløp i: NOK	Note	2021	2020
Sum omløpsmidler		1 044 495 567	828 828 786
<b>SUM EIENDELER</b>		<b>1 874 716 446</b>	<b>1 734 106 004</b>
<b>BALANSE - EGENKAPITAL OG GJELD</b>			
<b>Egenkapital</b>			
<b>Innskutt egenkapital</b>			
Share capital		118 961 802	118 961 802
Overkurs		688 759 728	683 759 727
<b>Sum innskutt egenkapital</b>		<b>807 721 530</b>	<b>802 721 529</b>
<b>Opptjent egenkapital</b>			
Other equity		75 734 818	
<b>Sum opptjent egenkapital</b>		<b>75 734 818</b>	<b>0</b>
<b>Sum egenkapital</b>		<b>883 456 348</b>	<b>802 721 529</b>
<b>Gjeld</b>			
<b>Langsiktig gjeld</b>			
Pensjonsforpliktelser		6 517 489	6 418 019
<b>Sum avsetninger for forpliktelser</b>		<b>6 517 489</b>	<b>6 418 019</b>
<b>Annen langsiktig gjeld</b>			
Non-current liabilities to financial institutions		42 043 264	61 958 119
<b>Sum annen langsiktig gjeld</b>		<b>42 043 264</b>	<b>61 958 119</b>
<b>Sum langsiktig gjeld</b>		<b>48 560 753</b>	<b>68 376 138</b>
<b>Kortsiktig gjeld</b>			
Current liabilities to financial institutions		19 907 351	43 589 303
Leverandørgjeld		481 323 221	230 257 305
Public taxes and duties payable		24 508 409	18 304 073
Kortsiktig konserngjeld		7 018 380	203 511 407
Accrued group contribution		203 864 471	219 788 638
Current derivative financial liability		0	2 930 109
Other current liability		206 077 514	144 627 603



## Balanse

<b>Beløp i: NOK</b>	<b>Note</b>	<b>2021</b>	<b>2020</b>
Sum kortsiktig gjeld		942 699 346	863 008 438
Sum gjeld		991 260 099	931 384 576
<b>SUM EGENKAPITAL OG GJELD</b>		<b>1 874 716 447</b>	<b>1 734 106 105</b>



## Brønnøysundregistrene

### ÅRSREGNSKAP FOR REGNSKAPSÅRET 2021 - GENERELL INFORMASJON

Journalnummer: 2022 674309

#### Enheten

Organisasjonsnummer: 980 722 805  
Organisasjonsform: Aksjeselskap  
Foretaksnavn: DEEPOCEAN AS  
Forretningsadresse: Karmsundgata 74  
5529 HAUGESUND

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Brønnøysundregistrene, 20.07.2022



Organisasjonsnr: 980 722 805  
DEEPOCEAN AS

## RESULTATREGNSKAP

<b>Beløp i: NOK</b>	<b>Note</b>	<b>2021</b>	<b>2020</b>
<b>RESULTATREGNSKAP</b>			
<b>Inntekter</b>			
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Gain from sale of fixed assets		9 649 053	0
Impairment of receivable			2 947 017
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<b>Overføringer og disponeringer</b>			
Konsernbidrag		200 000 000	94 995 138
Transfer from share premium			-31 842 271
Trasfer from other equity		-13 840 780	
<b>Sum overføringer og disponeringer</b>		<b>186 159 220</b>	<b>63 152 867</b>



Organisasjonsnr: 980 722 805  
DEEPOCEAN AS

## BALANSE

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<b>SUM EIENDELER</b>		<b>1 874 716 446</b>	<b>1 734 106 004</b>



## BALANSE - EGENKAPITAL OG GJELD

### Egenkapital

#### Innskutt egenkapital

Share capital	118 961 802	118 961 802
Overkurs	688 759 728	683 759 727
<b>Sum innskutt egenkapital</b>	<b>807 721 530</b>	<b>802 721 529</b>

#### Opptjent egenkapital

Other equity	75 734 818	
<b>Sum opptjent egenkapital</b>	<b>75 734 818</b>	<b>0</b>

<b>Sum egenkapital</b>	<b>883 456 348</b>	<b>802 721 529</b>
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### Gjeld

#### Langsiktig gjeld

Pensjonsforpliktelser	6 517 489	6 418 019
<b>Sum avsetninger for forpliktelser</b>	<b>6 517 489</b>	<b>6 418 019</b>

#### Annen langsiktig gjeld

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<b>Sum langsiktig gjeld</b>	<b>48 560 753</b>	<b>68 376 138</b>
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#### Kortsiktig gjeld

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<b>Sum gjeld</b>	<b>991 260 099</b>	<b>931 384 576</b>
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<b>SUM EGENKAPITAL OG GJELD</b>	<b>1 874 716 447</b>	<b>1 734 106 105</b>
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Organisasjonsnr: 980 722 805  
DEEPOCEAN AS

NOTEOPPLYSNINGER - SELSKAP - alle poster oppgitt i hele tall

## Note

Antall årsverk i regnskapsåret  
269.00

<u>Sum</u>	<u>Beløp</u>
<u>Balanseført verdi 31.12.</u>	<u>Varige driftsmidler Immaterielle eiend.</u>

## Konsernregnskap

Morselskapet sitt navn

Forretningskontor for morselskapet

## Begrunnelse for at datterselskap er utelatt fra konsolideringen

<u>Samlet beløp - tilknyttet selskap</u>	<u>Årets</u>	<u>Fjorårets</u>
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<u>Samlet beløp - foretak i samme konsern</u>	<u>Årets</u>	<u>Fjorårets</u>
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<u>Samlet beløp - foretak i samme konsern</u>	<u>Årets</u>	<u>Fjorårets</u>
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<u>Samlet beløp - felles kontrollert virksomhet</u>	<u>Årets</u>	<u>Fjorårets</u>
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<u>Pantstillelse</u>	<u>Beløp</u>
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<u>Beholdning av egne aksjer</u>	<u>Antall</u>	<u>Pålydende</u>	<u>Andel av aksjek.</u>
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Statsautoriserte revisorer  
Ernst & Young AS

Thormøhlens gate 53 D, 5006 Bergen  
Postboks 6163, 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 AS

### Opinion

We have audited the financial statements of DeepOcean AS (the Company), which comprise the balance sheet as at 31 December 2021, the income statement, the cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion the financial statements comply with applicable legal requirements and give a true and fair view of the financial position of the Company as at 31 December 2021 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 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 requirements of the relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code), and we have fulfilled our other ethical responsibilities 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 annual report other than the financial statements and our auditor's report thereon. Management (the board of directors and the general manager) is responsible for the other information. Our opinion on 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 board of directors' report contains the information required by legal requirements and 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 or that the information required by legal requirements is not included, we are required to report that fact.

We have nothing to report in this regard, and in our opinion, the board of directors' report is consistent with the financial statements and contains the information required by applicable legal requirements.

### 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



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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 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 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 the board of directors 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.

Bergen, 28 June 2022  
ERNST & YOUNG AS

*The auditor's report is signed electronically*

Truls Nesslin  
State Authorised Public Accountant (Norway)

Independent auditor's report - DeepOcean AS 2021

A member firm of Ernst & Young Global Limited

Penneo Dokumentnøkkel: WWTIT-402XE-74LUI-NENE8-1T1D7-8H563



# PENNEO

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De signerende parter sin identitet er registrert, og er listet nedenfor.

"Med min signatur bekrefter jeg alle datoer og innholdet i dette dokument."

## Truls Nesslin

Statsautorisert revisor

På vegne av: Ernst & Young AS

Serienummer: 9578-5993-4-2263660

IP: 213.52.xxx.xxx

2022-06-28 20:33:34 UTC



Penneo Dokumentnøkkel: WWTIT-402XE-74LUI-NENE8-1T1D7-8H563

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Det er lett å kontrollere de kryptografiske beviser som er lokalisert inne i dokumentet, med Penneo validator - <https://penneo.com/validate>



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](http://www.skatteetaten.no)  
Org.nr: 996250318  
E-post: [skatteetaten.no/sendepost](mailto: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*

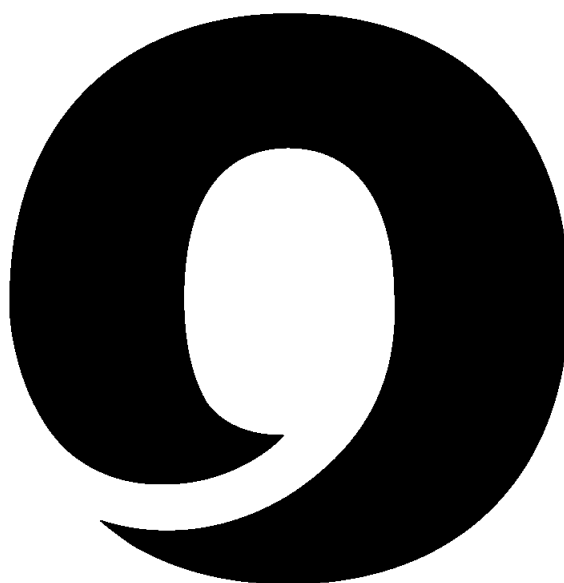




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# DeepOcean AS

Annual Report 2021





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DeepOcean AS – Annual report 2021

## Board of Directors' report

### The company

These are the annual report and audited financial statements for DeepOcean AS (the "company") for the year ending 31. December 2021. DeepOcean's office is in Haugesund, and it's a subsidiary of DeepOcean Group Holding AS ("DOGH"). DeepOcean has eight subsidiaries and two joint ventures. For further details regarding the subsidiaries and joint ventures reference is made to Note 3. DeepOcean is an integrated provider of safe, high quality, innovative services and technologies for the subsea industry. Demonstrating an extensive track record, DeepOcean offers a breadth of subsea services including Survey and Seabed mapping, Subsea Construction, Seabed Intervention, Inspection, Maintenance and Repair (IMR), and Decommissioning. DeepOcean is operating in the oil and gas, offshore renewables and electrical power transmission industries.

### Operations summary

#### *General*

The activity level in DeepOcean has in general been high in 2021, with operations for a number of clients, both in the Norwegian and British sector of the North Sea and also in the Mediterranean area. The pandemic continued to impact us in 2021, both in onshore and offshore departments. Thankfully, our procedures have throughout the pandemic been of excellent quality and thus have seen limited impact on our business operationally.

#### *Investing in research, innovation and technology*

In 2020 DeepOcean implemented a Remote Operating Center (ROC), and the facility has been operational since early 2021 and is providing key efficiencies for DeepOcean activities and for our clients. The Remote Operating Center allows enabling onshore operators and topic experts to control ROVs that have gone offshore to complete various offshore operations. The key benefits include reduced cost, reduced emissions and improved safety. The Unmanned Surface Vessel (USV) project is progressing as planned. DeepOcean's USV will provide an unmanned and remote (from ROC) operated launch platform for a work class ROV – delivering significant cost optimization while also reducing DeepOcean's carbon footprint. DeepOcean has secured significant funding for this project from clients and governmental organizations. The Autonomous Inspector Drone (AID) project is continuing as planned. Significant progress has been achieved in 2021 and will continue into commercialization in 2022. The AID will increase automation and cost reduction for inspection work. This is ideal for offshore oil & gas fields and windfarm work. The goal is to re-mobilize the AID to Edda Fauna in Q3 2022 and perform extensive testing and qualification of the system, such that it can be permanently mobilized on the vessel. This is being developed with Aker BP, Argus Remote Systems and Vaarst. Major clients in the offshore renewables market are showing interest in the AID during tendering currently.

DeepOcean also started the project Hawkeye in 2021. The project aims to improve the survey data processing and ensure it is all cloud based. Progress on this project has been limited in 2021 due to unforeseen resource limitations. To mitigate the above issue, DeepOcean is establishing an onshore survey reporting team. This team will be allocated 100% to this project in 2022.

The above-mentioned projects show that DeepOcean is a technology-driven independent solution provider in the ocean space. Also, the secured funding for these research and technology projects show that DeepOcean is trusted technology partner by clients and governmental organizations. DeepOcean will continue to invest in research and technology developments as they underpin the growth and strategy plan for the company.

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## *Fleet*

DeepOcean has a fleet consisting of owned and chartered vessels, where the main vessels used by the Company in 2021 has been Edda Freya, Normand Ocean, Volantis, Edda Flora, Edda Fauna, Deep Vision and Maersk Forza. DeepOcean also chartered the vessels North Sea Giant, Dina Star and Normand Jarstein during the season.

## **Market and financial risks**

DeepOcean AS activity expose it to a variety of financial risk, which can be categorized as market risk, currency risk, credit risk, liquidity risk and price risk. 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 the business.

### *Market risk*

The fluctuating commodity price environment and the effects of the COVID-19 pandemic create uncertainty for both the activity and financial performance of DeepOcean AS. The principal market risk factors that contribute to the overall market outlook are outlined below:

- Instability in the world economy as a result of COVID-19 pandemic or risks related to civil or political unrest including war, including impacts such as supply chain disruptions
- Irregular oil and gas market, changes in supply, demand and storage having an adverse impact on energy prices which is likely to impact activity levels significantly
- Uncertainty regarding future contract awards and their impact on future revenue and profitability
- Climate change and speed of the energy transition to renewables and lower carbon economy, including environmental requirements, impact upon oil company activities and the overall development of the market. These factors will influence oil price and oil companies' exploration, development, energy transition, production, investment, inspection, maintenance and repair activity.
- The main uncertainties include delivering on DeepOcean's 5-year plan which includes strong growth ambitions globally and entry into new energy segments.

DeepOcean is committed to an active policy of risk management which includes continuous assessment of the market risk. Accordingly, DeepOcean has initiated scenario planning for major fluctuations in the market. This will allow DeepOcean to adjust cost levels rapidly in case of a deteriorating market outlook.

### *Currency risk*

DeepOcean AS's revenues are mainly earned in NOK, which is the entity's functional currency and reflects the primary economic environment in which the Company operates. However, the Company is also exposed to USD, GBP, and EUR. Sales and expenses in the same currency contribute to mitigating a large part of the currency risk. The Company continually assesses its exposure, including if the Company is hedged naturally on a Group level. If deemed necessary, the risk can be offset using derivative financial instruments.

### *Credit risk*

Credit risk arises primarily from cash and cash equivalents held at financial institutions, and to certain extent, from trade receivables. Cash balances are only held with large recognized financial institutions. DeepOcean's exposure to trade receivables is managed through continuous credit risk assessments of each individual customer. DeepOcean's principal customers are major integrated oil companies, large independent oil and gas companies, large utilities, large multinational companies that provide engineering, procurement, construction and installation (EPCI) services. These companies are mostly large and financially solid; however, the risk of non-payment exists.

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## Liquidity risk

Liquidity risk is the risk that the company will be unable to fulfil its operational and financial obligations as they fall due. The corporate finance team ensures financial flexibility by forecasting short term cash flow needs and long term needs while maintain sufficient liquidity and available credit lines. DeepOcean AS is exposed to interest-rate risk to borrowings and cash deposits. Primarily, floating interest rate loans under the Group's financing scheme. DeepOcean assesses its interest rate sensitivity at a fair value through profit or loss, and similarly to the currency risk, the interest rate risk can be offset with interest derivative instruments.

## Price risk

The company is exposed to cost increases due to fluctuation in market prices. However, this cost increase is assessed as a part of the overall tender process escalation clauses are sought with clients prior to contract agreement. DeepOcean AS further attempts to reduce price risk by signing contracts with supplier that have the necessary financial position to complete projects in accordance with the agreed project schedule.

## Health, Safety, Environment and Security

DeepOcean has a clear responsibility to its stakeholders and Society to ensure it conducts its business activities in a responsible manner, in compliance with all applicable legislation and regulatory requirements. The Company endeavors to support fundamental human rights throughout all its activities, ensuring a high focus on health, safety, security and environmental best practice.

Significant focus and high standards are placed on proactive HSE performance indicators. The Company has a proven performance history of exceeding industry benchmarks in relation to proactive HSE performance.

Behavioral safety practices and HSEQS Culture is embedded into Company operations through the active application of the 'ACT for HSEQS Program'. Throughout 2021 DeepOcean has continued to develop and apply relevant campaigns in support of the program focus areas.

## Equality

At the end of the year (2021), there were 246 employees in the company, divided into 13 women and 233 men. The company has a female share of 5%. Below is a description of the various job levels the company has. The company's positions are ranked from grade 3 to 7 on this matrix, as grades 1 and 2 belong to another part of DeepOcean as a comprehensive company. The groups are based on function, responsibility, and professionalism. See picture below for further description.

Grade 1	Top Executives	Function Head	Leads a business area or multiple sub-functions. Responsible for corporate business strategies with a longer-term focus. Provides medium-term strategic direction of functional areas. Integrates and coordinates lines of business or corporate staff functions; typically reports to Head of Organisation.	Top Executives
Grade 2	MD / Group Directors	Country Head / Sub-Function Head	Leads a sub-function or a corporate staff function. Provides short to medium-term tactical direction and operational oversight. May specify new products, processes and standards to support corporate strategies including the Interpretation and application of broad policy guidelines.	Executive
Grade 3	Directors / Group Managers	Group Function Head / Country Function Head	Manages within a nominated sub-function or related sub-functions or a global specialization function; typically a highly experienced manager or a specialist manager. Decisions tend to be more tactical and operational; geographic scope of operation tends to be at the regional / global level. Typically accountable for budget and policy recommendations and medium-term planning for its areas of responsibility.	Management
Grade 4	Pre-eminent / Senior Managers	Senior manager / Country Function Head	Managing teams with focus on policy and strategy implementation and control rather than development; short-term operational/tactical responsibilities. Geographic scope of operation typically tends to be on a country level, but can also include group-wide roles.	Management
Grade 5	Expert Professional/Middle Manager	Middle managers / Specialists	Leads/supervises a team of 2 or more professionals / support staff; first level manager of a work team that could comprise professionals, technical and/or administrative staff. Typically without budget or hire/fire authority. Focuses on mentoring, coaching, and coordination.	Professional
Grade 6	Str Professional/Junior Manager	Senior / Experienced Professional	Individual contributor with comprehensive knowledge in specific area; knowledge base acquired from several years of experience in particular area. Works independently; may instruct or coach others. Typical operational role.	Professional
Grade 7	Support	Professional	Individual contributor that is proficient in applying established standards; applies subject matter knowledge; knowledge acquired from several years of experience in particular area. Works independently but could also be coached by others.	Support
Grade 8	Entry	Entry	Individual contributor representing the most common entry point for this career stream; works under direct supervision. Work consists of tasks that are very routine, or well defined.	Support

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Level of position	Women's share of men in %	Number of women	Number of men
Grade 1	IA*	IA	IA
Grade 2	IA	IA	IA
Grade 3	IA	IA	IA
Grade 4	IA	IA	IA
Grade 5	5%	6	105
Grade 6	6%	5	74
Grade 7	IA	IA	IA
Grade 8	IA	IA	IA

\*There must be at least five of each gender in a group for us to publish the results from the salary survey publicly. The sample here is less than five of each sex.

Gender balance 2021:

- We have no one working involuntarily part-time in the company and any advertised position is basically published as a full-time position.
- We currently have no indicators that the need for the desired part-time is greater than the actual part-time.
- The number of temporary staff is on a stably low level.

Below is a statistic on wage differences between women and men, where women's wages are given as a percentage:

Position Level	Agreed salary / fixed salary (in %)
Grade 5	101,7%
Grade 6	100,8%

\*Grades 1,2,3,4,7 and 8 are not stated as there are less than five of each gender in these groups.

Below are statistics showing the proportion of temporary employees, the average number of weeks of parental leave and the proportion of employees in part-time positions, both voluntary and involuntary:

Temporary employees		Taking parental leave		Part-time work			
				Actual part-time work		Involuntarily part-time work	
Women	Men	Women's taking parental leave (average)	Men's taking parental leave (average)	Women	Men	Women	Men

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	number of weeks)	number of weeks)					
	19	0	6	2	4	0	0

### DeepOcean`s work for equality and against discrimination

Historically, oil and gas has been a male-dominated industry. DeepOcean is actively working to change this, but this is taking time. As an effort to correct our gender split number, we aim for a 50/50 gender division in our recruitment processes. Especially for Offshore, onboard our vessels, it is challenging to increase our female share, so we are very happy to have recruited three new female trainees in 2022. Our gender equality work is rooted in DeepOcean`s Group People Objectives: "Increase diversity and inclusion". Having the support of the board and the executive team emphasis the importance.

During recruitment across the company, to focus on more diversity and gender equality among our candidates. In company programs, such as graduate, trainee, apprentices; aim for a given % of female participants. In 2021, DeepOcean Group became a participant of the UN Global compact, committing ourselves to taking a principles-based approach to doing business and to operating in ways that meet fundamental responsibilities in the areas of human rights, labor rights, environment, and anti-corruption. We are proud to be an equal opportunity employer and workplace. In 2021 DeepOcean Group also commissioned an assessment of our ESG maturity from a leading management consultancy. This assessment has highlighted areas of high performance, and areas where improvement is required. The assessment identified ten key ESG topics, which were then validated by the DeepOcean Group leadership team. One of the ten key ESG topics where "diversity and inclusion in own operations". At DeepOcean Group, we believe that everyone should be treated equally. We appreciate cultural, academic, and geographical diversity and it is something we continually strive for. We also place a strong emphasis on gender equality, although we accept that we have more to do to attract more female talent into our business, especially offshore. In 2022, we will further develop our ESG strategy.

### How DeepOcean act to ensure equality and non-discrimination in practice:

DeepOcean is promoting a mutual feedback culture. It is important for us to hear of our employee`s wellbeing and work environment, as well as giving recognition and guidance. Our most important tool for structuring this, is through our annual development dialogue, and employee engagement surveys. In 2022, a group has been established to work with ARP in DeepOcean, consisting of HR, elected representatives from Tekna, NITO and Safe and safety representatives from onshore and offshore. This group will work continuously throughout the year with the Statutory four-step working method.

### Insurances for board of directors

The directors and officers of DeepOcean AS are covered under a DeepOcean Group Director & Officer`s Liability Insurance (D&O). The insurance covers personal legal liabilities including defense- and legal costs. The officers and directors of the parent company and all subsidiaries globally (owned more than 50 percent) are covered by the insurance. The cover also includes employees in managerial positions or employees who become named in a claim or investigation.

### Environment

In 2021, DeepOcean commissioned a thorough and independent 3rd party materiality assessment. The assessment identified the ten key pillars of DeepOcean`s ESG strategy which were then validated by the



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DeepOcean leadership team. Sustainability at DeepOcean means being a supplier that accelerates the transition to sustainable energy production by making responsible business decisions that create value while protecting the environment and contributing to the good of society.

DeepOcean is guided by a sustainability mindset in everything it does. The company ensures safe operations for its people and the environment and has robust programs in the social and governance areas. In 2021, DeepOcean became a participant of the UN Global Compact (UNGC), committing ourselves to taking a principles-based approach to doing business and to operating in ways that meet fundamental responsibilities in the areas of human rights, labor rights, environment and anti-corruption.

At DeepOcean, we strive to be good stewards of the natural world. The environmental impacts of our operations and maintenance programs are our most material issue. DeepOcean have taken a leadership position in our sector, achieving ISO 50001 for our energy management system and ISO 14001 for our environmental management system - key to understanding the ecological impact of DeepOcean operations and how to then address potential reductions and improvements.

DeepOcean's Business Strategy & ESG Plan provides a pathway to ensure that it meets emissions targets, support clients in reaching their goals, and further develop the company's low-carbon solutions. It is also important that DeepOcean's own business and value chain with thousands of suppliers is sustainable. The ESG Plan addresses the key areas addressed above and one of the key pillars of the ESG strategy is to reduce CO2 emissions from its our own operations as follows:

- 45 percent by 2030, based on our 2020 emissions.
- A net-zero company by 2040

To achieve the above targets, DeepOcean has taken immediate action and attained the targets for 2021. DeepOcean achieved a 12% reduction in carbon intensity (kg per hour in operation) versus a 2021 target of 10% reduction. This was partially achieved by retrofitting two vessels with battery packs – Edda Flora and Edda Fauna.

A secondary factor in achieving this carbon reduction was the increased use of eco speed for our vessels. The speed a vessel travels has a direct impact on carbon emissions and fuel efficiency. Eco speed (7 knots) reduces fuel consumption by 30% and is the default for all DeepOcean operated vessels, unless responding to an emergency. Since 2021, this is a standard in our contracts with clients.

The rationale and benefits, both in financial and carbon terms have been demonstrated to our clients. However, DeepOcean will further emphasize this in 2022, with the sharing of key data and dashboards to clients to illustrate the savings made in carbon, costs and taxes.

In 2021, DeepOcean commissioned an assessment of our ESG maturity from a leading management consultancy. This assessment has highlighted areas of high performance, and areas where improvement is required. The areas of improvement will be a key focus for DeepOcean in 2022 and are captured in the ESG plan and actions.

## Market outlook

DeepOcean AS's activity level is still primarily related to the global oil and gas markets, while the business is in parallel diversifying into a wider range of energy segments. Oil prices has significantly strengthened over the second half of 2021. Simultaneously customers in several key segments have strong drivers to maintain progress for maturing and sanctioning of important prospects. The Norwegian activity package for new petroleum projects is expected to lead to contract awards for several projects in 2022 and beyond. This will be particularly important for the Subsea construction and IMR sectors over the next years. DeepOcean AS is

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positively exposed to this market as a leading company providing services to clients and as a significant proportion of its revenue is generated in this 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 AS 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.

### Subsequent events

On the 7 April 2022, DeepOcean announced its acquisition of Installit AS, a company that is an independent consultancy and engineering company, delivering sustainable solutions to the energy and subsea industry. Installit AS specializes in project management, engineering, installation and operations.

### The situation in Russia and Ukraine

Russia's invasion of Ukraine is deeply concerning with severe humanitarian consequences. The war has significantly impacted the political and security situation, as well as energy and financial markets. At this stage it is impossible to estimate what impact the conflict could have on DeepOcean's markets or operations. DeepOcean has no direct business activity in Russia or Ukraine. The executive management and board of directors are handling this ongoing event and its development proactively, including sanctions and indirect impacts, and are taking actions to mitigate its effect on supply chain and other associated risks. The safety and security of employees is always a primary focus for DeepOcean

### Cash flow

Net cash from operating activities in 2021 positive with NOK 237 370 319 compared to NOK 290 719 361 in 2020. The major changes were due to an increase in net working capital, driven largely by invoices late in the year to other group companies for cost incurred during the year. Capital expenditure for investments in fixed assets was NOK 39 215 009 in 2021 compared with NOK 51 818 212 in 2020. Repayment of finance lease liabilities in 2021 was NOK 43 596 807 compared with NOK 30 969 712 in 2020. In addition, the company increased its loans to other group companies by NOK 102 565 617.

### Financial Information

Sales revenue increased with 17 % to NOK 3 057 984 036 compared with previous year. DeepOcean AS has spent substantial time working with rightsizing of the organization in accordance with activity. DeepOcean AS generated a positive operating profit of NOK 373 235 898 compared with a positive operating profit of NOK 238 750 204 in previous year. DeepOcean has impaired the values of shares in subsidiaries with NOK 181 643 402. For further details reference is made to note 3. Total assets were NOK 1 874 716 447 at the end of 2021, compared to NOK 1 734 106 105 by the end of 2020.



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## Allocation of net profit

The Board of Directors propose that the net profit of NOK 186 159 220 be allocated as follows:

Transferred from other equity: NOK 13 840 780

Group contribution given: NOK 200 000 000

Total transfers: NOK 186 159 220

## Going Concern

In accordance with the Norwegian Accounting Act, the Board of Directors confirms that the financial statements have been prepared based on the going-concern assumption. The Board of Directors confirms that the annual report for 2021 gives a true and fair overview of development during the year, the impact on the financial statements, as well as most significant risks and uncertainties facing the company.

Haugesund, 28 June 2022

The Board of Directors of DeepOcean AS

**Frode Garlid**

Chairman of the Board

**Øyvind Mikaelsen**

Board member

**Ottar Mæland**

Board member

**Odd Bjarte Eie**

Board member

**Ove Medhaug Herøy**

Board member

**Geir Åge Nesse**

Board member

**Olaf A. Hansen**

Managing director & Board member



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## Income Statement

	Note	2021	2020
<b>Operating revenues and expenses</b>			
Revenue	10	3 057 984 036	2 607 339 592
Gain from sale of fixed assets	2	9 649 053	-
<b>Gross operating revenues</b>		<b>3 067 633 088</b>	<b>2 607 339 592</b>
<b>Operating expenses</b>			
Cost of goods sold	5	(2 228 371 092)	(1 917 982 338)
Personnel costs	5,10	(321 922 014)	(301 791 934)
Other operating expenses		(110 861 174)	(41 274 251)
Ordinary depreciation	2	(28 327 132)	(75 895 394)
Impairment of fixed assets	2	(4 915 779)	(34 592 488)
Impairment of receivables		-	2 947 017
<b>Operating expenses</b>		<b>(2 694 397 190)</b>	<b>(2 368 589 389)</b>
<b>Operating profit</b>		<b>373 235 898</b>	<b>238 750 204</b>
<b>Finance income and expenses</b>			
Finance income	11	126 875 776	110 509 016
Finance expense	11	(227 464 574)	(227 870 968)
<b>Net financial items</b>		<b>(100 588 799)</b>	<b>(117 361 952)</b>
<b>Profit (loss) before tax</b>		<b>272 647 099</b>	<b>121 388 251</b>
Tax expense	9	86 487 879	58 235 384
<b>Net profit (loss)</b>		<b>186 159 220</b>	<b>63 152 867</b>
Transfer from share premium	6	-	31 842 271
Transfer from other equity		13 840 780	-
Group contribution	6	(200 000 000)	(94 995 138)
<b>Allocations</b>		<b>(186 159 220)</b>	<b>(63 152 867)</b>



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## Balance Sheet

ASSETS	Note	31.12.2021	31.12.2020
Deferred tax asset	9	20 293 193	38 448 918
<b>Total intangible assets</b>		<b>20 293 193</b>	<b>38 448 918</b>
Property, plant, and equipment	2	165 479 286	188 604 625
Assets under construction	2	28 425 390	3 176 499
<b>Total tangible fixed assets</b>		<b>193 904 676</b>	<b>191 781 124</b>
<b>Financial fixed assets</b>			
Investment in subsidiaries	3	348 833 624	598 958 314
Investment in associated companies	3	5 679 183	5 236 933
Loan to group companies	5	261 510 203	70 852 029
<b>Total financial fixed assets</b>		<b>616 023 010</b>	<b>675 047 277</b>
<b>Total fixed assets</b>		<b>830 220 879</b>	<b>905 277 319</b>
<b>Current assets</b>			
Inventories		33 152 641	10 240 851
<b>Total inventories</b>		<b>33 152 641</b>	<b>10 240 851</b>
<b>Receivables</b>			
Accounts receivables		489 538 567	227 348 300
Receivables from group companies	5	3 864 471	117 433 341
Other current assets	4	235 130 632	136 508 525
<b>Total receivables</b>		<b>728 533 671</b>	<b>481 290 166</b>
Cash and cash equivalents	12	282 809 256	337 297 769
<b>Total current assets</b>		<b>1 044 495 568</b>	<b>828 828 786</b>
<b>TOTAL ASSETS</b>		<b>1 874 716 447</b>	<b>1 734 106 105</b>



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<b>EQUITY AND LIABILITIES</b>	<b>Note</b>	<b>31.12.2021</b>	<b>31.12.2020</b>
<b>EQUITY</b>			
Share capital	6	118 961 802	118 961 802
Share premium	6	688 759 728	683 759 727
<b>Total paid-in-capital</b>		<b>807 721 530</b>	<b>802 721 530</b>
Other equity		75 734 818	-
<b>Total retained earnings</b>		<b>75 734 818</b>	-
<b>TOTAL EQUITY</b>		<b>883 456 348</b>	<b>802 721 530</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Non-Current liabilities to financial institutions	4	42 043 264	61 958 119
Pension liabilities	8	6 517 489	6 418 019
<b>Total non-current liabilities</b>		<b>48 560 753</b>	<b>68 376 138</b>
<b>Current liabilities</b>			
Accounts payable		481 323 221	230 257 305
Current liabilities to financial institutions	3	19 907 351	43 589 303
Liabilities to group companies	5	7 018 380	203 511 407
Public taxes and duties payable		24 508 409	18 304 073
Accrued group contribution		203 864 471	219 788 638
Current derivative financial liability		-	2 930 109
Other current liabilities		206 077 514	144 627 603
<b>Total current liabilities</b>		<b>942 699 346</b>	<b>863 008 437</b>
<b>TOTAL LIABILITIES</b>		<b>991 260 099</b>	<b>931 384 575</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1 874 716 447</b>	<b>1 734 106 105</b>

Haugesund, 28 June 2022

The Board of Directors of DeepOcean AS

**Frode Garlid**  
Chairman of the Board

**Øyvind Mikaelson**  
Board member

**Ottar Mæland**  
Board member

**Odd Bjarne Eie**  
Board member

**Ove Medhaug Herøy**  
Board member

**Geir Åge Nesse**  
Board member

**Olaf A. Hansen**  
Managing director & Board member

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## Cash Flow statement

	2021	2020
Profit (loss) for the period	186 159 220	63 152 867
Income tax expense (benefit)	86 487 879	58 235 384
Depreciation of fixed assets	28 327 132	75 895 394
Impairment of fixed assets	4 915 779	34 592 488
Impairment of receivables	-	(2 947 017)
Net interest cost, other financial income and unrealized currency (gain) loss	100 588 799	117 361 952
<b>Profit (loss) for the period after adjustments</b>	<b>406 478 809</b>	<b>346 291 069</b>
Change in net working capital	(160 198 424)	(78 948 956)
Changes in pension liabilities	99 470	(3 013 605)
<b>Cash generated from operating activities</b>	<b>(160 098 954)</b>	<b>(81 962 561)</b>
Interest paid	(9 372 496)	(10 676 372)
Interest received	11 941 778	13 336 316
Income taxes (paid) received	2 080 852	2 685 213
Other non-cash effects	(13 659 670)	21 045 696
<b>Net cash flow from operational activities</b>	<b>237 370 319</b>	<b>290 719 361</b>
Proceeds from sale of fixed assets	9 649 053	2 417 215
Acquisition of fixed assets	(39 215 009)	(51 818 212)
Acquisition of subsidiaries	-	(2 239 567)
Dividends received from associated companies	4 215 115	4 179 135
Acquisition of shares in associated companies	-	(11 367)
<b>Net cash flow from investment activities</b>	<b>(25 350 841)</b>	<b>(47 472 796)</b>
Cash from merger with subsidiaries	4 577 669	-
Proceeds from group contribution received	13 204 627	775 906
Payments for group contribution paid	(138 127 862)	(89 902 583)
Net change intercompany loans with group companies	(102 565 617)	21 795 526
Payment of lease liabilities	(43 596 807)	(30 969 712)
<b>Net cash flow from financing activities</b>	<b>(266 507 990)</b>	<b>(98 300 863)</b>
Net increase (decrease) in cash and cash equivalents	(54 488 513)	144 945 702
Cash and cash equivalents at the beginning of the period	337 297 769	192 352 067
<b>Cash and cash equivalents at the end of the period</b>	<b>282 809 256</b>	<b>337 297 769</b>

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## Note 1 – Accounting principles

### General

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. DeepOcean AS is consolidated into the consolidated financial statements of the parent company DeepOcean Group Holding AS. The consolidated financial statements are available on DeepOcean's website: [www.deeppoceangroup.com](http://www.deeppoceangroup.com).

### Use of estimates

The management has used estimates and assumptions that have affected assets, liabilities, incomes, expenses and information on potential liabilities in accordance with generally accepted accounting principles in Norway. Areas which significantly are influenced by estimate are described in the notes.

### Foreign currency translation

Transactions in foreign currency are translated at the rate applicable on the transaction date. Monetary items in a foreign currency are translated into NOK using the exchange rate applicable on the balance sheet date. Non-monetary items that are measured at their historical price expressed in a foreign currency are translated into NOK using the exchange rate applicable on the transaction date. Non-monetary items that are measured at their fair value expressed in a foreign currency are translated at the exchange rate applicable on the balance sheet date. Changes to exchange rates are recognized in the income statement as they occur during the accounting period.

### Revenues

DeepOcean is an integrated provider of ocean services. The company provides 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 recycling services. Revenue from sale of goods and services are recognized in the income statement when control of the services is transferred to the customer at an amount that reflects the consideration which is expected to be entitled in exchange for the services provided. In general, the company's revenue streams can be divided into day-rate projects and lump-sum projects.

#### *Day-rate projects*

Day-rate projects are projects where the company and its customer has agreed on a daily fee for the services to delivered. Revenue from day-rate projects is recognized in the income statement linearly over the contract period simultaneously as the services are delivered to the customer. The transaction price is estimated at the contract inspection, including any variable considerations.

#### *Lump-sum projects*

Lump-sum projects are projects where the company and its customer has agreed on a fixed fee for the services to be provided. Revenues from lump-sum projects is recognized over time in the income statement according to the project's level of completion provided the outcome of the transaction can be estimated reliably. Progress is measured as the accrued cost compared to the total cost estimated. When the outcome of the transaction

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cannot be estimated reliably, only revenue equal to the project cost that have been incurred will be recognized as revenue. The total estimated loss on a contract will be recognized in the income statement during the period when it is identified that a project will generate a loss.

#### *Warranty obligations*

The company provides warranties related to its performed services. In the company has not met the required criteria in the contract, additional required work is generally for the account of the company. The estimate is made based on historical figures for guaranteed work. Provisions for expected guarantee-work are recognized as other short-term liabilities and an expense in the income statement.

#### **Income tax**

The tax expense consists of the tax payable and changes to deferred tax. Deferred tax/tax assets are calculated on all differences between the book value and tax value of assets and liabilities. Deferred tax is calculated as 22 percent of temporary differences and the tax effect of tax losses carried forward. Deferred tax assets are recorded in the balance sheet when it is more likely than not that the tax assets will be utilized. Taxes payable and deferred taxes are recognized directly in equity to the extent that they relate to equity transactions.

#### **Classification of balance sheet items**

Current assets and short-term liabilities consist of receivables and payables due within one year, and items related to the inventory cycle. Other balance sheet items are classified as fixed assets or long-term liabilities. Current assets are valued at the lower of cost and fair value. Short term liabilities are recognized at nominal value. Fixed assets are valued at cost, less depreciation and impairment losses. Long term liabilities are recognized at nominal value.

#### **Research and development**

Development costs are capitalized providing that a future economic benefit associated with development of the intangible asset can be established and costs can be measured reliably. Otherwise, the costs are expensed as incurred. Capitalized development costs are amortized linearly over its useful life. Research costs are expensed as incurred.

#### **Property, plant and equipment**

Property, plant and equipment is capitalized and depreciated linearly over the estimated useful life. Significant fixed assets which consist of substantial components with dissimilar economic life have been unbundled; depreciation of each component is based on the economic life of the component. Costs for maintenance are expensed as incurred, whereas costs for improving and upgrading property plant and equipment are added to the acquisition cost and depreciated with the related asset. If carrying value of a non-current asset exceeds the estimated recoverable amount, the asset is written down to the recoverable amount. The recoverable amount is the greater of the net realizable value and value in use. In assessing value in use, the discounted estimated future cash flows from the asset are discounted and used. Leased assets are reflected in the balance sheet as assets if the leasing contract is considered a financial lease.

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## **Subsidiaries and investment in associates**

Subsidiaries and investments in associates are valued at cost in the company accounts. The investment is valued as cost of the shares in the subsidiary, less any impairment losses an impairment loss is recognized if the impairment is not considered temporary, in accordance with generally accepted accounting principles. Impairment losses are reversed if the reason for the impairment loss disappears in a later period.

Dividends, group contributions and other distributions from subsidiaries are recognized in the same year as they are recognized in the financial statement of the provider. If dividends / group contribution exceeds withheld profits after the acquisition date, the excess amount represents repayment of invested capital, and the distribution will be deducted from the recorded value of the acquisition in the balance sheet for the parent company.

## **Joint ventures**

The company has two joint ventures, in which both parties own 50%. The parties have joint control over the investments. Joint ventures are accounted for using the equity method.

## **Inventories**

Inventories are recognized at the lowest of cost and net selling price. The net selling price is the estimated selling price in the case of ordinary operations minus the estimated completion, marketing and distribution costs. The cost is arrived at using the FIFO method and includes the costs incurred in acquiring the goods and the costs of bringing the goods to their current state and location.

Inventories consists of fuel to be consumed in the rendering of services. Fuel is measured at the lower of costs and net realizable value.

## **Accounts receivable and other receivables**

Accounts receivable and other current receivables are recorded in the balance sheet at nominal value less provisions for doubtful accounts. Provisions for doubtful accounts are based on an individual assessment of the different receivables. For the remaining receivables, a general provision is estimated based on expected loss.

## **Pensions**

The company has various pension schemes. The pension schemes are financed through payments to insurance companies, apart from the early retirement pension scheme (AFP). The company has both defined contribution plans and defined benefit plans.

### *Defined contribution plan*

With a define contribution plan the company pays contributions to an insurance company. After the contribution has been made the company has no further commitment to pay. The contribution is recognized as payroll expenses. Prepaid contributions are reflected as an asset (pension fund) to the degree the contribution can be refunded or will reduce future payments.

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### *Defined benefit 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. Defined benefit plans are valued at the present value of accrued future pension benefits at the balance sheet date. Pension plan assets are valued at their fair value.

Changes in the pension obligations due to changes in pension plans are recognized over the estimated average remaining service period. Any gains due to plan amendments that arise due to unconditional plan amendments are used to reduce unrecognized actuarial gains or losses. Current service cost, interest expense and expected return for the remaining part of the accounting period are determined based on assumptions at the time of the plan amendments.

The accumulated effect of changes in estimates and in financial and actuarial assumptions (actuarial gains or losses) that is less than 10% of the higher of defined benefit pension obligations and pension plan assets at the beginning of the year is not recognized. When the accumulated effect is above 10% limit in the beginning of the financial period, the excess amount is recognized in the income statement over the estimated average remaining service period. The net pension cost for the period is classified as salaries and personnel costs.

Gains or losses that arise in connection with settlement or significant curtailment of defined benefit plans are recognized in the income statement at the settlement or curtailment. Current service cost, interest expense and expected return for the remaining part of the accounting period are determined based on assumptions at the time of the curtailment.

### **Cash flow statement**

The cash flow statement is presented using the indirect method. Cash and cash equivalents include cash, bank deposits and other short term, highly liquid investments with maturities of three months or less.

### **Going Concern**

The financial statements have been prepared on a going concern basis.



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## Note 2 – Property plant and equipment

Fixed Assets	Offshore assets	Onshore assets	Assets under construction	Finance lease assets	Total
Acquisition cost 01.01.2021	686 095 850	19 251 003	3 176 499	235 494 984	944 018 336
Scrapping	(18 150 928)	(3 402 333)	-	-	(21 553 261)
Additions	6 222 550	5 141 642	27 850 817	-	39 215 009
Disposals	-	-	-	(65 643 500)	(65 643 500)
Reclassification	(4 338 875)	4 338 875	-	-	-
Remeasurement	-	-	-	-	-
Transfer	27 795 719	2 601 926	(2 601 926)	(27 795 719)	-
<b>Acquisition cost 31.12.2021</b>	<b>697 624 316</b>	<b>27 931 113</b>	<b>28 425 390</b>	<b>142 055 765</b>	<b>896 036 584</b>
Accumulated depreciation and impairment 01.01.2021	(555 525 608)	(7 509 877)	-	(189 201 726)	(752 237 211)
Scrapping	18 018 938	1 005 177	-	-	19 024 115
Write down	(4 915 779)	-	-	-	(4 915 779)
Disposals	-	-	-	64 324 099	64 324 099
Reclassification	4 338 875	(4 338 875)	-	-	-
Remeasurement	-	-	-	27 079 665	27 079 665
Transfer	(25 016 147)	-	-	25 016 147	-
Depreciation for the year	(32 169 804)	(3 384 049)	-	(19 852 944)	(55 406 798)
<b>Accumulated depreciation and impairment 31.12.2021</b>	<b>(595 269 525)</b>	<b>(14 227 624)</b>	<b>-</b>	<b>(92 634 759)</b>	<b>(702 131 908)</b>
<b>Net book value 31.12.2021</b>	<b>102 354 791</b>	<b>13 703 489</b>	<b>28 425 390</b>	<b>49 421 006</b>	<b>193 904 676</b>
<b>Depreciation for the year</b>	<b>(32 169 804)</b>	<b>(3 384 049)</b>	<b>-</b>	<b>7 226 721</b>	<b>(28 327 132)</b>

**Economic useful life**                      5-10 years                                      3 years

Management has reviewed the book value of all the fixed assets in the company and compared with the estimated fair value of the assets at year-end 2021. An impairment of NOK 4 915 779 has been recognized in 2021 based on the fair value estimates.

Furthermore, DeepOcean AS has finance lease asset in which were remeasured in 2021 in order to align the useful life of the asset to the end of the lease term. The accounting effect of this remeasurement was NOK 27 079 665.



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## Note 3 – Subsidiaries and joint ventures

Subsidiaries	Location	Ownership	Equity	Net income	Book value of investment
DeepOcean Management AS	Haugesund, Norway	100 %	75 522 300	22 765 032	16 907 352
DeepOcean Maritime AS <sup>1)</sup>	Haugesund, Norway	100 %	4 509 210	-304 983	-
DeepOcean Shipping AS <sup>1)</sup>	Haugesund, Norway	100 %	77 702 515	1 150 224	98 128 969
DeepOcean Shipping III AS	Haugesund, Norway	100 %	116 943 257	3 848 091	24 230 814
DeepOcean de Mexico S.De R.L de C.V	Ciudad del Carmen, Mexico	97 %	-38 447 407	10 290 230	28 812
DeepOcean Subsea Services Ltd	Aberdeen, UK	100 %	150 056 942	194 056 026	-
Delta Subsea LLC <sup>2)</sup>	Houston, US	100 %	183 985 131	-36 572 621	209 537 676
					<b>348 833 624</b>

<sup>1</sup>The book value of the investment in DeepOcean Maritime AS and DeepOcean Shipping AS was impaired by NOK 97 036 918 and NOK 84 606 484 to reflect the fair value of the company.

<sup>2</sup>The previous impairment of the book value of investment in Delta Subsea LLC was reversed by NOK 28 968 872 to reflect the fair value of the company.

On the 30<sup>th</sup> of November 2021 DeepOcean AS merged with DeepOcean Africa AS, DeepOcean Shipping V AS and DeepOcean Shipping II AS.

Joint Ventures	Location	Ownership	Equity	Net income	Book value of investment
Technip - DeepOcean PRS JV DA	Haugesund, Norway	50 %	7 419 326	7 438 194	3 846 524
Level Offshore AS	Haugesund, Norway	50 %	9 402 750	8 912 510	1 832 659
					<b>5 679 183</b>

## Note 4 – Assets and liabilities

	2021	2020
Accrued, not invoiced revenue included in other current assets	213 306 887	227 081 176
<b>Leasing Contracts</b>		
Short-term finance leases	19 907 351	43 589 303
Long-term finance leases	42 043 264	61 958 119
<b>Total Finance leases</b>	<b>61 950 615</b>	<b>105 547 422</b>

The company has long-term leasing agreements. No financial leases are due later than 5 years. All assets in the subsidiaries in DeepOcean Group are pledge as security for the external debt.



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## Note 5 – Transactions and balances with group companies

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

	2021	2020
Project revenue	503 632 657	334 756 659
Project expenses	-619 308 295	-221 264 621
Net financial items	10 460 935	24 759 117
<b>Total</b>	<b>-115 675 638</b>	<b>113 492 038</b>
<b>Liabilities</b>		
Group contribution payable	-203 864 471	-219 788 638
Short-term payable	-276 137 259	-203 511 407
<b>Total liabilities</b>	<b>-480 001 730</b>	<b>-423 300 045</b>
<b>Assets</b>		
Long-term receivables	434 243 640	274 836 340
Short-term receivable	239 656 662	142 187 938
Group contribution receivable	3 864 471	-
Provision for doubtful loans	-187 577 223	-228 738 908
<b>Total assets</b>	<b>490 187 550</b>	<b>188 285 370</b>

## Note 6 – Equity

Changes in equity	Share Capital	Share premium	Other equity	Total
Equity 01.01.2021	118 961 802	683 759 727	-	<b>802 721 530</b>
Actuarial gains/losses	-	-	-10 519 883	<b>-10 519 883</b>
Merger <sup>1)</sup>	-	5 000 001	100 095 481	<b>105 095 482</b>
Given group contributions	-	-	-200 000 000	<b>-200 000 000</b>
Received group contribution	-	-	-	-
Profit (loss) this year	-	-	186 159 220	<b>186 159 220</b>
<b>Equity 31.12.2021</b>	<b>118 961 802</b>	<b>688 759 728</b>	<b>75 734 818</b>	<b>883 456 348</b>

<sup>1)</sup> Effect on equity from mergers with DeepOcean Shipping II AS, DeepOcean Shipping V AS and DeepOcean Africa AS.

## Note 7 – Share capital and Shareholder information

The share capital of NOK 118 961 802 is comprised of 108 147 094 shares with a par value of NOK 1.10 per share. All issued shares have equal rights.

Shareholders	Shares	Total	Share
DeepOcean Group Holding AS	108 147 094	108 147 094	100 %

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## Note 8 – Pensions

The Company has a pension plan which cover a total of 231 persons and gives a right to post-retirement defined benefits. 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 mandatory occupational pension. Calculations are in accordance with IAS 19 Employee Benefits.

	2021	2020
Present value of accrued pension obligations at 01.01 (PBO)	82 705 908	76 573 601
Pension fund assets at 01.01	-77 081 000	-68 430 000
<b>Net pension obligation at 01.01</b>	<b>5 624 908</b>	<b>8 143 601</b>
Employer's national insurance contribution	793 112	1 148 248
<b>Net pension obligation at 01.01.2</b>	<b>6 418 020</b>	<b>9 291 849</b>
Present value of pension accrued in the period	5 839 685	5 867 575
Interest cost of PBO	1 396 229	1 370 957
Expected return on pension fund assets	-1 456 781	-1 301 575
Service cost	168 000	172 200
Employer's national insurance cost for the period	1 821 251	861 391
<b>Net pension cost for the period</b>	<b>7 768 384</b>	<b>6 970 548</b>
Actuarial gains/losses recognized in OCI at 31.12	13 487 030	139 776
<b>Actuarial gains/losses recognized in OCI</b>	<b>13 487 030</b>	<b>139 776</b>
Pensions paid during the year	-1 149 628	-818 655
Investment in pension fund assets	18 541 581	-8 750 353
Present value of accrued pension obligation at 31.12	102 165 085	82 705 908
Pension fund assets at 31.12	-96 453 000	-77 081 000
Net pension obligation at 31.12	5 712 085	5 624 908
Employer's national insurance contribution	805 404	793 112
<b>Net pension obligation at 31.12.2021</b>	<b>6 517 489</b>	<b>6 418 020</b>
<b>Financial assumptions:</b>		
Discount rate	1.70%	1.70%
Expected return on pension fund assets	1.70%	1.70%
Anticipated rise in salaries	2.25%	2.25%
Anticipated rise in National Insurance base rate	2.00%	2.00%
Anticipated rise in pensions	0.00%	0.00%
Turnover	1.70%	5.00%
Employer's National Insurance contributions	14.10%	14.10%

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

<b>Members of the employee schemes</b>	2021	2020
Number of active members	231	231
Number of pensioners	12	12

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## Note 9 – Taxes

	2021	2020
<b>Calculation of taxable income</b>		
Profit (loss) before tax	270 727 515	121 388 251
Permanent differences	101 905 184	116 700 948
Received group contribution	3 864 471	13 204 628
Change in temporary differences	-82 524 256	-31 505 188
Merger effects	-29 334 154	0
<b>Basis for payable taxes in the income statement</b>	<b>264 638 761</b>	<b>219 788 638</b>
Utilized interest deduction carry forward	-1 336 629	0
Generated (utilized) tax losses carry forward	-263 302 132	0
Paid group contribution	0	-219 788 638
<b>Taxable Income</b>	<b>0</b>	<b>0</b>
Payable tax on taxable income	0	0
<b>Current tax liabilities</b>	<b>0</b>	<b>0</b>
<b>Components of the income tax expense</b>		
Payable tax on this year's result	0	0
Adjustments from prior years	549 409	638 130
Change in deferred tax	18 155 725	6 931 141
Merger effects	64 379 594	0
Group contribution with tax effect	0	48 353 500
Tax effect on pension estimate recognized in OCI	2 967 147	30 751
Withholding tax	436 005	2 047 082
Other	0	234 779
<b>Tax expense</b>	<b>86 487 879</b>	<b>58 235 384</b>
<b>Taxable temporary differences</b>		
Fixed assets	3 142 164	-29 943 910
Receivables	-14 843 785	-14 843 785
Provisions	0	-14 117 452
Profit & Loss account	-61 494 830	-47 534 383
Financial instruments	0	-2 930 109
Leasing agreement	-12 529 609	-58 980 146
Pensions	-6 517 489	-6 418 020
<b>Net temporary differences</b>	<b>-92 243 549</b>	<b>-174 767 805</b>
Interest deduction carried forward	0	-1 336 631
Tax losses carried forward	0	0
<b>Basis for deferred tax</b>	<b>-92 243 549</b>	<b>-176 104 436</b>
Tax rate	0	0
<b>Tax effect of temporary differences</b>	<b>-20 293 193</b>	<b>-38 742 976</b>
Unrecognized deferred tax assets	0	294 059
<b>Deferred tax assets (liabilities)</b>	<b>-20 293 193</b>	<b>-38 448 918</b>

Business registration number: 980 722 805



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## Note 10 – Sales Revenue

Segment	2021	2020
Subsea Services	3 057 984 036	2 607 339 592
<b>Total</b>	<b>3 057 984 036</b>	<b>2 607 339 592</b>

### Geographical segments

Norway	1 959 818 913	1 732 184 961
Outside Norway	1 098 165 123	875 154 631
<b>Total</b>	<b>3 057 984 036</b>	<b>2 607 339 592</b>

## Note 11 – Payroll expenses

	2021	2020
Salaries/wages	-253 941 225	-230 779 615
Social security fees	-42 158 725	-35 610 501
Pension expenses	-5 273 205	-14 358 370
Pension expenses OTP	-19 175 452	-10 299 282
Other remuneration	-3 292 991	-10 744 166
<b>Total</b>	<b>-323 841 598</b>	<b>-301 791 934</b>

### Average numbers of employees

269	250
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The general manager and the Board of Directors doesn't receive compensation for their roles in DeepOcean AS. No loans/sureties have been granted to the general manager, chairman of the board or other related parties.

Audit fees	2021	2020
Statutory audit excl VAT	1 340 000	1 315 000
Other assurance services excl VAT	-	197 907
<b>Total audit fees</b>	<b>1 340 000</b>	<b>1 512 907</b>



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## Note 12 – Specification of finance income and expenses

	2021	2020
<b>Finance income</b>		
Interest income from group companies	11 732 047	12 924 857
Interest income	209 731	411 459
Reversal of previous impairment - subsidiaries	28 968 872	-
Reversal of previous impairment - intercompany loans	49 238 292	4 164 155
Other financial income	2 998 842	-
Dividend/Group contribution received	3 864 471	13 204 628
Derivative non-hedge income	2 930 109	74 406 442
Share of net profit from joint ventures	4 657 365	4 215 115
Foreign exchange gain	22 276 046	1 182 360
<b>Finance income</b>	<b>126 875 776</b>	<b>110 509 016</b>
<b>Finance expense</b>		
Interest expenses to group companies	-5 135 583	-1 370 368
Other interest expenses	-3 605 339	-8 780 045
Derivative non-hedge cost	-	-41 297 516
Impairment of subsidiaries	-181 643 402	-
Impairment of intercompany loans	-16 660 447	-
Impairment of financial assets	-	-133 939 897
Other financial expenses	-631 574	-525 959
Foreign exchange loss	-19 788 230	-41 957 183
<b>Finance expense</b>	<b>-227 464 574</b>	<b>-227 870 968</b>
<b>Net financial items</b>	<b>-100 588 799</b>	<b>-117 361 952</b>

## Note 13 – Restricted cash

	2021	2020
Withheld employee taxes	14 272 340	9 298 721
<b>Total restricted cash</b>	<b>14 272 340</b>	<b>9 298 721</b>

## Note 14 – Guarantees

	2021	2020
<b>External guarantees</b>	<b>40 923 924</b>	<b>17 186 222</b>

The guarantees are largely made out to customers for warranties, performance bonds and bank guarantees in relation to client projects.

## Note 15 – Subsequent events

On the 7 April 2022, DeepOcean announced its acquisition of Installit AS, a company that is an independent consultancy and engineering company, delivering sustainable solutions to the energy and subsea industry. Installit AS specializes in project management, engineering, installation and operations.