Brønnøysundregistrene

ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2018 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer:	920 998 240
Organisasjonsform:	Norskreg. utenlandsk foretak
Foretaksnavn:	PROSAFE HOLDING LIMITED
Forretningsadresse:	Forusparken 2 4031 STAVANGER

Regnskapsår

Årsregnskapets periode:	01.01.2018 - 31.12.2018

Konsern

Morselskap i konsern:	Nei

Regnskapsregler

Regler for små foretak benyttet:	Nei
Benyttet ved utarbeidelsen av årsregnskapet til selskapet:	IFRS

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet:	Stig Harry Christiansen
Dato for fastsettelse av årsregnskapet:	14.10.2019

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, 06.11.2020

Resultatregnskap

Beløp i: USD	Note	2018	2017
RESULTATREGNSKAP			
Inntekter			
Annen driftsinntekt		1 319 864	
Sum inntekter		**1 319 864**	
Kostnader			
Annen driftskostnad		36 358	46 623 129
Sum kostnader		**36 358**	**46 623 129**
Driftsresultat		**1 283 506**	**-46 623 129**
Finansinntekter og finanskostnader			
Annen finansinntekt		161 263	27 105
Sum finansinntekter		**161 263**	**27 105**
Annen finanskostnad		74 673	9 952
Sum finanskostnader		**74 673**	**9 952**
Netto finans		**86 590**	**17 153**
Ordinært resultat før skattekostnad		**1 370 096**	**-46 605 976**
Skattekostnad på ordinært resultat		17 780	
Ordinært resultat etter skattekostnad		**1 352 316**	**-46 605 976**
Ekstraordinære poster		30 948 555	
Årsresultat		**32 300 871**	**-46 605 976**
Årsresultat etter minoritetsinteresser		**32 300 871**	**-46 605 976**
Overføringer og disponeringer			
Overføringer til/fra annen egenkapital		32 300 871	-46 605 976
Sum overføringer og disponeringer		**32 300 871**	**-46 605 976**

Balanse

Beløp i: USD	Note	2018	2017
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Finansielle anleggsmidler			
Investering i datterselskap		162 102 544	
Investeringer i aksjer og andeler			153 780 217
Sum finansielle anleggsmidler		**162 102 544**	**153 780 217**
Sum anleggsmidler		**162 102 544**	**153 780 217**
Omløpsmidler			
Varer			
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter og lignende		24 215 214	2 145 934
Sum bankinnskudd, kontanter og lignende		**24 215 214**	**2 145 934**
Sum omløpsmidler		**24 215 214**	**2 145 934**
SUM EIENDELER		**186 317 758**	**155 926 151**
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Selskapskapital		3 624 758	3 624 758
Sum innskutt egenkapital		**3 624 758**	**3 624 758**
Opptjent egenkapital			
Annen egenkapital		182 659 838	150 358 967
Sum opptjent egenkapital		**182 659 838**	**150 358 967**
Sum egenkapital		**186 284 596**	**153 983 725**

Balanse

Beløp i: USD	Note	2018	2017
Sum langsiktig gjeld		**0**	**0**
Kortsiktig gjeld			
Leverandørgjeld		18 891	1 942 426
Betalbar skatt		14 271	
Sum kortsiktig gjeld		**33 162**	**1 942 426**
Sum gjeld		**33 162**	**1 942 426**
SUM EGENKAPITAL OG GJELD		**186 317 758**	**155 926 151**

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To the owners of Prosafe Holding Limited NUF

Independent auditor's report

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Prosafe Holding Limited NUF, which comprise the statement of financial position as at 31 December 2018, statement of profit or loss and other comprehensive income, statement of changes in equity and statement 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 accompanying financial statements are prepared in accordance with law and regulations and give a true and fair view of the financial position of the Company as at 31 December 2018, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by EU.

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 as required by laws and regulations, 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

Management is responsible for the other information. The other information comprises information in the annual report, except the financial statements and our auditor's report thereon.

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 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.

KPMG AS, a Norwegian limited liability company and member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

Statsautoriserte revisorer - medlemmer av Den norske Revisorforening

Offices in:

Oslo	Elverum	Mo i Rana	Stord
Alta	Finnsnes	Molde	Straume
Arendal	Hamar	Skien	Tromsø
Bergen	Haugesund	Sandefjord	Trondheim
Bodø	Knarvik	Sandnessjøen	Tynset
Drammen	Kristiansand	Stavanger	Ålesund

Responsibilities of the Board of Directors for the Financial Statements

The Board of Directors are responsible for the preparation in accordance with law and regulations, including fair presentation of the financial statements in accordance with International Financial Reporting Standards as adopted by the EU, 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 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 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 laws, regulations, and auditing standards and practices generally accepted 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. We 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.

KPMG

Prosafe Holding Limited NUF

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 and the going concern assumption 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 produce a proper and clearly set out registration and documentation of the Company's accounting information in accordance with the law and bookkeeping standards and practices generally accepted in Norway.

Other Matters

The reporting entity's financial statements have been prepared after the expiry of the statutory time limit for preparation of financial statements.

Bergen, 14 October 2019
KPMG AS

Anfinn Fardal
State Authorised Public Accountant

PROSAFE HOLDING LIMITED NUF

REPORT AND FINANCIAL STATEMENTS

For the year ended 31 December 2018

PROSAFE HOLDING LIMITED

REPORT AND FINANCIAL STATEMENTS

For the year ended 31 December 2018

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OFFICERS AND PROFESSIONAL ADVISORS

Board of Directors	Stig Harry Christiansen, Norway Jesper Kragh Andresen, Danish (appointed on 27 April 2018) Karine Betty Cosemans, Belgian (appointed on 27 April 2018) Georgina Georgiou, British (resigned on 24 August 2018) Levon Ohanian, Cypriot (resigned on 24 August 2018)
Alternate Directors	Niki Stylianou for Stig Harry Christiansen (appointed on 6 September 2018) Efthymoulla Anna Theano Christofi for Jesper Kragh Andresen (appointed on 6 September 2018)
Secretary	Vimatex Limited
Independent Auditors	KPMG AS
Bankers	Nordea Bank Norge ASA
Registered Office	73 Metochiou, 2407 Egkomi, Cyprus
Registration number	HE199308
Norway Registered Branch Office	Forusparken 2, 4031 Stavanger, Norway
Norwegian-registered foreign company number	920 998 240

BOARD OF DIRECTOR'S REPORT

For the year ended 31 December 2018

Business and location
The principal activity of the Prosafe Holding Limited (the "Company") is an investment holding.

Effective management of the Company both at the level of the board and general day-to-day management take place in Norway as of 3 May 2018.

Comments to the financial statement
In current year, the Company dividend income is US$ 1.319.864 (2017: Nil) and the profit for the year is US$ 1.352.316 (2017: Loss for the year: US$ 46.605.976).

The loss in 2017 mainly results in the impairment of its investment.

The Board of directors confirms that the financial statements present a fair view of the Company's assets and liabilities, financial position and result.

Key risks and uncertainties
The company derives its investment income from a related party. Its income its dependent on the business of a related party. The Company's ultimate controlling party is Prosafe SE, a Norway based Company listed on the Oslo Stock Exchange.

Statement of financial risk
The Company is exposed to market, credit and liquidity risk as disclosed in Note 12 of the financial statement.

Report on research and development
The company has no research or development activity.

Going concern
The annual accounts for 2018 have not been prepared on the going concern assumption. The financial statements have not been prepared on a going concern basis on the assumption that the Company will not continue as an active business in the foreseeable future.

Working environment and equality
The Company does not have any employees.

Factors Affecting the External Environment
The Company's business does not pollute the external environment.

Norway, 1 July 2019

Jesper Kragh Andresen
Director

Stig Harry Christiansen
Director

Karine Betty Cosemans
Director

PROSAFE HOLDING LIMITED

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2018

	Note	2018 US$	2017 US$
Dividend income	11	1.319.864	-
Administrative expenses	4	(36.358)	(17.129)
Provision for impairment of investment	7	-	(46.606.000)
Operating profit/(loss)		1.283.506	(46.623.129)
Finance income		161.263	27.105
Finance expenses		(74.673)	(9.952)
Net finance income	5	86.590	17.153
Profit/(loss) before tax		1.370.096	(46.605.976)
Tax	6	(17.780)	-
Profit/(loss) for the year		1.352.316	(46.605.976)
Other comprehensive income			
Investment at FVOCI – net change in fair value		30.948.555	-
Total comprehensive income/(expense) for the year		32.300.871	(46.605.976)

The notes on pages 10 to 20 are an integral part of these financial statements.

PROSAFE HOLDING LIMITED

STATEMENT OF FINANCIAL POSITION

As at 31 December 2018

	Note	2018 US$	2017 US$
ASSETS			
Investments at FVOCI	7	162.102.544	-
Available for sale financial assets	7	-	153.780.217
Total non-current assets		162.102.544	153.780.217
Cash and cash equivalents	8	24.215.214	2.145.934
Total current assets		24.215.214	2.145.934
Total assets		186.317.758	155.926.151
EQUITY AND LIABILITIES			
Share capital	9	3.624.758	3.624.758
Reserves		182.659.838	150.358.967
Total equity		186.284.596	153.983.725
Trade and other payables	10	18.891	1.942.426
Current tax liabilities		14.271	-
Total current liabilities		33.162	1.942.426
Total equity and liabilities		186.317.758	155.926.151

On 1 July 2019 the Board of Directors of Prosafe Holding Limited approved and authorised these financial statements for issue.

Jesper Kragh Andresen
Director

Stig Harry Christiansen
Director

Karine Betty Cosemans
Director

The notes on pages 10 to 20 are an integral part of these financial statements.

PROSAFE HOLDING LIMITED

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2018

	Share capital (Note 9) US$	Share premium US$	Fair value reserve US$	Retained earnings US$	Total US$
Balance at 1 January 2017	3.624.75[illegible]	159.779.340	-	37.185.603	200.589.701
Comprehensive income					
Loss for the year	-	-	-	(46.605.976)	(46.605.976)
Other comprehensive income	-	-	-	-	-
Balance at 31 December 2017	3.624.758	159.779.340	-	(9.420.373)	153.983.725
Balance at 1 January 2018	3.624.7588	159.779.340	-	(9.420.373)	153.983.725
Comprehensive income					
Profit for the year	-	-	-	1.352.316	1.352.316
Other comprehensive income	-	-	30.948.555	-	30.948.555
Balance at 31 December 2018	3.624.758	159.779.340	30.948.555	(8.068.057)	186.284.596

The notes on pages 10 to 20 are an integral part of these financial statements.

PROSAFE HOLDING LIMITED

STATEMENT OF CASH FLOWS

For the year ended 31 December 2018

	2018 US$	2017 US$
Cash flows from operating activities		
Profit/(Loss) for the year before tax	1.370.096	(46.605.976)
Adjustments for:		
Net exchange loss	74.206	-
Impairment charge of available-for-sale financial assets	-	46.606.000
Dividend income	(1.319.864)	-
Interest income	(161.263)	(20.079)
Cash used in operations before working capital changes	(36.825)	(20.055)
(Decrease)/Increase in trade and other payables	(1.923.535)	445.832
Cash generated from/(used in) operations	(1.960.360)	425.777
Dividends received	1.319.864	-
Taxes paid	(3.509)	-
Net cash (used in)/generated from operating activities	(644.005)	425.777
Cash flows from investing activities		
Proceeds from return of capital from FVOCI investment	22.626.228	-
Interest received	161.263	20.079
Net cash generated from investing activities	22.787.491	20.079
Cash flows from financing activity		
Exchange loss	(74.206)	-
Net cash used in financing activity	(74.206)	-
Net increase in cash and cash equivalents	22.069.280	445.856
Cash and cash equivalents at beginning of the year	2.145.934	1.700.078
Cash and cash equivalents at end of the year	24.215.214	2.145.934

The notes on pages 10 to 20 are an integral part of these financial statements.

PROSAFE HOLDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2018

1. INCORPORATION AND PRINCIPAL ACTIVITIES

Prosafe Holding Limited (the "Company") was incorporated in Cyprus on 14 May 2007 as a private limited liability company under the Cyprus Companies Law, Cap. 113. Its registered office is at 73 Metochiou, Engomi, CY-2407, Nicosia, Cyprus. Its Norway registered branch office is Forusparken 2, 4031 Stavanger, Norway. The principal activity of the Company is the holding of investments.

2. BASIS OF PREPARATION

(a) Statement of compliance

The financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) endorsed by the European Union (EU) and the requirements of the Norwegian Accounting Act.

(b) Basis of preparation

The shareholder of the Company has the intention to proceed with the liquidation of the Company. Because of this, the financial statements have not been prepared on a going concern basis on the assumption that the Company will not continue as an active business in the foreseeable future. Assets and liabilities continue to be measured at the measurement provisions of IFRS-EU that would otherwise apply to those assets and liabilities until the obligations are discharged, cancelled or expire.

(c) Basis of measurement

The financial statements have been prepared under the historical cost convention.

(d) Adoption of new and revised IFRS-EU

During the current year the Company adopted all the changes to IFRS-EU that are relevant to its operations and are effective for accounting periods beginning on 1 January 2018. This adoption did not have a material effect on the accounting policies of the Company apart from IFRS9 “Financial Instruments”, the effect of which is explained in Note 2(g).

At the date of approval of these financial statements, Standards, Revised Standards and Interpretations were issued by the International Accounting Standards Board which were not yet effective. Some of them were adopted by the European Union and others not yet. The impact on the financial statements in the period of initial application of these new and revised standards, is not expected to be material.

(e) Use of estimates and judgments

The preparation of financial statements in accordance with IFRS-EU requires from Management the exercise of judgment, to make estimates and assumptions that influence the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and underlying assumptions are based on historical experience and various other factors that are deemed to be reasonable based on knowledge available at that time. Actual results may deviate from such estimates.

The estimates and underlying assumptions are revised on a continuous basis. Revisions in accounting estimates are recognised in the period during which the estimate is revised, if the estimate affects only that period, or in the period of the revision and future periods, if the revision affects the present as well as future periods.

PROSAFE HOLDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2018

2. BASIS OF PREPARATION (Cont'd)

(e) Use of estimates and judgments (cont'd)

Judgments
Information about judgments in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in note 3 "Impairment of available-for-sale financial assets" and specifically concerning the determination of whether an investment is ther-than-temporarily impaired.

Measurement of fair values
The Company's accounting policies and disclosures require the measurement of fair values, for financial assets.

When measuring the fair value of an asset, the Company uses observable market data as far as possible.

Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

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

If the inputs used to measure the fair value of an asset fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

(f) Functional and presentation currency
Items included in the Company's financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in United States dollars (US$) which is the functional currency of the Company.

(g) Change in significant accounting policies
The Company initially applied IFRS9 "Financial instruments" from 1 January 2018. A number of other new standards are also effective from 1 January 2018 but they do not have a material effect on the Company's financial statements.

IFRS9 sets out the requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This standard replaces IAS39 "Financial instruments: Recognition and Measurement".

IFRS9 contains three principal classification categories for financial assets: measured at amortised cost, fair value through other comprehensive income ("FVOCI"), and fair value through profit or loss ("FVTPL"). The classification of financial assets under IFRS9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. IFRS9 eliminates the previous IAS39 categories of held to maturity, loans and receivables and available for sale.

IFRS9 largely retains the existing requirements in IAS39 for the classification and measurement of financial liabilities and as a result its adoption has not had a significant effect on the Company's accounting policies related to financial liabilities.

PROSAFE HOLDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2018

2. BASIS OF PREPARATION (Cont'd)

(g) Change in significant accounting policies *(continued)*
The table below explains the original measurement categories under IAS39 and the new measurement categories under IFRS9 for each class of financial assets and liabilities as at 1 January 2019.

	Original classification under IAS39	New classification under IFRS9	Original carrying amount under IAS39 US$	New carrying amount under IFRS9 US$
Financial assets				
Cash and cash equivalents	Loans and receivables	Amortised cost	24.215.214	24.215.214
Equity securities	Available for sale	FVOCI	162.102.544	162.102.544
			186.317.758	186.317.758
Financial liabilities				
Trade and other payables	Other financial liabilities	Other financial liabilities	(8.891)	(8.891)

(i) These equity securities represent investments that the Group intends to hold for the long term for strategic purposes.

3. SIGNIFICANT ACCOUNTING POLICIES

The following accounting policies have been applied consistently for all the years presented in these financial statements.

Revenue recognition

- *Divident income*
  Dividend income is recognised when the right to receive payment is established.
- *Interest income*
  Interest income is recognised as it is earned using the effective interest method.

Finance expenses
Interest expense and other borrowing costs are recognised in profit or loss using the effective interest method.

Foreign currency translation
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the reporting date exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value is determined. Translation differences on available-for-sale financial assets are recognised in other comprehensive income and then included in the fair value reserve in equity (except on impairment, in which case translation differences that have been recognised in other comprehensive income are reclassified to profit or loss). Non-monetary items that are measured based on historical cost in a foreign currency are not translated

PROSAFE HOLDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2018

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Foreign currency translation (continued)

Tax
Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

Current tax
The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax
Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the statement of financial position 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 profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Dividends
Dividend distribution to the Company's shareholders is recognised in the Company's financial statements in the year in which they are declared.

Financial instruments
Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

- **Classification and subsequent measurement**

Financial assets: Policy applicable from 1 January 2018

On initial recognition, the Company classifies financial assets as "financial assets at amortised cost" or "financial assets at fair value through other comprehensive income ("FVOCI").

A financial asset is measured at amortised cost if it meets both of the following conditions and it is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms 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 comprise of cash at bank.

On initial recognition of an equity investment that it is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

PROSAFE HOLDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2018

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Financial instruments *(continued)*

Equity investments at FVOCI are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss.

All financial assets are classified as current assets unless the Company has an unconditional responsibility to accept deferral of receipt for at least twelve months after the balance sheet date, in which case they are_classified as non-current assets.

Financial assets at amortised cost are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses.

Interest income, foreign exchange gains and losses and impairment losses are recognised in profit or loss.

Trade and other payables are classified as other financial liabilities and are initially recognised at fair value and are subsequently measured at amortised cost, using the effective interest rate method.

Financial assets: policy applicable before 1 January 2018

- *Available-for-sale financial assets*

Investments intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in interest rates, are classified as available-for-sale; these are included in non-current assets unless management has the expressed intention of holding the investment for less than 12 months from the reporting date or unless they will need to be sold to raise operating capital, in which case they are included in current assets.

Recognition and measurement:
Regular way purchases and sales of investments are recognised on trade-date which is the date on which the Company commits to purchase or sell the asset. Investments are initially recognised at fair value plus directly attributable transaction costs.

Unrealised gains and losses arising from changes in the fair value of available-for-sale financial assets are recognised in other comprehensive income and then in equity. When available-for-sale financial assets are sold or impaired, the accumulated fair value adjustments are included in equity are reclassified to profit or loss.

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Company establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same and discounted cash flow analysis, making maximum use of market inputs and relying as little as possible on entity specific inputs. Equity investments for which fair values cannot be measured reliably are recognised at cost less impairment.

- *Cash and cash equivalents*

Ccash and cash equivalents are initially recognised at fair value and are subsequently measured at amortised cost, using the effective interest rate method. For the purpose of the statement of cash flows, cash and cash equivalents comprise cash at bank.

- *Trade and other payables*

Trade and other payables are initially recognised at fair value and are subsequently measured at amortised cost, using the effective interest rate method.

PROSAFE HOLDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2018

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Financial instruments (continued)

Recognition and measurement (cont'd):

- **Impairment of financial assets**

Policy applicable from 1 January 2018

The Company recognises loss allowances for expected credit losses ("ECLs") on financial assets measured at amortised cost. The loss allowances are always measured at an amount equal to lifetime ECLs. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

ECLs are probability-weighted estimates of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Impairment losses are recognised in profit or loss.

Evidence that a financial asset is credit-impaired includes the following observable data:

- a significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Policy applicable before 1 January 2018

The Company assessed at each reporting date whether there was objective evidence that a financial asset or a group of financial assets is impaired.

In the case of available-for-sale equity securities, a significant or prolonged decline in the fair value of the security below its cost was considered as an indicator that the securities are impaired.

Impairment losses are measured by comparing the recoverable amount of the investment with its carrying amount. An impairment loss was recognised in profit or loss, and was reversed if there had been a favourable change in the estimates used to determine the recoverable amount. Impairment losses previously recognised in profit or loss were not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss was recognised in other comprehensive income and accumulated under the heading of investments revaluation reserve.

Share capital

Ordinary shares are classified as equity. The difference between the issue price and the nominal value of the share capital is taken to the share premium account. Incremental costs directly attributable to the issue of ordinary shares, net of any tax effects, are recognised as a deduction from equity.

PROSAFE HOLDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2018

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Where the Company expects a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

4. ADMINISTRATIVE EXPENSES

	2018 US$	2017 US$
Independent auditor's remuneration	7.620	8.552
Secretarial and other professional fees	28.738	8.577
	36.358	17.129

The company does not have any employees

5. NET FINANCE INCOME AND EXPENSES

	2018 US$	2017 US$
Bank interest income	161.263	20.079
Net foreign exchange gains	-	7.026
Finance income	161.263	27.105
Bank charges	(467)	-
Net foreign exchange losses	(74.206)	(9.952)
Finance expenses	(74.673)	(9.952)
Net finance income	86.590	17.153

6. TAXATION

Reconciliation of tax based on the taxable income and tax based on accounting losses:

	2018 US$	2017 US$
Corporation tax		
Corporation tax current year	14.271	-
Defence tax		
Current tax	1.728	-
Under provision – prior years	1.781	-
	3.509	-
Tax	17.780	-

PROSAFE HOLDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2018

6. TAXATION *(continued)*

	2018 US$	2017 US$
Accounting profit/(loss) before tax	1.370.096	(46.605.976)
Tax calculated at the applicable tax rates	171.262	(5.825.747)
Tax effect of		
Expenses not deductible for tax purposes	11.784	5.826.994
Allowances and income not subject to tax	(165.697)	(1.644)
Loss for the year	-	397
Utilise losses from prior year	(4.375)	-
Additional tax at 10%	1.297	-
Tax as per statement of profit or loss and other comprehensive income - charge	14.271	-

The Company's profits, as adjusted for tax purposes, are subject to corporation tax at the rate of 12,5% (2017: 12,5%).

Due to tax losses sustained in prior year, no tax liability arises on the Company. Tax losses may be carried forward for five years. Group companies may deduct losses against profits arising during the same tax year. As at 31 December 2018, the balance of tax losses which is available for offset against future taxable profits amounts to US$0 (2017: US$ 33.480) for which no deferred tax asset is recognised in the statement of financial position.

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Shares in Prosafe Rigs Pte Ltd (Singapore)	2018 US$	2017 US$
Balance at 1 January	153.780.217	200.386.217
Return on capital reduction	(22.626.228)	-
Impairment charge	-	(46.606.000)
Net change in fair value recognized in OCI	30.948.555	-
Balance at 31 December	162.102.544	153.780.217

In 2018, Prosafe Rigs Pte Ltd returned US$22.626.228 to the Company as a reduction in capital. As at 31 December 2018, the Company has a participation of 9,4% (2017: 9,4%) in the share capital of Prosafe Rigs Pte Ltd.

During 2017 the Company acquired 35.908.800 additional shares of US$1 at par in the investee. The Company has pledged its shares in Prosafe Rigs Pte Ltd in favor of the financial obligations of the ultimate parent company, Prosafe SE.

Prosafe Rigs Pte Ltd (Singapore) is a private limited liability company, whose principal activity is the chartering of rig accommodation vessels.

8. CASH AND CASH EQUIVALENTS

	2018 US$	2017 US$
Cash at bank	24.215.214	2.145.934
	24.215.214	2.145.934

PROSAFE HOLDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2018

9. SHARE CAPITAL

	2018 Number of shares	2018 US$	2017 Number of shares	2017 US$
Authorised				
Shares of US$1,00 each	3.624.758	3.624.758	3.624.758	3.624.758
Issued and fully paid				
Ordinary shares				
Balance at 1 January	3.624.758	3.624.758	3.624.758	3.624.758
Balance at 31 December	3.624.758	3.624.758	3.624.758	3.624.758

10. TRADE AND OTHER PAYABLES

	2018 US$	2017 US$
Payables to related companies (note 11 (ii))	-	1.933.156
Accruals	18.891	9.270
	18.891	1.942.426

11. RELATED PARTY TRANSACTIONS

The Company is controlled by Prosafe AS., incorporated in Norway, which owns 100% of the Company's shares. The Company's ultimate controlling party is Prosafe SE, a Cyprus based Company listed on the Oslo Stock Exchange.

The transactions and balances with related parties are as follows:

(i) Income from investee

Name	Nature of transactions	2018 US$	2017 US$
Prosafe Rigs Pte Ltd	Dividend	1.319.864	-

(ii) Payables to related companies (note 10)

Name	Nature of relationship	2018 US$	2017 US$
Prosafe SE	Parent company	-	48.087
Prosafe Rigs Pte Ltd	Under common control	-	1.885.069
		-	1.933.156

The above balances are unsecured, interest free and repayable on demand.

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PROSAFE HOLDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2018

12. FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT

Financial risk factors

The Company is exposed to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market price risk

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework but does not have formal risk management policies.

(i) Credit risk

Credit risk arises when a failure by counter parties to discharge their obligations could reduce the amount of future cash inflows from financial assets on hand at the reporting date.

The maximum exposure to credit risk at the reporting date was as follows:

	2018 US$	2017 US$
Investment at FVOCI	162.102.544	153.780.217
Bank current accounts	24.215.214	2.145.934
	186.317.758	155.926.151

Bank balances are held with Nordea Bank rated Aa3 (the short term rating is P1) (Global Local Currency Deposit Ratings) by Moody's. None of the above are considered impaired.

(ii) Liquidity risk

Liquidity risk is the risk that arises when the maturity of assets and liabilities does not match. An unmatched position potentially enhances profitability, but can also increase the risk of losses.

The following are the contractual maturities of financial liabilities at the reporting date. The amounts are gross and are undiscounted, and include estimated interest payments:

31 December 2018	Carrying amounts US$	Contractual cash flows US$	Between 3-12 months US$	Between 1-5 years US$	More than 5 years US$
Accruals	18.891	18.891	18.891	-	-
Tax liabilities	14.271	14.271	14.271	-	-
	33.162	32.679	32.679	-	-
31 December 2017					
Payables to related parties	1.933.156	1.933.156	1.933.156	-	-
Accruals	9.270	9.270	9.270	-	-
	1.942.426	1.942.426	1.942.426	-	-

(iii) Market price risk

Market price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices or interest rates.

PROSAFE HOLDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2018

12. FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT *(continued)*

Market prices

The Company's available-for-sale financial assets are susceptible to market price risk arising from uncertainties about future prices of the investments. An increase in the investee's fair value per share by 5% at 31 December 2018 would have increased equity by US$8.105.127 (2017: US$7.689.011, and for a decrease of 5% there would be an equal and opposite impact on the profit or loss (if this is attributed to impairment) or equity (if this is attributed to temporary fair value change).

Interest rate risk

Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates.

There is no material exposure to interest rate risk at 31 December 2018 as the Company did not have variable rate financial assets or financial liabilities at the year end.

13. FAIR VALUES

The carrying amounts and fair values of certain financial assets and liabilities are as follows:

	Carrying amount		Fair value	
	2018	2017	2018	2017
	US$	US$	US$	US$
Investments at FVOCI	162.102.544	153.780.217	162.102.544	153.780.217

Fair value hierarchy

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

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

31/12/2018	Level 1	Level 2	Level 3	Total
	US$	US$	US$	US$
Financial assets				
Investments at FVOCI	-	-	162.102.544	162.102.544

31/12/2017	Level 1	Level 2	Level 3	Total
	US$	US$	US$	US$
Financial assets				
FVOCI Investments	-	-	153.780.217	153.780.217

The Company has not disclosed the fair value for cash at bank because their carrying amounts are a reasonable approximation of fair value.

14. EVENTS AFTER THE REPORTING PERIOD

On 12 February 2019 the Company (lender) entered into a loan agreement with its parent, Prosafe AS (borrower) for the amount of US$23.000.000. The loan carries interest of 3 month libor plus 2,15% (per.annum) and is repayable on 12 February 2020.

PROSAFE HOLDING LIMITED

REPORT AND FINANCIAL STATEMENTS

For the year ended 31 December 2018

PROSAFE HOLDING LIMITED

REPORT AND FINANCIAL STATEMENTS

For the year ended 31 December 2018

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PROSAFE HOLDING LIMITED

OFFICERS AND PROFESSIONAL ADVISORS

Board of Directors	Stig Harry Christiansen, Norway Jesper Kragh Andresen, Danish (appointed on 27 April 2018) Karine Betty Cosemans, Belgian (appointed on 27 April 2018) Georgina Georgiou, British (resigned on 24 August 2018) Levon Ohanian, Cypriot (resigned on 24 August 2018)
Alternate Directors	Niki Stylianou for Stig Harry Christiansen (appointed on 6 September 2018) Efthymoulla Anna Theano Christofi for Jesper Kragh Andresen (appointed on 6 September 2018)
Secretary	Vimatex Limited
Independent Auditors	KPMG Limited
Bankers	Nordea Bank Norge ASA
Registered Office	73 Metochiou 2407 Egkomi Cyprus
Registration number	HE199308

KPMG

KPMG Limited
Chartered Accountants
11, June 16th 1943 Street, 3022 Limassol, Cyprus
P.O.Box 50161, 3601 Limassol, Cyprus
T: +357 25 869000, F: +357 25 363842

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF

PROSAFE HOLDING LIMITED

Report on the audit of the financial statements

Opinion

We have audited the accompanying financial statements of **Prosafe Holding Limited** (the "Company"), which are presented on pages 5 to 19 and comprise the statement of financial position as at 31 December 2018, and the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2018, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS-EU") and the requirements of the Cyprus Companies Law, Cap. 113, as amended from time to time (the "Companies Law, Cap. 113").

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 Code of Ethics for Professional Accountants of the International Ethics Standards Board for Accountants' ("IESBA Code"), and the ethical requirements in Cyprus that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty over going concern

Without further qualifying our opinion, we draw attention to note 2(b) to the financial statements which states that these were not prepared on a going concern basis. Assets and liabilities continue to be measured at the measurement provisions of the International Financial Reporting Standards as adopted by the European Union that would otherwise apply to those assets and liabilities until the obligations are discharged, cancelled or expire.

Responsibilities of the Board of Directors for the financial statements

The Board of Directors is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS-EU and the requirements of the Companies Law, Cap. 113, and for such internal control as the Board of Directors 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, the Board of Directors 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 there is an intention to either liquidate the Company or to cease operations, or there is no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Company's financial reporting process.

Auditors' 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 skepticism 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 the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' 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 a true and fair view.

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.

Other matter

This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 69 of the Auditors Law of 2017, L53(I)/2017, and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whose knowledge this report may come to.

Sylvia A. Loizides
Certified Public Accountant and Registered Auditor
for and on behalf of

KPMG Limited
Certified Public Accountants and Registered Auditors
KPMG Center,
No. 11, 16th June 1943 street,
3022 Limassol,
Cyprus.

1 July 2019

PROSAFE HOLDING LIMITED

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2018

	Note	2018 US$	2017 US$
Dividend income	11	1.319.864	-
Administrative expenses	4	(36.358)	(17.129)
Provision for impairment of investment	7	-	(46.606.000)
Operating profit/(loss)		1.283.506	(46.623.129)
Finance income		161.263	27.105
Finance expenses		(74.673)	(9.952)
Net finance income	5	86.590	17.153
Profit/(loss) before tax		1.370.096	(46.605.976)
Tax	6	(17.780)	-
Profit/(loss) for the year		1.352.316	(46.605.976)
Other comprehensive income			
Investment at FVOCI – net change in fair value		30.948.555	-
Total comprehensive income/(expense) for the year		32.300.871	(46.605.976)

The notes on pages 9 to 19 are an integral part of these financial statements.

PROSAFE HOLDING LIMITED

STATEMENT OF FINANCIAL POSITION

As at 31 December 2018

	Note	2018 US$	2017 US$
ASSETS			
Investments at FVOCI	7	162.102.544	-
Available for sale financial assets	7	-	153.780.217
Total non-current assets		162.102.544	153.780.217
Cash and cash equivalents	8	24.215.214	2.145.934
Total current assets		24.215.214	2.145.934
Total assets		186.317.758	155.926.151
EQUITY AND LIABILITIES			
Share capital	9	3.624.758	3.624.758
Reserves		182.659.838	150.358.967
Total equity		186.284.596	153.983.725
Trade and other payables	10	18.891	1.942.426
Current tax liabilities		14.271	-
Total current liabilities		33.162	1.942.426
Total equity and liabilities		186.317.758	155.926.151

On 1 July 2019 the Board of Directors of Prosafe Holding Limited approved and authorised these financial statements for issue.

Jesper Kragh Andresen
Director

Karine Betty Cosemans
Director

The notes on pages 9 to 19 are an integral part of these financial statements.

PROSAFE HOLDING LIMITED

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2018

	Share capital (Note 9) US$	Share premium US$	Fair value reserve US$	Retained earnings US$	Total US$
Balance at 1 January 2017	3.624.75:	159.779.340	-	37.185.603	200.589.701
Comprehensive income					
Loss for the year	-	-	-	(46.605.976)	(46.605.976)
Other comprehensive income	-	-	-	-	-
Balance at 31 December 2017	3.624.758	159.779.340	-	(9.420.373)	153.983.725
Balance at 1 January 2018	3.624.7588	159.779.340	-	(9.420.373)	153.983.725
Comprehensive income					
Profit for the year	-	-	-	1.352.316	1.352.316
Other comprehensive income	-	-	30.948.555	-	30.948.555
Balance at 31 December 2018	3.624.758	159.779.340	30.948.555	(8.068.057)	186.284.596

The notes on pages 9 to 19 are an integral part of these financial statements.

PROSAFE HOLDING LIMITED

STATEMENT OF CASH FLOWS

For the year ended 31 December 2018

	2018 US$	2017 US$
Cash flows from operating activities		
Profit/(Loss) for the year before tax	1.370.096	(46.605.976)
Adjustments for:		
Net exchange loss	74.206	-
Impairment charge of available-for-sale financial assets	-	46.606.000
Dividend income	(1.319.864)	-
Interest income	(161.263)	(20.079)
Cash used in operations before working capital changes	(36.825)	(20.055)
(Decrease)/Increase in trade and other payables	(1.923.535)	445.832
Cash generated from/(used in) operations	(1.960.360)	425.777
Dividends received	1.319.864	-
Taxes paid	(3.509)	-
Net cash (used in)/generated from operating activities	(644.005)	425.777
Cash flows from investing activities		
Proceeds from return of capital from FVOCI investment	22.626.228	-
Interest received	161.263	20.079
Net cash generated from investing activities	22.787.491	20.079
Cash flows from financing activity		
Exchange loss	(74.206)	-
Net cash used in financing activity	(74.206)	-
Net increase in cash and cash equivalents	22.069.280	445.856
Cash and cash equivalents at beginning of the year	2.145.934	1.700.078
Cash and cash equivalents at end of the year	24.215.214	2.145.934

The notes on pages 9 to 19 are an integral part of these financial statements.

PROSAFE HOLDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2018

1. INCORPORATION AND PRINCIPAL ACTIVITIES

Prosafe Holding Limited (the "Company") was incorporated in Cyprus on 14 May 2007 as a private limited liability company under the Cyprus Companies Law, Cap. 113. Its registered office is at 73 Metochiou, Engomi, CY-2407, Nicosia, Cyprus. The principal activity of the Company is the holding of investments.

2. BASIS OF PREPARATION

(a) Statement of compliance
The financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS-EU") and the requirements of the Cyprus Companies Law, Cap.113.

(b) Basis of preparation
The shareholder of the Company has the intention to proceed with the liquidation of the Company. Because of this, the financial statements have not been prepared on a going concern basis on the assumption that the Company will not continue as an active business in the foreseeable future. Assets and liabilities continue to be measured at the measurement provisions of IFRS-EU that would otherwise apply to those assets and liabilities until the obligations are discharged, cancelled or expire.

(c) Basis of measurement
The financial statements have been prepared under the historical cost convention.

(d) Adoption of new and revised IFRS-EU
During the current year the Company adopted all the changes to IFRS-EU that are relevant to its operations and are effective for accounting periods beginning on 1 January 2018. This adoption did not have a material effect on the accounting policies of the Company apart from IFRS9 "Financial Instruments", the effect of which is explained in Note 2(g).

At the date of approval of these financial statements, Standards, Revised Standards and Interpretations were issued by the International Accounting Standards Board which were not yet effective. Some of them were adopted by the European Union and others not yet. The impact on the financial statements in the period of initial application of these new and revised standards, is not expected to be material.

(e) Use of estimates and judgments
The preparation of financial statements in accordance with IFRS-EU requires from Management the exercise of judgment, to make estimates and assumptions that influence the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and underlying assumptions are based on historical experience and various other factors that are deemed to be reasonable based on knowledge available at that time. Actual results may deviate from such estimates.

The estimates and underlying assumptions are revised on a continuous basis. Revisions in accounting estimates are recognised in the period during which the estimate is revised, if the estimate affects only that period, or in the period of the revision and future periods, if the revision affects the present as well as future periods.

PROSAFE HOLDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2018

2. BASIS OF PREPARATION (Cont'd)

(e) Use of estimates and judgments (cont'd)

Judgments
Information about judgments in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in note 3 "Impairment of available-for-sale financial assets" and specifically concerning the determination of whether an investment is ther-than-temporarily impaired.

Measurement of fair values
The Company's accounting policies and disclosures require the measurement of fair values, for financial assets.

When measuring the fair value of an asset, the Company uses observable market data as far as possible.

Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

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

If the inputs used to measure the fair value of an asset fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

(f) Functional and presentation currency

Items included in the Company's financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in United States dollars (US$) which is the functional currency of the Company.

(g) Change in significant accounting policies

The Company initially applied IFRS9 "Financial instruments" from 1 January 2018. A number of other new standards are also effective from 1 January 2018 but they do not have a material effect on the Company's financial statements.

IFRS9 sets out the requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This standard replaces IAS39 "Financial instruments: Recognition and Measurement".

IFRS9 contains three principal classification categories for financial assets: measured at amortised cost, fair value through other comprehensive income ("FVOCI"), and fair value through profit or loss ("FVTPL"). The classification of financial assets under IFRS9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. IFRS9 eliminates the previous IAS39 categories of held to maturity, loans and receivables and available for sale.

IFRS9 largely retains the existing requirements in IAS39 for the classification and measurement of financial liabilities and as a result its adoption has not had a significant effect on the Company's accounting policies related to financial liabilities.

PROSAFE HOLDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2018

2. BASIS OF PREPARATION *(continued)*

(g) Change in significant accounting policies *(continued)*
The table below explains the original measurement categories under IAS39 and the new measurement categories under IFRS9 for each class of financial assets and liabilities as at 1 January 2019.

	Original classification under IAS39	New classification under IFRS9	Original carrying amount under IAS39 US$	New carrying amount under IFRS9 US$
Financial assets				
Cash and cash equivalents	Loans and receivables	Amortised cost	24.215.214	24.215.214
Equity securities	Available for sale	FVOCI	162.102.544	162.102.544
			186.317.758	186.317.758
Financial liabilities				
Trade and other payables	Other financial liabilities	Other financial liabilities	(8.891)	(8.891)

(i) These equity securities represent investments that the Group intends to hold for the long term for strategic purposes.

3. SIGNIFICANT ACCOUNTING POLICIES

The following accounting policies have been applied consistently for all the years presented in these financial statements.

Revenue recognition

- *Divident income*
  Dividend income is recognised when the right to receive payment is established.
- *Interest income*
  Interest income is recognised as it is earned using the effective interest method.

Finance expenses
Interest expense and other borrowing costs are recognised in profit or loss using the effective interest method.

Foreign currency translation
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the reporting date exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value is determined. Translation differences on available-for-sale financial assets are recognised in other comprehensive income and then included in the fair value reserve in equity (except on impairment, in which case translation differences that have been recognised in other comprehensive income are reclassified to profit or loss). Non-monetary items that are measured based on historical cost in a foreign currency are not translated

PROSAFE HOLDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2018

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Foreign currency translation (continued)

Tax

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the statement of financial position 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 profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Dividends

Dividend distribution to the Company's shareholders is recognised in the Company's financial statements in the year in which they are declared.

Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

- **Classification and subsequent measurement**

Financial assets: Policy applicable from 1 January 2018

On initial recognition, the Company classifies financial assets as "financial assets at amortised cost" or "financial assets at fair value through other comprehensive income ("FVOCI").

A financial asset is measured at amortised cost if it meets both of the following conditions and it is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms 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 comprise of cash at bank.

On initial recognition of an equity investment that it is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

PROSAFE HOLDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2018

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Financial instruments *(continued)*

Equity investments at FVOCI are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss.

All financial assets are classified as current assets unless the Company has an unconditional responsibility to accept deferral of receipt for at least twelve months after the balance sheet date, in which case they are classified as non-current assets.

Financial assets at amortised cost are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses.

Interest income, foreign exchange gains and losses and impairment losses are recognised in profit or loss.

Trade and other payables are classified as other financial liabilities and are initially recognised at fair value and are subsequently measured at amortised cost, using the effective interest rate method.

Financial assets: policy applicable before 1 January 2018

- *Available-for-sale financial assets*

Investments intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in interest rates, are classified as available-for-sale; these are included in non-current assets unless management has the expressed intention of holding the investment for less than 12 months from the reporting date or unless they will need to be sold to raise operating capital, in which case they are included in current assets.

Recognition and measurement:
Regular way purchases and sales of investments are recognised on trade-date which is the date on which the Company commits to purchase or sell the asset. Investments are initially recognised at fair value plus directly attributable transaction costs.

Unrealised gains and losses arising from changes in the fair value of available-for-sale financial assets are recognised in other comprehensive income and then in equity. When available-for-sale financial assets are sold or impaired, the accumulated fair value adjustments are included in equity are reclassified to profit or loss.

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Company establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same and discounted cash flow analysis, making maximum use of market inputs and relying as little as possible on entity specific inputs. Equity investments for which fair values cannot be measured reliably are recognised at cost less impairment.

- *Cash and cash equivalents*

Ccash and cash equivalents are initially recognised at fair value and are subsequently measured at amortised cost, using the effective interest rate method. For the purpose of the statement of cash flows, cash and cash equivalents comprise cash at bank.

- *Trade and other payables*

Trade and other payables are initially recognised at fair value and are subsequently measured at amortised cost, using the effective interest rate method.

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Financial instruments (continued)

Recognition and measurement (cont'd):

- **Impairment of financial assets**

Policy applicable from 1 January 2018

The Company recognises loss allowances for expected credit losses ("ECLs") on financial assets measured at amortised cost. The loss allowances are always measured at an amount equal to lifetime ECLs. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

ECLs are probability-weighted estimates of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Impairment losses are recognised in profit or loss.

Evidence that a financial asset is credit-impaired includes the following observable data:

- a significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Policy applicable before 1 January 2018

The Company assessed at each reporting date whether there was objective evidence that a financial asset or a group of financial assets is impaired.

In the case of available-for-sale equity securities, a significant or prolonged decline in the fair value of the security below its cost was considered as an indicator that the securities are impaired.

Impairment losses are measured by comparing the recoverable amount of the investment with its carrying amount. An impairment loss was recognised in profit or loss, and was reversed if there had been a favourable change in the estimates used to determine the recoverable amount. Impairment losses previously recognised in profit or loss were not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss was recognised in other comprehensive income and accumulated under the heading of investments revaluation reserve.

Share capital

Ordinary shares are classified as equity. The difference between the issue price and the nominal value of the share capital is taken to the share premium account. Incremental costs directly attributable to the issue of ordinary shares, net of any tax effects, are recognised as a deduction from equity.

PROSAFE HOLDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2018

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Where the Company expects a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

4. ADMINISTRATIVE EXPENSES

	2018 US$	2017 US$
Independent auditor's remuneration	7.620	8.552
Secretarial and other professional fees	28.738	8.577
	36.358	17.129

5. NET FINANCE INCOME AND EXPENSES

	2018 US$	2017 US$
Bank interest income	161.263	20.079
Net foreign exchange gains	-	7.026
Finance income	161.263	27.105
Bank charges	(467)	-
Net foreign exchange losses	(74.206)	(9.952)
Finance expenses	(74.673)	(9.952)
Net finance income	86.590	17.153

6. TAXATION

Reconciliation of tax based on the taxable income and tax based on accounting losses:

	2018 US$	2017 US$
Corporation tax		
Corporation tax current year	14.271	-
Defence tax		
Current tax	1.728	-
Under provision – prior years	1.781	-
	3.509	-
Tax	17.780	-

PROSAFE HOLDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2018

6. TAXATION *(continued)*

	2018 US$	2017 US$
Accounting profit/(loss) before tax	1.370.096	(46.605.976)
Tax calculated at the applicable tax rates	171.262	(5.825.747)
Tax effect of		
Expenses not deductible for tax purposes	11.784	5.826.994
Allowances and income not subject to tax	(165.697)	(1.644)
Loss for the year	-	397
Utilise losses from prior year	(4.375)	-
Additional tax at 10%	1.297	-
Tax as per statement of profit or loss and other comprehensive income - charge	14.271	-

The Company's profits, as adjusted for tax purposes, are subject to corporation tax at the rate of 12,5% (2017: 12,5%).

Due to tax losses sustained in prior year, no tax liability arises on the Company. Tax losses may be carried forward for five years. Group companies may deduct losses against profits arising during the same tax year. As at 31 December 2018, the balance of tax losses which is available for offset against future taxable profits amounts to US$0 (2017: US$ 33.480) for which no deferred tax asset is recognised in the statement of financial position.

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Shares in Prosafe Rigs Pte Ltd (Singapore)	2018 US$	2017 US$
Balance at 1 January	153.780.217	200.386.217
Return on capital reduction	(22.626.228)	-
Impairment charge	-	(46.606.000)
Net change in fair value recognized in OCI	30.948.555	-
Balance at 31 December	162.102.544	153.780.217

In 2018, Prosafe Rigs Pte Ltd returned US$22.626.228 to the Company as a reduction in capital. As at 31 December 2018, the Company has a participation of 9,4% (2017: 9,4%) in the share capital of Prosafe Rigs Pte Ltd.

During 2017 the Company acquired 35.908.800 additional shares of US$1 at par in the investee. The Company has pledged its shares in Prosafe Rigs Pte Ltd in favor of the financial obligations of the ultimate parent company, Prosafe SE.

Prosafe Rigs Pte Ltd (Singapore) is a private limited liability company, whose principal activity is the chartering of rig accommodation vessels.

8. CASH AND CASH EQUIVALENTS

	2018 US$	2017 US$
Cash at bank	24.215.214	2.145.934
	24.215.214	2.145.934

PROSAFE HOLDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2018

9. SHARE CAPITAL

	2018 Number of shares	2018 US$	2017 Number of shares	2017 US$
Authorised				
Shares of US$1,00 each	3.624.758	3.624.758	3.624.758	3.624.758
Issued and fully paid				
Ordinary shares				
Balance at 1 January	3.624.758	3.624.758	3.624.758	3.624.758
Balance at 31 December	3.624.758	3.624.758	3.624.758	3.624.758

10. TRADE AND OTHER PAYABLES

	2018 US$	2017 US$
Payables to related companies (note 11 (ii))	-	1.933.156
Accruals	18.891	9.270
	18.891	1.942.426

11. RELATED PARTY TRANSACTIONS

The Company is controlled by Prosafe AS., incorporated in Norway, which owns 100% of the Company's shares. The Company's ultimate controlling party is Prosafe SE, a Cyprus based Company listed on the Oslo Stock Exchange.

The transactions and balances with related parties are as follows:

(i) Income from investee

Name	Nature of transactions	2018 US$	2017 US$
Prosafe Rigs Pte Ltd	Dividend	1.319.864	-

(ii) Payables to related companies (note 10)

Name	Nature of relationship	2018 US$	2017 US$
Prosafe SE	Parent company	-	48.087
Prosafe Rigs Pte Ltd	Under common control	-	1.885.069
		-	1.933.156

The above balances are unsecured, interest free and repayable on demand.

PROSAFE HOLDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2018

12. FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT

Financial risk factors

The Company is exposed to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market price risk

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework but does not have formal risk management policies.

(i) *Credit risk*

Credit risk arises when a failure by counter parties to discharge their obligations could reduce the amount of future cash inflows from financial assets on hand at the reporting date.

The maximum exposure to credit risk at the reporting date was as follows:

	2018 US$	2017 US$
Investment at FVOCI	162.102.544	153.780.217
Bank current accounts	24.215.214	2.145.934
	186.317.758	155.926.151

Bank balances are held with Nordea Bank rated Aa3 (the short term rating is P1) (Global Local Currency Deposit Ratings) by Moody's. None of the above are considered impaired.

(ii) *Liquidity risk*

Liquidity risk is the risk that arises when the maturity of assets and liabilities does not match. An unmatched position potentially enhances profitability, but can also increase the risk of losses.

The following are the contractual maturities of financial liabilities at the reporting date. The amounts are gross and are undiscounted, and include estimated interest payments:

31 December 2018	Carrying amounts US$	Contractual cash flows US$	Between 3-12 months US$	Between 1-5 years US$	More than 5 years US$
Accruals	18.891	18.891	18.891	-	-
Tax liabilities	14.271	14.271	14.271	-	-
	33.162	32.679	32.679	-	-
31 December 2017					
Payables to related parties	1.933.156	1.933.156	1.933.156	-	-
Accruals	9.270	9.270	9.270	-	-
	1.942.426	1.942.426	1.942.426	-	-

(iii) *Market price risk*

Market price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices or interest rates.

PROSAFE HOLDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2018

12. FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT *(continued)*

Market prices

The Company's available-for-sale financial assets are susceptible to market price risk arising from uncertainties about future prices of the investments. An increase in the investee's fair value per share by 5% at 31 December 2018 would have increased equity by US$8.105.127 (2017: US$7.689.011, and for a decrease of 5% there would be an equal and opposite impact on the profit or loss (if this is attributed to impairment) or equity (if this is attributed to temporary fair value change).

Interest rate risk

Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates.

There is no material exposure to interest rate risk at 31 December 2018 as the Company did not have variable rate financial assets or financial liabilities at the year end.

13. FAIR VALUES

The carrying amounts and fair values of certain financial assets and liabilities are as follows:

	Carrying amount		Fair value	
	2018	2017	2018	2017
	US$	US$	US$	US$
Investments at FVOCI	162.102.544	153.780.217	162.102.544	153.780.217

Fair value hierarchy

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

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

31/12/2018	Level 1	Level 2	Level 3	Total
	US$	US$	US$	US$
Financial assets				
Investments at FVOCI	-	-	162.102.544	162.102.544

31/12/2017	Level 1	Level 2	Level 3	Total
	US$	US$	US$	US$
Financial assets				
FVOCI Investments	-	-	153.780.217	153.780.217

The Company has not disclosed the fair value for cash at bank because their carrying amounts are a reasonable approximation of fair value.

14. EVENTS AFTER THE REPORTING PERIOD

On 12 February 2019 the Company (lender) entered into a loan agreement with its parent, Prosafe AS (borrower) for the amount of US$23.000.000. The loan carries interest of 3 month libor plus 2,15% and is repayable on 12 February 2020.

Skatteetaten

Vår dato
25.06.2019

Din dato
07.06.2019

Saksbehandler
Bente Halvorsen

800 80 000
Skatteetaten.no

Din referanse

Telefon
97180360

Org.nr
Skatteetaten

Vår referanse
2019/6078977

Postadresse
Postboks 9200 Grønland
0134 OSLO

ADVOKATFIRMAET PRICEWATERHOUSECOOPERS AS
Postboks 748 Sentrum
0106 OSLO

Att. Hilde Thorstad

Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk

Vi viser til deres brev av 7. juni 2019 der det søkes om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk for følgende selskaper:

Prosafe Holding Limited NUF	**org.nr. 920 998 240**
Prosafe Offshore Pte Limited NUF	**org.nr. 920 998 356**
Prosafe Rigs (Cyprus) Limited NUF	**org.nr. 920 998 437**
Prosafe Rigs Pte Ltd NUF	**org.nr. 915 594 786**
Prosafe SE NUF	**org.nr. 820 998 502**

Søknaden ble sendt til Skattedirektoratet. Skattedirektoratets myndighet til å treffe enkeltvedtak etter regnskapsloven § 3-4 tredje ledd ble delegert til skattekontoret med virkning fra 1. juni 2019.

Skattekontoret gir på bakgrunn av en konkret helhetsvurdering de nevnte selskapene dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk, jf. regnskapsloven § 3-4 tredje ledd. Dispensasjonen gjelder så lenge opplysningene som danner grunnlaget for vedtaket ikke endres vesentlig.

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

Bakgrunn

Samtlige selskaper er norske filialer av utenlandsk foretak og inngår i det konsoliderte konsernregnskapet til et utenlandsk selskap hjemmehørende på Kypros. Konsernet eier og opererer halvt-nedsenkbare boligrigger i offshore olje- og gassområder med et profesjonelt marked. Konsernet er internasjonalt med intern og ekstern rapportering samt konsernregnskap på engelsk.

Skattekontorets 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 mv., 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 Skattekontorets 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 skattekontoret lagt særlig vekt på at selskapene er filialer av et utenlandsk selskap. Videre er det vektlagt at selskapene driver virksomhet i en internasjonal bransje der alle sentrale aktører behersker og benytter engelsk.

Vennligst oppgi vår referanse ved henvendelse i saken.

Med hilsen

Bente Halvorsen
Spesialrevisor
Brukerdialog, juridisk stab, gruppe 1
Skatteetaten

Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer.