



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2019 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer: 990 397 090
Organisasjonsform: Aksjeselskap
Foretaksnavn: DEEP SEA SUPPLY MANAGEMENT AS
Forretningsadresse: Storgaten 4
4876 GRIMSTAD

Regnskapsår

Årsregnskapets periode: 01.01.2019 - 31.12.2019

Konsern

Morselskap i konsern: Ja
Konsernregnskap lagt ved: Nei

Regnskapsregler

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

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Leif Henning Stave
Dato for fastsettelse av årsregnskapet: 09.09.2020

Grunnlag for avgivelse

År 2019: Årsregnskapet er elektronisk innlevert
År 2018: Tall er hentet fra elektronisk innlevert årsregnskap fra 2019

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

Brønnøysundregistrene, 15.10.2021



Resultatregnskap

| Beløp i: USD | Note | 2019 | 2018 |
|---|------|-------------------|--------------------|
| RESULTATREGNSKAP | | | |
| Inntekter | | | |
| Salgsinntekt | 7 | 1 908 000 | 3 361 000 |
| Sum inntekter | | 1 908 000 | 3 361 000 |
| Kostnader | | | |
| Lønnskostnad | 9 | 1 895 000 | 2 063 000 |
| Avskrivning på varige driftsmidler og immaterielle eiendeler | 2 | 22 000 | 12 000 |
| Nedskrivning av varige driftsmidler og immaterielle eiendeler | 10 | 0 | 3 944 000 |
| Annen driftskostnad | 9 | 253 000 | 1 104 000 |
| Sum kostnader | | 2 170 000 | 7 123 000 |
| Driftsresultat | | -262 000 | -3 762 000 |
| Finansinntekter og finanskostnader | | | |
| Renteinntekt fra foretak i samme konsern | 11 | 2 059 000 | 1 631 000 |
| Annen renteinntekt | 11 | 3 000 | 1 000 |
| Annen finansinntekt | 11 | -88 000 | 24 000 |
| Sum finansinntekter | | 1 974 000 | 1 656 000 |
| Nedskrivning av finansielle eiendeler | 6 | 2 709 000 | 32 856 000 |
| Rentekostnad til foretak i samme konsern | 11 | 1 091 000 | 808 000 |
| Annen finanskostnad | 11 | 10 000 | 7 000 |
| Sum finanskostnader | | 3 810 000 | 33 671 000 |
| Netto finans | | -1 836 000 | -32 015 000 |
| Ordinært resultat før skattekostnad | | -2 098 000 | -35 777 000 |
| Ordinært resultat etter skattekostnad | | -2 098 000 | -35 777 000 |
| Årsresultat | | -2 098 000 | -35 777 000 |



Balanse

| Beløp i: USD | Note | 2019 | 2018 |
|---|------|------------------|------------------|
| BALANSE - EIENDELER | | | |
| Anleggsmidler | | | |
| Immaterielle eiendeler | | | |
| Varige driftsmidler | | | |
| Driftsløsøre, inventar, verktøy, kontormaskiner og lignende | 2 | 91 000 | 113 000 |
| Sum varige driftsmidler | | 91 000 | 113 000 |
| Finansielle anleggsmidler | | | |
| Investering i datterselskap | 10 | 0 | 0 |
| Sum finansielle anleggsmidler | | 0 | 0 |
| Sum anleggsmidler | | 91 000 | 113 000 |
| Omløpsmidler | | | |
| Varer | | | |
| Fordringer | | | |
| Andre fordringer | | 0 | 4 000 |
| Konsernfordringer | 6 | 4 283 000 | 5 287 000 |
| Sum fordringer | | 4 283 000 | 5 291 000 |
| Bankinnskudd, kontanter og lignende | | | |
| Bankinnskudd, kontanter og lignende | 8 | 996 000 | 814 000 |
| Sum bankinnskudd, kontanter og lignende | | 996 000 | 814 000 |
| Sum omløpsmidler | | 5 279 000 | 6 105 000 |
| SUM EIENDELER | | 5 370 000 | 6 218 000 |
| BALANSE - EGENKAPITAL OG GJELD | | | |
| Egenkapital | | | |
| Innskutt egenkapital | | | |
| Selskapskapital | 3,5 | 559 000 | 559 000 |



Balanse

| Beløp i: USD | Note | 2019 | 2018 |
|---------------------------------|-------------|--------------------|--------------------|
| Overkurs | 3 | 4 497 000 | 4 497 000 |
| Sum innskutt egenkapital | | 5 056 000 | 5 056 000 |
| Opptjent egenkapital | | | |
| Annen egenkapital | 3 | 813 000 | 0 |
| Udekket tap | 3 | 27 199 000 | 24 289 000 |
| Sum opptjent egenkapital | | -26 386 000 | -24 289 000 |
| Sum egenkapital | | -21 330 000 | -19 233 000 |
| Sum langsiktig gjeld | | 0 | 0 |
| Kortsiktig gjeld | | | |
| Leverandørgjeld | | 800 000 | 1 528 000 |
| Kortsiktig konserngjeld | 6 | 25 899 000 | 23 922 000 |
| Sum kortsiktig gjeld | | 26 699 000 | 25 450 000 |
| Sum gjeld | | 26 699 000 | 25 450 000 |
| SUM EGENKAPITAL OG GJELD | | 5 369 000 | 6 217 000 |



Brønnøysundregistrene

ÅRSREGNSKAP FOR REGNSKAPSÅRET 2019 - GENERELL INFORMASJON

Journalnummer: 2020 829656

Enheten

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Brønnøysundregistrene, 19.09.2020

Brønnøysundregistrene

Postadresse: Postboks 900, 8910 Brønnøysund
Telefoner: Opplysningstelefonen 75 00 75 00 Administrasjonen 75 00 75 09 Telefaks 75 00 75 05
E-post: fimapost@brreg.no Internett: www.brreg.no
Organisasjonsnummer: 974 760 673



Organisasjonsnr: 990 397 090
DEEP SEA SUPPLY MANAGEMENT AS

RESULTATREGNSKAP

| Beløp i: USD | Note | 2019 | 2018 |
|---|------|-------------------|--------------------|
| RESULTATREGNSKAP | | | |
| Inntekter | | | |
| Salgsinntekt | 7 | 1 908 000 | 3 361 000 |
| Sum inntekter | | 1 908 000 | 3 361 000 |
| Kostnader | | | |
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| Sum kostnader | | 2 170 000 | 7 123 000 |
| Driftøresultat | | -262 000 | -3 762 000 |
| Finansinntekter og finanskostnader | | | |
| Renteinntekt fra foretak i samme konsern | 11 | 2 059 000 | 1 631 000 |
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| Årsresultat | | -2 098 000 | -35 777 000 |



Organisasjonsnr: 990 397 090
DEEP SEA SUPPLY MANAGEMENT AS

BALANSE

Beløp i: USD

| Note | 2019 | 2018 |
|------|------|------|
|------|------|------|

BALANSE - EIENDELER

Anleggsmidler
Immaterielle eiendeler

Varige driftsmidler
Driftsløsøre, inventar,
verktøy, kontormaskiner
og lignende 2

| | | |
|-------------------------|--------|---------|
| Sum varige driftsmidler | 91 000 | 113 000 |
|-------------------------|--------|---------|

Finansielle anleggsmidler
Investering i datterselskap 10

| | | |
|----------------------------------|---|---|
| Sum finansielle anleggsmidler | 0 | 0 |
|----------------------------------|---|---|

| | | |
|-------------------|--------|---------|
| Sum anleggsmidler | 91 000 | 113 000 |
|-------------------|--------|---------|

Omløpsmidler
Varer

Fordringer
Andre fordringer 0

| | | |
|---------------------|-----------|-----------|
| Konsernfordringer 6 | 4 283 000 | 5 287 000 |
| Sum fordringer | 4 283 000 | 5 291 000 |

Bankinnskudd, kontanter
og lignende
Bankinnskudd, kontanter
og lignende 8

| | | |
|--|---------|---------|
| Sum bankinnskudd, kontanter og lignende | 996 000 | 814 000 |
|--|---------|---------|

| | | |
|------------------|-----------|-----------|
| Sum omløpsmidler | 5 279 000 | 6 105 000 |
|------------------|-----------|-----------|

| | | |
|---------------|-----------|-----------|
| SUM EIENDELER | 5 370 000 | 6 218 000 |
|---------------|-----------|-----------|

BALANSE - EGENKAPITAL OG GJELD

Egenkapital
Innskutt egenkapital
Selskapskapital 3,5

| | | |
|--------------------------|-----------|-----------|
| Overkurs 3 | 559 000 | 559 000 |
| Sum innskutt egenkapital | 4 497 000 | 4 497 000 |
| | 5 056 000 | 5 056 000 |

Opptjent egenkapital
Annen egenkapital 3

| | | |
|---------------|------------|------------|
| Udekket tap 3 | 813 000 | 0 |
| | 27 199 000 | 24 289 000 |



| | | |
|---------------------------------|------------------|------------------|
| Sum opptjent egenkapital | -26 386 000 | -24 289 000 |
| Sum egenkapital | -21 330 000 | -19 233 000 |
| Sum langsiktig gjeld | 0 | 0 |
| Kortsiktig gjeld | | |
| Leverandørgjeld | 800 000 | 1 528 000 |
| Kortsiktig konserngjeld 6 | 25 899 000 | 23 922 000 |
| Sum kortsiktig gjeld | 26 699 000 | 25 450 000 |
| Sum gjeld | 26 699 000 | 25 450 000 |
| SUM EGENKAPITAL OG GJELD | 5 369 000 | 6 217 000 |



Organisasjonnr: 990 397 090
DEEP SEA SUPPLY MANAGEMENT AS

NOTEOPPLYSNINGER - SELSKAP - alle poster oppgitt i hele tall

Note
1,12

Regnskapsprinsipper
se vedlagte noter

Note
12
Er det usikkerhet om fortsatt drift?: Ja

se vedlagte noter

Note
5

Antall aksjer og aksjeeiere

| <u>Aksjeklasse</u> | <u>Ant. aksjer</u> | <u>Pålydende</u> | <u>Bokført verdi</u> |
|--------------------|--------------------|------------------|----------------------|
| Ordinære aksjer | 629.00 | 0.89 | 559.81 |

| <u>Aksjeeiere - fritekst</u> | <u>Antall</u> | <u>Eierandel</u> | <u>Aksjeklasse</u> |
|------------------------------|---------------|------------------|--------------------|
| Solship Invest 3 AS | 629.00 | 100.00% | Ordinære aksjer |

| <u>Sum</u> | <u>Sum antall</u> | <u>Sum eierandel</u> |
|------------|-------------------|----------------------|
| | 629.00 | 100.00% |

Note
9

Lønn og ytelser

se vedlagte noter

Note
9

Ytelser til ledende personer
Er det gitt ytelser til ledende person: Nei

Ytelser til daglig leder

| <u>Ytelser</u> | <u>Lønn</u> | <u>Pensj.forpl.</u> | <u>Andre godtgj.</u> |
|----------------|-------------|---------------------|----------------------|
|----------------|-------------|---------------------|----------------------|

Note



9

Ytelser til andre ledende personer

Note

9

Ytelser til revisjon

| <u>Revisjon</u> | <u>Årets</u> | <u>Fjorårets</u> |
|-------------------------------------|--------------|------------------|
| | 20000.00 | 13000.00 |
| <u>Andre tjenester</u> | <u>Årets</u> | <u>Fjorårets</u> |
| | 0.00 | 8000.00 |
| <u>Sum godtgjørelse til revisor</u> | <u>Årets</u> | <u>Fjorårets</u> |
| | 20000.00 | 21000.00 |

Note

9

Antall årsverk i regnskapsåret

Virksomheten har hatt følgende antall årsverk:
0.00

Note

9

Obligatorisk tjenstepensjon

Note

9

Lån og sikkerhetsstillelse til ledende personer og aksjeeiere

Er det gitt lån eller sikkerhetsstillelse til ledende personer: Nei

Note

10

Konsern, tilknyttet selskap og datterselskap

Tilknyttet selskap/datterselskap

| <u>Navn og adresse</u> | <u>Eierandel</u> | <u>Stemmeandel</u> | <u>Egenkapital</u> | <u>Resultat</u> |
|---------------------------------|------------------|--------------------|--------------------|-----------------|
| Dess Navegacao Maritima Ltda | 100.00% | 100.00% | -15838.00 | -11838.00 |

Note

4

Skattekostnad



Resultatført skatt på ordinært resultat

Skattepliktig inntekt

Betalbar skatt i balansen

se vedlagte noter

Note

4

Midlertidige forskjeller - utsatt skatt/skattefordel

se vedlagte noter

Note

6

Kundefordringer

se vedlagte noter

Note

8

Bankinnskudd

se vedlagte noter

Note

6

Gjeld

Avsetning for forpliktelse er forkortet til: "Avs.forpl"

Annen langsiktig gjeld er forkortet til: "A.L.gjeld"

Kortsiktig gjeld er forkortet til: "K. gjeld"

se vedlagte noter

Note

2

Varige driftsmidler/anleggsmidler

Driftsløssere, inventar o.l. er forkortet til: "Drift/inv"



Maskiner og anlegg er forkortet til: "Mask/anl"

Tomter, bygninger og annen fast eiendom er forkortet til: "T/B/AFE"

se vedlagte noter

Note

3

Egenkapital

Aksjekapital er forkortet til: "Aksjekap"

Annen innskutt egenkapital er forkortet til: "A.innsk.EK"

se vedlagte noter

Note

Noteopplysninger ut over minimumskravene for små foretak
se vedlagte noter



Directors' report 2019

Background and activities

Deep Sea Supply Management AS ("the Company") was established on 3rd of October 2006.

The Company is the parent company of Deep Sea Supply Navegasao Maritima Ltda.

On 28th of June 2018 the Company sold its 100% holding in its subsidiary Deep Sea Supply Shipowning As to another Group company, Deep Sea Supply As.

The company is domiciled in Storgaten 4 Grimstad, Norway.

Financial status

Below is a summary of the financial position of the company.

Revenues and Profit

The Company's revenues were MUSD 1.9 during 2019. Revenue is generated from management fees charged for services to other group companies.

Total operating expenses were MUSD 2.2.

Net loss for the year after tax was MUSD 2.1.

Equity

The company's total equity at the end of 2019 was negative MUSD 26.4.

Going concern

The annual accounts are prepared on the assumption of a going concern.

However, the Company's and the Group's financial situation is unsustainable as equity is negative and liquidity is under pressure. The long-term viability of the Company's and the group's business depends on the Company finding a solution to its financial situation. On 8 May 2020, the Company entered into a Restructuring Implementation Agreement to strengthen its financial situation, and the going concern assumption is based on the board's view that the Restructuring Implementation Agreement has a reasonable prospect of being implemented. If the Restructuring Implementation Agreement is not implemented, and in the event the Group should be forced to realize its assets, there is a risk that these will be realized at a significantly lower value than their carrying amount, as value in use is higher than estimated sales values for several of the vessels. Based on the information above the Board of Directors would like to emphasize that there is material uncertainty related to the going concern assumption.

Financial risk

Below, we will explain some key risk factors:

Assessment of the company's assets

The value of the vessels could change, due to long-term changes in the market (earnings) for this type of vessels, the cost of newbuilding of vessels etc. This may affect the subsidiaries equity and subsequently impair further the investment position of the Company in these subsidiaries.



Market risk

The Company's subsidiaries have and will have its fleet in the spot market which means uncertainty about future rate levels and thus the company's revenues and profits. The market was weak throughout 2019 and future development depends on the activity level for the oil companies.

Currency rate risk

One risk is the foreign exchange risk. The Company is exposed to that risk mainly due to the amounts due to and from related parties. The main currencies that the Company is exposed to are Norwegian Kroner (NOK) and Euro (EUR).

Liquidity risk

The Company monitors its risk to a shortage of funds by closely monitoring the projected cash flow from operations, financial expenses and investment expenditure. The Company maintains sufficient cash for its daily operations via short term cash deposits at banks.

Health, safety and environment

The company has no employees. The company does not pollute the environment.

Equality

The Board consists of men. The Board strives to gender equality.

Future outlook

When entering 2020, there were expectations of a gradually higher activity level in 2020 compared to 2019. That was based on an oil-price at a stable, high level and the E&P budgets published by the oil companies.

During March 2020 the oil prices suddenly dropped significantly because of the Covid-19 pandemic and the trade war between certain oil producing countries. Consequently, most oil companies announced a revision of the activity plans for 2020, leading to a significant reduction in their activities with immediate effect.

It is now a great uncertainty how the markets will develop. There are reasons to believe that the activity in general will be significantly reduced, but short term activity linked to oil and gas production will be less effected than activity linked to exploration and maintenance.

Within the renewable energy sectors, the activity continues to grow. Not only in Europe, but also in other areas and particularly Asia.

Allocation of profit

Loss after tax is MUSD 2.1 and proposed transferred to other equity.

Skudeneshavn, 9 September 2020

Lars Peder Solstad
Chairman of the Board

Eivind Kvijhaug
Member of the board

Kjetil Ramstad
Member of the board



Deep Sea Supply Management AS

INCOME STATEMENT 31.12.2019

(Amounts in USD 1000)

| | Note | 2019 | 2018 |
|--|------|---------------|----------------|
| Operating Revenues | 7 | 1 908 | 3 361 |
| Total operating expenses | | 1 908 | 3 361 |
| Salaries | 9 | -1 895 | -2 063 |
| Impairment shares | 10 | 0 | -3 944 |
| Depreciation | 2 | -22 | -12 |
| Other operating expenses | 9 | -253 | -1 104 |
| Total operating expenses | | -2 170 | -7 122 |
| Operating loss | | -262 | -3 761 |
| Other financial income | 11 | 3 | 1 |
| Interest income from group companies | 11 | 2 059 | 1 631 |
| Net currency items | 11 | -88 | 24 |
| Interest expenses from group companies | 11 | -1 091 | -808 |
| Impairment financial assets | 6 | -2 709 | -32 856 |
| Other financial expenses | 11 | -10 | -7 |
| Ordinary Result before taxes | | -2 097 | -35 777 |
| Taxes | 4 | 0 | 0 |
| Ordinary Result after Taxes | | -2 097 | -35 777 |
| Net Loss for the year | | -2 097 | -35 777 |
| Transfers: | | | |
| Retained equity | | -2 097 | -35 777 |
| Total transfers | | -2 097 | -35 777 |



Deep Sea Supply Management AS

BALANCE SHEET AT 31.12.2019

(Amounts in USD 1000)

| ASSETS | Note | 2019 | 2018 |
|--|-------------|--------------|--------------|
| Fixtures and fittings, tools, office machinery and equipment | 2 | 91 | 113 |
| Total Tangible Assets | | 91 | 113 |
| TOTAL FIXED ASSETS | | 91 | 113 |
| Receivables with group companies | 6 | 4 283 | 5 287 |
| Other short term receivables | | | 4 |
| Total receivables | | 4 283 | 5 291 |
| Cash and bank deposits | 8 | 996 | 814 |
| TOTAL CURRENT ASSETS | | 5 279 | 6 105 |
| TOTAL ASSETS | | 5 370 | 6 218 |



Deep Sea Supply Management AS

BALANCE SHEET AT 31.12.2019

(Amounts in USD 1000)

| EQUITY AND LIABILITIES | Note | 2019 | 2018 |
|---------------------------------------|-------------|----------------|----------------|
| Share capital | 3.5 | 559 | 559 |
| Share premium | 3 | 4 497 | 4 497 |
| Total paid-in equity | | 5 057 | 5 057 |
| Retained Earnings | 3 | -27 200 | -24 289 |
| Other equity | 3 | 813 | 0 |
| Total retained earnings | | -26 387 | -24 289 |
| TOTAL EQUITY | | -21 329 | -19 232 |
| Liabilities to related parties | 6 | 25 899 | 23 922 |
| Trade creditors | | 800 | 1 528 |
| Total short - term liabilities | | 26 699 | 25 450 |
| TOTAL LIABILITIES | | 26 699 | 25 450 |
| TOTAL EQUITY AND LIABILITIES | | 5 370 | 6 218 |

Lars Peder Solstad
Chairman of the Board

Skudeneshavn, 09.09.2020

Eivind Kvilhaug
Member of the Board

Kjetil Ramstad
Member of the Board



Note 1 Accounting Principles

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

Revenues

Services are recognized in line with their execution. The share of sales revenue associated with future services is capitalized as unearned revenue at the point of sale and recognized thereafter when the service is rendered.

Valuation and classification of assets and liabilities.

Assets intended for permanent use are classified as fixed assets. Other assets are classified as current assets. Receivables due within one year are classified as current assets. The classification of current and non-current liabilities is applied based on similar criteria. Current assets are considered at either cost or net realizable value, whichever is lowest. Certain other items are valued according to other principles below.

Receivables

Receivables are recorded at nominal value less any losses. Provisions for losses are made on the basis of individual assessment of the individual items.

Cash deposits and cash like equivalents

Cash and cash like equivalents includes cash, bank deposits and other monetary instruments with a maturity less than three months from acquisition.

Shares in subsidiaries

Subsidiaries are valued at cost in the company accounts. The investment is valued at acquisition cost for the shares unless depreciation has been necessary. Group contributions to subsidiaries, net of tax, are recorded as an increased cost of the shares. Dividends / group contributions are recognized in the same year as appropriated in the subsidiary. If dividends / group contribution significantly exceeds the share of retained profit after the acquisition is considered, the excess amount represents repayment of invested capital and is deducted from the invested value in the balance sheet.

Tangible assets

Tangible assets are recorded at cost and depreciated over the asset's estimated useful life. Depreciation is based on straight-line depreciation. If the fair value is less than the carrying value of an asset, and the impairment is not expected to be temporary, the fixed asset is written down to the estimated market value. Impairments are reversed if the impairment no longer exists.

Taxes

Taxes in the income statement include tax payable and changes in deferred tax. Deferred tax is calculated at the relevant rate 22% (23% in 2018) on the basis of the temporary differences between accounting and tax values, as well as any tax loss carryforwards at the end of the fiscal year. Taxable and deductible temporary differences that reverse or may reverse in the same period are offset. Deferred tax assets arising from loss carryforwards are not capitalized, as there is uncertainty about future earnings.

Currency

Monetary items denominated in foreign currencies are valued by the market price of the currency for price quotation on the last day of financial year. (USD/NOK = 8,7803 - Norges Bank)



Note 2 Fixed assets

| Fixed assets | Operating movable property, furniture, tools, | |
|---------------------------------|---|------------|
| | 2019 | 2018 |
| Purchase cost 01.01. | 752 | 752 |
| Additions | 0 | 0 |
| Purchase cost 31.12. | 752 | 752 |
| Accumulated depreciation 31.12. | 661 | 639 |
| Net book value 31.12. | 91 | 113 |
| Depreciation in the year | 22 | 12 |
| Expected useful life | 3-5 years | |
| Depreciation plan | Straight line | |

Note 3 Shareholders' equity

| Equity changes in the year | Share capital | Share premium | Other equity | Total |
|----------------------------|---------------|---------------|----------------|----------------|
| Equity 01.01. | 559 | 4 497 | -24 289 | -19 233 |
| Loss for the year | 0 | 0 | -2 097 | -2 097 |
| Equity 31.12. | 559 | 4 497 | -26 386 | -21 329 |

Note 4 Taxes

| | 2019 | 2018 |
|---|----------|----------|
| Taxable income | | |
| Result before tax | -2 097 | -35 777 |
| Changes in temporary differences | -2 | -17 |
| Permanent differences | 4 132 | 35 206 |
| Currency exchange differences | -1 136 | -820 |
| Limitation of interest deduction | 0 | 0 |
| Transferred to/ from loss carry forward | -896 | 1 408 |
| Taxable income | 0 | 0 |

Tax expense consist of:

| | | |
|-------------------------------|----------|----------|
| Payable tax Norway | 0 | 0 |
| Payable tax abroad | 0 | 0 |
| Changes previous years | 0 | 0 |
| Change in deferred taxes | 0 | 0 |
| Tax on ordinary result | 0 | 0 |

Taxes payable in balance sheet

| | | |
|----------------------------|----------|----------|
| Payable taxes in Norway | 0 | 0 |
| Payable taxes abroad | 0 | 0 |
| Total payable taxes | 0 | 0 |

| Deferred taxes | 2019 | 2018 |
|---------------------------------------|----------------|----------------|
| Temporary differences | | |
| Fixed assets | -15 | -17 |
| Receivables | 0 | 0 |
| Gain and loss account | 0 | 0 |
| Net temporary differences | -15 | -17 |
| Unrecovered interests carried forward | 0 | 0 |
| Unrecovered loss carried forward | -10 244 | -11 260 |
| Basis for deferred tax | -10 258 | -11 277 |
| 22% deferred tax | -2 257 | -2 481 |
| Whereof not recognized | 2 257 | 2 481 |

Loss carry forward is included fully as basis for deferred tax asset. Deferred tax asset is not recognized as it is not likely the the Company will be in a tax paying position in the near future.



Note 5 Share capital and shareholder information

Deep Sea Supply Management AS are 100% owned by Solship Invest 3 AS in Norway. The ultimate parent company Solstad Offshore ASA has its registered offices in Nesavegen 39, 4280 Skudeneshavn in Karmøy in Rogaland, Norway. Solstad Offshore ASA is listed on the Oslo Stock Exchange. The consolidated accounts are available from the company's webpage: www.solstad.com

| | Number of shares | Ownership |
|---------------------|------------------|-----------|
| Solship 3 Invest AS | 629 | 100 % |

Note 6 Balance with group companies, etc.

| | Short term receivables | |
|--|------------------------|--------------|
| | 2019 | 2018 |
| Other long-term debt to group companies etc. | 4 283 | 5 287 |
| Total | 4 283 | 5 287 |

| | Short term liabilities | |
|---|------------------------|---------------|
| | 2019 | 2018 |
| Long-term receivables from group companies etc. | -25 899 | -23 922 |
| Total | -25 899 | 25 920 |

In 2019 the Company made a provision of impairment on the intragroup receivables of kUSD2.709 (2018:kUSD 32.856).

Note 7 Related-party transactions

Related parties are members of the board, management and other companies within the group.

| <i>Revenue transactions</i> | 2019 | 2018 |
|-----------------------------------|--------------|--------------|
| Interest income (Note 11) | 2 059 | 1 631 |
| Management fees | 1 908 | 3 361 |
| Total Revenue transactions | 3 967 | 4 992 |

| <i>Cost transactions</i> | | |
|--------------------------------|---------------|-------------|
| Management fees | -66 | -68 |
| Interest expense (Note 11) | -1 091 | -808 |
| Total cost transactions | -1 157 | -876 |

Intercompany balances are charged with an interest of Libor + 2 % margin. The calculations are prepared in arrears, quarterly, based on the average balance for the quarter passed.

Note 8 Restricted bank deposits, overdraft facilities

| | | |
|---------------------------------|-------------|-------------|
| Restricted bank deposits | 2019 | 2018 |
| Withheld employee taxes | 89 | 87 |



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

| Payroll expenses | 2019 | 2018 |
|----------------------|--------------|--------------|
| Salaries/wages | 1 317 | 1 464 |
| Social security fees | 247 | 266 |
| Pension expenses | 126 | -36 |
| Other remuneration | 204 | 369 |
| Total | 1 895 | 2 063 |

The number of employees in the accounting year has been: 16 16

There has been no remuneration paid to the board members in 2019.

Expensed audit fee

| | 2019 | 2018 |
|--|-----------|-----------|
| Statutory audit (incl. technical assistance with financial statements) | 20 | 13 |
| Tax advisory fee (incl. technical assistance with tax return) | 0 | 8 |
| Total audit fees | 20 | 21 |

Note 10 Subsidiaries, associated companies, and joint ventures

Investments in subsidiaries, associated companies and joint ventures are booked according to the cost method.

| Subsidiaries | Location | Ownership | Equity 2019 (100%) | Result 2019 (100%) | Balance sheet value |
|-----------------------------------|----------------|-----------|--------------------|--------------------|---------------------|
| Dess Navegacao Maritima Ltda | Rio De Janeiro | 100 % | -15 838 | -11 838 | 0 |
| Balance sheet value 31.12. | | | -15 838 | -11 838 | 0 |

Note 11 Specification of financial income and expenses

| Financial income | 2019 | 2018 |
|--------------------------------------|--------------|--------------|
| Interest income from group companies | 2 059 | 1 631 |
| Other financial income | 3 | 1 |
| Received dividend | 0 | 0 |
| Net currency items | 0 | 24 |
| Total financial income | 2 062 | 1 656 |

| Financial expenses | 2019 | 2018 |
|--------------------------------------|--------------|------------|
| Interest expenses to group companies | 1 091 | 808 |
| Other financial expenses | 10 | 7 |
| Other losses | 0 | 0 |
| Net currency items | 88 | 0 |
| Total financial expenses | 1 189 | 815 |

Note 12 Going concern

The annual accounts are prepared on the assumption of a going concern.

However, the Company's and the Group's financial situation is unsustainable as equity is negative and liquidity is under pressure. The long-term viability of the Company's and the Group's business depends on the Company finding a solution to its financial

On 8 May 2020, the Company entered into a Restructuring Implementation Agreement to strengthen its financial situation, and the going concern assumption is based on the board's view that the Restructuring Implementation Agreement has a reasonable prospect of being implemented. If the Restructuring Implementation Agreement is not implemented, and in the event the Group should be forced to realize its assets, there is a risk that these will be realized at a significantly lower value than their carrying amount, as value in use is higher than estimated sales values for several of the vessels.

Based on the information above the Board of Directors would like to emphasize that there is material uncertainty related to the going concern assumption.

Note 13 Events after balance sheet date

The company is not aware of any legal disputes that are of material importance for the judgment of the company.

The company is part of the restructuring process for the Solstad Offshore ASA group. Please refer to note 12.

The company has not been significantly affected by Covid-19.



Statsautoriserte revisorer
Ernst & Young AS

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Fax:
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Medlemmer av Den norske revisorforening

INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of Deep Sea Supply Management AS

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Deep Sea Supply Management AS, which comprise the balance sheet as at 31 December 2019, the income 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 have been prepared in accordance with laws and regulations and present fairly, in all material respects, the financial position of the Company as at 31 December 2019 and its financial performance for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Basis for opinion

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

Material uncertainty related to going concern

The financial statements and the Board of Director's report indicates that the Company incurred a net loss of MUSD 2,1 during the year ended 31 December 2019. The Company's equity is negative by MUSD 21,3 as at 31 December 2019. The Company is a part of the Solstad Offshore ASA Group ("the Group") which is currently undergoing a restructuring process. On 8 May 2020, the Group signed a Restructuring Implementation Agreement ("RIA") to strengthen its financial position. In event the RIA is not implemented, and in the event the Company should be forced to realize its assets, assurance can be given that these will not be realized at a significantly lower value than their carrying value, as value in use is higher than estimates sales values. These circumstances along with other matters as set forth in note 12 and the Board of Director's report, indicate that a material uncertainty exists that cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other information

Other information consists of the information included in the Company's annual report other than the financial statements and our auditor's report thereon. The Board of Directors and Chief Executive Officer (management) are responsible for the other information. Our opinion on the audit of the financial statements does not cover the other information, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information, and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of the auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing (ISAs) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with law, regulations and generally accepted auditing principles in Norway, including ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also

- ▶ identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- ▶ obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- ▶ evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- ▶ conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- ▶ evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on other legal and regulatory requirements

Other matters

This report replaces our previous auditor's report, dated 1 September 2020, issued at the expiration of the statutory deadline for holding the Annual Shareholders' Meeting. At that time, the financial statements and the Director's report had not been approved.

Independent auditor's report - Deep Sea Supply Management AS

A member firm of Ernst & Young Global Limited

Pennco Dokumentnøkkel: WKZA3-5OKTK-KLBZ3-XS03X-61 LMY-K4JN6



Building a better
working world

Opinion on the Board of Directors' report

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

Opinion on registration and documentation

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

Oslo, 9 September 2020
ERNST & YOUNG AS

The auditor's report is signed electronically

Asbjørn Rødal
State Authorised Public Accountant (Norway)

Penneo Dokumentnøkkel: WKZA3-5OKTK-KLBZ3-XS03X-61 LMY-K4JN6



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Asbjørn Rødal

Statsautorisert revisor

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Skattedirektoratet

| | | |
|--|-------------------------------------|------------------------------|
| Saksbehandler Torstein Kinden Helleland | Deres dato 18.03.2016 | Vår dato 29.03.2016 |
| Telefon 22078139 | Deres referanse Peter R. Elleson | Vår referanse 2016/247372 |

ADVOKATFIRMAET PRICEWATERHOUSECOOPERS AS
Postboks 447
4664 KRISTIANSAND S

PRICEWATERHOUSECOOPERS
INNKOMMET 31 MAR 2016

Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk språk

Vi viser til deres brev av 18. mars 2016 der det søkes om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk for følgende selskaper;

| | |
|--|----------------------------|
| Deep Sea Supply Management AS | org.nr. 990 397 090 |
| Deep Sea Supply Shipowning AS | org.nr. 986 847 839 |
| Deep Sea Supply BTG AS | org.nr. 914 274 133 |
| Deep Sea Supply Shipowning I AS | org.nr. 914 439 639 |
| Deep Sea Supply Shipowning II AS | org.nr. 914 439 736 |
| Deep Sea Supply Shipowning III AS | org.nr. 914 441 277 |

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

Deep Sea Supply Plc er et børsnotert selskap hjemmehørende på Kypros. Selskapet er morselskap i en konsernstruktur med datterselskaper i en rekke land (Kypros, Brasil, Malaysia, Singapore og Norge). I tillegg eier selskapet 50 % i et joint venture med den brasilianske investeringsbanken BTG Pactual. Joint venture er etablert i Norge med et felles holdingselskap og underliggende skipseiende selskaper. Konsernets hovedaktivitet er å eie og drive ankerhåndterings- og supplyfartøyer. Driften består av utleie av fartøyene på bareboat eller time charter. Konsernets virksomhet er verdensomspennende, med særlig fokus på Brasil, Nordsjøen, Sør-Øst-Asia og Afrika.

Deep Sea Supply Management AS og Deep Sea Supply Shipowning AS er heleid av Deep Sea Supply Plc. Joint venture med BTG Pactual består av holdingselskapet Deep Sea Supply BTG AS, som er eid 50/50 av Deep Sea Supply Plc og BTG. Dette selskapet har tre underliggende

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Postboks 9200 Grønland
0134 Oslo

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Se www.skatteetaten.no
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E-post: skatteetaten.no/sendepost

Sentralbord
800 80 000
Telefaks
22 17 08 60



heleide skipseiende datterselskaper; Deep Sea Supply Shipowning I AS, Deep Sea Supply Shipowning II AS og Deep Sea Supply Shipowning III AS.

Bransjen selskapene tilhører er internasjonal og arbeidsspråket på verdensbasis er engelsk. 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 selskapene er eid av utenlandsk selskaper. Eierkretsen er begrenset. Videre er det vektlagt at selskapene driver virksomhet i en bransje der alle sentrale 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

