



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2019 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer: 992 035 870
Organisasjonsform: Aksjeselskap
Foretaksnavn: DEEPOCEAN SHIPPING II AS
Forretningsadresse: Karmsundgata 74
5529 HAUGESUND

Regnskapsår

Årsregnskapets periode: 01.01.2019 - 31.12.2019

Konsern

Morselskap i konsern: 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: Øyvind Apeland
Dato for fastsettelse av årsregnskapet: 23.06.2020

Grunnlag for avgivelse

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

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

Brønnøysundregistrene, 24.06.2021



Resultatregnskap

Beløp i: NOK	Note	2019	2018
RESULTATREGNSKAP			
Inntekter			
Salgsinntekt		143 565	
Sum inntekter		143 565	
Kostnader			
Varekostnad		8 292 058	10 532 820
Avskrivning av driftsmidler og immaterielle eiendeler		27 977 409	29 178 355
Annen driftskostnad		49 608	572 970
Sum kostnader		36 319 075	40 284 145
Driftsresultat		-36 175 510	-40 284 145
Finansinntekter og finanskostnader			
Annen renteinntekt		173	109
Annen finansinntekt		833	1 538
Sum finansinntekter		1 006	1 647
Rentekostnad til foretak i samme konsern		2 828 348	
Annen rentekostnad		669	
Annen finanskostnad		15 007	31 443
Sum finanskostnader		2 844 023	31 443
Netto finans		-2 843 018	-29 796
Ordinært resultat før skattekostnad		-39 018 527	-40 313 941
Skattekostnad på ordinært resultat		-19 540 357	-32 059
Ordinært resultat etter skattekostnad		-19 478 170	-40 281 882
Årsresultat		-19 478 170	-40 281 882
Årsresultat etter minoritetsinteresser		-19 478 170	-40 281 882
Totalresultat		-19 478 170	-40 281 882
Overføringer og disponeringer			



Resultatregnskap

Beløp i: NOK	Note	2019	2018
Avsatt til annen egenkapital		-19 478 170	-40 281 882
Sum overføringer og disponeringer		-19 478 170	-40 281 882



Balanse

Beløp i: NOK	Note	2019	2018
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Utsatt skattefordel		19 002 990	
Sum immaterielle eiendeler		19 002 990	
Varige driftsmidler			
Skip og flytende installasjoner			116 284 241
Sum varige driftsmidler			116 284 241
Sum anleggsmidler		19 002 990	116 284 241
Omløpsmidler			
Varer			
Sum varer		1 692 220	2 116 354
Fordringer			
Kundefordringer			
Andre kortsiktige fordringer		531 678	437 838
Sum fordringer		531 678	437 838
Investeringer			
Andre finansielle instrumenter		88 306 832	
Sum investeringer		88 306 832	
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter o.l.		57 684	26 803
Sum bankinnskudd, kontanter og lignende		57 684	26 803
Sum omløpsmidler		90 588 414	2 580 994
SUM EIENDELER		109 591 404	118 865 235

BALANSE - EGENKAPITAL OG GJELD



Balanse

Beløp i: NOK	Note	2019	2018
Egenkapital			
Innskutt egenkapital			
Aksjekapital		10 000 000	10 000 000
Sum innskutt egenkapital		10 000 000	10 000 000
Opptjent egenkapital			
Annen egenkapital		51 287 279	70 765 449
Sum opptjent egenkapital		51 287 279	70 765 449
Sum egenkapital		61 287 279	80 765 449
Gjeld			
Langsiktig gjeld			
Utsatt skatt			537 367
Sum avsetninger for forpliktelser			537 367
Annen langsiktig gjeld			
Gjeld til kredittinstitusjoner		46 315 380	
Sum annen langsiktig gjeld		46 315 380	
Sum langsiktig gjeld		46 315 380	537 367
Kortsiktig gjeld			
Leverandørgjeld		1 988 745	37 146 171
Betalbar skatt			140 448
Annen kortsiktig gjeld			275 800
Sum kortsiktig gjeld		1 988 745	37 562 419
Sum gjeld		48 304 125	38 099 786
SUM EGENKAPITAL OG GJELD		109 591 404	118 865 235



Statsautoriserte revisorer
Ernst & Young AS

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Postboks 6163, NO-5892 Bergen

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Medlemmer av Den norske revisorforening

INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of DeepOcean Shipping II AS

Report on the audit of the financial statements

Opinion

We have audited the financial statements of DeepOcean Shipping II 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 including the uncertainty about Covid 19

We draw attention to note 13, 14 and 15 in the financial statements, which includes information relating to the going concern assumption while also considering the developments surrounding the Corona (COVID-19) virus. These developments have a profound impact on people's health and on our society as a whole, as well as on the operational and financial performance of organizations and the assessment of the ability to continue as a Going Concern. The financial statements and our auditor's report reflect the conditions at the time of preparation.

The situation changes on a daily basis giving rise to inherent uncertainty. DeepOcean Shipping II AS is confronted with this uncertainty as well, that is also disclosed in the note 13 and 14 to the financial statements and the disclosure about events after the reporting period in note 15. We draw attention to these disclosures.

These events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Responsibilities of management for the financial statements

The Board of Directors and Chief Executive Officer (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.



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Auditor's responsibilities for the audit of the financial statements

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

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

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

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

Report on other legal and regulatory requirements

Opinion on registration and documentation

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

Independent auditor's report - DeepOcean Shipping II AS

A member firm of Ernst & Young Global Limited

Penneo Dokumentnøkkel: DU8P1-DT8HH-FOV0-55G12-5F6PQ-W1K68



Bergen, 24 June 2020
ERNST & YOUNG AS

The auditor's report is signed electronically

Øyvind Nore
State Authorised Public Accountant (Norway)

Penneo Dokumentnøkkel: DU8P1-DF8HH-FOV0-55GJ2-5F6PQ-W1K68

Independent auditor's report - DeepOcean Shipping II AS

A member firm of Ernst & Young Global Limited



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Øyvind Nore

Statsautorisert revisor

På vegne av: Ernst & Young AS

Serienummer: 9578-5994-4-485745

IP: 84.211.xxx.xxx

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MOTTATT

11 JAN. 2016

Skattedirektoratet

Saksbehandler
Torstein Kinden Helleland

Deres dato
05.01.2016

Vår dato
07.01.2016

Telefon
22078139

Deres referanse
Øyvind Apeland

Vår referanse
2012/430841

DEEPOCEAN NORWAY AS
Postboks 2144
5504 HAUGESUND

Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk språk

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

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

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

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

Bakgrunn

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

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

Sentralbord
800 80 000
Telefaks
22 17 08 60



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

Skattedirektoratets vurdering

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

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

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

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

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

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



Vennligst oppgi vår referanse ved henvendelser i saken.

Med hilsen

Rune Tystad
seniorrådgiver
Rettsavdelingen, foretaksskatt
Skattedirektoratet

Torstein Kinden Helleland

Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer





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DeepOcean Shipping II AS
992 035 870
ANNUAL REPORT
2019

DEEPOCEAN



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DeepOcean Shipping II AS

Income statement			
Note		2019	2018
Operating revenues and expenses			
3,7	Sales revenues	143 565	0
	Gross operating revenues	143 565	0
3	Project costs	8 292 058	10 532 820
1	Ordinary depreciation	27 977 409	29 178 355
1	Write-down fixed assets	0	0
3,8	Other operating costs	49 609	572 973
	Operating expenses	36 319 076	40 284 148
	Operating result	-36 175 510	-40 284 148
Finance income and expenses			
	Interest income	1 006	1 647
3	Interest expenses to group companies	-2 828 348	0
9	Net foreign exchange gain/loss	-15 006	-31 440
	Other interest expenses	-669	0
	Net financial items	-2 843 017	-29 792
	Profit/(loss) before tax	-39 018 527	-40 313 941
6	Tax	-19 540 357	-32 059
	Net profit/(loss)	-19 478 170	-40 281 882
	Transfer from paid in capital	19 478 170	40 281 882
4	Allocations	19 478 170	40 281 882



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DeepOcean Shipping II AS

Balance Sheet

Note	ASSETS	31.12.2019	31.12.2018
	Fixed assets		
6	Deferred tax asset	19 002 990	0
	Total intangible assets	19 002 990	0
1	Vessels	0	116 284 241
	Total tangible fixed assets	0	116 284 241
	Financial fixed assets		
	Total fixed assets	19 002 990	116 284 241
	Current assets		
12	Inventories	1 692 220	2 116 354
1	Asset held for sale	88 306 832	0
	Total inventories	89 999 051	2 116 354
	Receivables		
	Accounts receivables	0	0
3	Receivables from group companies	0	0
	Other current assets	531 678	437 838
	Total receivables	531 678	437 838
10	Bank and cash	57 684	26 803
	Total current assets	90 588 414	2 580 994
	TOTAL ASSETS	109 591 404	118 865 235



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Note	EQUITY AND LIABILITIES	31.12.2019	31.12.2018
	Equity		
5	Share capital	10 000 000	10 000 000
	Other paid-in capital	51 287 279	70 765 449
	Total paid-in-capital	61 287 279	80 765 449
	Total retained earnings	0	0
4	Total equity	61 287 279	80 765 449
	Liabilities		
	Non-current liabilities		
6	Deferred tax	0	537 367
3	Long term loan from group companies	46 315 380	0
	Total non-current liabilities	46 315 380	537 367
	Current liabilities		
	Accounts payable	712 948	56 062
6	Tax payable	0	140 448
3	Liabilities to group companies	1 275 797	37 090 109
	Other current liabilities	0	275 800
	Total current liabilities	1 988 745	37 562 419
	Total liabilities	48 304 125	38 099 786
	TOTAL EQUITY AND LIABILITIES	109 591 404	118 865 235

Haugesund, 23.June 2020

Øyvind Mikalsen
Chairman of the Board

Frode Garlid
Board Member
Managing Director



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DeepOcean Shipping II AS

Accounting principles

The Financial Statements have been prepared in accordance with the Norwegian Accounting Act and generally accepted accounting principles for Small Companies.

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

DeepOcean Shipping II AS is a subsidiary of DeepOcean AS with Tricer HoldCo S.C.A as the ultimate parent.

Foreign currency

Monetary items are translated using the exchange rates at the balance sheet date.

Sales revenue

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

Balance sheet classification

Fixed assets are comprised of assets intended for long term ownership and use. Fixed assets are recorded in the balance sheet and depreciated over the estimated useful economic life. Fixed assets are written down to recoverable amount when decreases in value are expected to be permanent.

Current assets and liabilities are comprised of items receivable/due within one year and items related to the inventory cycle. Current assets are valued at the lower of cost and market.

Receivables

Accounts receivables and other receivables are recorded in the balance sheet at nominal value less a provision for doubtful accounts. Provision for doubtful accounts is determined on the basis of an assessment of individual receivables.

Taxes

The income tax expense is comprised of both tax payable for the period, and changes in deferred tax. Deferred tax is determined on the basis of existing temporary differences between accounting net income and tax net income, including year-end loss carry-forwards, calculated at nominal tax rate. Temporary differences, both positive and negative, which will or are likely to reverse in the same period, are recorded as a net amount.

The disclosure of deferred tax benefits on net tax reducing differences which have not been eliminated, and carry forward losses, is based on estimated future earnings. Deferred tax and tax benefits which may be shown in the balance sheet are presented net.



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DeepOcean Shipping II AS

Notes to the financial statements

Note 1 Fixed Assets

Fixed Assets	Deep Endeavour		Total
	Vessel	Docking	
Purchase cost 01.01	529 912 940	56 237 867	586 150 807
Additions			0
Reclass to asset held for sale	-529 912 940	-56 237 867	-586 150 807
Purchase cost 31.12	0	0	0
Accumulated depreciation and write off			
01.01	-414 084 091	-55 782 475	-469 866 566
Reclass to asset held for sale	442 061 501	55 782 475	497 843 976
Depreciation this year	-27 977 410	0	-27 977 410
Accumulated depreciation and write off			
31.12	0	0	0
Book value 31.12	0	0	0
Depreciation this year	-27 977 410	0	-27 977 410
Write off this year			0

Deep Endeavour was classified as asset hold for sale per 31.12.2019. The estimated sales value was 15 mill USD. The recoverable amount for the vessel in NOK was higher than the book value and no impairment has been expensed in profit and loss account in 2019.

Economic useful life

Vessel	5 - 20 years
Docking and other	3-5 years
Depreciation plan	Linear

Note 2 Assets and liabilities

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

All assets in the subsidiaries in DeepOcean Group are pledged as security for the external debt. Further reference is made to note 14 for more details regarding Group financing.

Note 3 Transactions and balances with group companies

Related party transactions:

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

Expenses		
Personnel charges	3 090 740	5 332 451
Management fee	60 356	103 692
Other costs	112 824	217 655
Total	3 263 920	5 653 798
Financial items		
Interest costs	-2 828 348	0
Net financial items	-2 828 348	0
Balance sheet		
Loans from group companies	-46 315 380	0
Short term Payables group companies	-1 275 797	-37 090 109
Total	-47 591 177	-37 090 109

Repayment plans for Intercompany loans are signed.



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DeepOcean Shipping II AS

Notes to the financial statements

Note 4 Equity

	Share Capital	Other paid in capital		Total
Change in equity				
Equity 01.01	10 000 000	70 765 449	0	80 765 449
				0
Profit (loss) this year	0	-19 478 170		-19 478 170
Equity 31.12	10 000 000	51 287 279	0	61 287 279

Note 5 Share Capital and shareholder information

The Share Capital of NOK 10.000.000 comprises 10.000 shares with par value NOK 1.000 each. All shares have equal rights.

Shareholders	Shares	Total	Share
DeepOcean AS	10 000	10 000	100 %

Note 6 Taxes

The company voluntarily withdraw from the tonnage tax regime from 1.januar 2018 and is taxed under ordinary taxable rules from that date.

Temporary differences	Change	2019	2018
Fixed assets	6 243 873	-45 199 177	-38 955 304
Profit & loss account	488 515	1 954 062	2 442 577
Net temporary differences	6 732 388	-43 245 115	-36 512 727
Tax losses carried forward		-82 185 952	-49 899 812
Basis for deferred tax		-125 431 067	-86 412 539
Deferred tax based on nominal tax rate		-27 594 835	-19 010 759
Deferred tax benefit not shown in the balance sheet		8 591 845	19 010 759
Deferred tax in the balance sheet	-19 002 990	-19 002 990	0

Basis for income tax expense, changes in deferred tax and tax payable	2019	2018
Result before taxes	-39 018 527	-40 313 941
Permanent differences	0	4 517 445
Basis for the tax expense for the year	-39 018 527	-35 796 496
Change in temporary differences	6 732 388	
Basis for payable taxes in the income statement	-32 286 140	-35 796 496

Tax losses carried forward	32 286 140	35 796 496
Received group contribution		
Taxable income (basis for payable taxes in the balance sheet)	0	0

Components of the income tax expense	2019	2018
Payable tax on this year's result	0	0
Total payable tax	0	0
Change in taxes prior year	0	0
Tax effect of group contribution	0	0
Change in deferred tax/long term payable tax	0	0
Tax expense	0	0

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



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DeepOcean Shipping II AS

Notes to the financial statements

Note 7 Sales revenues

Segments	2019	2018
Time charter vessels	0	0
Total	0	0

Note 8 Payroll expenses, employees, remuneration, loans to employees, etc.

Auditor	2019	2018
Allocation of auditor fee:		
Statutory audit excl VAT	29 219	27 500
Other assurance services excl VAT	0	8 500
Total fee auditor excl VAT	29 219	36 000

The Company has no employees and therefore no pension schemes to meet the requirements of the law on compulsory occupational pension.

There have been no salary or considerations to a general manager, board members or other related parties. No loans/securities have been granted to the general manager, board members or other related parties.

Note 9 Specification of financial income and expenses

Foreign exchange gains and losses	2019	2018
Foreign exchange gains	0	0
Foreign exchange losses	-15 006	-31 440
Net financial gains and losses	-15 006	-31 440

Note 10 Restricted cash

The Company has no restricted cash as of 31.12.19.

Note 11 Group information

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

Note 12 Inventories

Inventories consist of fuel to be consumed in the rendering of services. Fuel is measured at the lower of costs and net realizable value. The cost is based on the First-in-First-out (FIFO) principle.

	2019	2018
Fuel on own vessels	1 692 220	2 116 354



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DeepOcean Shipping II AS

Notes to the financial statements

Note 13 Group financing

At 31 December 2019, total interest-bearing debt for DeepOcean Group amounted to USD101.6M (2018 USD109.0M), consisting of the drawn amount on the Revolving Credit Facility (RCF) of USD84.6M and USD17.0M of the term loan. The borrowing base under the credit facility is fully drawn. The Group has an ancillary facility of EUR45.0M that can conditionally be increased up to EUR70.0M, with a non-reversible transfer of commitment from the RCF. In addition, there is an option to request a EUR20.0M accordion facility to the RCF. The purpose of the Credit Facility is to finance the Group's working capital.

Financially, the Group's liquidity situation has been stable after the agreement with the lenders of postponement of instalments on the term loan finalised on 30th of November 2018. As per 31st of December 2019, financial covenants for the Group's debt instruments were within the applicable thresholds.

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

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

Note 14 Basis for preparation

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

During the first quarter of 2020, the sharp decline in commodity prices, exacerbated by the COVID-19 pandemic caused global disruption, with significant negative consequences both for human health, economic activity and the energy sector. The potential impact on DeepOcean is yet to be seen as offshore activities in the North Sea and Africa continue without delay. The challenging commodity price environment together with the effects of the COVID-19 pandemic create unprecedented uncertainty and makes it challenging to firmly predict the long-term effects for DeepOcean.

DeepOcean has taken a number of measures already to mitigate substantial negative impact for the company including reduced investment plans, pushed vendor terms with all major suppliers and lessors, and planned major restructuring across the organisation. The restructuring plan is now approved and will be rolled out across the organisation immediately. This plan includes major reductions in SG&A staff, contractors and underutilised OPEX employees. Furthermore, management has engaged with vessel owners to instigate vessel rate reductions. This overall process is being aligned with close collaboration with customers, banks and financial institutions, suppliers and employees. The actions are an acknowledgement of current events as well as uncertainty around the timing and path of recovery. DeepOcean also has proactive dialogues with governments to ensure participation in financial relief measures aimed at containing economic effects of the COVID-19 (corona) virus outbreak.

Also, based on the current forecast/budget scenario, management does not see an immediate risk of breaking the bank covenants (Liquidity & LTM EBITDA) in 2020. However, there is a potential scenario where the EBITDA covenant is breached in Q1/Q2 2021. To mitigate this risk of covenant breach, DeepOcean as stated above is taking a number of measures to limit the potential negative impact of the sharp decline in commodity prices and the COVID-19 pandemic.

The high market volatility caused by the COVID-19 pandemic in conjunction with the collapse of the oil price, increases the risk regarding the going concern assumption for most companies, and this is also the case for DeepOcean. Although the risk has increased, the assessment is that DeepOcean has the resources, organization, competence, assets and customer base to continue being a going concern. Notwithstanding, all the mitigation measures implemented and the ongoing restructuring, there is material uncertainty for DeepOcean to continue as a going concern over the next 12 months due to the COVID-19 pandemic and the collapse of the oil price.



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DeepOcean Shipping II AS

Notes to the financial statements

Note 15 Subsequent events

COVID-19 pandemic and Market Uncertainty During the first quarter of 2020, the spread of the COVID-19 virus caused global disruption, with negative consequences both for human health and economic activity. At the date of this report, employees in several DeepOcean offices worked from home. However, offshore activities in the North Sea and Africa are continuing as planned currently. The challenging commodity price environment together with the effects of the Covid-19 pandemic create unprecedented uncertainty and may have an adverse impact on both activity and financial performance of DeepOcean. Due to the high level of uncertainties at the time this report was finalized, it is still difficult to quantify more exactly the adverse effects and it is also too early to conclude on timing and path of recovery.

From a financial reporting perspective, the COVID-19 pandemic and the market uncertainty is expected to impact the execution of deliveries to clients and the performance of the company. However, as stated above this impact is hard to quantify currently due to offshore activities progressing as planned. Further, it could impact the long-term market outlook and future assessments of recoverable amounts of DeepOcean's assets. DeepOcean are working to restructure certain areas of the business, selectively lay-off staff and further streamline the business in anticipation of a prolonged market downturn.