



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2021 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer: 990 999 120
Organisasjonsform: Aksjeselskap
Foretaksnavn: DDW OFFSHORE AS
Forretningsadresse: Oksenøyveien 10
1366 LYSAKER

Regnskapsår

Årsregnskapets periode: 01.01.2021 - 31.12.2021

Konsern

Morselskap i konsern: Nei

Regnskapsregler

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

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Tove Mellum Jondahl
Dato for fastsettelse av årsregnskapet: 30.06.2022

Grunnlag for avgivelse

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

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

Brønnøysundregistrene, 18.07.2023



Resultatregnskap

Beløp i: NOK	Note	2021	2020
RESULTATREGNSKAP			
Inntekter			
Salgsinntekt	4,14	48 201 000	110 769 000
Annen driftsinntekt	9	34 970 000	1 225 000
Sum inntekter		83 171 000	111 994 000
Kostnader			
Lønnskostnad	5	45 629 000	71 740 000
Avskrivning på varige driftsmidler og immaterielle eiendeler	9	30 273 000	38 385 000
Nedskrivning av varige driftsmidler og immaterielle eiendeler	9	0	165 018 000
Annen driftskostnad	6	36 303 000	66 531 000
Sum kostnader		112 205 000	341 674 000
Driftsresultat		-29 034 000	-229 680 000
Finansinntekter og finanskostnader			
Annen finansinntekt	7	0	947 000
Sum finansinntekter		0	947 000
Rentekostnad til foretak i samme konsern	7,15	31 219 000	59 030 000
Annen rentekostnad	7	-1 807 000	193 163 000
Annen finanskostnad	7	7 925 000	-204 663 000
Interest sub-lease	7	-10 571 000	0
Sum finanskostnader		26 766 000	47 530 000
Netto finans		-26 766 000	-46 583 000
Ordinært resultat før skattekostnad		-55 800 000	-276 263 000
Ordinært resultat etter skattekostnad		-55 800 000	-276 263 000
Ekstraordinære poster	8	0	18 622 000
Årsresultat		-55 800 000	-257 641 000
Overføringer og disponeringer			
Overføringer til/fra annen egenkapital		-55 800 000	-257 640 000
Sum overføringer og disponeringer		-55 800 000	-257 640 000



Resultatregnskap

Beløp i: NOK	Note	2021	2020
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Balanse

Beløp i: NOK	Note	2021	2020
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Varige driftsmidler			
Skip, rigger, fly og lignende	9	256 939 000	388 993 000
Sum varige driftsmidler		256 939 000	388 993 000
Finansielle anleggsmidler			
Financial lease	9	144 590 000	0
Andre fordringer	9	4 818 000	0
Sum finansielle anleggsmidler		149 408 000	0
Sum anleggsmidler		406 347 000	388 993 000
Omløpsmidler			
Varer			
Fordringer			
Kundefordringer	13	18 354 000	4 857 000
Andre fordringer	10	52 333 000	97 445 000
Sum fordringer		70 687 000	102 302 000
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter og lignende	16	41 598 000	29 326 000
Sum bankinnskudd, kontanter og lignende		41 598 000	29 326 000
Sum omløpsmidler		112 285 000	131 628 000
SUM EIENDELER		518 632 000	520 621 000

BALANSE - EGENKAPITAL OG GJELD

Egenkapital

Innskutt egenkapital



Balanse

Beløp i: NOK	Note	2021	2020
Selskapskapital	11	500 000	500 000
Annen innskutt egenkapital		-258 854 000	-203 054 000
Sum innskutt egenkapital		-258 354 000	-202 554 000
Sum egenkapital		-258 354 000	-202 554 000
Gjeld			
Langsiktig gjeld			
Annen langsiktig gjeld			
Gjeld til kredittinstitusjoner	12	467 879 000	452 664 000
Langsiktig konserngjeld	13,14	51 254 000	53 016 000
Øvrig langsiktig gjeld	15	210 810 000	200 652 000
Sum annen langsiktig gjeld		729 943 000	706 332 000
Sum langsiktig gjeld		729 943 000	706 332 000
Kortsiktig gjeld			
Gjeld til kredittinstitusjoner	12		0
Leverandørgjeld	14	34 509 000	12 321 000
Annen kortsiktig gjeld		12 534 000	4 523 000
Sum kortsiktig gjeld		47 043 000	16 844 000
Sum gjeld		776 986 000	723 176 000
SUM EGENKAPITAL OG GJELD		518 632 000	520 622 000



Directorate of Taxes

22 DES. 2011

Inquiries to Torstein Kinden Helleland	Your date 24.10.2011	Our date 20.12.2011
Telephone 22078139	Your reference Solveig Byrkjeland	Our reference 2011/1035547

DOF ASA
Alfabygget
5392 STOREBØ

Permission to make the annual accounts and director's report in English language

Dear Ms Solveig Byrkjeland

With reference to your letter of 24 October 2011, you apply for permission to keep annual accounts and directors' report in English language. The application in question concerns the companies mentioned below.

DOF Rederi AS	org. nr. 981 686 209
Norskan AS	org. nr. 985 916 039
Norskan Norway AS	org. nr. 993 280 208
Norskan Holding AS	org. nr. 993 274 402
DOF Rederi II AS	org. nr. 995 251 604
Waveney AS	org. nr. 992 043 432
Aker DOF Deepwater AS	org. nr. 990 999 120

Conclusion

Based on a total evaluation, the view of The Directorate of Taxes is that the companies mentioned above may make the directors' report and annual accounts in English language according to the Norwegian Accounting Act § 3-4 third paragraph.

The exemption requires that the information that the decision is based on, does not change significantly.

Background

The companies are directly or indirectly owned by DOF ASA. The DOF ASA Group is an international group of companies which owns and operates a modern fleet of offshore-/subsea vessels, and owns engineering capacity to service the subsea market. Other group companies have in decisions (2009/276917) of 17 June 2010 and 4 January 2011 been given permission to make the directors' report and annual accounts in English language.

The working language in the group is English. The DOF ASA Group operate within the international offshore-/subsea industry, where English is clearly the dominant language. The group is highly international in the sense that it operates throughout the world, and the group has several legal entities and companies in different countries. A number of these companies are as well

Postal address	Visiting address	Telephone
P.O. Box 9200 Grønland	See www.skatteetaten.no	800 80 000
0134 Oslo	Org. nr: 996250318	Telefax
For elektronisk henvendelse se www.skatteetaten.no		22 17 08 60



taxable or can be taxable in other jurisdictions due to inter alia international operations. It follows that the accounts for these companies as well will have to be presented in different jurisdictions. Almost all of the companies' users, including financial institutions, contracting parties, customers and suppliers are foreign/international companies or institutions. The companies' users, who are not foreign/international companies or institutions, master and use English language. The annual report and financial statements of the companies are required to be prepared each year in the Norwegian language only in order to satisfy the requirements of the Norwegian Accounting Act.

Permission to make the annual accounts and the directors' report in Norway in English language

According to the Norwegian Accounting Act § 3-4, third paragraph shall *"the directors' report and annual accounts ... be in Norwegian. The Ministry can in an individual decision decide that the directors' report and/or annual accounts may be in another language"*.

Ot. prp. nr. 42 (1997-1998) About Act about annual accounts etc., says the following about the purpose of the Accounting Act, refer section 1.1:

"The aim of the Government with respect to the Accounting Act is that it shall contribute towards providing informative accounts for different users of accounts. The users of accounts include investors and creditors which provide capital for the companies. Other groups include those who have an interest in knowing how the companies are operated, for example employees and the local community. The information to the capital market is an important basis for the correct pricing of financial instruments. The correct pricing of stocks is an important factor in securing the best possible allocation of resources in the economy. High quality accounts will also make it more difficult for market participants to obtain speculative gains as a result of non-publicly available information."

Hence, one of the main aims of the Accounting Act is to contribute to "informative accounts for different users of accounts". The users of the accounts will include investors, creditors, employees and the local community.

Hence, it is the view of the Ministry that it is crucial that the question of dispensation from the general rule that the annual accounts and/or directors' report should be done in Norwegian, not in any significant way deviate from the consideration of users of the accounts.

As mentioned above it is particularly the consideration of the users of the account information which has to be taken into consideration when considering the application for permission. In this assessment, the Directorate of Taxes has emphasized that other group companies have in decisions been given permission to make the directors' report and annual accounts in English language. The companies operates in highly international branch, where English is the common languages used. Internal, English is also only language used for reporting purpose. Furthermore, it is emphasized that non in the Board of directors speaks Norwegian.



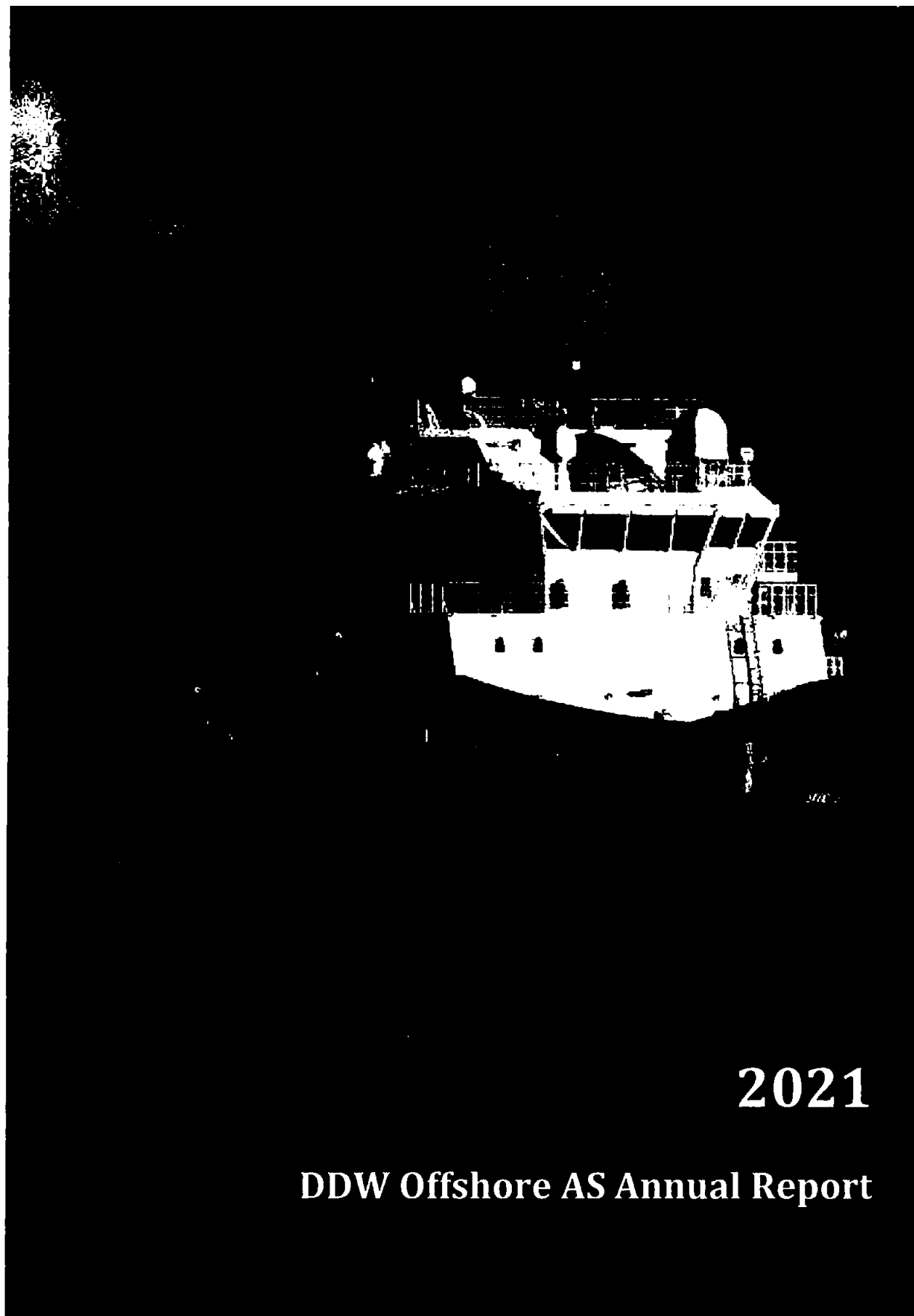
We kindly request you to mention “our reference” in all written communication with The Norwegian Tax Authorities.

Best regards

Rune Tystad

Rune Tystad
Senior Adviser
Legal Department
Directorate of Taxes

Torstein Kinden Helleland
Torstein Kinden Helleland



2021

DDW Offshore AS Annual Report



Board of Directors Report DDW Offshore AS

Introduction

DDW Offshore AS (The Company) owns five Anchor Handling Tug Vessels (AHTS), all with the STX AH08 design and built at Aker Yards' shipyard in Vietnam (now Vard Vung Tau).

In March 2021, DDW Offshore AS entered into bareboat charter agreements with OceanPact Servicos Maritimos S.A. ("OceanPact"), a Brazilian subsea and logistic company, for the two AHTS vessels Skandi Saigon and Skandi Pacific for a period of 26 months. As part of the agreements, a forward sale of the vessels has been agreed whereby OceanPact shall purchase the vessels at the end of the charter period for USD 9 million per vessel. The vessels will work for Petrobras, supporting the company's production activities on the Brazilian continental shelf.

Ship Management

DOF Management AS, a company controlled by DOF ASA is the main commercial, technical and operational manager for three vessels. The Skandi Pacific and Skandi Saigon are managed directly by OceanPact since Q2 2021.

Operations 2021

Despite the prevalence of the COVID-19 pandemic, 2021 witnessed improved trading condition compared to 2020, as tendering activity increased across regions, in part due to the start up of drilling campaigns deferred from 2020.

Skandi Atlantic and Skandi Emerald both remained in the Asia Pacific through 2021. The Skandi Emerald spent the vast majority of the year in a laid-up condition at the Loyang Offshore Supply based in Singapore, prior to commencing a MCR docking in Q4, and transiting to New Zealand where it commenced a campaign in December that is expected to last throughout 2022, and well into 2023.

Skandi Atlantic commenced the year in a warm laid up condition as part of a Call Off agreement with Esso to support activities in the Bass Strait, however no utilization was seen in Q1. At the commencement of Q2 the vessel relocated to Dampier Western Australia, where it commenced work in April, and remained in full time work for the rest of calendar year, achieving overall 70% utilization for 2021.

Q1 saw Skandi Saigon and Skandi Pacific chartered to OceanPact on 26-month bareboat contracts, which include purchase obligations at the end of the charter, whilst Skandi Peregrino remained in lay up in Norway throughout the year

Sustainability

Supporting sustainable operations is important for Akastor. Akastor use key performance indicators in Environment, Social and Governance (ESG) to measure Sustainability. Akastor publish its targets and results in the annual ESG report, available on Akastor.com.

Akastor's ESG strategy is based on four main priorities: working against corruption, respecting human rights, addressing health and safety and minimizing adverse impact on the environment.

DOF Management AS and OceanPact, were the commercial, technical and operational manager of DDW Offshore's five vessels for 2021, and have ensured to act responsibly and ethically everywhere DDW Offshore AS vessels operates. DOF Management AS' operations and decisions are guided by the values – Respect, Integrity, Teamwork, Excellence – RITE – and above all we are Safe. This ensures honest, fair and equitable operations, protecting and building DDW Offshore's reputation.

'Safe the RITE way' is the guiding philosophy by which DOF Management AS, help DDW Offshore to safeguards its people, external environment, vessels and subsea assets. 'Safe the RITE way' is the umbrella for the safety program which brings together core values and connects them to strategic areas for sustainable operations.



Equal opportunities and anti-discrimination

Akastor is committed to equal opportunity and non-discrimination. This commitment is described in Akastor's Code of Conduct. DOF Management has in DDW Offshore operations implemented The DOF Group's 'Equal Employment Opportunity' policy, which clearly states that the company is committed to be an equal opportunity employer. This means that DOF, on behalf of DDW Offshore, will select and appoint the most suitable person for a position based on their attitude, skills and qualifications.

Human Rights and Labour standards

Akastor embraces practices consistent with international human rights standards and operates in compliance with fundamental as well as local labour standards. Akastor's policies and standards are based on International Labour Organisation (ILO) conventions and they prohibit any use of forced or child labour. Akastor recognises and respects employees' right to freely associate, organise and collectively bargain, and the policies are compliant with working hour requirements as established by local laws.

Health, safety, and the working environment

DDW Offshore strives to improve safety and environmental performance across all worksites, globally. DDW Offshore experienced zero Lost Time Incidents (LTIs) in 2021, which resulted in a Lost Time Incident Frequency (LTIFC) of zero LTIs per million man-hours. With zero Medical Treatment Cases and zero Restricted Workday Cases, the Total Recordable Frequency (TRFC) was zero recordable incidents per million man-hours.

Business integrity and ethics

High integrity is a valuable safeguard against corruption and unethical conduct, and is a key pillar in a sustainable, value based business. Training and awareness-raising are in place throughout Akastor to ensure that all representatives of Akastor recognize integrity risks and know when to raise a concern and how to respond to unacceptable practices.

Whistleblowing is an important channel for receiving information about negative issues so

that they can be properly corrected and followed up. The whistleblowing channel is operated by a third-party company and provides a platform for reporting unacceptable conduct when normal reporting lines cannot be used. The whistleblowing channel allows for communication with the reporters even if they prefer to be anonymous, which can be essential during investigations. For more information and access to the whistleblowing channel, see Akastor.com.

Anti-corruption and anti-bribery

Akastor has a zero-tolerance policy for bribery and corruption. The Akastor policy is to conduct all business in an honest and ethical manner. The Code of Conduct sets clear expectations for all employees and is supplemented by internal training. There have been no confirmed incidents of corruption during 2021.

External environment

DDW Offshore focuses on energy efficiency and aims to improve environmental performance. The results are reported in the annual Akastor ESG Report. In 2021, the total CO₂ for the fleet where DDW Offshore has operational control was 12 618 tons. During the year, there have been no major spills to the external environment and no spills that resulted in fines or other non-monetary sanctions from local governments.

Climate change and emissions to the air

DDW Offshore's focus on energy efficiency is aimed to ensure that direct and indirect climate influencing activities are kept at a minimum and consistent with the Akastor overall approach to climate change. DDW Offshore is in the process of establishing an ESG roadmap for the future. DDW Offshore will be climate neutral from own operations by 2050.

Financial Performance

The Company's revenue and other income in 2021 totalled NOK 83 million (NOK 111 million), with an operating profit before depreciation and finance (EBITDA) of NOK 1.2 million (NOK -26 million).



The operating profit amounted to NOK -29 million (NOK -230 million) and was impacted by depreciation of a total of NOK 30 million (NOK 230 million including NOK 165m of impairment).

Net financial items in 2021 totalled NOK -27 million (NOK -47 million), of which the net realised, and unrealised currency loss amounted to NOK -6.1 million (NOK 12 million). Net interest expenses were NOK -31 million (NOK -59 million).

The Company reported a loss after tax for 2021 of NOK -56 million (NOK -258 million).

The balance sheet at year-end 2021 totalled NOK 519 million (NOK 521 million). Non-current assets include vessels for a total of NOK 406 million (NOK 389 million).

The Company reported net interest-bearing debt of NOK 426 million (NOK 423 million) as of 31 December 2021.

Cash flow from operating activities for the Group was NOK -10 million (NOK -49 million). Net cash flow from investing activity was NOK -65 million (NOK 0 million). Net cash flow from financing activities was NOK 85 million (NOK 51 million) and include contribution from shareholders of NOK 85 million (NOK 78 million) and no debt repayment (NOK 27 million).

Financing and Capital Structure

DDW Offshore's bank financing was restructured in October 2020. 50% of the bank debt, representing DOF ASA's portion, was converted to equity and the remaining debt, representing the portion guaranteed by Akastor ASA, was converted from NOK to USD for a total amount of USD 53 million. Akastor AS owns 100% of the shares in DDW Offshore AS after the restructuring.

The achieved refinancing solution is robust and does not encompass any scheduled debt down payment before maturity on October 9, 2023.

Per year end 2021 the Company's equity is NOK -258 million (NOK -203 million).

Risks

The Company is exposed to financial and liquidity risks through its operations, its interest bearing debt and periodical maintenance of the fleet. A sustained weak market and the impacts from COVID-19 have increased the financial and liquidity risk for the Company in 2021.

The Company operates globally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to USD, AUD and NOK. The Company aims to achieve a natural hedge between cash inflows and cash outflows through forward contracts and similar instruments as appropriate, or to secure the debt funding in the equivalent currency as the committed earnings from the charter contracts. Currency fluctuations may have negative impacts on both the liquidity and the solidity for the Company.

The Company is exposed to changes in interest rates as the main part of the Company's liabilities have a floating rate of interest.

The Company's credit risk has historically been low as the Company's customers traditionally have had good financial capability to meet their obligations and have had high credit ratings. The sustained challenging market situation has resulted in changes to the credit ratings for some of the Company's customers, and thereby increased the credit risk. The Company seeks to mitigate this risk as much as commercially possible through measures such as parent company guarantees, bank guarantees or other securities, or by seeking to "frontload" payment structures in order to seek to remain cash positive throughout.

The Company is exposed to market fluctuations which may result in lower utilisation and reduced earnings for the Group's vessels and services. The recent developments relating to increased volatility in the market may result in lower utilisation rates and earnings for the Company's vessels. Also, the counter-party risk may increase, and contracts may be cancelled or not



renewed in some situations. However, with an increased oil price in 2021, the global financial and commercial risks have decreased since 2020.

Tax authorities in different jurisdictions may challenge the calculation of taxes payable from prior periods through tax audits. In general, attention from tax authorities is increasing, and the trend is that each individual country has increased focus on protecting their tax base.

The directors and officers of Akastor companies are covered under an Aker group Director & Officer's Liability Insurance (D&O). The insurance covers personal legal liabilities including defence- and legal costs. The officers and directors of the parent company and all subsidiaries globally (owned 50 % or more) are covered by the insurance. The cover also includes employees in managerial positions or employees who become named in a claim or investigation.

Going Concern

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

Events after Balance Date

On April 12th, 2022, the company entered in a settlement agreement with the lenders of the Skandi Peregrino to settle the profit split mechanism agreed in the 2020 restructuring agreement. The company paid USD 2.25m to the Skandi Peregrino Lenders as a compensation for their acceptance to i) remove their rights to the profit split on the future sale of the vessel and ii) remove their security on the vessel.

Allocation of Annual Result

The annual accounts show a net loss of NOK -56 million (NOK -258 million), and the Board of Directors proposes to allocate this figure against other reserves.

Outlook

Going into 2022, the activity levels are improved as compared to the same time last year, with increased tendering, particularly in the APAC and

Brazilian Regions. Daily rates and utilisation rates have also started to improve.

Skandi Peregrino is still in wam lay-up in Norway per today.

The Company will continue its strategy to secure the three remaining vessels on term contracts. The Board of Directors expects the market conditions to improve in 2022 and the company to generate positive operating cash flow for the year.



Lysaker, May 20, 2022
The Board of DDW Offshore AS

Paal E. Johnsen
Chairman

Bruce Lethuillier
Managing Director

Karl Erik Kjelstad
Director

Eirik Thomassen
Director





**DDW OFFSHORE AS****Statement of Profit or Loss**

Amounts in NOK thousand

	Note	2021	2020
Sales income	4, 14	48,201	110,769
Other operating income	9	34,970	1,225
Operating income		83,171	111,995
Payroll expenses	5	45,629	71,740
Other operating expenses	6	36,303	66,531
Operating expenses		81,933	138,271
Operating profit before depreciation - EBITDA		1,239	-26,276
Depreciation	9	30,273	38,385
Impairment loss	9	-	165,018
Operating profit - EBIT		-29,034	-229,680
Finance income	7	0	947
Finance costs	7, 15	-31,219	-59,030
Interest income on sub-lease	7	10,571	-
Realized gain (loss) on currencies	7	1,807	-193,163
Unrealized gain (loss) on currencies	7	-7,924	204,663
Net financial items		-26,766	-46,582
Profit (loss) before taxes		-55,800	-276,262
Tax expense (income)	8	-	-18,622
Profit (loss) of the year		-55,800	-257,640

Statement of Comprehensive Income

Profit (loss) for the year	-55,800	-257,640
Other comprehensive income, net of tax	-	-
Total comprehensive income for the year net of tax	-55,800	-257,640



DDW OFFSHORE AS

Statement of Balance sheet

Amounts in NOK thousand

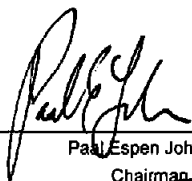
	Note	31/12/2021	31/12/2020
Assets			
Vessels	9	256,939	388,993
Tangible assets		256,939	388,993
Financial lease	9	144,590	-
Other non-current receivables	9	4,818	-
Financial assets		149,408	-
Non-current assets		406,347	388,993
Trade receivables	13	18,354	4,857
Other current receivables	10	52,333	97,445
Current assets		70,687	102,303
Cash and cash equivalents	16	41,598	29,326
Cash and cash equivalents		41,598	29,326
Current assets		112,285	131,629
Total Assets		518,632	520,622

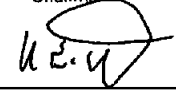
**DDW OFFSHORE AS**


Statement of Balance sheet

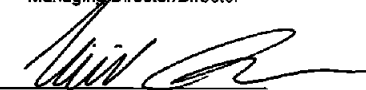
Amounts in NOK thousand

	Note	31/12/2021	31/12/2020
Equity and liabilities			
Share capital	11	500	500
Other equity		-258,854	-203,054
Equity		-258,354	-202,554
Liabilities			
Debt to credit institutions	12	467,879	452,664
Non-current liabilities group companies	13, 14	51,254	53,016
Other non-current liabilities	15	210,810	200,652
Non-current liabilities		729,943	706,332
Trade payable		34,509	12,321
Public duties payable		-	-
Other current liabilities		12,534	4,523
Current liabilities		47,043	16,845
Total liabilities		776,986	723,176
Total equity and liabilities		518,632	520,622

Lysaker, 20 May 2022
The Board of DDW Offshore AS

Paul Espen Johnsen
Chairman


Karl Erik Kjelstad
Director

Bruce Nicolas Lethuillier
Managing Director/Director


Eirik Thomassen
Director



Statement of changes in equity

Amounts in NOK thousands

	Share capital	Share premium	Agreed, not registered endowment capital	Other equity	Total equity
Balance at 01.01.2021	500	542,257	-	-745,312	-202,556
Profit (loss) for the year		-		-55,800	-55,800
Group contribution				-	-
Total comprehensive income for the year	-	-	-	-55,800	-55,800
Share issues	0	-			0
Total transactions with owners	0	-	-	-	0
Balance at 31.12.2021	500	542,257	-	-801,112	-258,354
Balance at 01.01.2020	500	-	-	-553,695	-553,195
Profit (loss) for the year		-		-257,640	-257,640
Group contribution				66,023	66,023
Total comprehensive income for the year		-	-	-191,617	-191,617
Share issues	0	542,257			542,257
Total transactions with owners	0	542,257	-	-	542,257
Balance at 31.12.2020	500	542,257	-	-745,312	-202,554



Statement of Cash flows

Amounts in NOK thousand	Note	2021	2020
Operating profit		-29,034	-229,680
Depreciation and impairment	9	30,273	203,403
Profit/loss on disposal of tangible assets		-34,983	
Change in trade receivables		-13,497	86,212
Change in trade payable		22,188	-82,787
Change in other working capital		38,950	5,437
Exchange rate effect on operating activities		-3,083	260
Cash from operating activities		10,814	-17,154
Interest received		0	264
Interest paid		-20,717	-32,179
Other financial income/cost		237	471
Net cash from operating activities		-9,666	-48,597
Purchase of tangible assets	9	-64,727	-
Net cash used in investing activities		-64,727	-
Proceeds from borrowings		-	78,015
Repayment of borrowings		-	-26,562
Debt conversion		-	-521,354
Proceeds from shareholders loan		-	-219,300
Increase in share capital		-	740,654
Group contribution received		84,645	-
Net cash flow from financing activities		84,645	51,453
Net changes in cash and cash equivalents		10,252	2,856
Cash included restricted cash at the start of the period	16	29,326	32,450
Exchange gain/loss on cash and cash equivalents		2,020	-5,980
Cash included restricted cash at the end of the period	16	41,598	29,326



Notes to the accounts

1 Accounting principles

Summary of significant accounting principles

The financial statements of the Company have been prepared and presented in accordance with simplified IFRS pursuant of the Norwegian Accounting Act.

The financial statements have been prepared in accordance with the historical cost convention with the following exceptions: financial instruments at fair value through profit or loss.

Going concern

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

While four vessels have been in employment at year end, the company might require funding from its parent company, Akastor AS in 2022 to meet its cash flow requirements. The company's bank debt is guaranteed by Akastor ASA, please refer to Note 12 for more information about the bank debt.

Conversion of foreign currency

The Company's financial statement is presented in Norwegian Kroner (NOK).

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the transaction date. Foreign exchange gains and losses resulting from the settlement of such transactions are presented as realised currency gain/loss under financial items. Similarly the conversion at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised as unrealised currency gain/loss.

Classification of assets and liabilities

Assets are classified as current assets when:

- the asset forms part of the entity's service cycle, and is expected to be realised or consumed over the course of the entity's normal operations; or
- the asset is held for trading; or
- the asset is expected to be realised within 12 months after the reporting period.

All other assets are classified as non-current assets.

Liabilities are classified as current when:

- the liability forms part of the entity's service cycle, and is expected to be settled in the course of normal production time; or
- the liability is held for trading; or
- settlement of the liability has been agreed upon within 12 months after the reporting period; or
- the entity does not have an unconditional right to postpone settlement of the liability until at least 12 months after the reporting period.

All other liabilities are classified as non-current liabilities.

Cash and cash equivalents

Cash and cash equivalents include cash on hand and deposits held at call with banks. Restricted deposits are classified separately from unrestricted bank deposits under cash and cash equivalents. Restricted deposits include deposits with restriction past twelve months.

Leases (as a lessor)

When the Company acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Company makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease.

The Company recognizes lease payments received under operating leases as operating income on a straight line basis over the lease term.



Notes to the accounts

1 Accounting principles (continued)

Trade receivables

Trade receivables are amounts due from customers for services performed in the ordinary course of business and classified as current assets. In addition to invoiced amounts, trade receivable also includes accrued, not invoiced revenues when the amounts are independent on future performance. Accrued revenue under lump sum contracts are normally classified as contract assets. These are presented together with trade receivables and specified in the notes.

Trade receivables are recognised initially at nominal value and subsequently measured at amortised cost. Discounting is ignored if insignificant. An impairment analysis is performed at each reporting period to measure expected credit losses.

Tangible Assets

Tangible assets are recognised at cost less accumulated depreciation and accumulated impairment losses. The cost of tangible asset comprises its purchase price, borrowing costs and any directly attributable costs of bringing the asset to working condition. If significant, the total expenditure is separated into components which have different expected useful lives.

Depreciation is calculated on a straight-line basis over the useful life of the asset. Depreciable amount equals historical cost less residual value.

When tangible assets are sold or retired, their cost and accumulated depreciation and accumulated impairment loss are derecognised and any gain or loss resulting from their disposal is included in the profit and loss.

For vessels, residual value is determined based on estimated fair value at the end of their useful lives. The Company's accounting policy for residual values vessels in the AHTS segment are described in note 3.

Contract costs and ordinary costs related to mobilization are capitalized and amortized over the contract period. Contract period is based on best estimates taken into consideration normally initial agreed period and probability for optional periods. A probability judgment is performed in assessing whether the option period shall be included in the contract period.

Impairment of assets

All assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognised.

The recoverable amount is the higher of an asset's net selling price and value in use. Where there are circumstances and evidence that impairment recognized in previous years no longer exists or has decreased, a reversal of the impairment is recognised.

For further information on the calculation see note 3 'accounting estimates and assessments.

Periodic maintenance

Ordinary repairs and maintenance costs of assets are expensed as incurred.

The cost of major modernisation, upgrading and replacement of parts of tangible assets are included in the asset's carrying amount when it is probable that the Company will derive future financial benefits from upgrading the assets. See note 3 for further discussion of periodic maintenance.

Debt

Debt is recognised initially at fair value, net of transaction costs incurred. Debt is subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the profit or loss over the period of the borrowings using the effective interest method.

Fees paid on the establishment of debt are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Interest expenses related to the borrowing are recognised as part of cost of an asset when the borrowing costs accrue during the construction period of a qualifying asset.

Debt is classified as current liability unless the borrowing involves an unconditional right to postpone payment of the liabilities for more than 12 months from statement of reporting period. The current portion of such debt includes undiscounted instalments due within the next 12 months.



Notes to the accounts

1 Accounting principles (continued)

Provisions

Provisions are recognised when, and only when, the Company faces an obligation (legal or constructive) as a result of a past event and it is probable (more than 50%) that a settlement will be required and a reliable estimate can be made of the obligation amount.

For onerous contracts provisions are made when unavoidable cost of meeting the obligations under the contract exceed the economic benefit to be received under the contract. The unavoidable costs under the contract are the lower of the cost of fulfilling the contract and any compensation or penalties arising from failure to fulfil the contract. Unavoidable cost are costs that would not incur for the entity if it did not have the contract.

Provisions are reviewed at the end of each reporting period and adjusted to the best estimate. When timing is significant for the amount of the obligation, it is measured at the present value. Subsequent increases in the amount of the obligation due to interest accretion are reported as interest costs.

Contingent assets and liabilities

Contingent assets are not recognised in the accounts, but is disclosed in the notes to the accounts if there is a certain degree of probability that the company will benefit economically.

Contingent liabilities are defined as:

possible liabilities resulting from past events, but where their existence relies on future events;
liabilities which are not reported on the accounts because it is improbable that the commitment will result in an outflow of resources;
liabilities which cannot be measured to a sufficient degree of reliability.

Contingent liabilities are not reported in the accounts, with the exception of contingent liabilities which originate from business combinations. Significant contingent liabilities are presented in the notes to the accounts, except for contingent liabilities with a very low probability of settlement.

Equity

Ordinary shares are classified as equity.

Transaction costs related to equity transactions, including tax effect of transaction costs, are directly charged against equity.

Revenue recognition

The Company recognises income in line with the transfer of promised goods or services to customers in an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. Operating revenue is shown net of discounts, value-added tax and other taxes on gross rates.

Day rate contracts

A day rate contract is a contract where the Company is remunerated by the customer at an agreed daily rate for each day of use of the vessel, equipment, crew and other resources and service utilised on the contract. Such contracts may also include certain lump sum payments.

Under long-term chartering the Company delivers a vessel, including crew, to a client. The charterer determines, within the contractual limits, how the vessel is to be utilised. Under subsea/IRM Projects the Company utilises its vessels, equipment, crew and the onshore project organisation to perform tailor made services on the client's installations and/or assets.

The right to use the vessel fall in under the scope of IFRS 16 'Leases', and revenue is recognised over the lease period on a straight-line basis.

Distinct service components in a contract are accounted for separately from other promises in the contract. Where the contracts include multiple performance obligations, the transaction price is allocated to each performance obligation based on the stand-alone selling prices. Revenue is recognised over time as the services are provided. The stage of completion for determining the amount of revenue to recognise is assessed based on input or an output method. The method applied is the one that most faithfully depicts the Company's progress towards complete satisfaction of the performance obligation. Progress is usually measured based on output methods such as days.

The Company does not recognise revenue during periods when the underlying vessel is off-hire. When the vessel is off-hire, expenses may be incurred and paid by the Company.

Costs incurred relating to future performance obligations are deferred and recognised as assets in the balance sheet statement. The costs incurred will be expensed in line with the satisfaction of the performance obligation.



Notes to the accounts

1 Accounting principles (continued)

Variation orders

Additional contract revenue arising from variation orders is recognised when it is probable that the client will approve the variation and the amount of revenue arising from the variation can be reliably measured.

Mobilisation

In contracts where the Company is remunerated for mobilisation or demobilisation of vessel the remuneration is classified as prepayment and amortised over the contract time.

Interest income

Interest income is recognised using the effective interest method.

Current and deferred income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting date in the countries where the Company's operate and generate taxable income. Permanent establishment of the operation will be dependent of the Company's vessels amount operating in the period. Tax is calculated in accordance with the legal framework in those countries in which the Company or vessels with permanent establishment operate and generate taxable income.

The Company periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the accounts. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, see note 3.

Deferred income tax assets are recognised on the balance sheet to the extent it is probable that the future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax is calculated on the basis of temporary differences related to investments in subsidiaries and associated companies, except when the company has control of the timing of the reversal of the temporary differences, and it is probable that reversal will not take place in the foreseeable future.

Both tax payable and deferred tax are recognised directly in equity, to the extent they relate to items recognised directly in equity. Similarly any tax related to items reported as other comprehensive income is presented together with the underlying item.

Financial assets

From 1 January 2018 the Company classifies its financial assets at amortised cost. The classification of financial assets under IFRS 9 is generally based on the business model in which a financial instrument is managed and its contractual cash flow characteristics. Classification of financial assets is determined at initial recognition and is not reclassified subsequently unless the Company changes its business model for managing financial assets.

A financial asset shall be measured at amortised cost if both of the following conditions are met and it is not designated at FVTPL:

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

All financial assets not classified as measured at amortised cost are measured at FVTPL. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:



Notes to the accounts

1 Accounting principles (continued)

- * contingent events that would change the amount or timing of cash flows;
- * terms that may adjust the contractual coupon rate, including variable-rate features;
- * prepayment and extension features; and
- * terms that limit the Group's claim to cash flows from specified assets

a) Financial assets at FVTPL

The assets are subsequently measured at fair value. Net gains and losses, including any interest income, are recognised in profit or loss.

b) Financial assets at amortised cost

These assets 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 are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Impairment

The Company assesses at the end of each reporting period the expected credit losses for a financial asset or a group of financial assets. See the separate paragraph in this note regarding trade receivables.

Subsequent events

New information and other events that provide evidence of conditions that existed at end of the reporting period is included in the accounts. Events occurring after the reporting period, which do not impact the Company's financial position, but which have a significant impact on future periods, are disclosed in the notes to the accounts.

Use of estimates

The preparation of financial statements in conformity with simplified IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3. Changes in accounting estimates are recognised for the period in which they occurred. If the changes also apply to future periods, the effect of the change is distributed over current and future periods.

Statement of cash flows

The statement of cash flows is prepared in accordance with the indirect model.



Notes to the accounts

2 Financial risk management

The Company is exposed to a variety of financial risks: Market risk (including foreign exchange risk, interest rate risk and price risk), credit- and liquidity risk and capital structure risk. The Company's overall risk management seeks to minimise potential adverse effects of the Company's financial performance.

The company identifies, evaluates and hedges financial risk. The Board approves the principles of overall risk management as well as policies covering specific areas, such as currency exchange risk, interest risk and credit risk.

Market risk

Foreign exchange risk

The Company operates globally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to USD, AUD, NZD and NOK.

The Company's reporting currency and functional currency is NOK. Foreign exchange risk arises when future commercial transactions, contractual obligations (assets), liabilities and investments are in different currencies than the presentation currency. The Company aims to achieve a natural hedge between cash inflows and cash outflows and manages remaining foreign exchange risk through forward contracts and similar instruments as appropriate.

Currency changes in receivables, liabilities and currency swaps are recognized as a financial income/expense in the profit and loss statement. Fluctuation in foreign exchange rates will therefore have an effect on the future results and balances

Interest rate risk

The Company's existing debt arrangements are long term loans with floating interest. Movements in interest rates will have effects on the Company's cash flow and financial condition.

The Company manages its interest risk by using floating-to-fixed interest rate swaps from time to time. Such interest swaps have the economic effect of conversion from floating to fixed interest rates. Through interest rate swaps, the Company agrees with other parties to exchange, at specified intervals the difference between fixed interest rates and floating interest rates calculated by reference to the agreed amounts.

Price risk

The Company is exposed to price risk at two main levels:

- The demand for the Company's vessels is sensitive to changes in the oil industry, for example oil price movements, exploration and general activity level within the offshore energy industry. This can affect both the pricing and the utilisation of the Company's assets.
- The costs of capital expenditures on assets are sensitive to changes in market prices.

The Company is exposed to market fluctuations which may result in lower utilisation and reduced earnings for its vessels and services. Attempts are made to reduce this risk by entering into contracts that secure long-term charters for the fleet. The market has further deteriorated in all regions and has negatively impacted the earnings and utilisation of the fleet. Also, the counter-party risk has increased and contracts may be cancelled or not renewed if a sustained challenging market situation continues.



Notes to the accounts

2 Financial risk management (continued)

Credit and liquidity risk

Credit and liquidity risk arises from cash and cash equivalents, derivative, financial instruments and deposit with banks as well as payments terms towards clients and suppliers. Liquidity risk management implies maintaining sufficient cash and marketable securities, and to maintain available funding through committed credit facilities.

The Company's credit risk has historically been low with exposure mainly towards customers with a good financial capability to meet their obligations. The sustained challenging market situation has resulted in changes to the credit ratings for some customers, and thereby increased the credit risk. Historically, the portion of receivables not being collectable has been acceptable.

The Company's loan agreements include terms, conditions and covenants, see note 12.

Capital structure and equity

The main objective when managing the capital structure is to ensure that the Company is well positioned to remain as a market player and thereby secure revenue in a more normalised market in the future. The Company manages its capital structure and carries out necessary amendments to the capital structure based on continuous assessments of its funding requirements.

For additional details see note 12.



Notes to the accounts

3 Accounting estimates and assessments

When preparing the annual accounts in accordance with simplified IFRS, the Company has applied estimates based on best judgement and conditions considered to be realistic. Situations or changes may occur in the markets which may result in changes to the estimates, thereby impacting the Company's assets, liabilities, equity and result. Assessments, estimates and assumptions which have a significant effect on the accounts are summarised below:

Vessels:

The carrying amount of the Company's vessels represents 50 % of the total balance as of 31.12.2021. Consequently, policies and estimates linked to the vessels have a significant impact on the Company's financial statements. Depreciation is calculated on a straight-line basis over the useful life of the asset. Depreciable amount equals historical cost less residual value.

Useful life of vessels

The level of depreciation depends on the vessels estimated useful lives. The Company has from 01.01.2018 changed the period of useful life for the AHTS, due to the market expectation for these vessels. Useful life for these vessels is 30 years. Useful life of older vessels is individually assessed. There will always be a certain risk of events like breakdown, obsolescence e.g. with older vessels, which may result in a shorter useful life than anticipated.

Residual value of vessels

The level of depreciation depends on the calculated residual value. Assumptions concerning residual value are made on the basis of knowledge of the market for second hand vessels. The estimate of residual value is based on a market value of a charter free vessel, and today's fair value forms a basis for the estimate. Fair values are adjusted to reflect the value of the vessels as if it had been of an age and in the condition expected at the end of the useful life. Residual value for AHTS vessels have been changed as from 1 January 2018 and are estimated based upon the latest available steel-price and the lightweight of the vessels.

Useful life of investments related to periodical maintenance

Periodic maintenance is related to major inspections and overhaul costs which occur at regular intervals over the life of an asset. The expenditure is capitalised and depreciated until the vessel enters the next periodical maintenance. Estimated life of each periodical maintenance program is normally 5 years. When new vessels are acquired, a portion of the cost price is classified as periodic maintenance based on best estimates.

Impairment of assets

Vessels

For the purposes of assessing impairment for vessels, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units, "CGU"). Each vessel together with associated contracts is considered as a separate CGU.

Fair value less cost to sell

For vessels, fair value less cost to sell is based on an average of the brokers' estimates, taken into account sales commission. All vessels in the Company are assessed by obtaining independent broker estimates. The brokers' estimates are based on the principle of 'willing buyer and willing seller'. Broker estimates include mounted equipment and assume that the vessels are without any charter contracts (i.e. charter-free basis).

Due to a limited number of vessel transactions in the current market, the brokers' estimates only to a limited extent represent the results of transactions in the market. Because of this, the broker estimates are more influenced by the judgement of each broker. For this reason, the Company has sought to substantiate the broker valuations, inter alia with value in use calculations or tests of reasonableness of implicit rates and other assumptions derived from the valuations.

Value in use

Estimated cash flows are based on next year's budgets per vessel, and forecasted earnings going forward. The budget process is a detailed and thorough bottom-up budgeting process at all levels of the organisation, with approval procedures on all levels within the Company. Estimated future cash flows are based on historical performance per vessel, in combination with current market situation and future expectations. Critical assumptions in the assessment are related to income rates, utilisation, operational and capital expenditure.

For vessels fixed on firm long-term contracts, the assumption is that the contracts run up until expiry of the contracts. Options held by the customers are not assumed to be exercised, unless the options are at or below current market rates. For vessels without contract, assumptions derived from the evaluation of broker estimates, combined with other market information are considered when estimating future revenues. It is expected to be a weak market for the next coming years, and gradually normalised to historical average levels thereafter. Due to the current market situation there is a high level of uncertainty related to the estimates.

The Weighted Average Cost of Capital (WACC) is used as a discount rate and reflects a normalised capital structure for the industry. The WACC represents the rate of return the Company is expected to pay to its sources of finance for cash flows with similar risks. Cash flows are calculated after tax and discounted with an after tax discount rate. The nominal WACC used in the value in use calculations is ranging on 9.4%.

Sensitivity analysis or stress tests have been carried out for the main variables in the assessment. This includes changes to key assumptions such as broker estimates, operating income, operating expenses and the discount rate.

Tax

Changes in tax regimes may adversely affect the Company's cash flow and financial conditions. The Company is subject to ordinary tax rules in the Norwegian Taxation Act.

The Company is subject to transfer pricing regulations in various jurisdictions which might impose the tax risk for the Company.



Notes to the accounts

4 Operating income

Business segment

The Company operates within one business segment in terms of strategic areas of operation and vessel types. The business segment is AHTS (Anchor Handling Tug Supply Vessel).

Geographical areas

The Company conducts its business activities in countries within different regions of the world. The overview below is based on the location of its customers.

Geographical areas

Freight revenues per country	2021	2020
Brazil	-	15,970
Australia	45,382	10,087
New Zealand	858	59,303
Other	1,961	25,409
Total sales income	48,201	110,769

5 Payroll and auditor's remuneration

The Company has no employees, but leases crew from other group companies and external companies.
The Company is not obliged to have an occupational pension plan (Obligatorisk Tjenestepensjon).

There were no remunerations or other compensations paid to Board members as at 31 Dec 2021 and 31 Dec 2020.

There were no loans and guarantees issued to related parties.

Managing Director has not received any remunerations or payroll from the Company.

Payroll expenses consists of:	2021	2020
Payroll and other remunerations	41,250	64,753
Travel expenses	2,774	4,225
Courses and training costs	129	212
Other personnel costs	1,475	2,550
Total	45,629	71,740

Specification of auditor's fee	2021	2020
Audit	434	175
Fee for other services	-	-
Total	434	175

Auditor's fees are exclusive VAT.



Notes to the accounts

6 Operating expenses

Operating expenses consists of:	2021	2020
Technical cost	10,879	15,235
IT vessel cost	2,733	3,950
Management fee	6,417	12,276
Insurance cost	1,233	3,184
Bunkers cost	7,479	18,708
Breakdown cost	-	182
Audit and other consultant fees	1,488	5,624
Loss on bad debt	-493	-1,905
Other cost	6,569	9,277
Total	36,303	66,531

7 Financial income and expenses

	2021	2020
Interest income	0	947
Interest income on finance lease receivable	10,571	-
Financial income	10,571	947
Interest costs Group companies	-	-3,222
Interest costs	-20,734	-53,876
Realised gain (loss) on interest swaps	-	-
Discounting effect of non-current liabilities	-10,158	-
Other financial costs	-327	-1,932
Financial costs	-31,219	-59,030
Net gain (loss) on currency derivatives	237	204
Net gain (loss) on non-current debt	-	-198,319
Net gain (loss) on operational capital	1,570	4,953
Net realized gain (loss) on currencies	1,807	-193,163
Net gain (loss) on non-current debt	-15,215	205,318
Net gain (loss) on operational capital	7,291	-655
Net unrealized gain/loss on currencies	-7,924	204,663
Total	-26,766	-46,582



Notes to the accounts

8 Tax

Tax income (expense) comprises;	2021	2020
Current tax on profit for the year		
Change in deferred taxes	-	-18,622
Tax payable abroad	-	-
Tax income (expense)	-	-18,622

Reconciliation of nominal and effective tax rate

Profit before tax	-55,800	-276,262
Tax calculated at domestic tax rates 22% (22%)	-12,276	-60,778
Tax effect of:	-	-
Tax effect on non-deductible expenses	-	496
Tax effect on items not included in deferred tax	12,276	60,281
Tax effect of other items/group contribution	-	-18,622
Total tax income (expense)	-	-18,622

Deferred tax

Basis of deferred tax	2020	
Fixed assets	-461,234	-393,286
Trade receivables	134,192	-52,483
Total temporary differences	-327,042	-445,769
Loss carried forward	-1,016,535	-862,739
Limiting interests deductibility group companies	-249,520	-228,790
- hereof tax deficit not included in basis for calculation of deferred tax/deferred tax a:	1,593,098	1,537,298
Basis for calculation of deferred tax/deferred tax assets (-)	0	0
Total deferred tax/deferred tax assets (-)		-
Deferred tax / deferred tax assets (-) 01.01	0	0
Deferred tax/deferred tax assets (-) 31.12	0	0



Notes to the accounts

9 Tangible assets

2021	Vessels	Contract costs	Periodic maintenance	Total
Acquisition cost 01.01.2021	1,865,638	19,417	142,688	2,027,743
Additions	52,806	-	11,921	64,727
Disposals	-166,508	-	-	-166,508
Acquisition cost 31.12.2021	1,751,936	19,417	154,609	1,925,962
Depreciation 01.01.2021	382,370	19,417	128,146	529,933
Depreciation for the year	16,587	-	8,751	25,338
Depreciation on disposals for the year	2,801	-	2,134	4,935
Depreciation 31.12.2021	401,758	19,417	139,031	560,206
Impairment 01.01.2021	1,105,421	-	3,396	1,108,817
Impairment for the year	-	-	-	-
Impairment 31.12.2021	1,105,421	-	3,396	1,108,817
Book value 31.12.2021	244,757	-0	12,182	256,939
2020	Vessels	Contract costs	Periodic maintenance	Total
Acquisition cost 01.01.2020	1,865,638	19,417	142,688	2,027,743
Additions	-	-	-	-
Disposals	-	-	-	-
Acquisition cost 31.12.2020	1,865,638	19,417	142,688	2,027,743
Depreciation 01.01.2020	359,782	18,479	113,287	491,548
Depreciation for the year	22,588	938	14,859	38,385
Depreciation on disposals for the year	-	-	-	-
Depreciation 31.12.2020	382,370	19,417	128,146	529,933
Impairment 01.01.2020	940,403	-	3,396	943,799
Impairment for the year	165,018	-	-	165,018
Impairment 31.12.2020	1,105,421	-	3,396	1,108,817
Book value 31.12.2020	377,847	-0	11,146	388,993
Depreciation period	30 years *)	3 years **)	30 - 60 months	
Depreciation method	Linear *)		Linear	

*) Residual value and depreciation period are described in note 3 "Accounting estimates and assessments".

***) Contract costs are depreciated during the contract period.

The tangible assets is pledged against debt to credit institution, see note 12.



Notes to the accounts

9 Tangible assets (continued)

Impairment:

No impairment loss is recognized in 2021 (NOK 165 million in 2020).

<i>Vessel</i>	<i>Impairment Basis for recoverable amount</i>	<i>Segment</i>
Skandi Peregrino	0 Value in use	AHTS
Skandi Atlantic	0 Value in use	AHTS
Skandi Emerald	0 Value in use	AHTS
Total	-	

For further information see note 3 Accounting estimates and assessments.

Two of the company's vessels have been derecognised as tangible assets and recognised as financial lease receivable, in line with IFRS 16. This has resulted in an accounting gain of NOK 34 983 thousand.

The long-term part of the lease receivable is on NOK 144 590 thousand, and the short-term part on NOK 45 067 thousand.

The lease receivable is expected to be fully settled by mid-2023, in connection with the sale of the two vessels.

10 Other current receivables

	2021	2020
Prepaid expenses	619	1,021
Owning VAT	369	243
Stock of operational consumables	4,356	10,209
Prepaid crewcost	1,922	1,327
Current finance lease receivable	45,067	-
Group Contribution	-	84,645
Other current receivables at 31.12	52,333	97,445

All other current receivables is due withing one year.

11 Share capital and share information

Shareholders structure	Total shares	Nominal value	Vote share
Akastor AS	200	NOK 2,502	100%



Notes to the accounts

12 Debt to credit institutions

In October 2020, due to the financial restructuring of DOF ASA, the 50% shareholder in the Company, and its incapacity in supporting the Company further, Akastor AS took over DOF ASA's share of ownership in the company and is now the 100% owner of the shares in DDW Offshore AS.

The restructuring of DDW Offshore (previously named DOF Deepwater before the restructuring) involved i.a. the following principles:

1) Akastor ownership: DOF transferred all of its shares in DOF Deepwater to Akastor;

2) Debt restructuring: 50% of the debt in DOF Deepwater was converted to equity and the remaining 50% remained on existing terms, including a parent company guarantee from Akastor ASA, albeit with certain adjustments that include i.a. no fixed instalments except an upfront repayment of NOK 20 million, Maturity Date being 3 years after closing, i.e. on October 9, 2023;

3) Profit split: At time of divestment of the vessels, which is planned to take place on or around Maturity Date, the sales proceeds after transaction costs shall be shared 50/50 between the lenders and DDW Offshore for four of out five vessels (Ref Note 17).

Overview of debt to credit institutions	2021	2020
Debt to credit institutions (incl. current portion)	467,879	452,664
Total debt to credit institutions (incl. current portion)	467,879	452,664
Average rate of interest (incl. borrowing costs)	4.38%	5.09%

The following table shows the maturity of the Company's financial obligation based on contractual, undiscounted cash flows.

Installment and interest profile*	2022	2023	Total
Debt to credit institutions *	-	467,879	467,879
Interest	20,493	15,370	35,863
Total	20,493	483,249	503,742

* Amortised cost is excluded in the instalment profile

The Company's vessels are pledged as a security for the debt to credit institutions.

13 Intra - group balances

	2021	2020
Current receivables		
Other current receivables	-	84,645
Non-current liabilities		
Non - current liabilities*	51,254	53,015

* The non - current liabilities from group companies is a loan from the company's shareholder. The loan is subordinated the company's bank debt and in accordance with the agreement with its lenders, see note 12.



Notes to the accounts

14 Related parties

The shareholder of the Company is Akastor AS as of 31 Dec 2021. Remunerations for Board members and Managing Director are disclosed in the note 5 and intercompany balances with Akastor Group companies are disclosed in the note 13.

The Company was engaged in the following transactions with related parties:

	2021	2020
a) Sale of the services		
- Affiliated companies (vessel hire bareboat)	-	41,588
- Affiliated companies (vessel hire timecharter)	-	9,938
- Affiliated companies (vessel fuel consumption)	-	30
Total	-	51,556
b) Purchase of services and goods		
- Affiliated companies (management services)	-	15,079
- Affiliated company (construction supervision fees)	-	-
- Affiliated company (IT services)	-	1,773
- Affiliated company (Tech.cost)	-	-35
Total	-	16,817

Sales of services and purchase of services and goods from related parties companies were based on arm length principle.

c) Loans from companies in the same Group and intra-group balances

Specification of the intra-group balances

	2021	2020
Loan from Akastor AS	51,254	53,015
Liabilities to companies in the group	51,254	53,015
- Interest costs to shareholders companies	-	3,222
Total	-	3,222

Loan from Akastor AS is interest-free

15 Other non-current liabilities

	2021	2020
Other non-current liabilities	210,810	200,652

Other non-current liabilities are related to profit split where the company is obliged to share 50 percent of the sales proceeds after transaction costs to the lenders at the time of divestment of the vessel. Please see note 12 Debt to credit institutions for more information about the restructuring of the company.

16 Cash and cash equivalents

	2021	2020
Cash and cash equivalents	41,598	29,326

There were not any restricted cash as of 31.12.2021 and 31.12.2020.



Notes to the accounts

17 Subsequent events

On April 12th, 2022, the company entered in a settlement agreement with the lenders of the Skandi Peregrino to settle the profit split mechanism agreed in the 2020 restructuring agreement. The company paid USD 2.25m to the Skandi Peregrino Lenders as a compensation for their acceptance to i) remove their rights to the profit split on the future sale of the vessel and ii) remove their security on the vessel.





To the General Meeting of DDW Offshore AS

Independent Auditor's Report

Opinion

We have audited the financial statements of DDW Offshore AS (the Company), which comprise the balance sheet as at 31 December 2021, the statement of profit or loss, statement of 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 financial statements comply with applicable statutory requirements, and
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2021, and its financial performance and its cash flows for the year then ended in accordance with simplified application of international accounting standards according to section 3-9 of the Norwegian Accounting Act.

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 as required by laws and regulations and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report otherwise appears to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report. We have nothing to report in this regard.

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T: 02316, org. no.: 987 009 713 MVA, www.pwc.no
Statsautoriserte revisorer, medlemmer av Den norske Revisorforening og autorisert regnskapsførerselskap



Independent Auditor's Report - DDW Offshore AS



Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable legal requirements.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with simplified application of International Accounting Standards according to the Norwegian Accounting Act section 3-9, 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 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.

For further description of Auditor's Responsibilities for the Audit of the Financial Statements reference is made to <https://revisorforeningen.no/revisjonsberetninger>

Bergen, 20 May 2022
PricewaterhouseCoopers AS

Marius Kaland Olsen
State Authorised Public Accountant

(This document is signed electronically)



 Securely signed with Brevio

Revisjonsberetning

Signers:

Name	Method	Date
Olsen, Marius Kaland	BANKID_MOBILE	2022-05-20 10:51

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