



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2020 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer: 959 518 319
Organisasjonsform: Aksjeselskap
Foretaksnavn: JOHANNES ØSTENSJØ DY AS
Forretningsadresse: Smedasundet 97
5525 HAUGESUND

Regnskapsår

Årsregnskapets periode: 01.01.2020 - 31.12.2020

Konsern

Mørselskap i konsern: Ja
Konsernregnskap lagt ved: Ja

Regnskapsregler

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

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Anett Underhaug Våge
Dato for fastsettelse av årsregnskapet: 05.07.2021

Grunnlag for avgivelse

År 2020: Årsregnskapet er elektronisk innlevert
År 2019: Tall er hentet fra elektronisk innlevert årsregnskap fra 2020

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, 05.08.2022



Resultatregnskap

| Beløp i: NOK | Note | 2020 | 2019 |
|--|------|---------------------|-------------------|
| RESULTATREGNSKAP | | | |
| Inntekter | | | |
| Other operating income | 2 | 1 175 000 | 1 000 |
| Sum inntekter | | 1 175 000 | 1 000 |
| Kostnader | | | |
| Payroll expenses | 9 | 342 000 | 342 000 |
| Other operating expenses | 9,10 | 7 373 000 | 2 120 000 |
| Sum kostnader | | 7 715 000 | 2 462 000 |
| Driftsresultat | | -6 540 000 | -2 461 000 |
| Finansinntekter og finanskostnader | | | |
| Annen renteinntekt | | 5 311 000 | 9 529 000 |
| Annen finansinntekt | | 105 360 000 | 54 025 000 |
| Sum finansinntekter | | 110 671 000 | 63 554 000 |
| Annen rentekostnad | | 3 835 000 | 6 789 000 |
| Other financial expenses | | 223 943 000 | 37 425 000 |
| Sum finanskostnader | | 227 778 000 | 44 214 000 |
| Netto finans | | -117 107 000 | 19 340 000 |
| Ordinært resultat før skattekostnad | | | |
| Tax on ordinary result | 13 | 7 294 000 | -41 510 000 |
| Ordinært resultat etter skattekostnad | | -130 941 000 | 58 389 000 |
| Årsresultat | | -130 941 000 | 58 389 000 |
| Overføringer og disponeringer | | | |
| Ordinært utbytte | | | 30 000 000 |
| Transferred from other equity | | -130 941 000 | |
| Transferred to other equity | | | 28 389 000 |
| Sum overføringer og disponeringer | | -130 941 000 | 58 389 000 |



Balanse

| Beløp i: NOK | Note | 2020 | 2019 |
|--|------|----------------------|----------------------|
| BALANSE - EIENDELER | | | |
| Anleggsmidler | | | |
| Immaterielle eiendeler | | | |
| Utsatt skattefordel | 13 | 34 309 000 | 41 603 000 |
| Sum immaterielle eiendeler | | 34 309 000 | 41 603 000 |
| Varige driftsmidler | | | |
| Machinery and equipment | 1,8 | 6 057 000 | 0 |
| Fixtures | 1 | 198 000 | 198 000 |
| Sum varige driftsmidler | | 6 255 000 | 198 000 |
| Finansielle anleggsmidler | | | |
| Investering i datterselskap | 4 | 1 960 830 000 | 2 039 857 000 |
| Lån til foretak i samme konsern | 6 | 74 661 000 | 66 703 000 |
| Other receivables | 7,8 | 5 637 000 | 9 243 000 |
| Sum finansielle anleggsmidler | | 2 041 128 000 | 2 115 803 000 |
| Sum anleggsmidler | | 2 081 692 000 | 2 157 604 000 |
| Omløpsmidler | | | |
| Varer | | | |
| Fordringer | | | |
| Trade debtors | 8 | 2 153 000 | 1 882 000 |
| Other short-term debtors | | 7 382 000 | 11 845 000 |
| Group contribution | 6 | 7 059 000 | 41 676 000 |
| Dividend | 6 | 0 | 18 047 000 |
| Konsernfordringer | 6 | 22 714 000 | 23 485 000 |
| Sum fordringer | | 39 308 000 | 96 935 000 |
| Investeringer | | | |
| Markedsbaserte aksjer | 4 | 2 099 000 | 2 093 000 |
| Sum investeringer | | 2 099 000 | 2 093 000 |
| Bankinnskudd, kontanter og lignende | | | |
| Cash in hand and bank deposits | 3,8 | 186 813 000 | 449 813 000 |



Balanse

| Beløp i: NOK | Note | 2020 | 2019 |
|---|------|----------------------|----------------------|
| Sum bankinnskudd, kontanter og lignende | | 186 813 000 | 449 813 000 |
| Sum omløpsmidler | | 228 220 000 | 548 841 000 |
| SUM EIENDELER | | 2 309 912 000 | 2 706 445 000 |

BALANSE - EGENKAPITAL OG GJELD

Egenkapital

Innskutt egenkapital

| | | | |
|---------------------------------|---|------------------|------------------|
| Share capital | 5 | 2 913 000 | 2 912 000 |
| Overkurs | 5 | 82 000 | 82 000 |
| Sum innskutt egenkapital | | 2 995 000 | 2 994 000 |

Opptjent egenkapital

| | | | |
|---------------------------------|---|----------------------|----------------------|
| Other equity | 5 | 2 224 149 000 | 2 355 090 000 |
| Sum opptjent egenkapital | | 2 224 149 000 | 2 355 090 000 |

Sum egenkapital

2 227 144 000 **2 358 084 000**

Gjeld

Langsiktig gjeld

Annen langsiktig gjeld

| | | | |
|-----------------------------------|---|----------|-------------------|
| Langsiktig konserngjeld | 6 | 0 | 75 664 000 |
| Sum annen langsiktig gjeld | | 0 | 75 664 000 |

Sum langsiktig gjeld

0 **75 664 000**

Kortsiktig gjeld

| | | | |
|---------------------------------------|---|-------------------|--------------------|
| Liabilities to financial institutions | 8 | 10 284 000 | 137 004 000 |
| Leverandørgjeld | | 3 961 000 | 297 000 |
| Kortsiktig konserngjeld | | 10 661 000 | 86 321 000 |
| Other short term liabilities | | 33 863 000 | 12 270 000 |
| Group contribution | 6 | 24 000 000 | 6 805 000 |
| Dividend | | 0 | 30 000 000 |
| Sum kortsiktig gjeld | | 82 769 000 | 272 697 000 |



Balanse

| Beløp i: NOK | Note | 2020 | 2019 |
|---------------------------------|-------------|----------------------|----------------------|
| Sum gjeld | | 82 769 000 | 348 361 000 |
| SUM EGENKAPITAL OG GJELD | | 2 309 913 000 | 2 706 445 000 |



Konsernets resultatregnskap

| Beløp i: NOK | Note | 2020 | 2019 |
|--|------|----------------------|----------------------|
| RESULTATREGNSKAP | | | |
| Inntekter | | | |
| Operating income vessels | 2 | 1 149 943 000 | 1 085 534 000 |
| Other operating income | 2 | 8 849 000 | 73 588 000 |
| Sum inntekter | | 1 158 792 000 | 1 159 122 000 |
| Kostnader | | | |
| Payroll expenses | 9 | 489 073 000 | 504 958 000 |
| Depreciation and impairments | 1 | 227 262 000 | 231 632 000 |
| Other operating expenses | 9,10 | 504 575 000 | 318 050 000 |
| Sum kostnader | | 1 220 910 000 | 1 054 640 000 |
| Driftsresultat | | -62 118 000 | 104 482 000 |
| Finansinntekter og finanskostnader | | | |
| Income from associated companies | 4 | 1 077 000 | 0 |
| Annen renteinntekt | | 5 930 000 | 14 214 000 |
| Other financial income | 4 | 73 631 000 | 41 054 000 |
| Sum finansinntekter | | 80 638 000 | 55 268 000 |
| Annen rentekostnad | | 112 626 000 | 135 217 000 |
| Other financial expenses | 4 | 70 062 000 | 82 980 000 |
| Sum finanskostnader | | 182 688 000 | 218 197 000 |
| Netto finans | | -102 050 000 | -162 929 000 |
| Ordinært resultat før skattekostnad | | -164 168 000 | -58 447 000 |
| Ordinært resultat etter skattekostnad | | -164 168 000 | -58 447 000 |
| Tax on ordinary result | 13 | -11 587 000 | 30 097 000 |
| Årsresultat | | -175 755 000 | -28 350 000 |
| Overføringer og disponeringer | | | |
| Transfer group funds | | -175 755 000 | -28 350 000 |
| Sum overføringer og disponeringer | | -175 755 000 | -28 350 000 |



Konsernets balanse

| Beløp i: NOK | Note | 2020 | 2019 |
|--|------|----------------------|----------------------|
| BALANSE - EIENDELER | | | |
| Anleggsmidler | | | |
| Immaterielle eiendeler | | | |
| Utsatt skattefordel | 13 | 31 865 000 | 51 922 000 |
| Sum immaterielle eiendeler | | 31 865 000 | 51 922 000 |
| Varige driftsmidler | | | |
| Land, buildings, and other property | 1 | 9 000 000 | 6 888 000 |
| Machinery and equipment | 1,8 | 6 682 000 | 3 125 000 |
| Vessels | 1,8 | 4 736 235 000 | 5 128 284 000 |
| Vessels under construction | 1 | 377 739 000 | 0 |
| Fixtures | 1 | 951 000 | 1 248 000 |
| Sum varige driftsmidler | | 5 130 607 000 | 5 139 545 000 |
| Finansielle anleggsmidler | | | |
| Investeringer i tilknyttet selskap | 4 | 602 000 | 746 000 |
| Other receivables | 7,8 | 5 637 000 | 9 243 000 |
| Pension reserve | 12 | | 9 296 000 |
| Sum finansielle anleggsmidler | | 6 239 000 | 19 285 000 |
| Sum anleggsmidler | | 5 168 711 000 | 5 210 752 000 |
| Omløpsmidler | | | |
| Varer | | | |
| Fordringer | | | |
| Trade debtors | 8 | 193 198 000 | 191 900 000 |
| Other short term debtors | | 109 940 000 | 81 691 000 |
| Sum fordringer | | 303 138 000 | 273 591 000 |
| Investeringer | | | |
| Markedsbaserte aksjer | 4 | 2 099 000 | 2 093 000 |
| Sum investeringer | | 2 099 000 | 2 093 000 |
| Bankinnskudd, kontanter og lignende | | | |
| Cash in hand and bank deposits | 3,8 | 1 106 141 000 | 1 154 550 000 |



Konsernets balanse

| Beløp i: NOK | Note | 2020 | 2019 |
|---|------|----------------------|----------------------|
| Sum bankinnskudd, kontanter og lignende | | 1 106 141 000 | 1 154 550 000 |
| Sum omløpsmidler | | 1 411 378 000 | 1 430 234 000 |
| SUM EIENDELER | | 6 580 089 000 | 6 640 986 000 |

BALANSE - EGENKAPITAL OG GJELD

Egenkapital

Innskutt egenkapital

| | | | |
|---------------------------------|---|------------------|------------------|
| Share capital | 5 | 2 913 000 | 2 912 000 |
| Sum innskutt egenkapital | | 2 913 000 | 2 912 000 |

Opptjent egenkapital

| | | | |
|---------------------------------|---|----------------------|----------------------|
| Group funds | 5 | 2 921 846 000 | 2 971 358 000 |
| Minoritetsinteresser | 5 | -944 569 000 | -741 065 000 |
| Sum opptjent egenkapital | | 1 977 277 000 | 2 230 293 000 |

| | | | |
|----------------------|---|-------------|-------------|
| Minoritetsinteresser | 5 | 944 569 000 | 741 065 000 |
|----------------------|---|-------------|-------------|

| | | | |
|------------------------|--|----------------------|----------------------|
| Sum egenkapital | | 2 924 759 000 | 2 974 270 000 |
|------------------------|--|----------------------|----------------------|

Gjeld

Langsiktig gjeld

Annen langsiktig gjeld

| | | | |
|-----------------------------------|---|----------------------|----------------------|
| Gjeld til kredittinstitusjoner | 8 | 3 446 969 000 | 3 340 822 000 |
| Sum annen langsiktig gjeld | | 3 446 969 000 | 3 340 822 000 |

| | | | |
|-----------------------------|--|----------------------|----------------------|
| Sum langsiktig gjeld | | 3 446 969 000 | 3 340 822 000 |
|-----------------------------|--|----------------------|----------------------|

Kortsiktig gjeld

| | | | |
|---------------------------------------|----|-------------|-------------|
| Liabilities to financial institutions | 8 | 10 284 000 | 137 004 000 |
| Leverandørgjeld | | 52 142 000 | 18 870 000 |
| Income tax payable | 13 | 3 747 000 | 2 816 000 |
| Utbytte | | 0 | 32 953 000 |
| Public duties payable | | 25 924 000 | 9 309 000 |
| Other short term liabilities | | 116 264 000 | 124 942 000 |



Konsernets balanse

| Beløp i: NOK | Note | 2020 | 2019 |
|---------------------------------|-------------|----------------------|----------------------|
| Sum kortsiktig gjeld | | 208 361 000 | 325 894 000 |
| | | | |
| Sum gjeld | | 3 655 330 000 | 3 666 716 000 |
| | | | |
| SUM EGENKAPITAL OG GJELD | | 6 580 089 000 | 6 640 986 000 |



Skattedirektoratet

| | | |
|--|-----------------------------------|------------------------------|
| Saksbehandler Torstein Kinden Helleland | Deres dato 14.10.2015 | Vår dato 19.10.2015 |
| Telefon 22078139 | Deres referanse Håvard framnes | Vår referanse 2015/997960 |

ØSTENSJØ REDERI AS
Postboks 394
5501 HAUGESUND

Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk språk for Johannes Østensjø d.y. AS, org. nr. 959 518 319

Vi viser til deres brev av 14. oktober 2015 hvor dere søker om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk for Johannes Østensjø d.y. AS.

Skattedirektoratet gir på bakgrunn av en konkret helhetsvurdering Johannes Østensjø d.y. AS tillatelse til å utarbeide årsregnskap og årsberetning på engelsk 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

Johannes Østensjø d.y. AS er et holdingselskap for flere rederiselskaper med kontor i Haugesund. Selskapet eies 100 % av Verteks AS som igjen eies 100 % av Johannes Østensjø. Verteks AS fikk i vedtak (2014/354719) av 26. mai 2014 tillatelse til å benytte engelsk språk. Alle sentrale aktører og samarbeidspartnere innen denne bransjen behersker og benytter engelsk. Selskapet benytter også engelsk som arbeidsspråk. Det er heller ingen forhold rundt selskapets finansiering som skulle tilsi behov for regnskap på norsk – bankforbindelser etterspør kun informasjon på engelsk. Den norske versjonen utarbeides kun for å tilfredsstille regnskapsloven.

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

Postadresse
Postboks 9200 Grønland
0134 Oslo

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

Sentralbord
800 80 000
Telefaks
22 17 08 60



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.

Som nevnt ovenfor er det særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I denne vurderingen har Skattedirektoratet lagt vekt på at selskapet har en eier og at eierkretsen derfor er begrenset. Andre selskaper i konsernet har tidligere fått tilvarende dispensasjon. Videre er det vektlagt at sentrale aktører og samarbeidspartnere innen bransjen behersker og benytter engelsk og at selskapet benytter engelsk som arbeidsspråk.

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



Consolidated Financial Statements 2020

Johannes Østensjø dy AS

Director's report

Annual accounts

- Profit and loss statement
- Balance sheet
- Cash flow statement
- Notes

Auditor's report



JOHANNES ØSTENSJØ DY AS

DIRECTOR'S REPORT 2020

Operation and location

Johannes Østensjø dy AS (the "Company") is the parent company of the Johannes Østensjø dy Group (the "Group"). The core business of the Group is to own and operate vessels. Per year end 2020, the Group owned and operated three platform supply vessels, three light construction vessels, one construction vessel, one accommodation vessel, two service operation vessels, twelve tugs and eight mooring launches, in addition to having a newbuilding program, including two commissioning service operation vessels and two service operation vessels under construction in Spain. In addition, the Group chartered in one light construction vessel on a bareboat contract.

The Company has its administration located in Haugesund, Norway.

Future development and market conditions

Offshore and Accommodation market

The platform supply, construction and accommodation vessels owned and operated by the Group are mostly engaged in operations relating to the oil and gas market. The offshore oil and gas market has been challenging over a longer period. The start of 2021 gives expectations of an offshore service market in gradual improvement. This includes consideration for the roll-out of Covid-19 vaccine, a significant increase in oil prices and various economic support schemes which in combination are expected to contribute to increase the market activity and demand for tonnage. The Group has expectations that the market will improve gradually over time but will still be characterized by uncertainty and volatility for some time to come.

Tug market

The Group's tugs and mooring launches are mainly employed under long-term contracts in Norway and the UK. The contracts ensure visibility on utilization and stable earnings for the Group. Parts of the fleet are exposed to the spot market for tugs in the North Sea. Due to lower activity in the oil and gas industry, the market for the Group's tugs operating in the spot market has been variable with limited activity during certain periods. It is further expected that the market situation will improve over time. During first half of 2021 the Group has sold two tugs in Norway, and three tugs and two mooring launches in the UK. The UK vessels will still be operated by the Group under an existing long-term employment contract, as the vessels have been chartered back on a bareboat contract following the mentioned sale.

Offshore wind market

Both service operation vessels owned and operated by the Group are employed on long-term charters, and significant growth is expected in the offshore wind market going forward. The Group has an ambition of taking part in such growth and become a leading market player, offering high quality services and state of the art vessels based on zero emission technology.



In 2020 the Company entered into a partnership agreement with Wilh. Wilhelmsen Holding Invest AS for the strengthening of the growth of the Group's offshore wind commitment. In 2020 Wilh. Wilhelmsen Holding Invest AS became a co-owner in the subgroup Edda Wind AS with an ownership share of 25% and an option for an additional 25% share, which has been executed in 2021.

As for most companies in Norway and around the world, the Covid-19 virus will also affect the Group in 2021. However, the Covid-19 vaccine and various financial schemes recently established for the purpose of reducing the economic impact of the pandemic are expected to reduce the impact the virus will have on the Group. The Group follows the development related to the outbreak closely and is continuously making assessments and measures to limit the effects the virus could have on the business. Through established routines and implemented measures, the Group has handled the consequences of the Covid-19 pandemic and ensured a stable operation of its vessels through 2020.

Comments related to the financial statements

In the opinion of the Board of Directors, the information in the financial statements, including the notes, gives a complete and comprehensive overview over the Company's and the Group's development and result during 2020, in addition to the financial position at year-end. There have been no changes with paramount or strategic significance for the Company or the Group during 2020.

The result for 2020 shows a loss of NOK 130 941 000 for the Company and a loss of NOK 175 756 000 for the Group. In 2019, the Company reported a profit of NOK 58 389 000 and the Group a loss of NOK 28 349 000.

As per 31 December 2020 the Company's equity ratio was 96%, and the Group's consolidated equity ratio was 44%.

Total cash flow from operating activities for the Group was NOK 325 027 000 in 2020, and the operating loss was NOK 62 118 000. The difference mainly concerns ordinary depreciation and impairment of vessels. Investments in fixed assets for the Group in 2020 amounted to NOK 440 212 000, whereof the majority relating to Edda Wind AS and its offshore wind newbuilding program. Adjusted for NOK 188 557 000 in changes in other investments and NOK 88 690 000 in currency effects, the Group's net cash flow from investments in 2020 amounted to - NOK 340 345 000.

The Company's current assets on 31 December 2020 were NOK 228 219 000 and the Group's current assets were NOK 1 411 377 000. Current liabilities were NOK 82 769 000 and NOK 208 361 000, respectively.

The Board of Directors is not aware of any circumstances occurring after year-end with relevance to the assessment of the financial statements.

Going concern

In accordance with the Accounting Act §3-3, the Board of Directors affirms that the annual accounts have been prepared on the assumption that the Company is a going concern.



Financial risk

Credit risk

The risk of contractual partners not being able to fulfil their obligations is considered moderate, as the Group's customers mostly are solid companies with good solvency.

Market risk

During 2020 the Group had its revenues and operational expenses in Norwegian krone (NOK), British pounds (GBP), US dollars (USD) and Euro (EUR). The Group's debt is mainly denominated in the same currencies, but revenues and costs are not matching for each currency. Consequently, the Group is exposed to changes in currency rates.

A large portion of the long-term financing of the Group has floating interest rates and is therefore exposed to changes in the interest level.

Liquidity risk

The liquidity position of the Group is satisfactory, and per year end 2020 the cash in hand and bank deposits of the Group was NOK 1 106 141 000, with a working capital of NOK 1 203 016 000. There are no loan agreements entered into by any Group company maturing in 2021. The subsidiary group WS Holding AS, where the Company holds a majority share, has made extensive investments to its fleet during the first half of 2021, including battery installation on two light construction vessels. Such investments will have a significant negative effect on the shorter term liquidity in WS Holding AS. Consequently, WS Holding AS and its lenders have in 2021 agreed to minor adjustments in the current loan facility agreements to ensure shorter term debt servicing relief.

Further, the Group has entered into a newbuilding program for six offshore wind vessels through the subsidiary Edda Wind AS. The process of raising capital and securing financing for the newbuildings is ongoing, with long-term financing for two of the six vessels having been concluded.

The Board of Directors finds the liquidity risk of the Group and the Company to be acceptable due to the above-mentioned elements which are further described in note 15 (Subsequent events) to the financial statements.

HSEQ, Health, Safety, Environment and Quality

The companies in the Group operate in accordance with international rules and regulations. The ship management company within the Group is certified in accordance with ISO 14001:2015, ISO 9001:2015, ISO 45001, Marine Labour Convention, the International Safety Management Code's requirements, and the International Ship and Port Facility Security requirements. In addition, the company is qualified as supplier in Achilles FPAL, Achilles JQS, Achilles Supply line and Achilles Utilities NCE.

A high degree of effort is put into developing procedures, implementing work methods and adapting equipment in order to prevent and limit the effect of accidents. During 2020 a total of 4,918 HSE reports and safety observations were processed in the Group's HSE-system. The reports form a basis for the continuous work to avoid incidents and accidents with a key performance index system established to measure the effects of the work.



The Group is focusing on reducing emissions to the environment. Overall, the Group had emissions equivalent to 5 litres of oil into the environment in 2020. This is a reduction compared to 97 litres in 2019. Fuel consumption and emissions to air on the vessels of the Group is monitored in order to optimise the operation of the vessels, and the Group has achieved good results in reducing emissions in 2020.

The work environment onboard the vessels operated by the Group and in the offices is considered good. No discrimination among personnel is reported. The Group is continuously working on preventing discrimination. The Group's policy on discrimination is set out in ethical guidelines that apply to the business.

Long-term sick leave at year end 2020 was 2.2% and short-term sick leave was 1.3%. The Group is an IW Enterprise (Inclusive Working Life) and is actively working on reducing sick leave.

Offices and vessels are audited by flag states, certification bodies and by internal audit on a regular basis.

Gender equality

The proportion of women on board ships is still low, even though the company has focus on this. The overall standard of our vessels is adapted to a composition of both women and men. The company works to promote equality and prevent discrimination. The work includes recruitment, wages and working conditions, promotion, development opportunities and protection against harassment. Gender equality work is rooted in the company's various strategies and guidelines.

Board of Directors, ownership

The Company's board of directors consists of two board members. Together, the board members own 99.6% of the shares in the Company.

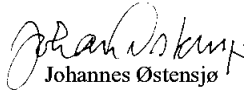
Reference is also made to the annual report and accounts of subsidiaries and associated companies.

31 December 2020

Haugesund, -----

30 June 2021


Sonja Margrethe Østensjø
Chairman of the Board of Directors


Johannes Østensjø
Board member



Johannes Østensjø d.y. AS
Consolidated Financial Statements

| Company | | | Group | |
|----------------|-----------------|---------------------------------------|--------------|----------------------------|
| (NOK 1.000) | | | (NOK 1.000) | |
| 31.12.2019 | 31.12.2020 | Profit and Loss account as per | Notes | 31.12.2020 31.12.2019 |
| | | Operating income | | |
| 0 | 0 | Operating income vessels | 2 | 1 149 943 1 085 534 |
| 1 | 1 175 | Other operating income | 2 | 8 849 73 588 |
| 1 | 1 175 | Total operating income | | 1 158 792 1 159 122 |
| | | Operating expenses | | |
| 342 | 342 | Payroll expenses | 9 | 489 073 504 958 |
| 2 120 | 7 373 | Other operating expenses | 9,10 | 227 262 231 632 |
| 0 | 0 | Depreciation and impairments | 1 | 504 575 318 050 |
| 2 462 | 7 715 | Total operating expenses | | 1 220 910 1 054 640 |
| -2 461 | -6 540 | Operating profit | | -62 118 104 482 |
| | | Financial income and expenses | | |
| 0 | 0 | Income from associated companies | 4 | 1 077 0 |
| 9 529 | 5 311 | Interest income | | 5 930 14 214 |
| 54 025 | 105 360 | Other financial income | | 73 631 41 054 |
| -6 789 | -3 835 | Interest expenses | | -112 626 -135 217 |
| -37 425 | -223 943 | Other financial expenses | 4 | -70 062 -82 980 |
| 19 340 | -117 107 | Net finance result | | -102 051 -162 929 |
| 16 879 | -123 647 | Profit before taxes | | -164 169 -58 446 |
| -41 510 | 7 294 | Tax on ordinary result | 13 | 11 587 -30 097 |
| 58 389 | -130 941 | Profit for the year | | -175 756 -28 349 |
| 0 | 0 | Minorities' share of result | | 40 612 -23 086 |
| 58 389 | -130 941 | Profit for the majority | | -216 368 -5 263 |



Johannes Østensjø d.y. AS
Consolidated Financial Statements

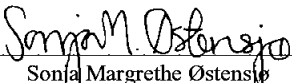
| Company | | | Group | | |
|--------------------------|------------------|------------------------------------|--------------|------------------|------------------|
| (NOK 1.000) | | | (NOK 1.000) | | |
| 31.12.2019 | 31.12.2020 | Balance Sheet as per | Notes | 31.12.2020 | 31.12.2019 |
| ASSETS | | | | | |
| Intangible assets | | | | | |
| 41 603 | 34 309 | Deferred tax assets | 13 | 31 865 | 51 922 |
| 41 603 | 34 309 | Total intangible assets | | 31 865 | 51 922 |
| Tangible assets | | | | | |
| 0 | 0 | Land, buildings and other property | 1 | 9 000 | 6 888 |
| 198 | 198 | Fixtures | 1 | 951 | 1 248 |
| 0 | 0 | Vessels | 1,8 | 4 736 235 | 5 128 284 |
| 0 | 0 | Vessels under construction | 1 | 377 739 | 0 |
| 0 | 6 057 | Machinery and equipment | 1,8 | 6 682 | 3 125 |
| 198 | 6 256 | Total tangible assets | | 5 130 607 | 5 139 544 |
| Financial assets | | | | | |
| 2 039 857 | 1 960 830 | Shares | 4 | 602 | 746 |
| 0 | 0 | Pension reserve | 12 | 0 | 9 296 |
| 66 703 | 74 661 | Debt to group companies | 6 | 0 | 0 |
| 9 243 | 5 637 | Other receivables | 7,8 | 5 637 | 9 243 |
| 2 115 803 | 2 041 128 | Total financial assets | | 6 239 | 19 285 |
| 2 157 605 | 2 081 693 | Total fixed assets | | 5 168 712 | 5 210 750 |
| Current assets | | | | | |
| 2 093 | 2 099 | Shares | 4 | 2 099 | 2 093 |
| 1 882 | 2 153 | Trade debtors | 8 | 193 198 | 191 900 |
| 11 845 | 7 382 | Other short-term debtors | | 109 940 | 81 691 |
| 23 485 | 22 714 | Debt to group companies | 6 | 0 | 0 |
| 18 047 | 0 | Dividend | 6 | 0 | 0 |
| 41 676 | 7 059 | Group contribution | 6 | 0 | 0 |
| 449 813 | 186 813 | Cash in hand and bank deposits | 3,8 | 1 106 141 | 1 154 550 |
| 548 841 | 228 219 | Total current assets | | 1 411 377 | 1 430 235 |
| 2 706 446 | 2 309 912 | TOTAL ASSETS | | 6 580 089 | 6 640 985 |

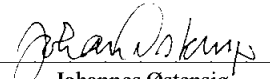


Johannes Østensjø d.y. AS
Consolidated Financial Statements

| Company | | | Group | | |
|-------------------------------|------------------|---|--------------|------------------|------------------|
| (NOK 1.000) | | | (NOK 1.000) | | |
| 31.12.2019 | 31.12.2020 | Balance Sheet as per | Notes | 31.12.2020 | 31.12.2019 |
| EQUITY AND LIABILITIES | | | | | |
| Equity | | | | | |
| 2 912 | 2 913 | Share capital (980 shares at NOK 2 972) | 5 | 2 913 | 2 912 |
| 82 | 82 | Share premium capital | 5 | 0 | 0 |
| 2 355 090 | 2 224 149 | Other equity | 5 | 0 | 0 |
| 0 | 0 | Group funds | 5 | 2 921 846 | 2 971 358 |
| 2 358 083 | 2 227 143 | Total equity | | 2 924 758 | 2 974 269 |
| 0 | 0 | Minorities' share of equity | 5 | -944 569 | -741 065 |
| Liabilities | | | | | |
| Long-term liabilities | | | | | |
| 0 | 0 | Liabilities to financial institutions | 8 | 3 446 969 | 3 340 822 |
| 75 664 | 0 | Debt to group companies | 6 | 0 | 0 |
| 75 664 | 0 | Total long-term liabilities | | 3 446 969 | 3 340 822 |
| Current liabilities | | | | | |
| 137 004 | 10 284 | Liabilities to financial institutions | 8 | 10 284 | 137 004 |
| 297 | 3 961 | Trade creditors | | 52 142 | 18 870 |
| 0 | 0 | Public duties payable | | 25 924 | 9 309 |
| 12 270 | 33 863 | Other short-term liabilities | | 116 264 | 124 942 |
| 86 321 | 10 661 | Debt to group companies | | 0 | 0 |
| 0 | 0 | Income tax payable | 13 | 3 747 | 2 816 |
| 6 805 | 24 000 | Group contribution | 6 | 0 | 0 |
| 30 000 | 0 | Dividend | | 0 | 32 953 |
| 272 698 | 82 769 | Total current liabilities | | 208 361 | 325 894 |
| 348 362 | 82 769 | Total liabilities | | 3 655 330 | 3 666 716 |
| 2 706 446 | 2 309 912 | TOTAL EQUITY AND LIABILITIES | | 6 580 089 | 6 640 985 |

Haugesund, 30 June 2021


Sonja Margrethe Østensjø
Chairman of the Board of Directors


Johannes Østensjø
Board member



Johannes Østensjø d.y. AS Cash Flow Statement

| Company | | | Group | |
|----------------|-----------------|---|------------------|------------------|
| (NOK 1.000) | | | (NOK 1.000) | |
| 2019 | 2020 | | 2020 | 2019 |
| | | <u>Cash flow from operations</u> | | |
| 16 879 | -123 647 | Result before taxes | -164 168 | -58 446 |
| 0 | 0 | Taxes paid | -2 816 | -7 593 |
| 222 | -39 148 | Gains/loss on sale of fixes assets and shares | -39 148 | -64 320 |
| 33 729 | 0 | Impairment / revaluation of shares and fixes assets | 219 521 | 67 616 |
| 0 | 0 | Ordinary depreciation | 285 054 | 250 969 |
| -32 952 | 0 | Group contribution | 0 | 0 |
| -3 766 | 0 | Dividend | 0 | -105 |
| 0 | 0 | Result of investments in associated companies | 0 | 0 |
| 0 | 0 | Foreign exchange loss/gain on translation of loan | 0 | 36 226 |
| 0 | 0 | Foreign exchange loss on translation og assets | 14 921 | -23 613 |
| 5 597 | 3 393 | Change in debtors / creditors balance | 48 589 | 14 825 |
| -117 901 | 89 283 | Change in other clearing posts | -36 926 | -67 324 |
| -98 191 | -70 120 | Net cash flow from operations | 325 027 | 148 236 |
| | | <u>Cash flow from investments</u> | | |
| -7 748 | -6 057 | Investments in fixed assets | -440 212 | -117 776 |
| 0 | 0 | Currency effects on fixed assets | -88 690 | |
| 0 | 0 | Sale / demerger fixes assets and shares | 0 | 320 107 |
| 41 | 96 695 | Change in other investments | 188 557 | -49 |
| -7 707 | 90 638 | Net cash flow from investments | -340 345 | 202 281 |
| | | <u>Cash flow from financing</u> | | |
| 3 984 | 0 | Admission of new debt | 455 079 | -36 226 |
| -67 959 | -288 698 | Repayment of debt | -468 119 | -201 377 |
| 46 363 | -4 352 | Change in other long-term receivables | 12 902 | -5 054 |
| 0 | 0 | Capital increase | 0 | 5 327 |
| 27 438 | 0 | Group contributions received | 0 | 0 |
| -56 975 | 0 | Group contributions paid | 0 | 0 |
| 157 320 | 39 531 | Dividends received | 0 | 0 |
| -30 000 | -30 000 | Dividends paid | -32 953 | -52 066 |
| 80 171 | -283 518 | Net cash flow from financing | -33 091 | -289 396 |
| -25 728 | -263 000 | Net change in cash flow for the year | -48 409 | 61 121 |
| 352 800 | 449 813 | Cash balance as per 1.1. | 1 154 549 | 1 093 428 |
| 122 741 | 0 | Cash flow from mergers and acquisitions | 0 | 0 |
| 449 813 | 186 813 | Cash balance as per 31.12. | 1 106 140 | 1 154 549 |



Johannes Østensjø d.y. AS Notes to the financial statements 2020

Corporate information

Johannes Østensjø dy AS (the "Company") is a company domiciled in Norway. The address of the Company's registered office is Smedasundet 97, 5525 Haugesund, Norway.

The consolidated financial statements of the Company as at and for the year ended 31 December 2020 comprise the Company and its subsidiaries (together referred to as the "Group" and individually as "Group entities"). The Group is primarily involved in owning and chartering vessels in the tug, offshore and offshore wind segment.

The consolidated financial statements are presented in NOK, and are rounded to nearest thousand unless clearly stated otherwise.

Information on the Group's structure is provided in Note 4. Information on other related party relationships of the Group is provided in Note 6.

Basis of preparation

The consolidated financial statements have been prepared in accordance with the Norwegian Accounting Act of 1998 and generally accepted accounting principles in Norway.

Transactions between group companies have been eliminated in the consolidated financial statements. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Investments in companies where the Group has significant influence (associate companies) are eliminated. In the consolidated financial statements, profit and loss accounts of both domestic and foreign subsidiaries, not using NOK as functional currency, are translated using the average exchange rate for the accounting period. Balance sheet items are translated using the balance sheet date as exchange date.

Shares in subsidiaries

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

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

Long-term trade investments

Long-term trade investments are recorded at historical cost. An impairment loss is recognized if the impairment is not considered to be temporary, in accordance with generally accepted accounting principles. Impairment losses are reversed if the reason for the impairment loss disappears in a later period.



Johannes Østensjø d.y. AS **Notes to the financial statements 2020**

Foreign currency

The financial statements of the Company and the Group are presented in NOK. Monetary items (assets, liabilities and bank deposits) in foreign currencies are converted at the exchange rate as on the balance sheet date.

Balance sheet items of foreign subsidiaries and subsidiaries with other accounting currency than NOK are converted with the exchange rates on the balance sheet date, and an average exchange rate for the year for the profit and loss statement. Foreign exchange gains and losses arising from translation of net investment in foreign subsidiaries and subsidiaries with other accounting currency than NOK are recognized directly in equity.

Valuation and classification of assets and liabilities

Assets intended for permanent ownership or use in the business are classified as non-current assets. Other assets are classified as current assets. Receivables due within one year are classified as current assets. The classification of current and non-current liabilities is based on the same criteria.

Current assets are valued at the lower of historical cost and fair value.

Fixed assets are carried at historical cost but are written down to their recoverable amount if this amount is lower than the carrying amount and the decline is expected to be permanent. Fixed assets with limited economic life are depreciated on a systematic basis in accordance with a reasonable depreciation schedule.

Hedge accounting

The Company uses derivative financial instruments such as interest rate swaps to hedge its interest rate risk. If the Company consider the hedge as effective, any gains or losses arising from changes in the fair value of derivatives are considered as an off-balance item. If considered hedge accounting payments/expenses under the interest rate swap agreement are classified as financial income or expenses.

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.

Use of estimates

The management has used estimates and assumptions that have affected the income statement and the valuation of assets and liabilities, as well as uncertain assets and liabilities on the balance sheet date during preparation of the financial statements in accordance with generally accepted accounting principles in Norway.

Trade receivables

Receivables are recorded at nominal value less realized and expected losses. Provisions for doubtful debts are made on the basis of individual assessment of each receivable.



Johannes Østensjø d.y. AS Notes to the financial statements 2020

Tangible assets

Tangible assets are recognized at cost less accumulated depreciation and accumulated impairment losses. Tangible assets acquired by the group companies are stated at historical cost. Historical cost comprises of the assets purchase price, borrowing costs and any direct attribute cost of bringing the asset to its operational condition. Significant fixed assets which consist of substantial components with dissimilar economic life have been unbundled and depreciation of each component is based on the economic life of the component.

Depreciation of assets is calculated on a straight-line basis over the economic life of the asset adjusted for residual value and impairment. Depreciation commences when the asset is ready for use.

For vessels, a share of the purchase price is decomposed to periodic maintenance and are depreciated until first classification of said vessel. Based on the Group's periodic maintenance program, the expected lifetime of the vessel is set to 30 years without residual value. The periodic maintenance is depreciated over 5 years.

Ordinary repairs and maintenance costs are charged to the income statement in the period which they are incurred, whereas costs for improving and upgrading of the asset are added to the acquisition cost and depreciated with the related asset.

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

The recoverable amount is the higher of the net selling price and value in use. When assessing recoverable value, estimated future cash flow are discounted to their current value using pre-tax discount rates. Each vessel is treated as one cash generating unit.

Assets under construction

Assets under construction and newbuild contracts are capitalized as tangible assets during construction. Yard instalments and all costs related to on-site supervision, project monitoring, borrowing costs including interest and other building cost are capitalized per newbuild. The depreciation starts from when the newbuilding is delivered from the yard.

Current asset investments

Current asset investments are valued at fair value, which is considered to be the market price pr. 31.12.2020.

Provisions

Provisions are recognized when the Group faces an obligation (legal or constructive) as a result of past event and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made on the amount of the obligation. The expense related to a provision is presented in the statement of profit and loss. All provisions are reviewed at end of each reporting period and adjusted to reflect best estimate.

Revenue and expense recognition

Revenue from freight operations is recognised when earned and most of the risk and return has been transferred, which would normally be in line with the operation of the vessel.

Expenses are recorded based on the matching principle, which means that costs are included in the same period as the related revenues are recognized.



Johannes Østensjø d.y. AS
Notes to the financial statements 2020

Pensions

The company finances its PBO to its employees through a group plan. In 2020 all employees have been transferred from a defined benefit pension to a defined contribution pension plan. Defined contribution plans are accounted for according to the matching principle. Contributions to the pension plan are recorded as expense.

Leases

Leases are classified as operating or finance leases based on an individual assessment of each lease agreement.

Income tax and deferred tax

The consolidated entities in the Group operates in different tax regimes, as the Group entities are domiciled in various countries.

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

For the Group entities that operates in the tonnage tax regime, there is no taxation on profits from operation of the vessel or from dividend for companies within the scheme. Financial income and expenses are subject to taxation under the tonnage tax regime, including taxation of the vessel's net weight. The tonnage tax is presented as an operating expense in the financial statements.

Cash Flow Analysis

The cash flow statement is prepared using the indirect method.

Note 1 - Tangible assets

| Company | Equipment | Fixtures | Total |
|-------------------------------------|--------------|------------|--------------|
| Book value 1.1. | 0 | 198 | 198 |
| Additions; crane under construction | 6 057 | 0 | 6 057 |
| Book value 31.12 | 6 057 | 198 | 6 256 |

| Group | Vessels | Fixtures | Machinery, equipment | Land, buildings, property | Total |
|---|------------------|------------|----------------------|---------------------------|------------------|
| Book value 1.1 | 5 128 284 | 1 248 | 3 125 | 6 888 | 5 139 544 |
| Acquisitions | 430 555 | | 6 057 | 3 600 | 440 212 |
| Foreign exchange gains / losses | -34 481 | -4 | | | -34 485 |
| Impairment | -218 033 | | | -1 488 | -219 521 |
| Annual depreciation | -282 260 | -293 | -2 500 | | -285 054 |
| Sum | 5 024 064 | 951 | 6 682 | 9 000 | 5 040 697 |
| Periodical maintenance | 89 909 | | | | 89 909 |
| Book value 31.12 | 5 113 974 | 951 | 6 682 | 9 000 | 5 130 607 |
| Remaining instalments newbuildings | 1 529 257 | | | | |



Johannes Østensjø d.y. AS **Notes to the financial statements 2020**

The depreciation schedule for vessels is 30 years straight-line depreciation. For drydocking, the depreciation is set to 5 years.

On a annual basis the balances are assessed whether there is an indication that vessels and newbuilding contracts may be impaired. If indicators are concluded to be present, an impairment test is performed. If the recoverable amount is lower than the book value, an impairment charge is recorded. Impairment losses are recognised in the profit and loss statement. An impairment loss recognised in prior period for an asset is reversed if, and only if, there has been a change in estimates used to determine the asset's recoverable amount since the last impairment loss was recognised.

Due to the challenging markets for offshore service providers there has been identified impairment indicators related to the Group's activity in general. The market value has been obtained from two independent brokers. If the obtained market value indicates impairment of the book value of the vessels, an impairment test has been performed on the fleet in order to calculate the recoverable amount for the Group's vessels.

The basis for the impairment test is the lowest of net sales value and value in use. Net sales value is calculated based on an average of the two broker values. Due to the challenging markets and low level of sales transactions of vessels in the offshore and offshore accommodation segments there is uncertainty with the broker values. Thus to substantiate the broker values the company has made a value in use calculation for each vessel in these segments. Each vessel constitutes a separate cash generating unit, which is tested separately for impairment. The value in use calculations are based on estimated discounted cash flows before financial items and tax. Estimated cash flows are based on the Group's budgets per vessel for 2021, and forecasted earnings going forward. The cash flows per vessels are calculated based on the vessels remaining useful lifetime.

Historical income rates, operational -and capital expenditure related to periodical maintenance, in addition to corresponding rate and expenditure levels for comparable vessels form the basis for the estimated cash flows. The market is expected to remain weak during the next 2-3 years, and thereafter to normalize.

For vessels on firm contracts it is assumed that the vessels are employed on charter parties up until expiry of the contracts, and expected charter hires and utilisation through the rest of the expected vessels usage time.

The cash flows used in the value in use calculations are discounted using a nominal average cost of capital after tax (WACC). 8.8% for the offshore vessels and 8.3% is used on both the offshore accommodation vessels and the tug vessels. The value in use calculations are based on best estimate, and due to the current weak market, there is a high level of uncertainty related to the estimates.

The recoverable amount is tested against each vessel's book value. In the event that the calculated recoverable amount is lower than book value of the vessel, impairment is made to reflect recoverable amount. The impairment tests also includes a sensitivity analysis on the key assumptions, including the charter hire rate of the vessel, utilisation, and WACC. The estimated value in use is highly sensitive to any changes in these assumptions.



Johannes Østensjø d.y. AS Notes to the financial statements 2020

Spanish tax leases

In connection with the newbuild contracts, the Group entities Edda Wind I AS, Edda Wind II AS, Edda Wind III AS and Edda Wind IV AS have together with the Spanish shipyards Balenciaga S.A and Astilleros Gondan, and i.a. certain Spanish banks and participant companies "AIE" (with external investors) set up a structure that qualifies for a Spanish tax regime for financial leasing of new build contracts and vessels (Spanish Tax Lease). Spanish Tax Lease is a structure that gives certain tax benefits in Spain that also give the Group lower construction cost for their vessels.

The newbuild contracts are agreements between the abovementioned Group entities and shipyards. The structure is set up so that the Norwegian ship owning companies transfer the newbuild contract to the Spanish Tax Lease structure. Further the Norwegian ship owning company will lease the vessels from the Spanish structure. This lease contract will normally have a contract length of 12 to 36 months from delivery of the vessel. At this point of time, the Norwegian ship owning company has a right and obligation to buy the shares of the Spanish AIE which at that time owns the vessel.

There are no opportunities for the external investors of the AIE to make any decisions for the AIE that has not been regulated in the contracts following the newbuilding contract and the tax lease contracts, and they are at the end of the contract period obliged to sell the shares to the Norwegian ship owning company. Also, all financing is going from the Norwegian ship owning companies to the shipyards, and the payments follows a fixed plan in accordance with the newbuild contract. There are no cash considerations paid between the Spanish structure and the Norwegian ship owning companies other than the payments to the yard and the purchase price of Euro 1 for the shares in the AIE company. The external financing of the vessel will remain in the Norwegian ship owning company during the tax lease period. Hence the Norwegian ship owning company will in reality be in control of the ship over the entire tax lease contract period, first through the bareboat agreement and then at the end of the tax lease when they have a right and an obligation to buy the shares in the Spanish AIE which owns the ship at that time.

Based on all facts and circumstances the Group has evaluated that they have control over the Spanish lease company (AIE), and in fact owns a vessel / vessel under construction. Thus for group accounting purposes the vessels will be accounted for at building cost during the tax lease period.

Note 2 - Revenue

Group

Revenue is generated from the following activities:

| | 2020 | 2019 |
|---------------------------------|------------------|------------------|
| Tugs | 273 430 | 271 530 |
| Offshore and Renewable | 876 407 | 764 438 |
| Accommodation | 106 | 49 566 |
| Total operating revenue vessels | 1 149 943 | 1 085 534 |
| Other operating income | 8 849 | 9 269 |
| Sale of assets | 0 | 64 320 |
| Total operating revenues | 1 158 792 | 1 159 122 |

Operating revenue is generated from the following geographical areas:

| | | |
|--------------------------|------------------|------------------|
| Norway | 641 198 | 539 495 |
| Europe | 508 745 | 496 473 |
| Outside Europe | 0 | 49 566 |
| Total operating revenues | 1 149 943 | 1 085 534 |



Johannes Østensjø d.y. AS
Notes to the financial statements 2020

Note 3 - Deposits

| | | |
|----------------------------|-----------------|-----------------|
| Group | 31.12.20 | 31.12.19 |
| Restricted cash represents | 432 049 | 84 560 |

Note 4 - Investments in subsidiaries and associated companies

Fixed assets

| Company | Business address | Ownership/ voting rights | Book value | Company's result | Company's equity |
|-------------------------------------|------------------|-----------------------------|------------------|------------------|------------------|
| Subsidiaries | | | | | |
| Østensjø Rederi AS | Norway | 100 % | 9 541 | -3 761 | 7 053 |
| Østensjø Drift AS | Norway | 100 % | 1 620 | 2 125 | 2 665 |
| Østensjø Rederi I AS | Norway | 100 % | 1 045 | 112 | 795 |
| Østensjø Rederi II AS | Norway | 100 % | 373 077 | -55 | 373 021 |
| Edda Acc. Holding AS | Norway | 0,3 % | 1 342 | -278 571 | 367 771 |
| WS Holding AS | Norway | 70,9 % | 514 430 | -134 132 | 699 873 |
| West Supply VII AS | Norway | 51 % | 263 859 | 413 | 518 451 |
| Edda Wind AS | Norway | 75 % | 452 253 | -9 633 | 550 940 |
| BT Holding AS | Norway | 85,9 % | 331 051 | 29 713 | 415 105 |
| AS Havørn | Norway | 97 % | 4 997 | -28 722 | 429 |
| Sjøenvegen AS | Norway | 100 % | 45 | -1 466 | -1 455 |
| Sjøenvegen II AS | Norway | 100 % | 45 | -620 | -590 |
| Mercator Crewing Holding AS | Norway | 50 % | 1 000 | -309 | 3 362 |
| Total shares in subsidiaries | | | 1 954 305 | | |

A write down of shares in WS Holding AS and AS Havørn of total NOK 221.070 is included in Other financial expenses in 2020.

| Associated companies and other companies | Business address | Ownership/ voting rights | Book value | Company's result | Company's equity |
|---|------------------|-----------------------------|--------------|------------------|------------------|
| Smedasundet Offshore AS | Norway | 46 % | 5 922 | 171 | 15 528 |
| Bleivik Simulator Holding AS | Norway | 21,5 % | 0 | -451 | -4 486 |
| Fri Langesund AS | Norway | 9,2 % | 402 | 1 956 | 11 820 |
| Fri Kvam AS | Norway | 4 % | 201 | 1 202 | 12 881 |
| Total shares in associated and other companies | | | 6 525 | | |

Total investments in long-term shares **1 960 830**

Group

Investments in subsidiaries

| | | |
|-----------------------|--------|-------|
| Østensjø Rederi AS | Norway | 100 % |
| Østensjø Drift AS | Norway | 100 % |
| Østensjø Rederi I AS | Norway | 100 % |
| Østensjø Rederi II AS | Norway | 100 % |



Johannes Østensjø d.y. AS
Notes to the financial statements 2020

| Investments in subsidiaries, continued | | |
|---|--------|--------|
| Edda Accommodation Holding AS | Norway | 100 % |
| EA Management AS | Norway | 100 % |
| Edda Accommodation Norway AS | Norway | 100 % |
| Edda Accommodation Management AS | Malta | 100 % |
| Edda Accommodation (Malta) Ltd | Malta | 100 % |
| Edda Accommodation Chartering Ltd | Malta | 100 % |
| Edda Accommodation II Ltd | Malta | 100 % |
| WS Holding AS | Norway | 70,9 % |
| West Supply I AS | Norway | 70,9 % |
| West Supply II Operation AS | Norway | 70,9 % |
| West Supply III AS | Norway | 70,9 % |
| West Supply VIII AS | Norway | 70,9 % |
| West Supply VII AS | Norway | 51 % |
| West Supply VII Eier AS | Norway | 51 % |
| West Supply VII Drift AS | Norway | 51 % |
| BT Holding AS | Norway | 85,9 % |
| Bugsertjeneste AS | Norway | 85,9 % |
| Bugsertjeneste IV AS | Norway | 85,9 % |
| Solent Towage Ltd | UK | 85,9 % |
| Mar de Gedrez SL | Spain | 85,9 % |
| Mar de Godos SL | Spain | 85,9 % |
| Mar de Grullas SL | Spain | 85,9 % |
| BT Malta Ltd | Malta | 85,9 % |
| BT Malta I Ltd | Malta | 85,9 % |
| AS Havørn | Norway | 97 % |
| Edda Wind AS | Norway | 75 % |
| Edda Wind Management AS | Norway | 75 % |
| Edda Wind I AS | Norway | 75 % |
| Edda Wind II AS | Norway | 75 % |
| Edda Wind III AS | Norway | 75 % |
| Edda Wind IV AS | Norway | 75 % |
| Edda Supply Ships (UK) Ltd | UK | 75 % |
| Edda Supply Ships III Ltd | UK | 75 % |
| Puerto de Calella SL | Spain | 75 % |
| Puerto de Llafranc SL | Spain | 75 % |
| Mercator Crewing Holding AS | Norway | 50 % |
| Mercator Crewing AS | Norway | 50 % |
| Mercator Baltic AS | Norway | 50 % |
| Mercator Asia AS | Norway | 50 % |
| Mercator Holding AS | Norway | 50 % |
| Mercator Services AS | Norway | 50 % |
| NMS Polen | Poland | 50 % |
| Sjøenvegen AS | Norway | 100 % |
| Sjøenvegen II AS | Norway | 100 % |
| Edda Crewing Services Ltd | UK | 100 % |



Johannes Østensjø d.y. AS
Notes to the financial statements 2020

| Investments in associated and other companies | Business address | Ownership/ voting | Book value | Company's result | Company's equity |
|---|------------------|-------------------|--------------|------------------|------------------|
| Bleivik Simulator Holding AS | Norway | 21,5 % | 0 | -451 | -4 486 |
| Fri Langesund AS | Norway | 9,2 % | 402 | 1 956 | 11 820 |
| Fri Kvam AS | Norway | 4,0 % | 201 | 1 202 | 12 881 |
| | | | 603 | | |
| Total investments in long-term shares | | | 603 | | |
| Investments in current assets | Number of shares | Market value | Book value | | |
| Parent/ Group | | | | | |
| DNB ASA | 12 692 | 2 099 | 2 099 | | |
| Total current shares | | | 2 099 | | |

Note 5 - Equity

Company

The share capital in the Company at 31.12 consists of the following classes:

| | Number | Nominal amount | Carrying value |
|--------------|------------|----------------|------------------|
| A-shares | 101 | 2 972 | 300 172 |
| B-shares | 879 | 2 975 | 2 615 025 |
| Total | 980 | | 2 915 197 |

Ownership structure - largest shareholders as of 31 December 2020:

| | A-Shares | B-shares | Total | Ownership share | Voting share |
|---|-----------|------------|------------|-----------------|--------------|
| Verteks II AS | 0 | 879 | 879 | 89,7 % | 0 |
| Verteks AS | 97 | 0 | 97 | 9,9 % | 96 % |
| Total shareholders with minimum 1% ownership | 97 | 879 | 976 | 99,6 % | 96 % |

| Changes in equity Company | Share capital | Share premium reserve | Valuation variance reserve | Retained earnings | Total equity |
|---------------------------|---------------|-----------------------|----------------------------|-------------------|------------------|
| Equity 1.1 | 2 912 | 82 | 687 | 2 354 403 | 2 358 083 |
| Profit for the year | | | | -130 941 | -130 941 |
| Capital increase | 1 | 0 | | | 1 |
| Dividend | | | | | 0 |
| Equity 31.12 | 2 913 | 82 | 687 | 2 223 463 | 2 227 143 |

| Changes in equity | Share | Group | Total | Minority |
|-------------------|-------|-------|-------|----------|
|-------------------|-------|-------|-------|----------|



Johannes Østensjø d.y. AS
Notes to the financial statements 2020

| Group | capital | funds | equity | share |
|---|----------------|------------------|------------------|----------------|
| Equity 01.01 | 2 912 | 2 971 357 | 2 974 269 | 741 065 |
| The Group's profit for the year | | -175 756 | -175 756 | 40 612 |
| Dividend to minority | | -3 516 | -3 516 | -3 516 |
| Changes to minority share | | 185 970 | 185 970 | 185 970 |
| Currency translation differences | | 38 708 | 38 708 | |
| Effect of reduction of majority ownership in subsidiaries | | -89 283 | -89 283 | |
| Other changes | 1 | -5 635 | -5 634 | -19 562 |
| Equity 31.12 | 2 913 | 2 921 845 | 2 924 758 | 944 569 |

Note 6 - Intercompany

Company

Receivables

| | | 2020 | 2019 |
|---------------------|---|---------------|---------------|
| AS Havørn | Debt to group companies, fixed assets | 63 691 | 60 650 |
| Edda Wind AS | Debt to group companies, current assets | 0 | 45 |
| Sjøenvegen AS | Debt to group companies, current assets | 7 259 | 6 912 |
| West Supply I AS | Debt to group companies, current assets | 0 | 1 352 |
| West Supply VIII AS | Debt to group companies, current assets | 163 | 0 |
| Edda Wind AS | Debt to group companies, current assets | 1 274 | 0 |
| Edda Wind I AS | Debt to group companies, current assets | 200 | 0 |
| Edda Wind II AS | Debt to group companies, current assets | 508 | 0 |
| West Energy AS | Debt to group companies, current assets | 0 | 6 053 |
| Østensjø Rederi AS | Debt to group companies, current assets | 0 | 2 |
| | | 73 095 | 75 014 |

Debt to group companies

| | | 2020 | 2019 |
|----------------------------|--|---------------|----------------|
| Østensjø Rederi AS | Debt to group companies, current liabilities | 8 | 0 |
| Østensjø Drift AS | Debt to group companies, current liabilities | 0 | 54 |
| Østensjø Rederi I AS | Debt to group companies, current liabilities | 368 | 37 397 |
| Verteks AS | Debt to group companies, current liabilities | 2 996 | 0 |
| Sjøklar AS | Debt to group companies, current liabilities | 1 287 | 0 |
| Verteks II AS | Debt to group companies, current liabilities | 20 832 | 0 |
| Torksey Limited (wound up) | Debt to group companies, current liabilities | 0 | 124 534 |
| | | 25 491 | 161 986 |



Johannes Østensjø d.y. AS Notes to the financial statements 2020

Note 7 - Long-term receivables

| Company | 2020 | 2019 |
|------------------------------------|---------------|---------------|
| Deep Well AS | 12 587 | 12 587 |
| Nord Well AS | 26 867 | 26 867 |
| Jødy Eiendom AS | 0 | 3 606 |
| P/R Olav Østensjø | 5 637 | 5 637 |
| Total | 45 091 | 48 697 |
| Provision for expected losses | -39 454 | -39 454 |
| Total long-term receivables | 5 637 | 9 243 |

| Group | | |
|------------------------------------|---------------|---------------|
| Jødy Eiendom AS | 0 | 3 606 |
| P/R Olav Østensjø | 5 637 | 5 637 |
| Deep Well AS | 12 587 | 12 587 |
| Nord Well AS | 26 867 | 26 867 |
| Total long-term receivables | 45 091 | 48 697 |
| Provision for expected losses | -39 454 | -39 454 |
| Total long-term receivables | 5 637 | 9 243 |

The group has made a provision for losses related to Deep Well AS and Nord Well AS to the amount of NOK 39,454.

Note 8 - Mortgages, Guarantees and Warranties

| Company | 2020 | 2019 |
|--|---------------|---------------|
| Pledged Debt | 10 284 | 137 004 |
| Book value of pledged assets | | |
| Receivables (mortgage deed on NOK 5 mill.) | 91 656 | 92 944 |
| 950 shares in subsidiary Østensjø Rederi I AS (nom. value NOK 1.000) | 1 045 | 1 045 |
| 900 shares in subsidiary AS Havørn (nom. Value NOK 1.000) | 4 997 | 4 997 |
| Total book value of pledged assets | 97 697 | 98 985 |

Per year-end the Company provided guarantees related to pledged debt in debt in subsidiaries amounting to NOK 115 million, EUR 3.2 million, GBP 19.7 million and USD 50.2 million for companies in the Group.



Johannes Østensjø d.y. AS Notes to the financial statements 2020

| Group | 2020 | 2019 |
|--|------------------|------------------|
| Pledged Debt | 3 446 969 | 3 340 822 |
| Liabilities due more than 5 years after year end | 514 043 | 188 581 |
| Book value of pledged assets: | | |
| Receivables | 295 155 | 292 091 |
| Vessels | 5 113 974 | 5 128 285 |
| Bank deposits | 520 761 | 668 043 |
| Total mortgages | 5 929 891 | 6 088 419 |

The Group has secured the long-term financing of the newbuilding vessel C-489 with a private placement loan facility in the first quarter of 2021.

Note 9 - Remuneration

Company

The company has no employees and is therefore not obliged to follow the Act on mandatory occupational pensions.

Remuneration to board members amounted to NOK 300.000 in 2020.

Audit fees for 2020 amounts to NOK 279.000 to statutory audit and NOK 375.162 for consulting services (ex. VAT).

| Group | 2020 | 2019 |
|---|----------------|----------------|
| Salaries | 538 908 | 602 192 |
| Reimbursement net pay arrangement | -52 763 | -41 607 |
| Salaries reclaimed | -279 676 | -296 767 |
| Changes in pension liabilities | 9 296 | -1 155 |
| Employers' national insurance contributions | 85 704 | 88 783 |
| Other employment costs | 187 604 | 153 512 |
| Total remuneration | 489 073 | 504 958 |

The average number of Group employees is 830 including seafarers. Salaries for seamen are charged the respective shipping company.

Audit fees for 2020 comprise statutory audit NOK 3.167 and consulting services NOK 1.600

Total remuneration to board members is NOK 2.535 in 2020.

Note 10 - Lease-agreements

Group

| Specification of other operating costs | 2020 | 2019 |
|---|-------------|-------------|
| Operating leasing cost, vessels | 15 095 | 11 416 |

Other operating leases are considered to be of minor nature for the Group, and have therefore not specified.

Note 11 - Financial Instruments



Johannes Østensjø d.y. AS
Notes to the financial statements 2020

Of the Groups outstanding USD-debt in West Supply VII Eier AS 60% is secured through long-term interest rate swaps to hedge future cash flow. The interest swaps is included in the interest expenses and the liabilities is recorded off-balance.

The notional amount under agreement one is USD 14.625.000 with termination date on 26 November 2021. The market value of agreement one is USD -107.446 excl. accrued interest as of 31 December 2020.

The notional amount under agreement two is USD 8.428.125 with termination date on 25 August 2021. The market value of agreement two is USD -83.062 excl. accrued interest as of 31 December 2020.

The notional amount under agreement three is USD 14.625.000 with termination date on 1 September 2021. The market value of agreement three is USD -113.905 excl. accrued interest as of 31 December 2020.

The notional amount under agreement four is USD 8.428.125 with termination date on 25 August 2021. The market value of agreement four is USD -98.774 excl. accrued interest as of 31 December 2020.

The Groups outstanding GBP-debt in Puerto de Calella SL and Puerto de Llafranc SL (Edda Wind group) is secured through long-term interest rate swaps to hedge future cash flow. The interest swaps is included in the interest expenses and the liabilities is recorded off-balance.

The notional amount under agreement one is GBP 9.262.500 with termination date on 27 February 2023. The market value of agreement one is GBP -229.448 excl. accrued interest as of 31 December 2020.

Of the Groups outstanding NOK debt in BT Holding AS NOK 44.000.000 is secured through long-term interest rate swap to hedge future cash flow. Interest swaps is included in the interest expenses and the liability is recorded off-balance. Termination date of interest swap is 23 December 2021. The market value of the agreement is NOK - 330.445 excl. accrued interest as of 31 December 2020.

The Group has entered into one forward contracts to buy/sell NOK/GBP in AS Havørn. The foreign exchange contracts is considered as hedge accounting, fair value from the derivatives is recorded off-balance. The forex contract is related to the long-term Charter Party for Edda Sun.

The notional amount under agreement one is NOK 5.530.500 with termination date on 19 January 2021. The market value of agreement one is NOK -282.058 as of 31 December 2020.



Johannes Østensjø d.y. AS Notes to the financial statements 2020

Note 12 - Projected Benefit Obligation (PBO)

Group

The Group is required to have an occupational pension scheme under the Act on mandatory occupational pensions. The Group's pension scheme meets the requirements of this Act.

Defined benefit pension

During 2020 all employees has been moved from defined benefit pension scheme to defined contribution scheme.

As of 31.12.20 a total of 269 members was included in the defined contribution pension scheme.

Actuarial gains has been recorded in the profit and loss for 2020.

| Assumptions: | 2020 | 2019 |
|--|---------------|---------------|
| Discount rate | 2,30 % | 2,60 % |
| Expected return on plan assets | 3,80 % | 4,30 % |
| Salary increases | 2,25 % | 2,75 % |
| Annual increase in base amount | 2,00 % | 2,50 % |
| Payroll tax | 13,50 % | 13,50 % |
| Present value of pension earnings | 0 | 7 327 |
| Employer's wage taxation | -1 | 913 |
| Interest cost on benefit obligation | 0 | 2 290 |
| Return on plan assets | -5 | -3 602 |
| P&L effect of estimate deviations | 2 408 | 632 |
| P&L effect actuarial loss | 9 629 | -25 098 |
| P&L effect, share of actuarial loss by termination | 14 576 | 9 542 |
| Overheads | 0 | 752 |
| Net pension costs | 26 606 | -7 245 |
| Accrued pension liabilities (DO) | 0 | 45 148 |
| Plan assets (at market) | 0 | 53 338 |
| Accrued benefit obligation (DBO) excl. Employer's wage taxation | 0 | 8 190 |
| Employer's wage taxation | 0 | 1 106 |
| Accrued liabilities including Employer's wage taxation | 0 | 9 296 |
| Unrecognized effects of estimate deviations | 0 | 0 |
| Net accrued pension asset/ (liability) including Employer's wage taxation | 0 | 9 296 |



Johannes Østensjø d.y. AS Notes to the financial statements 2020

Note 13 - Taxes

| Company | 2020 | 2019 | |
|---|--------------|--------------|---------------|
| Profit before taxes | -123 647 | 16 879 | |
| Permanent differences | 0 | -77 | |
| Change in temporary differences | -10 331 | -12 914 | |
| Impairment shares | 221 070 | 0 | |
| Impairment receivables | 0 | 0 | |
| Value adjustment shares | -6 | 33 729 | |
| Group contribution | -5 480 | 8 724 | |
| Profit by sale of shares in limited partnerships and other shares | -62 073 | 0 | |
| Dividend, not taxable income | 0 | -3 766 | |
| 3% addition of received dividends | 541 | 439 | |
| Taxable income, before group contribution | 20 076 | 43 014 | |
| Group contribution | 7 059 | 0 | |
| Applied tax loss this year | -27 134 | -43 014 | |
| Taxable income | 0 | 0 | |
| Temporary differences | 01.01 | 31.12 | Change |
| Temporary differences (DTA) | -189 106 | -155 952 | -33 154 |
| Basis for deferred tax | -189 106 | -155 952 | -33 154 |
| Deferred tax in Norwegian companies | (41 603) | (34 309) | (7 294) |

| Income tax expense | 2020 | 2019 |
|---------------------------|--------------|----------------|
| Tax payable | 0 | 0 |
| Change in deferred tax | 7 294 | -41 516 |
| Other | 0 | 6 |
| Income tax expense | 7 294 | -41 510 |

| Tax payable | | |
|--|----------|----------|
| Tax payable of taxable income | 4 | 9 463 |
| Tax effect of group contribution | 2 | 0 |
| Tax effect of applied tax loss this year | -6 | -9 463 |
| Tax payable | 0 | 0 |

Group

Havørn AS, West Supply VII Eier AS, West Supply I AS, West Supply III AS and West Supply VIII AS are taxed in accordance with the Tax Act § 8-10.

| Taxes | 2020 | 2019 |
|---|---------------|----------------|
| Tax liability | 5 172 | 19 309 |
| Correction in previous years, foreign exchange gains / losses on taxes abroad | 0 | 6 |
| Changes in deferred tax | 6 414 | -49 413 |
| Income tax expense | 11 587 | -30 097 |



Johannes Østensjø d.y. AS Notes to the financial statements 2020

| | | | |
|---|----------------|-----------------|----------------|
| Short-term tax liability | | | |
| Taxable income in companies under ordinary tax regime | | <u>3 747</u> | <u>2 816</u> |
| Short-term tax liability Norwegian companies | | 3 248 | 2 174 |
| Short-term tax liability foreign companies | | 498 | 642 |
| Total short-term tax liability | | <u>3 747</u> | <u>2 816</u> |
| Temporary differences ordinary tax regime | 1.1.20 | 31.12.20 | Change |
| Temporary differences (DTA) | -190 133 | -102 812 | -87 321 |
| Basis for deferred tax | -190 133 | -102 812 | -87 321 |
| Deferred tax in Norwegian companies | -53 928 | -33 401 | -20 526 |
| Deferred tax in foreign companies | 2 006 | 1 536 | 470 |
| Total deferred tax asset / - liability | <u>-51 922</u> | <u>-31 865</u> | <u>-20 057</u> |

Note 14 - Other circumstances

The impact on the company subsequent to the balance sheet date as a result of the steps taken by the Government to control the Covid-19 pandemic is uncertain. This is the case for the majority of businesses in Norway and around the World.

The Company is closely monitoring the developments related to the Covid-19 outbreak and makes ongoing assessments and measures to minimize the impact on the Company's operations and financial result.

The Directors do not consider that the Covid-19 pandemic has had a material impact on the Company's financial position at the balance sheet date and thus no adjustments have been made to the carrying values of the Company's assets and liabilities as at 31 December 2020.

Note 15 - Subsequent events

In 2021 the subsidiary group Edda Wind AS established a new wholly owned company, Edda Wind Management AS, for the purpose of strategic, financial and commercial management of the Edda Wind Group.

Furthermore, the Edda Wind Group has acquired two new wholly-owned subsidiaries in 2021, Edda Wind V AS and Edda Wind VI AS for the purpose of ordering of two newbuildings.

During first half of 2021 the Group has sold two tugs in Norway, and three tugs and two mooring launches in the UK. The UK vessels will still be operated by the Group under the existing long-term charter, as the vessels have been chartered back on bareboat contract following the mentioned sale.



Johannes Østensjø d.y. AS
Notes to the financial statements 2020

Financial situation

There are no loan agreements entered into by any Group company maturing in 2021. In the first half of 2021 The Subsidiary Group WS Holding has made significant investments to adapt the fleet to market demand with an increased focus on the use of more environmentally friendly technology. Some of the investments generate support from ENOVA, but will in the short term have a significant negative effect on the liquidity of the group, as three of The Subsidiary Group WS Holding's vessels over a period in the first quarter will be without earnings as a consequence of drydock maintenance at yards and the investments made. Consequently, WS Holding AS and its lenders have in 2021 agreed to minor adjustments in the current loan facility agreements to ensure shorter term debt servicing relief.



Statsautoriserte revisorer
Ernst & Young AS

Thormøhlens gate 53 D, NO-5006 Bergen
Postboks 6163, NO-5892 Bergen

Foretaksregisteret: NO 976 389 387 MVA
Tlf: +47 24 00 24 00

www.ey.no
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INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of Johannes Østensjø dy AS

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Johannes Østensjø dy AS, which comprise the financial statements for the parent company and the Group. The financial statements for the parent company and the Group comprise the balance sheets as at 31 December 2020, the income statement statements 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 have been prepared in accordance with laws and regulations and present fairly, in all material respects, the financial position of the Company and the Group as at 31 December 2020 and their financial performance and cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Basis for opinion

We conducted our audit in accordance with 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 and the Group 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.

Other information

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

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

Responsibilities of management for the financial statements

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



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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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;
- ▶ obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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 the Board of Directors' report

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

Independent auditor's report - Johannes Østensjø d/y AS

A member firm of Ernst & Young Global Limited

Penneo Dokumentnr: JJSNZ-LLIGY-EM70E-1ZQUIT-6J05Z-EC2NQ



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.

Bergen, 05 July 2021
ERNST & YOUNG AS

The auditor's report is signed electronically

Øyvind Nore
State Authorised Public Accountant (Norway)

Penneo Dokumentnr: JJSNZ-LLIGY-EM70E-1ZQUT-6J05Z-EC2NQ



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Øyvind Nore

Statsautorisert revisor

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