



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2022 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer:	896 696 262
Organisasjonsform:	Aksjeselskap
Foretaksnavn:	DEEPOCEAN GROUP HOLDING AS
Forretningsadresse:	Ruseløkkveien 26 0251 OSLO

Regnskapsår

Årsregnskapets periode:	01.01.2022 - 31.12.2022
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Konsern

Morselskap 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:	IFRS

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet:	Eirik Røkenes Vrålstad
Dato for fastsettelse av årsregnskapet:	21.03.2023

Grunnlag for avgivelse

År 2022: Årsregnskapet er elektronisk innlevert
År 2021: Tall er hentet fra elektronisk innlevert årsregnskap fra 2022

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, 16.07.2024



Resultatregnskap

Beløp i: NOK	Note	2022	2021
RESULTATREGNSKAP			
Inntekter			
Operating revenue		170 091 000	157 107 000
Sum inntekter		170 091 000	157 107 000
Kostnader			
Depreciation and amortization		6 527 000	4 881 000
Operating expenses		162 556 000	316 486 000
Sum kostnader		169 083 000	321 367 000
Driftsresultat		1 008 000	-164 260 000
Finansinntekter og finanskostnader			
Annen renteinntekt			0
Finance income		2 761 065 000	1 336 235 000
Sum finansinntekter		2 761 065 000	1 336 235 000
Finance expenses		312 384 000	804 916 000
Sum finanskostnader		312 384 000	804 916 000
Netto finans		2 448 681 000	531 319 000
Ordinært resultat før skattekostnad		2 449 689 000	367 059 000
Income tax expense		110 486 000	2 435 000
Ordinært resultat etter skattekostnad		2 339 203 000	364 624 000
Årsresultat		2 339 203 000	364 624 000
Overføringer og disponeringer			
Share premium			364 624 000
Retained earnings		2 339 203 000	
Sum overføringer og disponeringer		2 339 203 000	364 624 000



Balanse

Beløp i: NOK	Note	2022	2021
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Intangible assets		33 086 000	39 386 000
Utsatt skattefordel			7 209 000
Sum immaterielle eiendeler		33 086 000	46 595 000
Varige driftsmidler			
Property, plant and equipment		894 000	385 000
Sum varige driftsmidler		894 000	385 000
Finansielle anleggsmidler			
Investering i datterselskap		3 843 618 000	1 619 152 000
Lån til foretak i samme konsern		157 036 000	167 778 000
Sum finansielle anleggsmidler		4 000 654 000	1 786 930 000
Sum anleggsmidler		4 034 634 000	1 833 910 000
Omløpsmidler			
Varer			
Fordringer			
Trade receivables		0	0
Trade receivables on group companies		24 331 000	163 078 000
Other receivables		10 083 000	10 375 000
Konsernfordringer		651 140 000	436 411 000
Sum fordringer		685 554 000	609 864 000
Bankinnskudd, kontanter og lignende			
Cash and cash equivalents		42 954 000	54 441 000
Sum bankinnskudd, kontanter og lignende		42 954 000	54 441 000
Sum omløpsmidler		728 508 000	664 305 000
SUM EIENDELER		4 763 142 000	2 498 215 000



Balanse

Beløp i: NOK	Note	2022	2021
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Share capital		27 253 000	71 500 000
Overkurs		321 532 000	680 177 000
Annen innskutt egenkapital		2 716 789 000	377 586 000
Sum innskutt egenkapital		3 065 574 000	1 129 263 000
Sum egenkapital		3 065 574 000	1 129 263 000
Gjeld			
Langsiktig gjeld			
Annen langsiktig gjeld			
Gjeld til kredittinstitusjoner		836 542 000	871 895 000
Langsiktig konserngjeld		480 848 000	313 768 000
Deferred tax liabilities		10 000	
Sum annen langsiktig gjeld		1 317 400 000	1 185 663 000
Sum langsiktig gjeld		1 317 400 000	1 185 663 000
Kortsiktig gjeld			
Current tax liabilities		102 711 000	6 588 000
Trade payables to group companies		104 458 000	79 334 000
Trade payables		37 685 000	36 246 000
Other current liabilities		42 024 000	49 926 000
Other current liabilities to group companies		93 290 000	11 195 000
Sum kortsiktig gjeld		380 168 000	183 289 000
Sum gjeld		1 697 568 000	1 368 952 000
SUM EGENKAPITAL OG GJELD		4 763 142 000	2 498 215 000



Konsernets resultatregnskap

Beløp i: USD	Note	2022	2021
RESULTATREGNSKAP			
Inntekter			
Revenue from contracts with customers		556 095 000	483 737 000
Other income		9 990 000	15 690 000
Sum inntekter		566 085 000	499 427 000
Kostnader			
Materials, goods and services		256 579 000	236 780 000
Personnel expenses		127 380 000	120 282 000
Depreciation and amortization		109 650 000	71 489 000
Nedskrivning av varige driftsmidler og immaterielle eiendeler		8 000	3 466 000
Other operating expenses		6 641 000	17 494 000
Sum kostnader		500 258 000	449 511 000
Driftsresultat		65 827 000	49 916 000
Finansinntekter og finanskostnader			
Profit (loss) from equity-accounted investees		1 268 000	500 000
Finance income		15 497 000	33 221 000
Sum finansinntekter		16 765 000	33 721 000
Finance expenses		35 500 000	37 403 000
Sum finanskostnader		35 500 000	37 403 000
Netto finans		-18 735 000	-3 682 000
Ordinært resultat før skattekostnad			
		47 092 000	46 234 000
Income tax expense		17 155 000	21 221 000
Ordinært resultat etter skattekostnad		29 937 000	25 013 000
Profit (loss) from discontinued operations		-899 000	73 348 000
Årsresultat		29 038 000	98 361 000
Minoritetsinteresser		-527 000	1 471 000
Årsresultat etter minoritetsinteresser		29 565 000	96 890 000



Konsernets resultatregnskap

Beløp i: USD	Note	2022	2021
Currency translation differences - foreign operations		14 954 000	5 450 000
Remeasurement gain (loss) net defined benefit obligations		208 000	-1 654 000
Remeasurements of defined pension obligations, deferred tax effect		-41 000	341 000
Sum resultatkomponenter for IFRS-foretak		15 121 000	4 137 000
Totalresultat		44 686 000	101 027 000
Overføringer og disponeringer			
Owners of the parent		29 564 000	96 891 000
Non-controlling interests		-527 000	1 471 000
Sum overføringer og disponeringer		29 037 000	98 362 000



Konsernets balanse

Beløp i: USD	Note	2022	2021
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Intangible assets		5 226 000	4 511 000
Sum immaterielle eiendeler		5 226 000	4 511 000
Varige driftsmidler			
Property, plant and equipment		60 436 000	59 657 000
Right-of-use assets		187 701 000	52 684 000
Sum varige driftsmidler		248 137 000	112 341 000
Finansielle anleggsmidler			
Equity accounted investees		3 616 000	2 248 000
Deferred tax assets		5 094 000	4 282 000
Pension assets		310 000	32 000
Other non-current assets		577 000	398 000
Sum finansielle anleggsmidler		9 597 000	6 960 000
Sum anleggsmidler		262 960 000	123 812 000
Omløpsmidler			
Varer			
Inventories		7 792 000	4 349 000
Sum varer		7 792 000	4 349 000
Fordringer			
Trade and other receivables		69 433 000	70 789 000
Current income tax receivable		621 000	745 000
Contract assets		54 424 000	38 737 000
Assets classified as held for sale		310 000	1 172 000
Sum fordringer		124 788 000	111 443 000
Bankinnskudd, kontanter og lignende			
Cash and cash equivalents		86 253 000	102 864 000
Sum bankinnskudd, kontanter og lignende		86 253 000	102 864 000



Konsernets balanse

Beløp i: USD	Note	2022	2021
Sum omløpsmidler		218 833 000	218 656 000
SUM EIENDELER		481 793 000	342 468 000
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Share capital		3 718 000	8 108 000
Share premium		44 833 000	80 416 000
Sum innskutt egenkapital		48 551 000	88 524 000
Opptjent egenkapital			
Reserves		15 187 000	92 000
Accumulated losses		-13 429 000	-42 993 000
Minoritetsinteresser		-7 579 000	-7 052 000
Sum opptjent egenkapital		-5 821 000	-49 953 000
Sum egenkapital		42 730 000	38 571 000
Gjeld			
Langsiktig gjeld			
Annen langsiktig gjeld			
Non-current borrowings		85 313 000	99 108 000
Non-current lease liabilities		100 479 000	10 876 000
Pension liabilities		186 000	905 000
Deferred tax liabilities		270 000	622 000
Non-current provisions		62 000	
Sum annen langsiktig gjeld		186 310 000	111 511 000
Sum langsiktig gjeld		186 310 000	111 511 000
Kortsiktig gjeld			
Current lease liabilities		106 937 000	52 170 000
Current tax liabilities		16 005 000	6 419 000
Current provisions		2 097 000	507 000
Contract liabilities		11 828 000	5 882 000



Konsernets balanse

Beløp i: USD	Note	2022	2021
Trade and other payables		115 626 000	125 715 000
Liabilities classified as held for sale		260 000	1 693 000
Sum kortsiktig gjeld		252 753 000	192 386 000
 Sum gjeld		 439 063 000	 303 897 000
 SUM EGENKAPITAL OG GJELD		 481 793 000	 342 468 000



Brønnøysundregistrene

ÅRSREGNSKAP FOR REGNSKAPSÅRET 2022 - GENERELL INFORMASJON

Journalnummer: 2023 724905

Enheten

Organisasjonsnummer: 896 696 262
Organisasjonsform: Aksjeselskap
Foretaksnavn: DEEPOCEAN GROUP HOLDING AS
Forretningsadresse: Ruseløkkveien 26
0251 OSLO

Regnskapsår

Årsregnskapets periode: 01.01.2022 - 31.12.2022

Konsern

Morselskap 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: IFRS

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Eirik Røkenes Vrålstad
Dato for fastsettelse av årsregnskapet: 21.03.2023

Grunnlag for avgivelse

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År 2021: Tall er hentet fra elektronisk innlevert årsregnskap fra 2022.

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Brønnøysundregistrene, 07.09.2023



Organisasjonsnr: 896 696 262
DEEPOCEAN GROUP HOLDING AS

RESULTATREGNSKAP

Beløp i: NOK	Note	2022	2021
RESULTATREGNSKAP			
Inntekter			
Operating revenue		170 091 000	157 107 000
Sum inntekter		170 091 000	157 107 000
Kostnader			
Depreciation and amortization		6 527 000	4 881 000
Operating expenses		162 556 000	316 486 000
Sum kostnader		169 083 000	321 367 000
Driftsresultat		1 008 000	-164 260 000
Finansinntekter og finanskostnader			
Annen renteinntekt			0
Finance income		2 761 065 000	1 336 235 000
Sum finansinntekter		2 761 065 000	1 336 235 000
Finance expenses		312 384 000	804 916 000
Sum finanskostnader		312 384 000	804 916 000
Netto finans		2 448 681 000	531 319 000
Ordinært resultat før skattekostnad		2 449 689 000	367 059 000
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Årsresultat		2 339 203 000	364 624 000
Overføringer og disponeringer			
Share premium			364 624 000
Retained earnings		2 339 203 000	
Sum overføringer og disponeringer		2 339 203 000	364 624 000



Organisasjonsnr: 896 696 262
DEEPOCEAN GROUP HOLDING AS

BALANSE

Beløp i: NOK	Note	2022	2021
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BALANSE - EIENDELER

Anleggsmidler

Immaterielle eiendeler

Intangible assets	33 086 000	39 386 000
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Varige driftsmidler

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Sum anleggsmidler	4 034 634 000	1 833 910 000

Omløpsmidler

Varer

Fordringer

Trade receivables	0	0
Trade receivables on group companies	24 331 000	163 078 000
Other receivables	10 083 000	10 375 000
Konsernfordringer	651 140 000	436 411 000
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Sum bankinnskudd, kontanter og lignende	42 954 000	54 441 000

Sum omløpsmidler	728 508 000	664 305 000
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SUM EIENDELER	4 763 142 000	2 498 215 000
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BALANSE - EGENKAPITAL OG GJELD

Egenkapital

Innskutt egenkapital

Share capital	27 253 000	71 500 000
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Overkurs	321 532 000	680 177 000
Annen innskutt egenkapital	2 716 789 000	377 586 000
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Gjeld		
Langsiktig gjeld		
Annen langsiktig gjeld		
Gjeld til		
kredittinstitusjoner	836 542 000	871 895 000
Langsiktig konserngjeld	480 848 000	313 768 000
Deferred tax liabilities	10 000	
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Sum langsiktig gjeld	1 317 400 000	1 185 663 000
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Organisasjonsnr: 896 696 262
DEEPOCEAN GROUP HOLDING AS

KONSERNRESULTATREGNSKAP

Beløp i: USD	Note	2022	2021
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Inntekter			
Revenue from contracts with customers		556 095 000	483 737 000
Other income		9 990 000	15 690 000
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Ordinært resultat etter skattekostnad		29 937 000	25 013 000
Profit (loss) from discontinued operations			
		-899 000	73 348 000
Årsresultat		29 038 000	98 361 000
Minoritetsinteresser			
		-527 000	1 471 000
Årsresultat etter minoritetsinteresser		29 565 000	96 890 000
Currency translation differences - foreign operations			
		14 954 000	5 450 000



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Totalresultat	44 686 000	101 027 000
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Non-controlling interests	-527 000	1 471 000
Sum overføringer og disponeringer	29 037 000	98 362 000



Organisasjonsnr: 896 696 262
DEEPOCEAN GROUP HOLDING AS

KONSERNBALANSE

Beløp i: USD	Note	2022	2021
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Intangible assets		5 226 000	4 511 000
Sum immaterielle eiendeler		5 226 000	4 511 000
Varige driftsmidler			
Property, plant and equipment		60 436 000	59 657 000
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Deferred tax assets		5 094 000	4 282 000
Pension assets		310 000	32 000
Other non-current assets		577 000	398 000
Sum finansielle anleggsmidler		9 597 000	6 960 000
Sum anleggsmidler		262 960 000	123 812 000
Omløpsmidler			
Varer			
Inventories		7 792 000	4 349 000
Sum varer		7 792 000	4 349 000
Fordringer			
Trade and other receivables		69 433 000	70 789 000
Current income tax receivable		621 000	745 000
Contract assets		54 424 000	38 737 000
Assets classified as held for sale		310 000	1 172 000
Sum fordringer		124 788 000	111 443 000
Bankinnskudd, kontanter og lignende			
Cash and cash equivalents		86 253 000	102 864 000
Sum bankinnskudd, kontanter og lignende		86 253 000	102 864 000
Sum omløpsmidler		218 833 000	218 656 000
SUM EIENDELER		481 793 000	342 468 000
BALANSE - EGENKAPITAL OG GJELD			



Egenkapital		
Innskutt egenkapital		
Share capital	3 718 000	8 108 000
Share premium	44 833 000	80 416 000
Sum innskutt egenkapital	48 551 000	88 524 000
Opptjent egenkapital		
Reserves	15 187 000	92 000
Accumulated losses	-13 429 000	-42 993 000
Minoritetsinteresser	-7 579 000	-7 052 000
Sum opptjent egenkapital	-5 821 000	-49 953 000
Sum egenkapital	42 730 000	38 571 000
Gjeld		
Langsiktig gjeld		
Annen langsiktig gjeld		
Non-current borrowings	85 313 000	99 108 000
Non-current lease liabilities	100 479 000	10 876 000
Pension liabilities	186 000	905 000
Deferred tax liabilities	270 000	622 000
Non-current provisions	62 000	
Sum annen langsiktig gjeld	186 310 000	111 511 000
Sum langsiktig gjeld	186 310 000	111 511 000
Kortsiktig gjeld		
Current lease liabilities	106 937 000	52 170 000
Current tax liabilities	16 005 000	6 419 000
Current provisions	2 097 000	507 000
Contract liabilities	11 828 000	5 882 000
Trade and other payables	115 626 000	125 715 000
Liabilities classified as held for sale	260 000	1 693 000
Sum kortsiktig gjeld	252 753 000	192 386 000
Sum gjeld	439 063 000	303 897 000
SUM EGENKAPITAL OG GJELD	481 793 000	342 468 000



Organisasjonsnr: 896 696 262
DEEPOCEAN GROUP HOLDING AS

NOTEOPPLYSNINGER - SELSKAP

- alle poster oppgitt i hele tall



Organisasjonsnr: 896 696 262
DEEPOCEAN GROUP HOLDING AS

NOTEOPPLYSNINGER - KONSERN - alle poster oppgitt i hele tall

Sum		Beløp	
Balanseført verdi 31.12.		Varige driftsmidler	Immaterielle eiend.
Samlet beløp - tilknyttet selskap		Årets	Fjorårets
Samlet beløp - foretak i samme konsern		Årets	Fjorårets
Samlet beløp - foretak i samme konsern		Årets	Fjorårets
Samlet beløp - felles kontrollert virksomhet		Årets	Fjorårets
Pantstillelse		Beløp	
Beholdning av egne aksjer	Antall	Pålydende	Andel av aksjek.

Note

Noteopplysninger ut over minimumskravene for små foretak
Se vedlagt årsregnskap.



MOTTATT

11 JAN. 2016

Skattedirektoratet

Saksbehandler
Torstein Kinden Helleland

Deres dato
05.01.2016

Vår dato
07.01.2016

Telefon
22078139

Deres referanse
Øyvind Apeland

Vår referanse
2012/430841

DEEPOCEAN NORWAY AS
Postboks 2144
5504 HAUGESUND

Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk språk

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

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

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

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

Bakgrunn

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

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



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

Skattedirektoratets vurdering

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

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

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

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

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

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



2012/430841 Side 3 av 3

Vennligst oppgi vår referanse ved henvendelser i saken.

Med hilsen

Rune Tystad
seniorrådgiver
Rettsavdelingen, foretaksskatt
Skattedirektoratet

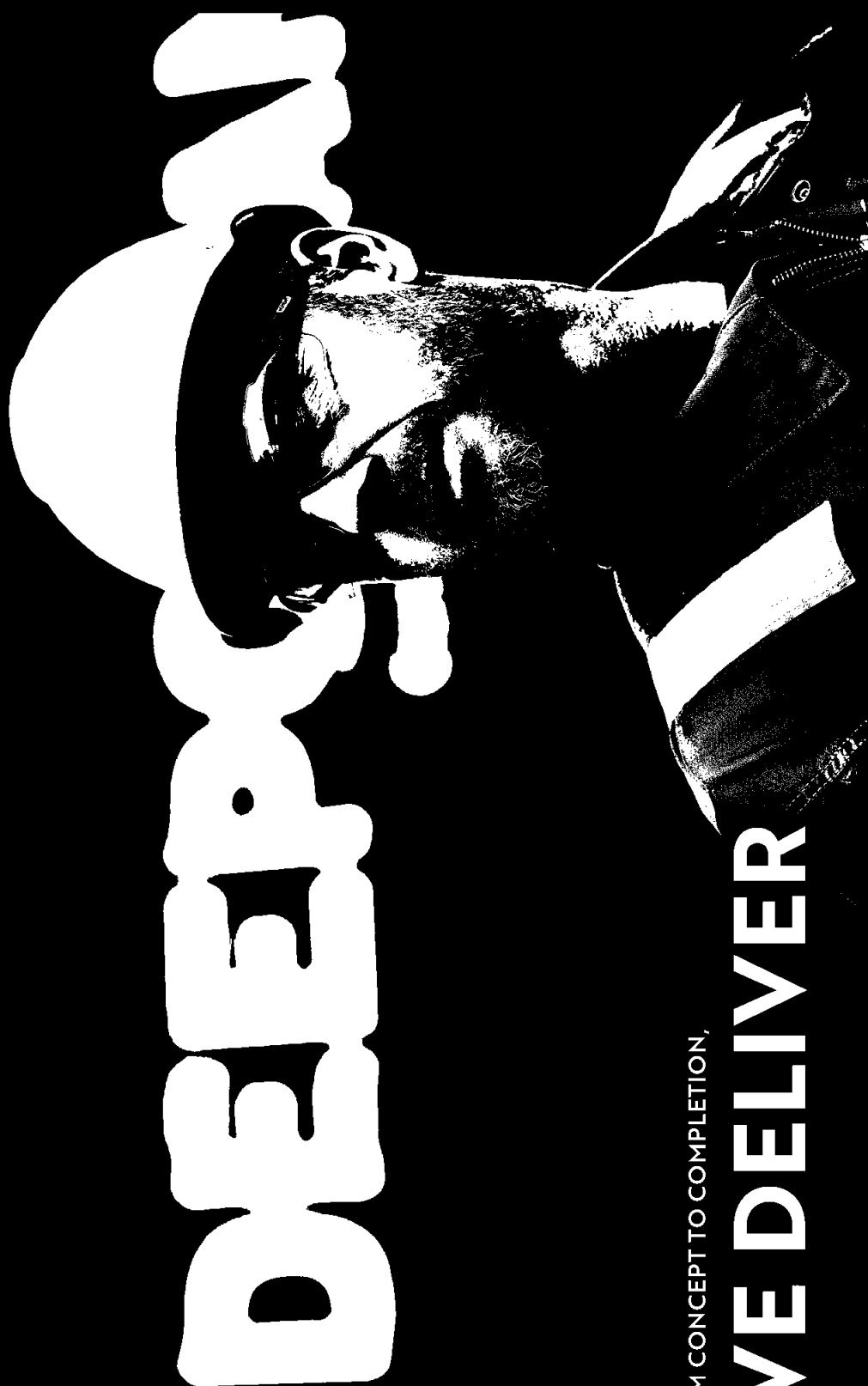
Torstein Kinden Helleland

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DEEPOCEAN



FROM CONCEPT TO COMPLETION,

WE DELIVER



ANNUAL REPORT 2022	DEEPOCEAN GROUP	DEEPOCEAN	3
Key figures	Board of Directors Report		
Vision, Values & Objectives	Consolidated Financial Statements		
Our Services	Declaration by the Board of Directors and CEO		
Letter from the CEO	Notes to the Consolidated Financial Statements		
DeepOcean's footprint	Parent Company Financial Statements		
History	Notes to the Parent Company Financial Statements		
Board of Directors	Independent Auditor's Report		
Management	Alternative Performance Measures		
Our Assets	Our Fleet		
Sustainability	Company Information		



By combining technology driven solutions and first-class project execution, DeepOcean results for all stakeholders.

Key figures

DeepOcean is a technology-driven, independent solution provider in the ocean space.

We offer companies within oil and gas, offshore renewables, deep sea minerals, and other non-energy riches a full range of services - from surveys, engineering, project management, and installation to maintenance and recycling.

Our global team of experts is at the forefront of remote and unmanne[®] operations, an digitally enabled services. Supported by an extensive tool and technology pool, they drive cost-efficient, safe, and sustainable operations.

A world-leading ocean services provider, DeepOcean enables the energy transition and sustainable use of ocean resources.

DEEPOCEAN

5

Revenue and other income

FRITDA'

Adjusted EBITDA"

Adjusted Eff

Net aebt"

Net cash flow from operations

Proer intake"

Order backlog"

Refer to Alternative Performance Measures section for definitions, explanations and reconciliations.

2. Refer to appendix of Sustainability section for definitions and explanations.

5

DEEPOCEAN

Diversity and inclusion are a key pathway to successful . DeepOcean achieved a 22% increase in nationalities in 2022.

DEEP OCEAN GROUP

Vision

A world-leading ocean services provider, enabling the energy transition and sustainable use of ocean resources.

Values

We live by our guiding values of _____, _____, and _____.

We ACT with a can-do Attitude, striving to achieve the best possible, long-term results for our people, our customers and our stakeholders.

We ACT with the Courage to embrace new challenges, to stop unsafe practices, always compliant and to shift boundaries with innovative solutions.

We ACT as one Team, promoting the continuous development of one another in a learning and evolving organization for the benefit of ourselves and our customers.

Vision, Values & Objectives

DEEPOCEAN

DEEPOCEAN

- Strengthen DeepOcean's technology-based platform for growth, and thereby unlock value for customers
- Continue strong focus on ESG and drive tangible initiatives towards more sustainable operations for our customers
- Defend leading position in core markets (oil and gas, recycling) and derive growth from emerging markets (renewables, ocean minerals and other ocean solutions)
- Generate profitable growth, through operational excellence as well as a continued cost focus
- Emphasize development of DeepOcean's core resources, its employees and be an employer of choice



ANNUAL REPORT 2022

DEEPOCEAN GROUP

Our Services

OFFSHORE ENERGY
Support in survey, engineering, & installation, inspection, maintenance & repair, recycling activities

OFFSHORE RENEWABLES
Inter-array cable installation, IMR services and survey for offshore renewables sites, and decommissioning

OCEAN SERVICES AND DEEP-SEA MINERALS
Deep-sea minerals, aquaculture, defence, CCUS and other ocean industries

ENGINEERING, PROJECT MANAGEMENT & INSTALLATION
Engineering, project management & installation of subsea equipment and infrastructure

SURVEY
Seabed mapping deep-sea mineral exploration, identification & removal of UXO

IMR
Infrastructure / pipe inspections, preventative maintenance and planned / unplanned repairs

RECYCLING
Integrated engineering preparation, removal, and disposal (EPRD) services

USVS & INNOVATION
Innovative custom solutions supported by the latest marine technologies

ONSHORE OPERATIONS
Remote operations center, onshore engineering and project management

DIGITAL SUPPORT
Remote, safer and higher efficiency operations with reduced personnel footprint

DEEPOCEAN

Market segments

Service Offerings

Technologies

9



Øyvind Hjeltnes
Chief Executive Officer
DeepOcean Group

DEEPOCEAN

Dear all,

Delivering has been a key theme for DeepOcean. A theme that perfectly reflects DeepOcean's journey throughout 2022 and will continue to be the key topic within the company for the years to come. I am writing this letter to provide you with an update on the performance of DeepOcean in the past year and to discuss some matters of significance that are affecting our industry and the world at large.

The past year was a tumultuous year, characterized by a few events with an enormous impact on our industry and business. The year started off with a significant

easing of the COVID-19 restrictions, a return to normal and the re-establishment of business as usual. However, this was a short-lived return to normality, disrupted by the Russian invasion of Ukraine. The eruption of a war in Europe, with its huge toll on human life, shook me and all of DeepOcean's employees. As a company we condemn the ongoing Russian war in Ukraine. The war has not only caused immeasurable human suffering, but it also undermines the stability and security in Europe, that has served the continent well since the end of the Cold War. We at DeepOcean stand in solidarity with the people of Ukraine.

Letter from the CEO

The above events have led to an energy shortage – fuelled both by supply restriction and demand increase – and resulting in rising energy prices, particularly in Europe. Energy security became a topic of countries' national security agendas, and the subsea industry plays a vital role in ensuring the continued supply of energy. I'm proud to say that DeepOcean certainly rose to the task and as the leading subsea IPR provider in the North Sea delivered nine new pipeline inspections, maintenance work on key oil and gas installations as well as critical repair work and thereby ensured uninterrupted operations of subsea energy infrastructure.

DELIVERING GROWTH IN TRANSITION

DeepOcean's vision is to be a world-leading ocean services provider, delivering results to all stakeholders, while supporting the energy transition and sustainable use of ocean resources. While the energy transition has been pushed lower in the daily news order, in favor of the above-mentioned topic of energy security, DeepOcean is still fully committed to playing a pivotal role in the transition. Be it reducing our emissions footprint by installing battery packs on our chartered vessels, investing in Remota to enable digitalized and remote offshore operations, cleaning up the seabed through our Recycling business line, which had a record year in 2022 with more than \$100m in revenue, or increasing our involvement in the offshore wind market, DeepOcean is taking strides towards a greener future, while still delivering its financial targets.

DeepOcean has won and executed some great renewables work in 2022, such as the survey of a wind farm site in the Baltics for a major offshore wind operator or UKO work on the US east coast. We are proud to have acquired Installat, a Norwegian engineering house based in Oslo focused on subsea power cables. The Windstaller Alliance together with Aker Solutions and Salsjø Offshore have had a good response from the market. The Alliance is well positioned for delivering large integrated wind solutions.

However, to be frank, some elements of the energy transition are not moving as fast as I would like to see, particularly when it comes to offshore wind developments, where things have gone slower than

our expectations this year. This is partially due to replacement effects, where the energy security work has taken precedence, but also and maybe more importantly, we still see a supply chain imbalance within the offshore renewables market. Contractors such as DeepOcean are asked to take on unproportional amounts of risk while compensation is still significantly behind other offshore industries. This needs to change in order for this industry to move forward and to achieve the energy transition towards a greener, cleaner future. Nevertheless, DeepOcean is ready and eager to deliver our services in the renewables market.

Talking about transition, I'm proud of the fact that we are now bringing our Sustainability report into the annual report as an integrated and vital part of our external reporting. By doing so, we honor our commitment to sharing our ESG (environmental, social, governance) performance with all our stakeholders, I am particularly thrilled to present in more detail some of our key performance indicators in this report. Anyone can have an ambitious goal concerning sustainability, but I am pleased to see that DeepOcean's actions speak louder than words. By having tangible proof of our relentless strive for improvement, we continue to deliver on our promise to be a responsible citizen and enabler of the energy transition. For example, reducing our fleet CO2 emissions by 16% over the last two years, compared to our 2020 baseline.

Although DeepOcean's team represents world-leading competence, we are also smart enough to recognize that we cannot do it all on our own. Collaboration with other renowned industry players, to unlock more environmental and commercial value than we can do on our own, is therefore a key part of our strategy. We continue to develop our investment in Asaph Minerals, seeing the untapped potential of the subsea minerals market. This strategic move has seen some exciting developments in the past year, cementing the opportunity to support the global transition to low-carbon energy sources. Focusing even more on environmental impact, DeepOcean has also signed an agreement with Akvaplan-niva.



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DEEPOCEAN GROUP

DEEPOCEAN

WHAT DOES THE FUTURE HOLD?

The coming years will be crucial for the future of DeepOcean in the long run. In the short to medium run, we plan to win more renewable work while not eroding our financial performance, as well as establishing our African business as a key ocean services provider in the region and a strong performer. Further, I believe strongly that taking decisive action that improves our gender diversity will benefit all departments and regions in DeepOcean. Our fleet will become even greener, which will be fundamental to our operators in the years to come. Those are the tangible action points that we have some control over. However, as the last year has shown, there's only so many things you can plan for. How many leaders in our industry forecast 18 months ago that we would be spending most 2022 discussing energy security at every turn? No one knows exactly what the future will hold, but in my opinion, DeepOcean is certainly on the right path; we are perfectly positioned with a differentiated offering in growing markets, and I am proud of our achievements.

Finally, I would like to thank all of our employees, customers, vendors, and other partners for their continued support and trust. We are proud of what we have accomplished so far, but we are not stopping here. We are committed to continuously delivering, developing, and transitioning our business while delivering excellent client service and building on recent successes.

Best regards,

Oyvind Mikaelson
Chief Executive Officer
DeepOcean Group

busy. Furthermore, the region was extremely successful in winning work for the years to come, with substantial contract awards from Equinor, ConocoPhillips and BP worth a total of around \$200 million.

Our African business had a year of transition, with revenue performance well below the targets we set out with at the beginning of the year. However, with limited negative impact due to a very good cost-limitation approach, leading to no losses in the region. However, the team managed to secure significant work for 2023 and the Stem Spearfish vessel has been in the region since Q4 2022 and performing well on the new projects, fueling us with renewed ambition for this region in 2023.

The team in the Americas hit multiple home runs and managed to deliver stellar financial and operational performance, leading to unprecedented results for this region since DeepOcean combined its Mexican business with the acquisition of Delta Sulsea in 2018. This financial success comes on top of breaking into the renewables market, with first work on the US east coast on a UXO survey campaign.

DeepOcean has had significant commercial success in 2022. This is clearly illustrated by ending 2022 with a record order backlog of \$412M, a substantial increase from \$271.5M in the year ending 2021. This is strong confirmation from our clients on our successful track record of prior deliveries and faith in our future growth.

Overall, I applaud our regions for their amazing contributions to the group in 2022!

COMMITTED ENGAGEMENT

As evidenced by the above, the previous year has certainly been a busy year for DeepOcean, which makes it even more pleasing to me that the spirit within our workforce has been and continues to be extremely good. This is demonstrated by our latest employee survey, where a staggering 95% of respondents stated that "DeepOcean is moving in the right direction." I am very proud of all of our talented, customer-focused and extremely hard working employees, both on- and offshore, located across the globe and I am in awe to see how they have all pulled in one direction, despite the high workload, to develop and grow DeepOcean into what it has become – a true industry leader in its field with a solid financial foundation and an exciting future ahead.

EMPOWERING OUR LEADERS

Together we intend to combine the field operators of DeepOcean's autonomous ROVs and autonomous inspection cranes with Akvaplan-niva's environmental data collection services, utilizing unmanned autonomous glider vehicles commercially for use in environmental studies. Our aim globally continues to be the same, with more actions taken each year towards reducing our environmental impact and embracing new ways of working, and striving to improve on our performance by taking active steps towards a greener future.

During 2022, DeepOcean has implemented a wide-reaching leadership training program which has been a resounding success. The program has helped to develop the leadership skills of employees at various levels, resulting in more effective communication, increased collaboration and stronger teamwork. The training has also empowered employees to take ownership of their work, leading to higher levels of job satisfaction and motivation. The investment in our people through the leadership training has proven to be a wise decision, paying off in many tangible and intangible benefits for the company and its employees.

Despite meeting most of our financial and non-financial targets, we also have to address our shortcomings, and these are primarily around gender diversity. As a company, we struggle to attract and female staff, leading to a less than 15% share of female employees of the total employee population (approximately 22% of onshore employees). Among the onshore employees around 24% of new employees hired in 2022 were female. DeepOcean has commenced various initiatives with the aim of increasing the attractiveness towards female talents as well as current employees, but the numbers speak for themselves. Simply put, we have not achieved our targets in 2022, however, DeepOcean will continue to strive to improve on this key KPI going forward.

Our Europe region had a record-breaking year with significant revenue and profit contributions to the group. The recycling business took off during 2022 and more than doubled its revenue year-over-year, particularly from projects in the UK sector of the North Sea. With average vessel utilization well into the 90%, range and supporting the energy security agenda of its clients, it is an understatement to say our teams in Europe were

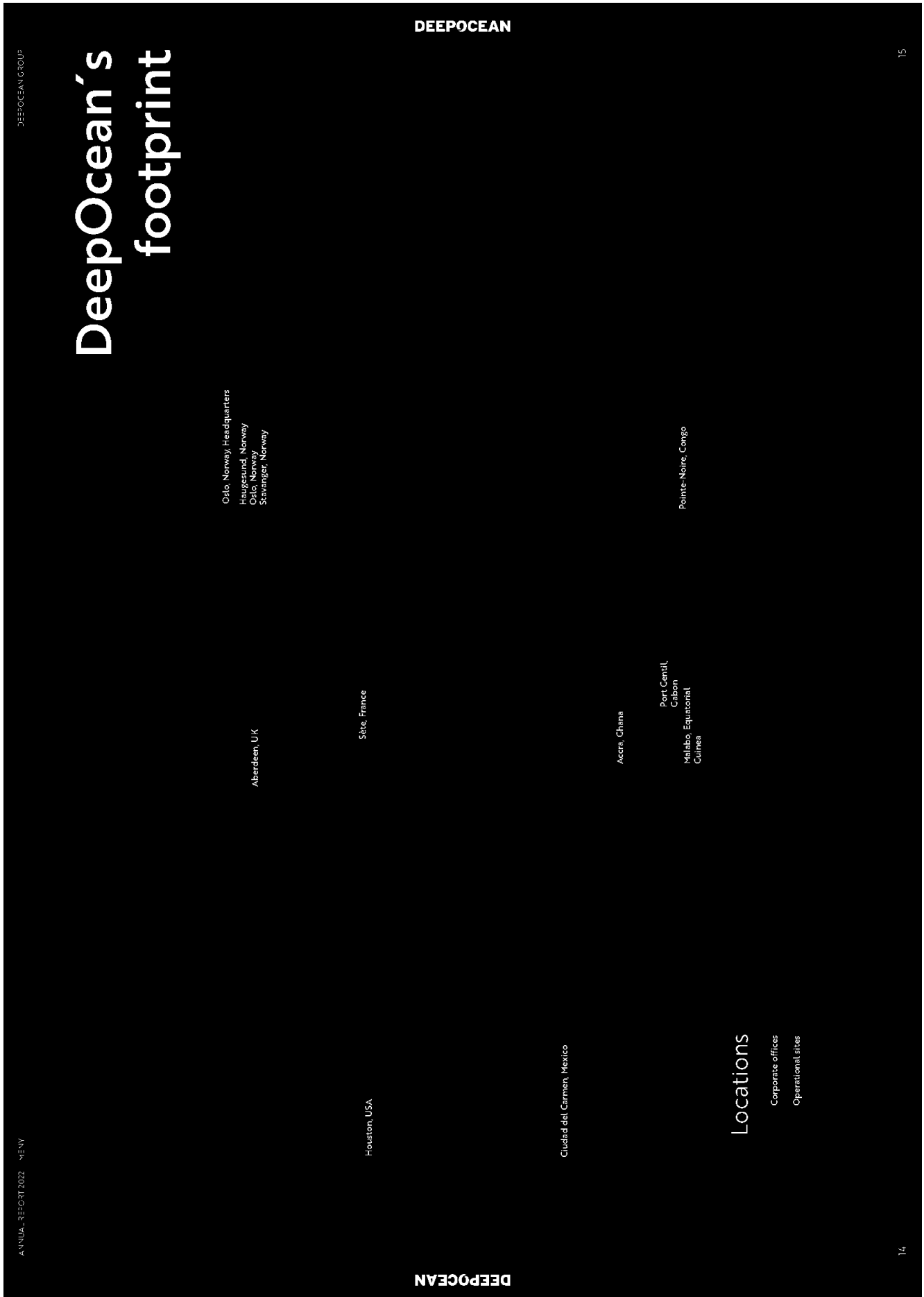
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DEEPOCEAN GROUP

DEEPOCEAN

History

DeepOcean acquires CTC Marine

DeepOcean acquires CTC Marine

Moved Headquarters to the Netherlands

Moved Headquarters to the Netherlands

African expansion through acquisition of Seaflov

African expansion through acquisition of Seaflov

Restructured UK Cable Lay and Trenching Business

Restructured UK Cable Lay and Trenching Business

Launch of Benota with 85% stake in Solstad Offshore

Launch of Benota with 85% stake in Solstad Offshore

Acquired Installit AS to establish a new unit in Oslo, Norway

Acquired Installit AS to establish a new unit in Oslo, Norway

DeepOcean established

DeepOcean established

Trico acquires DeepOcean

Trico acquires DeepOcean

Triton acquires DeepOcean

Triton acquires DeepOcean

Strengthened GoM presence – acquisition of Delta Subsea

Strengthened GoM presence – acquisition of Delta Subsea

Entered Subsea Minerals market – Adept Minerals investment

Entered Subsea Minerals market – Adept Minerals investment

Formed Winstaller Alliance with Aker Solutions and Solstad Offshore

Formed Winstaller Alliance with Aker Solutions and Solstad Offshore

Repatriated the group's Headquarters to Norway

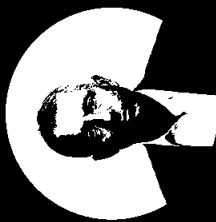
Repatriated the group's Headquarters to Norway

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Board of Directors



JO OLAV LUNDER

Mr. Lunder is an independent advisor, investor and chairman. Mr. Lunder has 30 years of experience in senior executive positions, mainly as chairman and CEO of large public and private owned companies. He serves as the chairman of Elopak ASA. His last position was CEO of the Freiviksen Group. Mr. Lunder served before that as chairman and CEO of Vimpelkom (Veon). He has also held the position as president in Fero Capital, while serving as executive chairman of Abel. Mr. Lunder has also held the position as CEO of Emertor (Atea). Mr. Lunder holds an MBA from Henley Business School. Mr. Lunder is a Norwegian citizen.



TERJE ASKVIG

Mr. Askvig is a senior advisor at Triton Partners. Prior to joining Triton in 2012, Mr. Askvig spent five years at Citicor Chemical ASA as president and CEO, a shipping company, listed on Oslo Stock Exchange. Before that he was executive vice president with Fero Oil and Gas for seven years, including CEO for Fero Oil and Gas Renewables AS. Mr. Askvig is non-executive director of several Triton-related companies, as well as Thorne Group in Singapore. Mr. Askvig has a BA in Business Administration from the University of San Francisco and he is a Norwegian citizen.



KRISTIAN DIESEN

Mr. Diesen is an investment advisory professional at Triton where he focuses on the industrial tech and energy sectors. Mr. Diesen also sits on the board of Cibility AS. Prior to joining Triton in 2015, Mr. Diesen worked at Pareto Securities as a senior partner in the equity research department. Previously, Kristian worked at Deloitte in the audit and assurance division. He holds an MSc in Business from the Norwegian School of Management. Mr. Diesen is a Norwegian citizen.



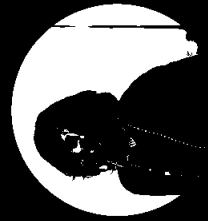
MARC ARIEN VAN DER PLAS

Mr. van der Plas joined the Board of Directors of DeepOcean Group in December 2020. Marc is a former KPMG Partner and family office CEO. He has more than 30 years' experience in corporate finance and restructuring, has held more than 20 senior management positions for more than 20 years, including being a board executive for KPMG CIS. Mr. van der Plas is currently active on investment and advisory projects and he serves on the Board of directors of Royal Wagerborg BV in the Netherlands. He started his career with ABN Amro and Citibank and holds an MBA degree from Durham University Business School. Mr. van der Plas is a Dutch citizen.



MIKE WINKEL

Mr. Winkel is a former COO of E.ON SE and CEO of its Renewables business. He has extensive experience in the global power and gas sector. Working for more than 25 years in the industry, Mr. Winkel has held numerous senior commercial, strategic and managerial roles in power generation, optimization and community trading. Mr. Winkel holds a degree in Business Administration from Technical University of Dresden. Mr. Winkel is a German citizen.

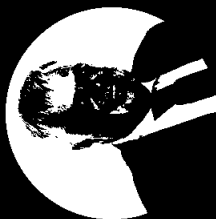


COLETTE BRIGIT COHEN

Ms. Cohen is the Chief Executive Officer for the Net Zero Technology Centre. Ms. Cohen has worked in the industry for BP, Corrochillips & Certica E&P. Ms. Cohen has a degree in Chemistry from Queens in Belfast, a masters in project management & economics from CERAM in France and a honorary PhD from Aberdeen University. She is also a commissioner for the Just Transition Commission for Scotland and is an ambassador for Powerful Women. Ms. Cohen is an active champion for the industrial transition of the oil and gas industry to a net zero future and a committed role model for women in industry. Ms. Cohen is an Irish citizen.



Management



ØYVIND MIKAEISEN

Mr. MikaelSEN joined DeepOcean in May 2018. He has 30 years of experience in the global subsea business holding various senior executive roles. His most recent position was executive vice president at Subsea 7. Mr. MikaelSEN began his career in the oil and gas industry with Kvaerner Roseberg AS in 1988. He then moved to Norske Shell before joining Subsea 7 in 1992. He holds a Master of Science degree from the University of Trondheim in Norway. Mr. MikaelSEN is a Norwegian citizen.



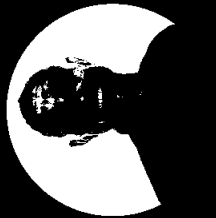
FRODE GARLI D

Mr. GarliD joined DeepOcean as Chief Financial Officer in March 2018. Prior to joining DeepOcean, he served as VP Operations & Risk in NOV Wellstream Processing. He has served as Chief Financial Officer & Chief of Staff of Ennos Processing. Frode has also served as CEO of OneSubsea Processing Group. He has 17 years of experience within finance and operations in the oil and gas industry, mainly from offshore positions at Schlumberger in France, Africa, Russia and the Middle East. Mr. GarliD holds a Master of Arts with Honours in Economics Science & Finance from the University of Aberdeen in 2001, and law studies from the University in Bergen. In addition, he has attended the Executive Education at The Wharton School of University of Pennsylvania. Mr. GarliD is a Norwegian citizen.



OTTAR KRINGEN MÆLAN D

Mr. MælanD joined DeepOcean in 2007 and has held various senior positions such as chief operating officer and chief commercial officer. His prior experience includes seven years at Norsk Hydro. Mr. MælanD holds a Master of Science in Material Technology, a Business Economist Degree from the Norwegian School of Management and graduated from the Harvard Business School Advanced Management Program. Mr. MælanD is a Norwegian citizen.



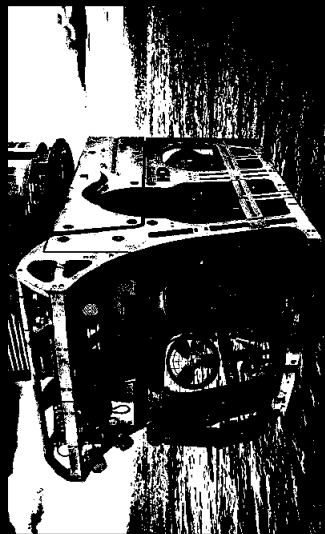
STEPHANE ABERGEL

Mr. Abergel joined DeepOcean in 2019, bringing with him extensive experience in the oil and gas industry working in Africa, Far East, North America, Central Asia and the Middle East for major subsea contractors such as Saipem, Soranet, Akerly, and later Subsea 7. He has broad management skills with original core discipline in engineering, project management and onshore/offshore construction and brings a detailed understanding of mechanisms governing win & execute aspect of large turnkey projects. Mr. Abergel also brings vital skills and experience in setting strategic plans with strong experience in exploring new frontiers as VP of Strategy at Subsea 7. Mr. Abergel is a French citizen.



HEGE JARSTØ

Ms. Jarstø joined DeepOcean in 2021 as group HR Director. She has over 20 years of experience in the oil and gas industry, having previously worked in Aker BP, Det Norske Oljeselskap, Marathon Oil, Akerly, and Norsk Olje & Gas. She has substantial HR management experience from a variety of positions. Her most recent post was at Aker BP, where she supported and developed the organization towards digital transformation. Ms. Jarstø is a graduate of the University of Stavanger with a Master of Business Administration. Ms. Jarstø is a Norwegian citizen.



Our Assets

DeepOcean operates a range of specialized assets to deliver complex ocean solutions. DeepOcean's asset light strategy has been a critical part of its ability to continue growth and create value within a dynamic market environment. The asset light strategy provides flexibility and significant strategic advantages. The following is a selection of key assets utilized by DeepOcean.

VESSELS

DeepOcean operates a modern and versatile fleet of vessels ranging from fit for purpose survey and IIR vessels to subsea construction class vessels. Through the establishment of long-term relationships and many years of collaboration with industry leading vessel owners, DeepOcean is well positioned to secure vessels to fulfil its contractual commitments. DeepOcean has a target to reduce its CO₂ emissions by 45 percent by 2030 and has taken action to install hybrid battery packs on five of its vessels in order to drive down operating expenditure and harmful emissions to air. There are also plans to install hybrid battery packs on newly chartered vessels such as the Sril Server which is expected to be fitted with hybrid battery pack in 2024.

REMOTE OPERATING VEHICLES

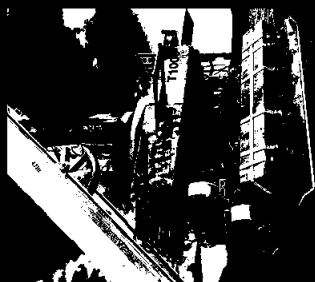
Remote Operating Vehicles (ROVs) are key operating assets for DeepOcean. Our premier fleet consists of 50+ fully owned and operated ROVs, ranging from observation and work class ROVs to specialist fast survey ROV and inspection rovers, which we deploy for operations in deepwater to shallow water locations around the world. Through continuous investment, our fleet is kept in excellent condition, regularly maintained and upgraded by our specialist in-house technical department. Our specialist in-house technical department actively develops new tools and technologies to improve the capabilities and efficiency of our ROVs, reflected in the average annual ROV uptime exceeding 98%.

FLANGETIE-IN TOOL

Through our exclusive partnership with Designbaker, DeepOcean designed a method for performing remote tie-in of over flanges with our Flange Tie-In Tool (FTIT). The FTIT performs overless tie-ins of over flanges on spools and uses by use of a patented hydraulic bolt. The FTIT is the perfect tool for clients seeking an alternative solution to traditional saturation diving methods. Through the use of the FTIT we have seen significant cost savings and health and safety benefits that accompany unmanned operations. The FTIT can be used for geofield and brownfield projects in any water depth, and on all types of flange connections – for example spools to subsea Christmas trees or riser to pipeline. The FTIT additionally removes the need for certain pipeline infrastructure such as pipeline end manifolds, PLEM and PLETs, since the pipeline can be placed straight onto the seabed during pipelay activities.

EUREKA™

Developed by DeepOcean, Eureka™ is a flow assurance tool that can determine the locations of hydrates in a pipeline using a non-invasive radiation-based detection technique to identify changes in density along a given line of pipe from 6" to 20" outer diameter. Eureka™ is ship deployed and driven by an ROV providing real-time response. The tool is cost-effective and provides flow assurance specialists with a reliable method of diagnosing flow abnormalities due to partial or total plugs, without interrupting production.



11000 JET TRENCHER

The TI1000 is an advanced jet trenching ROV suitable for use in dredging, maintenance, or deployment in water depths up to 2000m. The 1000 horsepower (750KW) subsea power system is capable of 35 knots maneuvering performance and has a maximum burial capability, providing a leading edge solution for burial of cables, umbilicals, and flexible pipelines. The adjustable 3m jet tool allows for varying diameter products and splice burial whilst overhead power cables are spliced. The TI1000 can be deployed in harsh weather.



TOOLPOOL

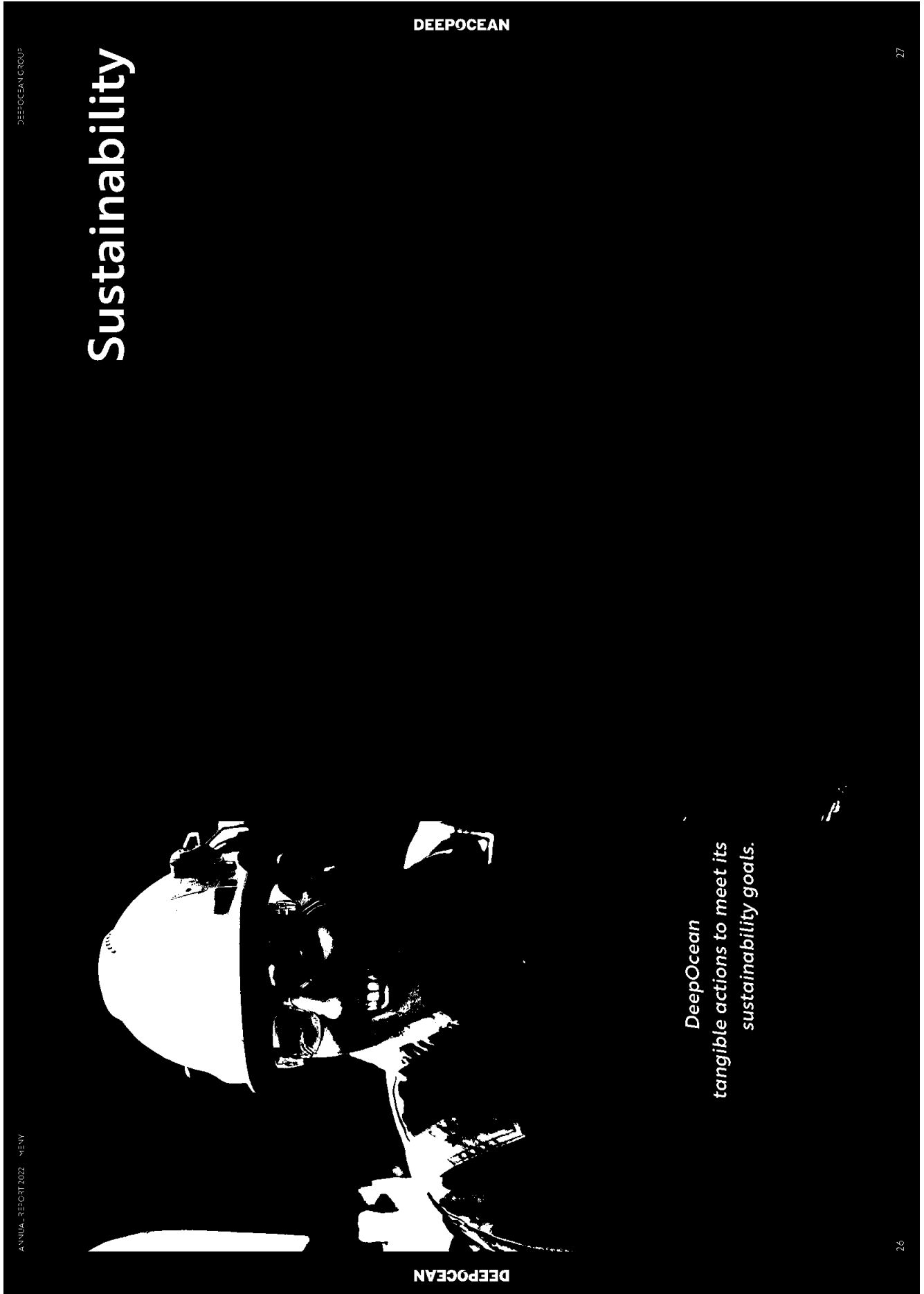
Across the globe, DeepOcean has an impressive amount of tools or equipment available to resource our ocean services projects. All tools are carefully maintained and operated by our skilled toolpool technicians. On top of the most common subsea tools and rigging equipment, and to a high degree of success, we also develop more sophisticated and bespoke tooling solutions based on our clients' needs.

Having sustainability at the core of our operations, we continually develop solutions to reduce risk and the environmental impact of our operations, utilizing the latest technological advances. DeepOcean prioritizes our own toolpool availability before exploring external supplier options.

DEED



Diversity is one of our greatest assets. Our 1 225 employees represent a total of 44 nationalities.





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ESG Strategy

Each section will elaborate on the material topics for the relevant sustainability priority, the actions needed to progress the material topics, and the 2022 status supporting the overall ESG strategy outlined below. Further details on the DeepOcean ESG & Sustainability program can be accessed on our website: <https://www.deepoceangroup.com/about/esg>

Sustainability is at the very core of DeepOcean's strategy and operating practices. We consider ourselves strong enablers of the energy transition, moving our industry towards low carbon and commercially successful operations by applying modern technology, prioritizing energy efficient practices and investing in remote capabilities. We support the ocean industry in driving positive change, including transitioning to net-zero emissions. Our environmental, social and governance (ESG) strategy emphasizes the priorities we actively pursue to fulfil our commitment to be a leader in enabling the energy transition and be the partner of choice for sustainable ocean operations. The 2022 sustainability report addresses each of the eight elements of the ESG strategy through five sustainability priorities as outlined on page 11.

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We live by our values

Environment & Climate

Limiting impacts to marine environments

Reducing emissions from operations

Addressing climate change

Demonstrating integrity & transparency

Social Responsibility

Respecting labor & human rights

Promoting diversity & equality

Protecting health & safety

Delivering responsible business practices

Corporate Governance

Stakeholder Management

Stakeholder Management

STAKEHOLDER MANAGEMENT

DeepOcean is committed to stakeholder engagement to ensure that all parties are informed, involved, and invested in the success of our operations. We believe that engaging our stakeholders through an open dialogue and with mutual respect, not only builds a solid foundation but also yields a good working relationship. Engagement is a key component in the social aspect of ESG as it empowers stakeholders to work together to identify solutions that address current and future challenges. By facilitating dialogue, stakeholders can share their insights and knowledge which, in turn, helps to inform decision-making and create solutions that are both effective and sustainable for all parties. In our stakeholder engagement approach, we identify and manage relationships with individuals, groups and organisations who could be affected by our activities or who may have an impact on our business.

Stakeholder Management

Stakeholder Management

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Environment & Climate

Limiting impacts to marine environments

Reducing emissions from operations

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Corporate Governance

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Brønnøysundregistrene

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ANNUAL REPORT 2022		MENU		SUSTAINABILITY		DEEPOCEAN GROUP																															
OUR MATERIAL PRIORITIES AND COMMITMENTS				DEEPOCEAN																																	
Embracing sustainability within our organisation and implementing the United Nations' Sustainable Development Goals (SDGs) using the SDG Compass is essential to achieving our ambitions. By utilising this systematic approach, DeepOcean has established a framework that promotes sustainability, fosters innovation and provides guidance to our management team. In 2022, we completed a structured Double Materiality Assessment to validate the material topics identified in 2021 and prioritise appropriate actions to address them. A broad range of stakeholders were involved in shaping the overall assessment including representatives from DeepOcean's majority owner, Triton, members of the management team, the regional managing directors and functional specialists. The approach implemented is outlined below and heavily influenced the structure and approach to writing the 2022 sustainability report. The output of the double materiality assessment confirmed and further refined the sustainability priorities reported in the 2021 annual sustainability report. Five ESG priorities have been used to structure the sections of the 2022 sustainability report which are outlined in the table below combined with DeepOcean high impact material topics to further action in the coming years. Each chapter of the sustainability report will further elaborate on the priorities, their connection to material topics and what we are doing to address the risks and opportunities associated with them.				DOUBLE MATERIALITY ASSESSMENT <table><thead><tr><th>DEEPOCEAN'S IMPACT IN THE ESG</th><th>Standards and sector impact</th><th>ESG IMPACTS ON DEEPOCEAN</th><th>Impact of assets on value chain</th><th>Stakeholders & megatrends</th><th>REPORTING AND DISCLOSURE</th></tr></thead><tbody><tr><td>Cap assessment to identify gaps in DeepOcean reporting</td><td>Mapping of key activities and markets, sector related sustainability aspects & UN SDGs</td><td>Value chain assessment to evaluate company impact on environment and society</td><td>Impact of assets on value chain</td><td>Stakeholders & megatrends</td><td>Actions, targets & reporting</td></tr><tr><td></td><td></td><td></td><td></td><td></td><td>Risks & opportunities</td></tr><tr><td></td><td></td><td></td><td></td><td></td><td>ESG impacts, ESG-related risks and opportunities</td></tr><tr><td></td><td></td><td></td><td></td><td></td><td>Defining targets, KPIs and reporting structure</td></tr></tbody></table>				DEEPOCEAN'S IMPACT IN THE ESG	Standards and sector impact	ESG IMPACTS ON DEEPOCEAN	Impact of assets on value chain	Stakeholders & megatrends	REPORTING AND DISCLOSURE	Cap assessment to identify gaps in DeepOcean reporting	Mapping of key activities and markets, sector related sustainability aspects & UN SDGs	Value chain assessment to evaluate company impact on environment and society	Impact of assets on value chain	Stakeholders & megatrends	Actions, targets & reporting						Risks & opportunities						ESG impacts, ESG-related risks and opportunities						Defining targets, KPIs and reporting structure
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Enable the Energy Transition Renewables backlog >20% by 2025 Loss to environment <100L by 2025 Reduce CO2 emissions 45% by 2030 (Base, the year 2020) Carbon Economy Program (e.g. recycle decommissioned materials) >97% by 2023 Remote operating centres in UK by 2025				Limit Environmental and Climate Impacts Lost time injury frequency <0.55 High Potential Incident Frequency <1.14 Cost of Non-Quality (CNO) <1% by 2025				Safeguard Occupational Health & Safety Training & competency development dialogues 100%* Recent staff training in Human Rights 100%				Protect Employee Rights & Well-being Diversity & Inclusion e.g. Female leaders >25% by 2025 ABC training >100% by 2025				Be Responsible and Transparent Across the Value Chain Anti-Money Laundering training 100% Cyber Security Training 100%																					
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SUSTAINABILITY

DEEPOCEAN GROUP

Enabling the energy transition
with our collaboration partners

Achieving the UN Sustainable Development Goals requires innovation, education, clear leadership and collaboration. Partnerships are essential between governments, private sector, research institutes and civil society to advance the sustainability agenda.

DEEPOCEAN

33%

Digitalisation and automation of our remote first principle

Enabling the energy transition is a key sustainability priority for DeepOcean and its collaboration partners as it will reduce society's dependency on fossil fuels, create new and exciting jobs, enable cost efficiencies and combat climate change. As our core business segments are in the ocean space, DeepOcean is fully committed to reducing negative impacts to this environment in a cost-effective way by using disruptive technology, digitalisation and sustainable operating practices. To achieve meaningful and lasting limitations on climate change, all players in the ocean space must commit to new ways of operating and collaborate across the value chain to enable the energy transition.

Our 2025 commitments to retaining the supplier of choice and an enabler of the energy transition are outlined in the table on page 33 with associated tangible actions to achieve them. The chapter will further focus on how we intend to influence this transition through DeepOcean service offering to the market, we operate in as well as by leveraging the specialist experience and competency of our key collaboration partners in Winrotator Alliance, Remota and Asepth Minerals.

Digitalisation and automation of our remote first principle

DeepOcean has been extensively developing and introducing new technology to improve its operations. As a company we have set clear criteria for why and how we want to develop or introduce new technology. The goal of this is to enhance safety, reduce our carbon footprint, project risk and operational cost. DeepOcean's remote first approach is an example of how we will achieve this goal. By performing operations remotely, we will offer clients modern and efficient services, utilising a fleet of remotely operated vehicles.

The AID (autonomous inspection diver) is an observation class underwater vehicle, that has been developed with and partially funded by Aker BP and can perform autonomous inspections. The development of this vehicle has been ongoing since 2019 and is now fully qualified and mobilised on the Eboa Fauna for commercial operation during the 2023 season and will be remotely controlled from the Remota facilities at Killingøy.

Material Topic

Commercialise remote operations in Europe by 2025.

Operationalise subsea mineral harvesting by 2025.

Renewables segment to constitute 20% of overall backlog by 2025.

Actions to address material topics

Remote Operator Centres (ROCs) to be built in "Augsburg" and "Albermar".

Offer remote operations or existing ROCs from the ROC centres.

Design and operationalise Uncrewed Surface Vessel (USV) from ROC centres.

Develop rose map to transition to low carbon operators.

Fully leverage stake in and support to Asepth Minerals' deep-sea minerals exploration capabilities.

Apply for research grants to execute deep-sea mineral harvesting expedition(s).

Use DeepOcean vessels in future expeditions and projects.

Fully leverage Winrotator alliance to pursue large and complex renewables projects.

Engage DeepOcean in-house renewables competences and headcount in the organisation to strengthen capability.

2022 Performance

On track

Three remote operator control rooms turning in Norway as of 2022 supporting ongoing projects.

On track

Joint consortium established and will launch the Green "Big-Tom" project in Q1 2023, focused on commercialisation of deep-sea minerals.

On track

Accrued in 2022 to strengthen in-house renewables expertise.

Ongoing concerning and execution of renewables work in 2022.

Review in this segment conducted in 2022 compared to previous year.

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DeepOcean has been the systems, integrator and developed a digital twin for mission planning and simulation. The system will be able to perform inspection of subsea assets with minimal manning onboard the vessel. The AID will be able to perform inspections when deployed for maintenance and repair activities, and thus saving both cost and fuel by eliminating the need to transit to the same location with an inspection spread. This project is a great example of how DeepOcean collaborates on technological advancements with its partners to make its operations more sustainable.

Another smart use of technology is our Digital Twin. This has been developed in-house to support our engineering and installation work. It allows engineers to plan and simulate operations in a 3D environment. The tool allows the users to plan for the most efficient solution, as well as to uncover any potential problems or clashes. The tool can also be used to familiarise offshore personnel who are going to execute the operations offshore. All of this contributes to making our operations safer, more efficient and sustainable.

The USV (Uncrewed Surface Vessel) project, coined the Ocean Challenger, potentially has the largest impact on sustainability within our operations. This vessel will be equipped with a WROV and can be used to perform many IMR, Survey and Recycling support scopes of work by using a smaller uncrewed vessel, fuel use and thus carbon emissions are reduced by up to 90%. This project is being developed with our partnering vessel owners Solstad Offshore and Østensjø Group. The vessel will be managed and operated by Remita. (see page 36 for additional details)

The development of these technologies contributes to our view of the future where remote first becomes the norm for many scopes of offshore work. The data gathered from the offshore environment is uploaded to the cloud and digitally processed before being handled by personnel onshore. In the future, this data will be used to support our client's integrity management in a smarter way. This will reduce operating expenditure through predictive maintenance and reduced inspection intervals.

Wave height limit of WROV Launch-
no Recovery System

DEEP OCEAN

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CHALLENGE	SOLUTION	KEY TAKEAWAYS	APPLICABLE SCOPE
Naval military needed a solution for the cutting and extraction of UXO ² ³⁴ underwater.	Built the first subsea toolhead. The tool was optimized in February 2022 to enhance performance in cutting and capturing live live rounds. 20 live TNT rounds demilitarised and rendered safe without any release to the environment.	Globally applicable given UXO(l) are present in shallow/ deep water across the world Technology with potential of being used for many years to come.	

RENEWABLES

In 2022, DeepOcean took a big leap forward in reentering the renewables space, cautiously and strategically tackling this market. Currently, we are opportunistically in the growing US East Coast market, where we have positioned ourselves and executed some initial ROV support work for UVO survey and identification. This clearly demonstrates that there is a role to play for DeepOcean in this geographic market. Prior to a new wind farm being sanctioned and built, a full UVO survey and removal process must be completed to ensure the safety and integrity of the field. DeepOcean has created new and unique technology, to safely, efficiently and cost effectively secure any new renewables field (ref. [Guard and Capture](#) case study at new renewables page 35).

LEVERAGING OUR PARTNERSHIPS

to achieve our ambitious goals and truly be a catalyst for change in the ocean space, we have partnered with some of the most exciting companies in the industry. In the following sections we will outline these collaborations and how we will work together to reshape our industry.

in our commitment to accelerate decarbonisation and unlock value for the offshore renewable operators, Baker Solutions, Solstad Offshore and DeepOcean have combined their expertise in offering efficient low carbon emission services through Windtaller Alliance. This alliance has all the means necessary to identify and develop new and innovative ways of delivering offshore and energy services.

Digitalisation to enable 'remote first' operations is a driving force in decarbonisation, and the expertise and assets offered through Remota is the key to achieving this.

We are also bringing our subsurface services and project execution experience to Adeph Minerals, where together we will offer bespoke technologies and assets to enable sustainable extraction of deep-sea minerals. These three collaborations are key elements in fulfilling our overall strategic goals of enabling the energy transition. More details of each collaboration are detailed in the following case studies.



Remota offers remote operations, are semi-autonomous maritime services to existing vessels, remote operations of remotely operated vehicles (ROVs) or UUVs.



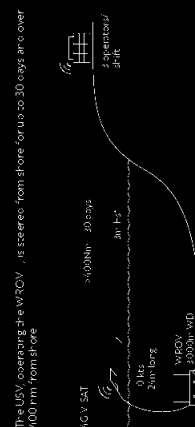
Combining subsurface project management and execution skills with Acceptor's geoscience competence



Combined expertise of 3 offshore industry leaders—Aker Solutions, Solstad and DeepOcean.



DeepOcean's USV technology is a part of Remora, and therefore whilst DeepOcean has full access to the vessels it will not fully own them.



The USV, operating the WQOV, is steered from shore for up to 30 days and over 1000 nm from shore.

Synergising Offshore Renewables – A Closer Look at Windstaller Alliance

“A key challenge in the offshore wind industry is making the most efficient use of the limited space available on the offshore wind developments: more cost-efficient ways to reduce the sector’s environmental footprint and to reduce the costs of the wind farms. DeepGreen and its industry partners working together on the traditional industry ways of working needed to be addressed. As a result, Windteller Alliance was established by DeepGreen and Tellow Alliance to develop and deliver innovative solutions to the offshore wind energy supply chain. The alliance will partner Solstad offshore. This alliance aims to provide the world’s most cost-efficient and complete product supply, fabrication, engineering and marine services offering within offshore wind and other offshore renewables segments.

INTEGRATION AS AN ENABLER

Although the alliance represents an unrivalled one-stop-shop, the Windfaller Alliance believes that the real value lies in the integration of the three companies' services and products. Hence, it aims to cut the amount of supplier interfaces, thereby decreasing technical and commercial project risk as well as execution time through better integration of services, project management and maritime asset utilisation.

Today's supply chain for the offshore renewables market is highly fragmented and, in our view, sub-optimal in terms of efficiency, cost, risk and environmental footprint. At the same time, the offshore renewables sector needs to bring down the cost of energy. We believe that Windfaller Alliance is the ideal setup to tear down existing inefficiency silos, reduce project risk and client cost, which means that we can also be an enabler for making offshore developments more financially attractive," says Juro H. Laiken, Head of Windfaller Alliance.

Windtallier Alliance has access to a substantial product, fabrication and marine services portfolio with related engineering and project management capabilities through Aker Solutions and DeepOcean. Aker Solutions also provides fabrication expertise and subsea and topside technologies, while DeepOcean brings specialised subsea installation and service solutions for offshore renewables. Solstad Offshore offers a fleet of 90 vessels to the alliance. The alliance's service and product portfolio cover the entire lifecycle of an offshore renewables field.

KEY TO CUTTING EMISSIONS

With the backing of the three companies' resource base, the alliance also aims to improve planning and optimise projects through better integration of services, project management and asset utilisation. Reduced time also means smaller carbon footprint of offshore renewable projects.

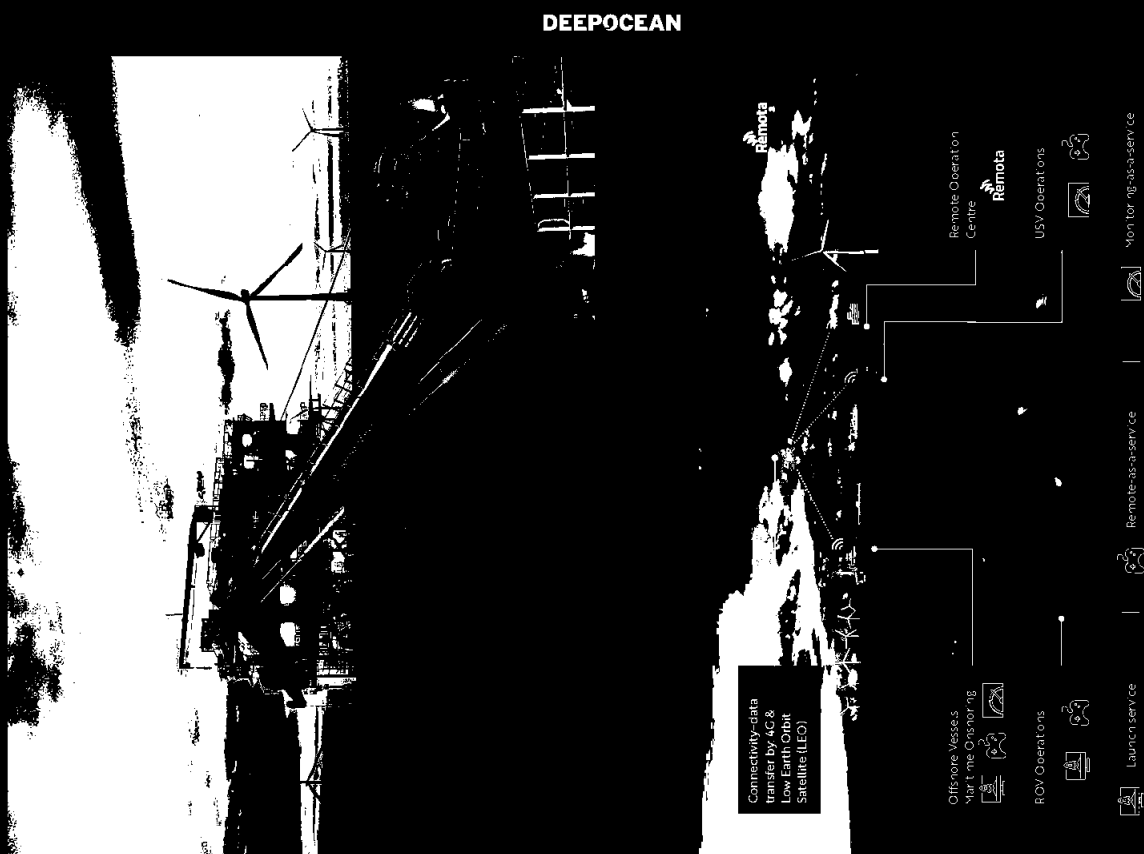
The combination of such a large resource base and complete overlap will enable Windatlas alliance to plan and integrate operations better by optimising mooring and cable designs for vessels available and adopting a holistic, just in time approach for both manufacturing, installation and operations. This will avoid unnecessary build-ups of individual cost and time contingencies and help minimise the environmental footprint for offshore renewables.

We believe this powerful combination will put Windstaller Alliance in pole-position going forward.

Remota Unlocks the 'Remote First' Principle – A Closer Look at the Remota

In 2012, DeepOcean, Sotaled Offshore and Qentis, a group of companies, joined forces to fast-track the adoption of remotely managed services. Remda aims to challenge the offshore energy industry needs, in terms of efficiency and facilitate a remote first approach to enable the green transition. Remda offers remote operations and semi-autonomous maritime services to existing vessels, and remote operations of ROVs and USVs. In addition, the company's remote operations (remcentral) will function as a hub for remote services on various marine applications: above and below the waterline. The companies' second joint venture, USV Connect, will develop own and operate uncrewed surface vessels. Both have tremendous potential to reduce cost and environmental footprint associated with offshore operations.

“Remote operations are key to unlocking significant emission reductions and cost savings from the marine and offshore industries. We believe that Remota can offer clients a world leading remote offering for marine and subsea operations. It can completely transform how traditional ocean-based industries approach their offshore work,” says Svernum Soma, CEO of Remota.



DEEPOCEAN

90 PERCENT EMISSION CUT

Remota aims to fast-track the adoption of new remote technologies, which in turn will make clean-based industries even more sustainable. Simply by managing marine and offshore operations from a land-based operations centre, instead of sending people offshore to perform the same job, tremendous gains can be achieved in terms of increased efficiency, reduced cost and lower emissions. Remota's first Remote Operations Center is located in Haugesund, Norway. The services offered have been proven and implemented in ongoing operations since 2020 and are available to operators, vessel owners and service companies worldwide.

Remote operations allow crew members, for example the captain, crane operator or ROV technician, to virtually log in from the remote operating centre and remotely control/monitor offshore operations in real time.

By taking onshore control of offshore operations, we can have less people physically offshore consuming energy which in turn allows greater flexibility in selecting smaller vessels or USVs with lower carbon emissions. It also removes safety risk as we are limiting personnel exposure to offshore operations. It is estimated that the USV solution can reduce CO₂ emissions by more than 80 percent compared to a conventional offshore vessel when conducting subsea operations.

We enable the energy transition by taking onshore control of offshore operations

Sustainability of deep-sea minerals – a closer look at Adepth Minerals

The renewable energy system needs much larger amounts of critical minerals than the current fossil energy system. Recycling is a good start, but far from sufficient to obtain the large quantities of critical minerals needed in the energy transition.

In 2021, DeepOcean invested in Adepth Minerals AS – a company that aims to deliver sustainable exploration and extraction of deep-sea minerals. Minerals such as cobalt, copper, manganese, lithium, nickel, and rare earth elements are all essential for producing electric vehicles and batteries, harnessing solar power and wind energy, and other actions to reduce consumers' and industries' reliance on fossil fuels.

"On a macro level, deep sea minerals are a key enabler for the rapidly growing build-out of renewable energy both in Europe and elsewhere around the world. We have great potential for realising significant reductions in the global climate footprint," says Dr. Anette Broch, CEO of Adept Minerals.

Adeph Minerals is exploring the commercial opportunities of deep-sea minerals, while leading the transition towards a low carbon economy. To ensure exploration and extraction of sought-after materials in an environmentally responsible manner, Adeph

Minerals will take a leading role, by becoming an operator of exploration and production licenses in applicable ocean territories.

To establish a robust basis for the development of a new mineral industry in Norway, it is crucial to understand and anticipate the most important challenges that will be encountered throughout the value chain and to facilitate extensive collaboration across the industry by drawing on complementary expertise. This is a key reason why a new industry initiative, "EMINENT (Energy Minerals for the Net-zero Transition)", at the end of 2022, was awarded NOK 70.8 million in grants from the Norwegian Research Council, Innovation Norway and Siva (Selskapet for Industriweldt) through the Green Platform Initiative.

Adepth Minerals is taking the leading role of the consortium of 15 companies and organisations contributing to the project.

The Green Platform initiative will explore how to best implement a new value chain within deep sea minerals. Through the project team, comprising complementary world-leading technology and methodology for environmental-friendly production and processing through this we will also accelerate the acquisition of knowledge of deep-sea resources and the environment by establishing an industry that can supply critical materials.

The Norwegian continental shelf will possibly open for deep sea mineral exploration in 2023, depending on decisions in the Parliament during the spring.



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Limiting Environmental and Climate Impacts

Climate change and negative impacts to natural ecosystems is a current crisis that we must all collectively work to mitigate. Depending on the location and type of work, our activities and those of the wider industry can impact individual species and their habitats (through noise, light, spills, suspended sediments etc) and we acknowledge our responsibility in limiting such impacts as far as reasonably practicable when working in the ocean space.

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Additionally, we offer environmental and ecological survey services as part of our integrated project services to our clients to ensure they meet the requirements of their environmental impact assessments.

To address our highest impacts, we have created a strategy to systematically tackle current challenges that will enable DeepOcean, our clients and collaborating partners to reach stated environmental and climate goals.

We are proud of the forward-leaning focus and investment in sustainable initiatives and technology we have put in place over the past decade. To continue our voyage towards reaching net-zero in 2040, we have worked with one of our partnering vessel owners, Solstad Offshore, to retrofit the Normand Ocean with a battery pack in 2022. Increasing our hybrid vessels count to four. Over the next couple of years, we have further committed to having two additional vessels added to the hybrid count; the Volantis and the Snil Server. Actions speak louder than words, and vessel upgrades is an essential component of the DeepOcean sustainability strategy to reach net-zero by 2040.

DEEPOCEAN

A key commitment in this regard is to reduce CO2 emissions from our operations (Scope II) by 45% within 2030 and achieve net-zero by 2040. As 90% of DeepOcean's emissions come from the fleet (scope II), this will be the primary focus of the section. However, disclosure of scope 2 and 3 emissions can be found in the data summary table on page 68. Furthermore, we aim to fully map, assess and mitigate our own and client impacts to biodiversity and life below water. We will achieve this by integrating industry leading ecological sensors, monitors and glider technology with our existing and future assets operating in the ocean space.

To minimise our impacts, we collaborate with our clients and regulators to mitigate any negative environmental impacts related to our operations. During our project campaigns, we plan, adapt, and optimise our working methods to align with the environmental sensitivities associated with the local situation. We apply our environmental and HSEQ policies as well as the relevant industry and international standards to manage biodiversity risks effectively. We have a zero-spill ambition, and we are ISO certified to 14001 for environmental management and 50001 for energy management across all our business units.

DEEPOCEAN

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SUSTAINABILITY

DEEPOCEAN GROUP

-30%

Increased regulations & taxing of emissions

Client reluctance to embrace available green initiatives

Cost impacts related to low carbon technologies and solutions

Digitally tracking and disclosing precise GHG emissions at a project level is a differentiator

Ratio of hybrid battery vessels is second to none

Operators to service previously offshore recycling liabilities

Material Topics

Reduce fleet CO2 emissions by 25% by 2025, 45% by 2030 and net-zero by 2040 (from 2020 baseline)

Reduce annual spills to environment to <100L by 2025

Provide biodiversity impact assessments as standard project offering to clients by 2023

Establish a circular economy program across all business units and projects by 2025

Actions to address material topics

Digitally track and disclose emissions across fleet/projects

Engage in efforts on all vessel operations

Increase charge ratio of hybrid battery vessels

Lobby to upgrade shore power infrastructure

Test bio-fuels on select vessels

Partner with external partners to develop and trial fuel cell technology (e.g. Louisa Organic Hydrogen Carrier)

Total replacement of hydraulic ROV manipulators with electric

Test bio-degradable ROVs on operational ROVs

Prioritise pre & post-ROV dive checks

Enforce house-keeping plan

Sign contract with research institute specialising in biodiversity collection and analysis

Revisit ROVs & USVs with biodiversity sensors and collaborate to launch greater technology from DeepOcean assets

Explore the use of USVs for seabed surveys

Specialise service offering in decommissioning market to execute recycling projects focused on reclaiming of critical seabed

Partner with Companies that specialises in the re-use and sale of recovered subsea infrastructure

2022 Performance

On track

CO2 reduced overall by -16% by the end of 2022 compared to 2020 baseline

On track

W/L (-30% from 2021)

On track

Contract signed with Akvaplan-niva and 1st project scheduled for Q3 2023

On track

All relevant projects in 2022 (7) were completed with >97% recycled materials and revenue has doubled in this market segment

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SUSTAINABILITY

DEEPOCEAN GROUP

16%

DeepOcean CII Baseline

STRATEGY

Energy management Plan and ISO 50001 Certification

GOVERNANCE

DeepOcean Climate Resilience Strategy

STRATEGY

Hybridisation of existing fleet

TECHNOLOGY

ROV's, USV's, and other small vessels

TECHNOLOGY

Hybridisation of existing fleet

TECHNOLOGY

Hybridisation of existing fleet

STRATEGY

Energy management Plan and ISO 50001 Certification

GOVERNANCE

DeepOcean Climate Resilience Strategy

STRATEGY

Hybridisation of existing fleet

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ROV's, USV's, and other small vessels

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TECHNOLOGY

Hybridisation of existing fleet

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ROV's, USV's, and other small vessels

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Energy management Plan and ISO 50001 Certification

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DeepOcean Climate Resilience Strategy

STRATEGY

Hybridisation of existing fleet

TECHNOLOGY

ROV's, USV's, and other small vessels

TECHNOLOGY

Hybridisation of existing fleet

TECHNOLOGY

Hybridisation of existing fleet

DEEPOCEAN

REACHING NET ZERO BY 2040

More than 90% of our emissions (Scope 1) come from our fleet. As such, we focus our main attention on increasing energy efficiency and reducing our carbon footprint on our vessel, by enforcing sustainable operational practices, embracing digitalisation, disruptive technology, and alternative fuels/alternative energy sources. Our three pillars of carbon reduction can be seen below.

Operational

- Reduced fuel consumption & CO2 emissions through speed optimisation (eco-speed as default) enabling 15-30% reduction
- Provide all employees with environmental awareness training
- Use of shore power for essential functions on board - reduced emissions from turning off auxiliary motor and generators

Technological

- Digitalised energy and emissions tracking - enabling crew and onshore teams to make informed decisions regarding fuel and operating cost saving
- Remote Operation Centre allowing ROV's & USV's to be operated remotely, leading to reduced staffing levels and a lower offshore carbon footprint
- Increased use of hybrid vessels enabling +15% emissions reduction
- Evaluation of new-build vessel(s) using best available technology enabling -70% fuel/emission reduction

Alternative Fuels and Alternative Energy Sources

- Use of bio/synthetic fuels (see methanol to reduce CO2 emissions by 50-70%)
- Converting vessel(s) to use fuel cell technology (e.g. LOHC) once technology is commercially available enabling CO2 reductions of -30%

Improving energy efficiency has played a major part in reducing our carbon footprint. Energy efficiency is integrated into our operations and verified through the group-wide ISO 50001 certification for energy management. In DeepOcean, decarbonisation is digitally monitored and tracked through an integrated project dashboard with data from our monitoring platform Mares. Through this interactive platform and dashboard, we monitor and analyse our CO2 emissions, energy performance, identify optimisation during our operations and drive a further reduction in our energy footprint. All project-specific emissions and energy efficiency data is shared with clients as part of the disclosed monthly reporting.

DEEPOCEAN

Net zero

2040

2030

2025

2022

2021

2020

CO2 reduction ambitions

Achieved CO2 reduction

2022 PERFORMANCE

The overall CO2 reduction in the DeepOcean fleet in 2022 compared to 2021 was 52% (target was 53%) which means that for the second year in a row we beat our stated targets. The reduction of total CO2 from the 2020 baseline until the end of 2022 was -16%. We are very pleased to have hit our targets over the past two years which has largely been achieved through increased chartering of hybrid battery fitted vessels, reduced transit speeds and use of shore power. There has been very positive engagement and collaboration between our offshore and onshore teams to achieve these reductions and we aim to further build on this momentum of incremental gains in lowering CO2 emissions to the next major milestone of 45% reduction of CO2 emissions by 2030.

New approaches will have to be explored in order to reach our goal of becoming net-zero by 2040. Initial gains using current approaches will gradually level off and new methods will have to be deployed to reach our collective targets such as using bio/synthetic fuels (e.g. methanol), commercialising new energy sources (e.g. Liquid Organic Hydrogen Carrier), launching uncrewed surface vessels/drones and working with our partnering vessel owners to consider new build vessel designs using best available low emission technology.

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ANNUAL REPORT 2022		NEW		SUSTAINABILITY		DEEPOCEAN GROUP	
DEEPOCEAN		DEEPOCEAN		DEEPOCEAN		DEEPOCEAN	
LIMITING POLLUTION TO THE ENVIRONMENT		2022 PERFORMANCE		RECYCLING & RECLAIMING THE ORIGINAL SEABED		RECYCLING AND RECYCLING OF REDUNDANT INFRASTRUCTURE IS THE RIGHT THING TO DO	
When working in the ocean space there is always the risk of adversely impacting biodiversity and marine ecosystems. DeepOcean is fully committed to working systematically and continuously with our engineers, offshore teams, suppliers and our clients to prevent spills or any other form of pollution to marine environments. Most of our spills are related to manipulators, burst hoses and not stab/fittings. Although we have significantly reduced spills to the environment over the past years, we still have environmental releases to the ocean space that must be further mitigated.		Our target in 2022 was to incrementally improve by 5% compared to the 2021 spill volume. We managed to reduce by a whopping 30% with an overall spill volume of 144 litres globally. Although we are pleased with this level of reduction, we must do better and aim to be below 100 litres annually by 2025. To get there we need to further prioritise time for preventive maintenance, work with our suppliers to optimise equipment parts and evaluate new electrified technology.		Notwithstanding our commitment to the renewable energy transition, we remain committed to ensuring responsible decommissioning of end-of-life oil and gas fields and restoring the original seabed conditions. Being recognised as a leading subsea service provider in the decommissioning and recycling market, we reduce the environmental footprint of these oil and gas fields by responsibly removing and recycling the infrastructure onshore at the end of a field's lifecycle. We continue to seek efficiencies in recycling by engaging with our vendors in relation to re-using components where it is cost/environmentally efficient to do so and working closely with our recycling vendors to minimise the CO2 footprint through the full onshore recycling process.		Although the recovery and recycling of redundant infrastructure is the right thing to do, such activities may be associated with adverse operational impacts, such as GHG emissions and the risk of discharges to the environment. These impacts are being mitigated using low-emission hybrid vessels, the application of robust engineering and the implementation of stringent waste management procedures. Furthermore, DeepOcean strives to provide the most efficient solutions using class leading land Hybridised vessels in the sectors to provide the most efficient means of bringing equipment onshore. In some cases, given our market share, we have a unique opportunity to further consolidate offshore recycling activities between client projects/worksites which again drives further efficiencies, showing benefits to the environment and client budgets alike.	
Spill Volume to Sea		2022		2021		2020	
6/3		197		144			
DEEPOCEAN		DEEPOCEAN		DEEPOCEAN		DEEPOCEAN	
44		45		45		45	



ANNUAL REPORT 2022 - NERVI

DEEPOCEAN

Providing Biodiversity Mapping & Assessments as a Differentiator

DeepOcean and Akvaplan-niva have teamed-up to enable and offer biodiversity mapping to all players in the ocean space with fewer traditional vessels involved, reducing emissions as a result. The GLIDER technology use of autonomous vehicles equipped with advanced sensors that can be operational for months at sea. Traditionally operators would as part of their required ecological impact assessments, commission one company to perform the environmental monitoring and a separate company to launch and retrieve the glider technology from sea. The new agreement bundles the contract to one service deliverable where gliders are launched and recovered from DeepOcean assets, operated and monitored from the Renøya operating centre, and full-scale analysis provided by Akvaplan-niva.

Akvaplan-niva is a non-profit research institute based in Norway. In 2022, DeepOcean entered into a cooperation agreement with Akvaplan-niva. As part of the agreement, we will work towards combining the field operations of DeepOcean's autonomous vehicles – ROVs, USVs and autonomous inspection drones – with Akvaplan-niva's environmental data collection services. The partnership also aims to utilise Akvaplan-niva's unmanned autonomous glider vehicles commercially for use in environmental studies.

For example, if DeepOcean is planning a trip to an offshore wind farm or oil and gas field to conduct subsea inspection, maintenance or repair work, Akvaplan-niva's autonomous vehicles can be transported by and launched from the same vessel to perform environmental monitoring work – for any company working in the ocean space.

Akvaplan-niva's autonomous zero-emission vehicle fleet includes sail buoys equipped with sensors, gliders driven by waves, and gliders driven by buoyancy. The gliders are equipped with solar panels, but need transport offshore. As part of the collaboration, DeepOcean will also share environmental data collected during the company's ROV operations with Akvaplan-niva for use by the wider research community. Further, the combination of zero-emission vehicles and only taking very small sediment samples from soft seabed areas (and carefully avoiding coral reefs) means that there are no negative environmental impacts from the collaboration.

While large vessels are known to disturb marine life, USVs and autonomous inspection drones are very silent, and gliders and buoys do not make any noise. This keeps disturbances to marine life to a minimum. From an industry perspective, both the renewable and oil and gas industry could benefit from even more cost-efficient environmental assessment services. Combining sensor technology with unmanned and autonomous vessels could be one way of solving this. Compared to today's solutions, this approach can substantially reduce use of fossil fuels and associated CO2 emissions.

DEEPOCEAN GROUP

AKVAPLAN-NIVA PARTICIPATES ACTIVELY IN THE GREEN PLATFORM PROJECT ON DEEP SEA MINERALS LED BY ADEPTH MINERALS

Any harvesting operations on the seabed will create plume particles. Modelling this plume will allow us to predict the fate of the particles and the potential environmental impact and mitigation solutions. This modelling is key to unlock the licence to operate from the authorities, to allow new businesses to harvest and supply minerals and metals needed for the green transition.

High-resolution ocean models allow us to predict the fate of water masses or particles with a high degree of confidence. Akvaplan-niva will fabricate the particle plume model using the Finite Volume Community Ocean Model (FVCOM) model in order to understand and predict the fate of particles generated during the extraction of deep-water minerals.

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Safeguarding Employee Occupational Health and safety



DEEPOCEAN



DeepOcean works in harsh environments performing complex and potentially high-risk activities. We are consequently committed to protecting the health and safety of all people working in connection with our projects and operations. Such a commitment can only be achieved through the collective effort of all stakeholders to ensure the correct barriers and safeguards are in place across all DeepOcean worksites. As stated by DeepOcean's CEO, our most important message is our people, therefore, everyone has a role to play in creating a boundless work environment that is both safe and productive. Occupational health and safety will always be a 'moving target' and as such, we will adapt to changing environments, new equipment, stress factors and any other variables we encounter. Robust safety management is our industry's long-standing requirement to operate and always, DeepOcean's guiding principle – 'Operational Health and Safety' – is a commitment to 4500 people, 150 certified ISO 9001, 45001 for occupational health and safety and ISO 14001 for quality management across all our business units. Finally, third party verifications to validate the robustness of our safe systems of work. After achieving a year low with our injury rates in 2021, we witnessed

a sharp escalation of minor injuries across our work sites in 2022, something which was cause for concern. Most of these injuries were due to 'line of fire' incidents and lack of spatial awareness (eyes not on task/path).

Our 2025 actions to addressing our material topics and identifying one of the safest places to work in the ocean industry are outlined in table to the right with associated tangible actions to achieve them. This chapter will focus on how we intend to continue improving safety at our worksites and preventing damage to our assets and equipment.

SELF-VERIFICATIONS AT THE WORKSITES

The project and operational teams have continued in 2022 to focus on reducing exposure to health and safety hazards by performing site-specific self-verifications based on the IOP life-saving rules (LSRs) to proactively verify that DeepOcean is operating according to the highest standards possible. By increasing our proactive verifications in areas with the highest potential for negative impacts, we aim to decrease our overall incident and near miss rate across all work activities.

- Injury to personnel
- Damage to assets and equipment
- Damage to reputation and employee morale if we get it wrong
- Strong HSEQS culture in the company
- Digitalized and sophisticated safety and quality tracking and disclosure
- "Caroo attitude" is anchored in our ACT values

- Strong HSEQS culture in the company
Digitalise and sophisticate safety and quality
tracking and disclosure
"Car oo attitude" is anchored in our ACT values

Material Topics	Actions to address material topics	2022 Performance
Climate Change	- Set science-based targets for greenhouse gas emissions - Implement energy efficiency measures - Invest in renewable energy	- Reduced greenhouse gas emissions by 15% compared to 2019 - Increased energy efficiency by 10% compared to 2019 - Invested \$50 million in renewable energy
Water	- Implement water conservation measures - Invest in water treatment technology - Engage with local communities on water issues	- Reduced water consumption by 10% compared to 2019 - Invested \$20 million in water treatment technology - Engaged with 50 local communities on water issues
Waste	- Implement waste reduction measures - Invest in recycling technology - Engage with local communities on waste issues	- Reduced waste by 20% compared to 2019 - Invested \$10 million in recycling technology - Engaged with 30 local communities on waste issues
Human Rights	- Implement human rights policies - Engage with local communities on human rights issues - Invest in human rights training	- Implemented human rights policies - Engaged with 20 local communities on human rights issues - Invested \$5 million in human rights training
Anti-Corruption	- Implement anti-corruption policies - Engage with local communities on anti-corruption issues - Invest in anti-corruption training	- Implemented anti-corruption policies - Engaged with 10 local communities on anti-corruption issues - Invested \$2 million in anti-corruption training

- Remain below industry benchmarks for injury frequencies
- Provide safety leadership training to all management levels throughout the company
- Provide HSEOS qualification and familiarisation training to all operational personnel
- Measure and analyse Risk Assessment and Toolbox Talks
- Always provide fit for purpose PPE and safety equipment

2022 Performance

On track.
LTI 0.52.
TRIF 1.29.

- Provide certificate working at height and DROPS training across all operational regions;
- Further develop digitalised self-Verification process.

On track.
HiPoF 0.26.

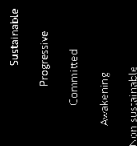
- CNQ to be a stand-alone agenda point in all project monthly reviews;

On track.
CNOQ = 0.8% of overall cost.

- Progress from the commitment to the implementation of the progressive level of the HSEQS cultural maturity assessment by 2025.
- Visible HSEQS Leadership through decisions to remain a priority.
- Values-led approach to consistently demonstrate care for our people, creating trust and psychological safety.
- Seek to tackle the lowest scoring dimensions of the annual employee HSEQS cultural assessment.

On track. Employee HSEQS cultural assessment indicated we are firmly in the committed level.

DeepOcean HSEQS Culture Ladder



0009

The digital platform and methodology used for these assessments has been developed over the past couple of years and in 2022 the team won the coveted UK Healthcare Xcellosope Xcel Innovation for Safety Award, something we are very proud of. In essence, digital checklists have been developed in-house based on the suite of 9 SSGs, tailored to fit and verify DeepOps operational activities, and are made available for use on mobile devices and stationary PCs to give assurance that we 'walk the talk', and where any deficiencies are identified to make sure timely solutions are adopted to maintain a safe and productive workplace.

HSEQS TRAINING AND COMPETENCY

ensuring that our teams are aligned, competent and experienced in safe operating practices via a cornerstone of the DeepOcean safety program. When safety expectations are not clear, when equipment is not maintained properly and when risks are not communicated, that is what leads to injuries and accidents occur. Almost 600 HSEQ training modules were completed in 2022 involving staff, marine crew, third party contractors and client representatives. This is a massive investment in learning and competency and an increase from ~3700 completed modules in 2021. A couple of our key training initiatives in 2022 have been further detailed below.

SAFETY LEADERSHIP TRAINING

On March 1, 2022, we launched a new format and approach to Safety Leadership Training in DeepOcean, which was created by our people, for our people. Every operational region was visited by our in-house training team to engage our onshore and offshore colleagues through dialogue, work activities and a bit of fun. Over 400 attendees completed the training in 2022 to align expectations, challenge assumptions and gain greater alignment across our operational sites regarding safety and sustainability and how everyone can play their part.

The program was centred around three key themes; **safety leadership and leading people, embracing sustainability, and influencing our HSEQS culture.**

to share their knowledge, experiences and perceptions regarding HSEQS ways of working in DeepOcean. Training will continue in 2023 and by popular demand be expanded to include wider employee and client involvement when feasible.

WORKING AT HEIGHT (WAH) AND DROPPED OBJECT PREVENTION (DROPS)

ACT, Latitude, Courage, and Teamwork) campaigns. The company-wide initiatives, scheduled across a 12-month calendar year to draw attention to important HSEQS culture priorities and strengthen our collective HSEQS culture. Historically in DeepScan, dropped objects have been a major causal factor in high potential incidents. In 2022, the topic of Working at Height (WAH) and dropped object prevention (DROPS) was strengthened across onshore and offshore workplaces through theoretical and practical training. The goal of the ACT campaign was to improve safe working at height practices and the prevention of dropped objects by:

- Completely revising existing governing documents on the subject;
- Providing guidance and structured theoretical & practical WAH training and DROPS prevention awareness at the workplaces;
- Validating suitability of existing WAH equipment across our workplaces;

Over 300 people completed working at height and DROPS prevention training across our regions in 2023. The training will continue in 2023 to reach all employees who plan, verify and execute working at height activities in DeepOcean. As we always work as one team, we have also welcomed 3rd party personnel, marine crew and client representatives when on-site to the DeepOcean WAH training to align expectations and raise the collective competency in this critical work activity.

THE DEEPOCEAN HSEQS CULTURE LADDER

Building on the 'Hearts and Minds' program as created by the Energy Institute, in 2022 DeepOcean sought to define its own HSEOS culture leader that could act as a roadmap to measure our employees' perceptions of the DeepOcean HSEOS cultural 'maturity'. The HSEOS culture leader can be divided into five levels of development, ranging from 'Non-Sustainable' to 'Sustainable', as shown in the image above. The behaviours and characteristics of our organisation at each level can be used to help measure the current level of maturity our organisation is perceived to be upon. Using this tool in meetings and targeted workshops gives DeepOcean a clear view of both the present and desired culture. The results illustrates what personal behaviours, individuals and teams are required to adopt in order to improve our HSEOS cultural maturity level. Annual cultural assessments are scheduled, allowing DeepOcean to review and consider how both individual and collectively employees can contribute to improve overall HSEOS performance.

2022 PERFORMANCE

DeepOcean operates with a zero-harm mindset, firmly believing that incidents are predictable, manageable and preventable. The lost time injury frequency (LTIF) rate remained low in 2022, ending at 0.52, which represents two LTIs in comparison to one LTI injury in 2021. Both injuries were sustained during low-risk and routine activities. The total recordable injury frequency (TRIF) rate also remained low at 1.29, representing a total of 5 recordable injuries for 2022 across the company compared to 3 in the previous year.

The main injury trends in 2022 were related to "line of fire" incidents and spatial awareness incidents (eyes not on task/path). Although the recordable injury levels remain low, with a zero-harm mindset even one injury is one too many. A company-wide stand down for safety was held in Q4 of 2022 to review minor and recordable injuries sustained and provide an open forum to agree on needed actions to improve our safety performance.

458 employee responses from 630 invitations - 72% Average placing on Culture ladder of COMMITTED

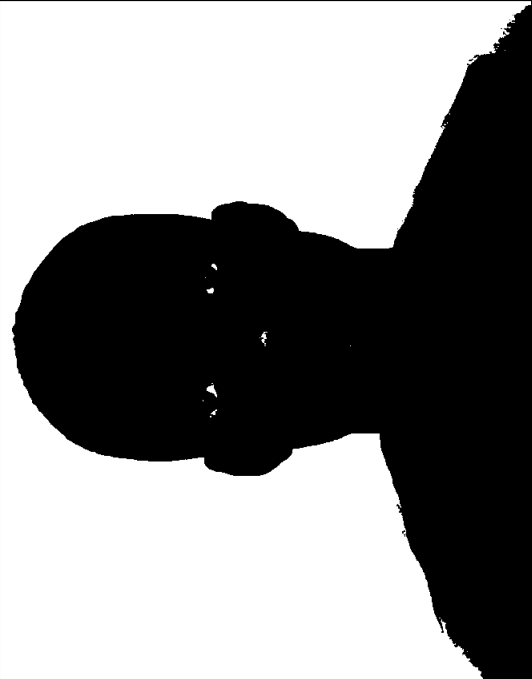


ANNUAL REPORT 2022 MENY

SUSTAINABILITY

DEEPOCEAN GROUP

DEEPOCEAN



HSEQ Lead
DeepOcean Africa-Chana

Working in DeepOcean has given me the opportunity to lead HSEQ activities in offices and base facilities, engage with clients on projects, and travel offshore to support operations within the Africa and Europe regions.

There is a splendid work environment here, driven by a diverse and inclusive team. I've worked with colleagues in Ghana, Norway and France over the past years and always been seamlessly welcomed and integrated with onshore project teams and offshore crews. I have interacted with colleagues from widely diverse backgrounds and cultures and exchanged ideas and experiences.

Working in DeepOcean has contributed greatly to my career development and aligns firmly with my ambitions for the coming years. It has been a truly fulfilling and enriching five years!

85%

HIPo Frequency Rate

	2023	2021	2022
	133	184	0.26

COST OF NON-QUALITY

To complete a project on time, within budget, without damaging assets or injuring our people is the ultimate goal. A key component of getting the job done right first time, is understanding how quality improves consistency, productivity, cost and safety. All too often, quality failures are a direct cause of company injuries, and getting the focus balanced between safety concerns and underlying quality issues is key to protecting the people we work with. By strictly focusing on avoidable quality mistakes in our project and operational activities, we improve our ability to provide cost effective, safe and reliable solutions for our clients and other stakeholders. Line of sight regarding CNQ incidents starts at project level and ends at the board of director's level.

DeepOcean's target in 2022 was to achieve a cost of non-quality rate of <17% of overall cost. To achieve this, our teams have maintained a sharp focus on quality risks across all projects, systematically logged CNQ incidents in our ERP system and completed CNQ assessment during all monthly project reviews.

The result has been a significantly reduced CNQ rate across the company from 3.3% in 2020 to 0.8% in 2022. This is a fantastic result and a consequence of improved digital CNQ reporting, enhanced focus in performance reviews and awareness of past mistakes in project and operational risk assessments. Ultimately this means less re-work, fewer repairs, reduced scrap and ultimately a more profitable, successful and safe end-result for DeepOcean and our clients.

	2020	2021	2022	Target Line
Cost of Non-quality	3.3%	7.7%	2.0%	17%
				17%
				0.8%

DEEPOCEAN

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ANNUAL REPORT 2022 NENY	SUSTAINABILITY	DEEPOCEAN	DEEPOCEAN GROUP	Protecting employee rights and well-being 3 5 8 10 The rights and well-being of all employees, contractors, consultants, and clients working with DeepOcean is important to us and we will ensure that all people working with and on our behalf are properly protected under applicable laws and regulations. Employee well-being is the cornerstone of a healthy and prosperous work environment and DeepOcean looks to ensure that everyone have the right to fair and respectful treatment, access to necessary resources, and protection from any form of discrimination. Protecting these rights drives participation, engagement and stimulates the 'can do' attitude that DeepOcean is known for. Our 2023 actions to address our material topics related to protecting employee rights and well-being are outlined in the table on page 55 with associated tangible actions to achieve them. DIVERSITY AND INCLUSION As previously stated, people are our most important assets. We invest in technology, systems and processes, but in the end, it is our people that deliver the results! We develop our employees and assess the organisation's well-being through regular employee	(Pulse) surveys and promote a 'speak up' culture. DeepOcean is committed to creating an inclusive work environment that allows all its employees to express their full potential regardless of gender, disability, age, sexual orientation, culture, religion or nationality. Our ambition is to be the employer of choice. At the end of 2022, DeepOcean had a diverse workforce of 1 225 employees represented by 44 nationalities. We seek to further develop and motivate our people through employee engagement, competency management, career development and leadership training. DeepOcean is committed to creating this inclusive environment by: - Respecting the principle of non-discrimination in all stages of every employee's career path, - Implementing measures in favour of diversity and inclusion, - Raising awareness and providing diversity, equity and inclusion training.	Material Topics - Increase diversity across DeepOcean by 2025 by: - New hires to include 20% female candidates; - Achieve 20% female in leadership roles; - Increase ethnic diversity in employee group in all regions. - Provide standardised training and competency development opportunities across all regions by 2025. - Validate that all relevant subcontracted activities are free from infringements on human and labour rights by 2025. - Promote and gauge employee well-being with goal of >10% in Net Promoter Score by 2025.	Actions to address material topics - Enforce clear internal diversity KPIs for each line manager. - Initiate programs to develop and promote women to leadership roles. - Initiate annual "empower women day". - Recruitment process to include diversity considerations. - Provide Leadership Pipeline Institute (LPI) training to all management levels. - Implement LinkedIn Learning for all employees. - Safety Leadership Training (SLT) rolled out in all regions. - All employees to receive personal development dialogues. - Establish offshore competency framework. - Communicate our Corporate Social Responsibility (CSR) expectations to all relevant suppliers. - Maintain ESG due diligence of all relevant suppliers through 3rd party software platform. - Enforce develop internal compliance department. - Perceive "strict" suppliers will be part of the annual compliance audit program. - Twice annually send out PULSE survey to gauge employee satisfaction and implement action plans. - Provide flexible working conditions with Home office and flexi-time arrangements. - Regional employee wellness programs to be sponsored. - Sponsor employee fitness program. - Regional monthly cowhalls held to engage and inform.	2022 Performance Off track: 28.8% of new hires (onshore) were female, target was 10%. On track: 15% female are in leadership roles. 4/10 nationalities are represented in DeepOcean. On track: 207 learners completed LPI. LinkedIn Learning available to all employees. 400 leaders. Completed SLT 695 PDI initiative. On track: In-house supplier qualification process in place. 3rd party software platform to monitor supplier ESG under evaluation. Compliance officer in place. On track: We achieved 90% retention of staff in Q4. We achieved 37% in Net Promoter Score.	54



ANNUAL REPORT 2022 - NENY

SUSTAINABILITY

DEEPOCEAN GROUP

DEEPOCEAN

I have been part of the procurement department in DeepOcean Mexico for nine years now and I have been in charge of procuring the best materials and services to suit DeepOcean's needs and exceed clients requirements.

I am so happy to see a clear growth in diversity over the past year and it is refreshing to have more women working side by side, showing our professionalism and competency. Every day I face new challenges and thus also opportunities to showcase my abilities and commitment to DeepOcean.

I see myself working for DeepOcean for many years to come, knowing that I will continue to contribute to the companies success. DeepOcean is a great company and has so much to offer the world in terms of innovation, sustainability and especially offering top quality services thanks to our most important assets: our people.

Purchasing Coordinator
DeepOcean Mexico

DeepOcean's employee diversity is a core strength and a major contributor to why it is a great place to work. We recruit, develop, and retain the most talented people, regardless of their background. All employees in DeepOcean, whether part-time, full-time, temporary agency or contractors will be treated fairly, with respect and dignity. Equal pay among genders is a given in DeepOcean and is continuously monitored. We embrace our differences and use our diversity of thought and experience as a catalyst for growth and creativity.

2022 PERFORMANCE

DeepOcean's board of directors have been a driving force in addressing the importance of diversity and inclusion in the company and have mandated the establishment of clear and tangible targets and objectives in this regard. We are moving in the right direction, however, we need to further increase the gender and ethnic diversity of employees and leaders throughout our organisation, both onshore and offshore. Although we have worked diligently across the past couple of years to raise focus and attention to these key priorities, we have yet to reach our goals in this regard.

In 2022 we were aiming to have 40% of all new onshore recruitment be female candidates. As can be seen from the results overview we did not reach this target and concluded the year with 28.8% of new hires being female. We are not satisfied with this result and will re-emphasise our internal KPI for this material topic and intensify our initiatives to attract the best female candidates in 2023. By 2025 we aim to have 20% female leadership in the company. We are on track to achieving this with a 15% female leader rate by the end of 2022. Focused leadership development programs have been put in place and equal opportunity principles are enforced for all external hires and internal promotion processes.

As can be seen from the female distribution chart, some departments have good gender balance already established, whereas other departments have improvement potential. DeepOcean is actively seeking to recruit top female candidates to all departments but especially to our projects and operations, technology, IT and offshore functions.

INVESTING IN OUR PEOPLE

As we perform highly skilled, complex and specialised work, we invest in our people to ensure they are among the most sought-after in the industry. Our employees have free access to LinkedIn Learning, an online learning platform offering 17 000 learning courses, e-learning programs through our training software platform Minna, and we have in-person classroom training programs to assist our people in developing their skills and taking their career to the next level. To further tailor our training and competency program to our evolving workforce, we will recruit a dedicated learning and development specialist in 2023. Our development dialogue process for personal development also serves as a foundation to assist our employees and leaders clearly define personal career paths.

300 specially trained and highly experienced engineers

Proven smart and agile solutions

20 year track record and unparalleled turnaround time

Gender Distribution of New Hires and Leadership

	New Hires	Leaders
Female	71.2%	85%
Male	28.8%	15%

Female Ratio Across Different Departments in DeepOcean

Department	Female Ratio
HR & HSEQS	68%
Finance & Commercial	30%
Projects & Operations	18%
Technology & IT	7%
Offshore & Management	4%

DEEPOCEAN

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ANNUAL REPORT 2022

MENY

SUSTAINABILITY

DEEPOCEAN GROUP

Employee Perceptions of their Line Management 2021-2022

My manager motivates me	68%	79%	78%	67%	77%	86%
My manager gives clear directions & expectations	39%					
My manager gives me constructive feedback						
I would recommend my manager to a friend						

Q4 2021 Q4 2022

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Another aspect to career development in DeepOcean is the annual succession planning process for all leadership positions and critical specialist positions in the company. We champion internal recruitment and advertise all open positions internally, which resulted in 137 employees changing roles within DeepOcean in 2022. This clearly demonstrates how our company growth provides excellent opportunities for all our employees.

LEADERSHIP DEVELOPMENT PROGRAM

DeepOcean relies on dedicated and competent leaders to mentor and develop their teams to succeed and find joy in work. In 2022 we invested in a comprehensive leadership development programme, the Leadership Pipeline Institute (LPI), for approximately 300 leaders globally.

The program has had very positive effects on functional teams and the relationship between leader and direct reports. Results in the employee engagement survey, as well as the leadership support and engagement survey show significant improvements across the board as can be seen in the graphs from the employee engagement survey (PULSI) from 2021-2022.

We are very proud of our leadership group for clearly rising to the occasion and fostering a work environment that enables our employees to thrive and excel in their work.

HUMAN AND LABOUR RIGHTS

DeepOcean is committed to supporting the equal and inalienable rights of all employees and ensuring that this extends to the companies we choose to do business with. We strive to enforce and protect internationally recognised human rights throughout our supply chain

DeepOcean vs Benchmark Net Promoter Score 2021-2022

Category	DeepOcean	Benchmark
Q4 2021	40	31
Q4 2022	35	22
Q4 2022	30	18
Q4 2022	25	9
Q4 2022	20	4
Q4 2022	15	0
Q4 2022	10	0
Q4 2022	5	0
Q4 2022	0	0

DeepOcean Industry Benchmark

of inter alia intranet posts, posters, town hall meetings, and department meetings, such that all workers are made aware of it. In 2022, no human rights violations were reported.

2022 PERFORMANCE

In 2022 more than 97% of employees across the group completed our Anti-Slavery & Anti-Human Trafficking training module and 78% for code of conduct. We will continually increase awareness internally and with our suppliers and monitor our human rights work and impacts. In 2023 we expect all our employees to complete the internal courses.

We developed and internal compliance department and recruited a compliance officer, which will strengthen our legal compliance program and create internal and external controls mechanisms.

We updated our Supplier Pre-Qualification System and integrated specific ESG requirements prior to conducting a broader Environmental, Socioeconomic, and Health Impact Assessments in 2023 to assess potential human rights impacts. In 2022 an external software platform specializing in ESG risk management was evaluated for implementation in 2023 as a supplement to the DeepOcean supplier pre-qualification system.

EMPLOYEE ENGAGEMENT AND WELL-BEING

We invest in the well-being for our employees and gauge the organisation's perceptions of their work environment through regular employee engagement surveys. The result after each survey is analysed and action plans created for follow-up by line management.

DEEPOCEAN

In 2022, DeepOcean ranked fourth amongst competitors in Universum's Norway's most attractive employer among engineering students, demonstrating we are on the right trajectory to reach our goal in becoming the employer of choice. We celebrated this achievement and intend to further build on this good standing. Our goal for 2023 is to move up the ranks and achieve even better results in the years to come.

DeepOcean has a high employee retention rate, indicating that our employees are satisfied with the work environment and the proactive steps we take to ensure our employees' well-being. We welcomed 309 new employees in 2022, with a strong emphasis on effective onboarding so they swiftly became familiar with the DeepOcean ways of working and were integrated with projects and departments alike.

The Net Promoter Score is a popular metric among all businesses to monitor employee engagement. A score higher than 0 is good, having more promoters than detractors is a positive sign. An NPS around 20-30 is very good, and anything above that is excellent. We are very proud to say our NPS went from 4 in Q4 of 2021 to the amazing result of 37 in Q4 of 2022.

This has been achieved through a combination of many factors, but most importantly our people tell us that DeepOcean has the most inclusive, positive and engaging work environment in the industry. This doesn't just happen by chance, it is the result of a great deal of time, effort and resources. We know that our people are our most valuable assets and therefore believe that every effort spent on building a work environment where people feel a sense of belonging, pride and be part of a community that they can identify with, is effort well-spent.

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Red Cross: Deep Ocean Norway supported a new life saving boat for Haugesund Red Cross.

Karmøy football club: DeepOcean contributed to local football club to purchase a new car. This was an initiative for people with disabilities, who need to be picked up at their home to join training.

Golf Tournaments: Sponsor one of our TechnoFVC and Williams Golf tournaments to fundraise for United Way or Great Houston, an organization working to create opportunities for people in Houston community providing financial stability, education and health care to all.

Instant Neighbour
and AberNecessities:
delees Ocean support
two local charities. Both
organizations help families
and people with low
incomes with essential and
basic necessities. Together
they support 13,500 and
more children in the North
East of Scotland.

Breast Cancer Awareness:
 In Ghana we participated
 in "Run for a Cure Ghana",
 while in Norway we
 participated in "Pink
 Ribbon Run". Both
 to support and raise
 awareness against breast
 cancer.

International Coastal Cleanup Day: we encouraged all our locations to organize an ACT on this day. It was a great turnout out on both different locations - both by our staff and their customers. We managed to collect 22 tons of waste.



DEEPOCEAN

Senior Project Engineer
DeepOcean Europe, Norway

I learned about DeepOcean when working for another company, working on the Edda Fauna. Even though I worked as a subcontractor I felt completely included and part of the "DeepOcean family".

I find the subsea industry and the work we do here in DeepOcean immensely interesting, challenging, and relevant for my career ambitions.

I have worked in several different companies, and I think the work environment in DeepOcean is quite unique. The threshold for asking for help is low, people are welcoming, including and go out of their way to help.

Here you immediately get involved and are assigned project responsibilities, confirming that your contributions are important.

It is inspiring to work with so many capable women, both project engineers and women in leading positions. This inspires me and shows me that DeepOcean focuses on women and is invested in our careers. I see myself as a future DeepOcean leader.

DEEPOCEAN

WE SUPPORT THE WELL-BEING OF OUR
LOCAL COMMUNITIES

LOCAL COMMUNITIES Being a global player, we care about the well-being of those who live in communities impacted by our activities, and we expect the same from our suppliers and business partners. Throughout 2022, DeepOcean supported and contributed to several projects, both at local and national levels. While we have continued to support our annual projects and initiatives, our teams worked hard to establish new collaborations.

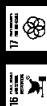
**Matombi village elementary
school and medical centre**

DeepOcean Africa support base team led a community commitment to the Matombi village elementary school & medical centre in 2022. The village of Matombi is located on the coast north of Pointe Noire, Republic of the Congo.

The 'Mama Antoinette Sassou' community school and medical centre was constructed to provide schooling and medical care near the village of Matombi. The school now supports the village and surrounding community of 150 students.

Our team in the Congo committed to repair works, provision of schooling equipment and medical supplies. DeepOcean were fortunate enough to join the students and faculty members in October 2022 to celebrate the milestone of establishing the new team, following months of support and liaison.

Being responsible and transparent across the value-chain



Knowing that we act responsibly, ethically and transparently across our value chain is a key material topic for DeepOcean. Our reputation and integrity are cornerstones of being able to form strong collaborations, win work and attract the best talent in the industry. As supply chains expand in new territories and DeepOcean enters new markets with new players, it is imperative that we maintain robust mechanisms to ensure that not only DeepOcean activities are free from improper business practices, but that the value chain we interact with is also vetted and continuously verified to comply with our standards and requirements. Our people are trained in how to spot and report unethical business practices and we put the right safeguards in place to ensure that all stakeholder information and privacy remains protected.

ANTI-BRIBERY AND CORRUPTION
PROGRAMME

DeepOcean has a zero-tolerance policy against corruption. DeepOcean works against corruption in all its forms, and we have high expectations to our employees, our partners and our suppliers regarding ethics. We work to make sure that our business partners also share our commitment. Training is key when

building a culture of integrity and ethical behaviour. DeepOcean mitigates corruption risk by means of an anti-bribery and corruption programme, which consists of an annual e-learning course and separate compliance classroom training.

DeepOcean's business conduct and ethics policy describes the overarching principles governing ethical practice, accountability and openness, and compliance with laws. There is a continuous focus on developing and maintaining DeepOcean's anti-corruption compliance program and the business code of ethics to ensure that adequate procedures are in place to prevent and recover corruption.

2022 PERFORMANCE

2022 PERFORMANCE
At the end of 2022 we reported a compliance e-learning completion rate of 76%. To improve the completion rate, we started working towards modernising the content of the e-learning program, both in its digital version and in the classroom format. In 2022 we conducted management compliance classroom training for all leaders in the Europe region and will continue the roll-out across other regions in 2023.

DEEPOCEAN

- Corruption and bribery incidents in high risk markets
- Cyber security breaches
- Data privacy incidents
- Strengthened internal compliance department
- Strengthened cyber security and data protection dept
- Heightened training & awareness

2022 Performance

On track. No infringements or incidents raised pertaining to anti-bribery or corruption in value chain.

Actions to address material topics

- Monitor anti-corruption legislation and other regulatory requirements applicable to DeepOcean;
- Perform due diligence on at risk business partners;
- Implement 3rd party risk monitoring platform;
- Prepare classroom training program to complement e-learning training materials related to ethics hotline and anti-corruption compliance

Material Topics

- to establish robust anti-bribery and corruption verification programs across value chain.

On track.

On track.

No breaches to data security experiences;

2 breaches to data privacy that have been managed through to close-out. Data protection contact, and information are

member



SPEAK-UP CULTURE

DeepOcean expects and actively promotes a speak-up culture where anyone can raise concerns regarding unethical or illegal behaviour and report any suspected wrongdoing. We want our employees to be empowered to speak up without fear of reprisal. DeepOcean do not tolerate any discrimination or retaliation against anyone who reports an alleged violation of our policies. All such claims, if substantiated will be subject to disciplinary action. Our whistleblowing channel called 'Ethics Hotline' is administered by a specialist third party company and contributes to safeguarding confidentiality and the reporter's anonymity. The Ethics Hotline is highly visible on the Company intranet and the board of directors and chairman have sponsored the efforts to communicate this as a top priority across the company.

2022 PERFORMANCE

In 2022, seven compliance reports were registered with our third party provider and all fully investigated. To further enhance our transparency and accountability, DeepOcean has established a whistle-blower program that allows employees and other stakeholders to report concerns related to human and labour rights, or any other matter, in a confidential and secure manner. The program is designed to ensure that all reports are investigated in a prompt and impartial manner and that appropriate actions are taken to address any issues identified. In 2022 we also updated our telephone lines and created communication materials which will be distributed to all worksite locations both onshore and offshore in 2023.

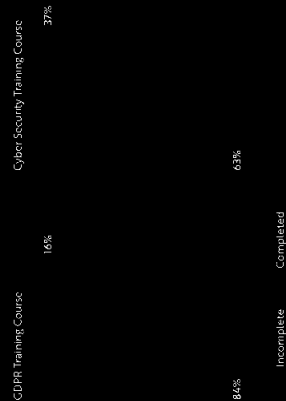
DATA PRIVACY & PROTECTION

Data protection and privacy are critical components of DeepOcean's commitment to governance integrity. DeepOcean recognises the importance of safeguarding personal and sensitive information and take great care to ensure that we comply with all applicable data protection and privacy laws and regulations.

DeepOcean has established robust data protection and privacy policies designed to protect the privacy rights of our employees, customers, suppliers, and partners. In addition, we have implemented appropriate technical and organisational measures to ensure the security of such information. We have also trained our employees on data protection and privacy through a combination of e-learning and classroom training. The training result at the end of 2022 was 84% completion of GDPR training. Additionally, cyber security training was enforced with a 63% completion rate in 2022. The aim in 2023 is to have a full 100% completion rate across both training modules.

Furthermore, we have appointed a data protection contact in 2022, ensuring that we remain compliant with all applicable laws and regulations. DeepOcean is committed to ensuring that all personal data is processed in a transparent and fair manner, and we have implemented appropriate measures to give individuals control over their personal data.

Data privacy & protection



2022 PERFORMANCE

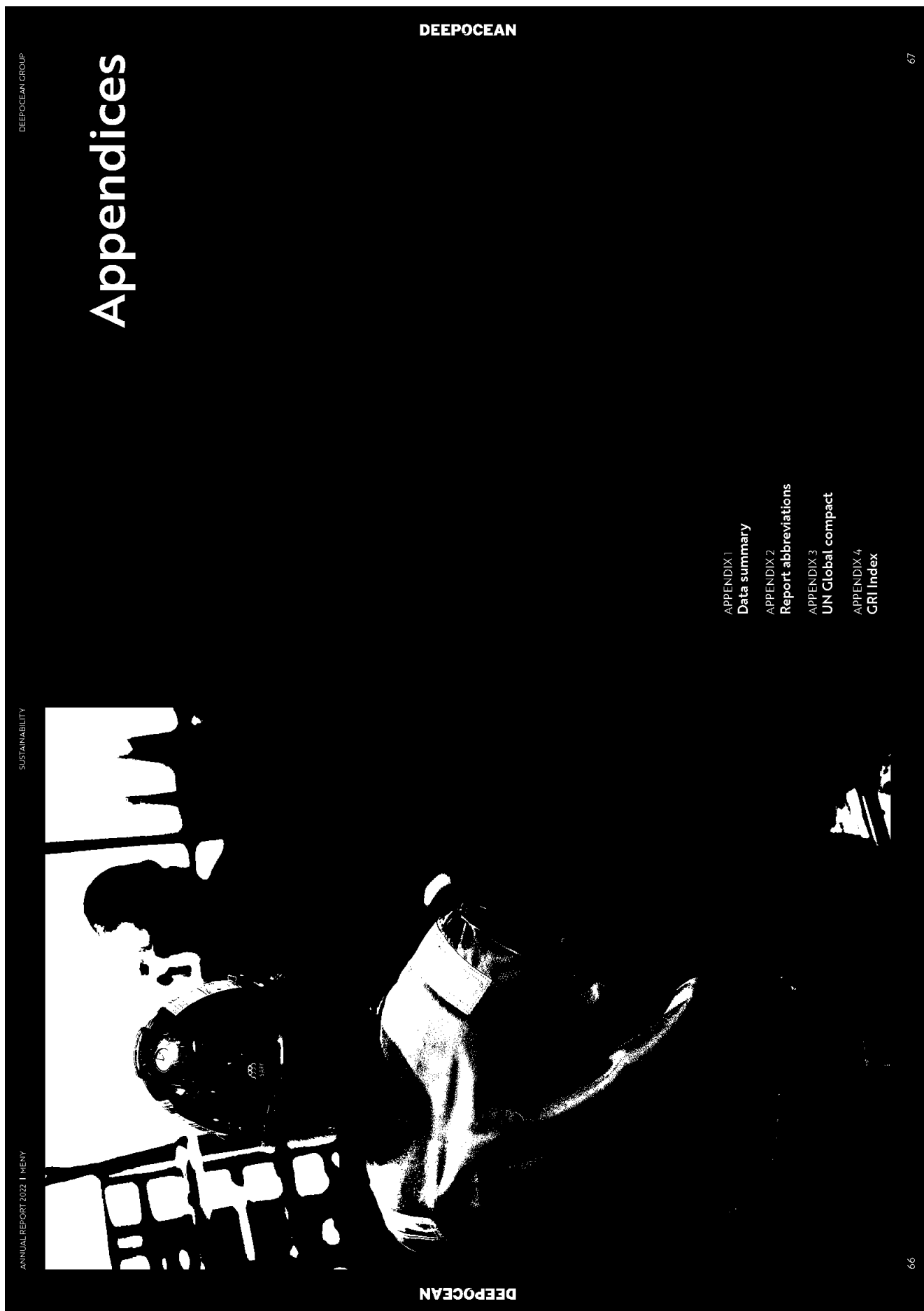
In 2022 we had two breaches to data privacy that were low criticality and due to human error. Both incidents were fully investigated and timely closed-out. Both incidents were quickly flagged and actioned by our in-house systems. We had no registered security breach to our systems in 2022. In terms of data security, we had zero registered breaches to our systems in 2022.

DeepOcean invested heavily in information and data security in 2022 with new technical and organisational systems. We also employed dedicated information and cyber security specialists in both our onshore and offshore IT teams. We will continue to invest in improving our security systems in 2023 with upgrades to our networks and training provision, which is key.



DEEPOCEAN

*Our people are our primary assets.
Over 80% of employees are proud to tell
others they work at DeepOcean.*





ANNUAL REPORT 2022 | NEMV

SUSTAINABILITY

DEEPOCEAN GROUP

APPENDIX 1 - DATA SUMMARY

MATERIAL TOPIC	KEY PERFORMANCE INDICATOR	UNIT	2022	2021	2020	MATERIAL TOPIC	KEY PERFORMANCE INDICATOR	UNIT	2022	2021	2020
Enable the Energy Transition	Hybrid (Battery) vessels	Count	4	3	1	Protect Employee Rights & Well-Being	Nationalities	Count	44	36	34
	Remote Operating Control Rooms	Count	3	2	1		Women in leadership roles	Percent	15%	17%	19%
	Ocean mineral expedition/ project	Count	1	0	0		New employee hires	Count	309	114	52
Limit Environmental and Ecological Impacts	Carbon Intensity Indicator (Scope 1)	CI1*	1649	1744	1977	Be Responsible and Transparent Across the Value Chain	Net promoter score	Number	37	4	***
	Scope 2 emissions	CO2 (tn)	116	168	209		Speak Up/ethics cases	Count	7	0	0
	Scope 3	CO2 (tn)	2788	***	***		Compliance and ethics training (for relevant personnel) completed	Count	76%	60%	***
	Spill Volume	Litres	144	197	223		Data privacy breaches	Count	2	0	2
	Spill frequency	Rate**	8,84	9,19	***		Data security breaches	Count	0	1	0
	Recycling of decommissioned materials	Percent	97%	96%	***						
	NOx	ton	795	912	961	DEEPOCEAN * Carbon Intensity Indicator calculated based on Totaling CO2 emitted (Scope 1 + Scope 2) divided by total hours worked based on number of employees x 1,000,000 hours / exposure hours ** Data not available *** Data not available 1. Scope 1 covers direct emissions from our operations. 2. Scope 2 covers indirect emissions from the generation of purchased electricity, heating and cooling, steam, and other indirect emissions. 3. Scope 3 includes all other indirect emissions that occur in a company's value chain, in our calculation we are tracking only travelling. 4. Lost Time Injury definition: Any injury resulting in the person being unable to attend work the day after the injury. 5. Total Recordable Injury definition: all Lost Time Injuries + Medical Treatment Cases + Restricted Work Cases. 6. High Potential Incident definition: High Potential Incidents (HPIs) are defined as incidents and Near Miss incident cases where the potential is within the red zone on the Risk Analysis Matrix. 7. Net promoter score is for the question: "How likely are you to recommend DeepOcean as an employer?" 8. Cost of Non-Quality definition: any non-budgeted costs incurred in the year, including costs of correcting incidents, and consolidated value of several smaller incidents. 9. CSR Conduct social responsibility					
	SOx	ton	465	38	15						
	Waste generated	tn	151	***	***						
	Fatalities	Count	0	0	0						
	Lost time Injuries	Count	2	1	3						
	Total Recordable Injuries	Count	5	3	5						
High Potential Incidents	Count	1	6	5							
Lost Time Injury Frequency	Rate**	0,52	0,31	0,76							
Total Recordable Injury Frequency	Rate**	1,29	0,92	1,27							
High Potential Incident Frequency	Rate**	0,26	1,84	2,03							
HSE training completed (e-learning)	Count	5058	3702	4847							
HSE training completed (Classroom)	Count	733	2	24							
Cost of Non-Quality (CNQ)	Percent	0,8	2,2	3,3							

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APPENDIX 2 - REPORT ABBREVIATIONS		SUSTAINABILITY	DEEPOCEAN	
ACT	Attitude Courage Teamwork			
AID	Autonomous Inspection Drone			
BAT	Best Available Technology			
CII	Carbon Intensity Indicator			
CNQ	Cost of Non-Quality			
CO2	Carbon Dioxide			
CSR	Corporate & Social Responsibility			
D&I	Diversity & Inclusion			
ESG	Environmental, Social and Governance			
FVCOM	Finite Volume Community Ocean Model			
GHG	Greenhouse Gas			
HiPo	High Potential			
IMR	Inspection, Maintenance and Repair			
ISO	International Organization for Standardization			
JV	Joint Venture			
LTI	Lost Time Injury			
NOx	Nitrogen Oxides			
NPS	Net Promoter Score			
ROC	Remote Operating Centre			
ROV	Remotely Operated Vehicle			
SDGs	Sustainable Development Goals			
SOx	Sulphur oxides			
TRI	Total Recordable Injuries			
USV	Uncrewed Surface Vessel			
UXO	Unexploded Ordnance			
		70		

APPENDIX 3 - UN GLOBAL COMPACT			DEEPOCEAN	
UNGC TOPIC	PRINCIPLES	PAGE IN REPORT		
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	Principle 2: make sure that businesses are not complicit in human rights abuses.	58		
Labour rights	Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	58-59		
	Principle 4: the elimination of all forms of forced and compulsory labour.	58-59		
	Principle 5: the effective abolition of child labour.	58-59		
	Principle 6: the elimination of discrimination in respect of employment and occupation.	54-65		
	Principle 7: Businesses should support a precautionary approach to environmental challenges.	30-31		
Environment	Principle 8: Undertake initiatives to promote greater environmental responsibility.	30-43		
	Principle 9: Encourage the development and diffusion of environmentally friendly technologies.	34-39		
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2-14 Role of the highest governance body in sustainability reporting	21
2-16 Communication of critical concerns	29
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305-5 Reduction of GHG Emissions	69
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302-1 Energy consumption within the organization	69
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302-4 Reduction of Energy Consumption	43
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304-2 Significant impacts of activities, products, and services on biodiversity	44-45
306-1 Waste generation and significant waste-related impacts	45
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308-2 Negative environmental impacts in the supply chain and actions taken	45
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403-2 Hazard identification, risk assessment, and incident investigation	48-49
403-5 Worker training on occupational health and safety	50-51
403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	50-51
403-8 Workers covered by an occupational health and safety management system	48-50
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Board of Directors' Report

"DeepOcean on the first year of its renewed 5-year plan in 2022. The group delivered increased revenue, increased proportion of its revenue from the recycling business line, increased profitability from continued operations and increased cash generation. Our employees are our key assets, they deliver successful projects to the satisfaction of our customers."

DEEPOCEAN



DEEPOCEAN

Building on more than 20 years of operational excellence, DeepOcean Group Holding AS and its subsidiaries (hereinafter referred to as 'DeepOcean' or 'the group') is a world-leading ocean services provider, committed to enabling the energy transition and the sustainable use of ocean resources.

DeepOcean offers clients in the global oil and gas, offshore renewables, ocean solutions and ocean minerals sectors a full range of services:

- Survey (monitoring and seabed preparation)
- Engineering, project management and installation
- Maintenance (inspection, maintenance and repair)
- Recycling (restoration of original seabed conditions)

Our global team of experts is at the forefront of remote and unmanned operations and digitally-enabled ocean services. They carry out safe, cost-efficient and sustainable operations supported by an extensive range of tools and technologies.

DeepOcean has a 'GO GREEN' attitude, with a continuous focus on ensuring that our customers' operations are more sustainable by reducing both their carbon footprint and costs.

The group offers a comprehensive portfolio of services, performed using a fleet of 18 owned and chartered vessels, combined with an extensive mission equipment portfolio comprising more than 50 subsea assets, such as ROVs, trenchers and module handling systems, all supported by an extensive tool pool. These enable DeepOcean to package its subsea services into cost-effective and tailored solutions that meet our individual clients' needs.

DeepOcean is independent of any equipment, technique or manufacturer and therefore can focus on the best solutions for its clients. With a strong track record for safety, cost-efficiency, flawless operations, and innovation, DeepOcean is the preferred pure play subsea service provider for its oil and gas as well as renewable energy customers across the globe.

DeepOcean employs approximately 1 200 people in ten countries. The corporate headquarters is located in Oslo, Norway.



Market outlook

Although 2022 was a year of crisis, with global disruption exacerbated by geopolitical uncertainties and high inflation, we observed an increasing oil price with the Brent crude price averaging approximately USD 100 per barrel for the first time since 2014. In terms of growth in the oil and gas sector and low-carbon investments, we are now entering a promising 2023. Energy security concerns have caused the OECD countries to focus on their energy independence, and this has led to an increased focus on investment. DeepOcean as an asset light service provider is benefitting from this investment as we can provide many of the services needed to ensure energy security. DeepOcean has seen increased activity levels in 2022 and we expect this to continue in 2023.

Planned project visibility has significantly improved after some years during which market visibility was constrained to current year activity. DeepOcean is now recording visibility of two to three years prior to project execution.

The Norwegian package for new petroleum activities resulted in several major contract awards for 2022 and beyond. This will be particularly important for the Subsea Construction and IMR sectors in the coming years. As a leading service provider, DeepOcean is positively exposed to this trend because a significant proportion of its revenue is generated in these markets. DeepOcean continues to see major growth in recycling activities in the UK sector. Such activities have exhibited steady growth as an increasing number of mature oil and gas fields begin to reach the end of their lifetimes. DeepOcean is well positioned to capture a significant share of this market and has been awarded major projects in this sector during the last three years.

In North America, DeepOcean experienced record high activity in 2022 and was able to increase its market share due to a shortage of Jones Act vessels and consequent high vessel rates. The developing offshore wind market gained momentum, driven by increased activity on the East Coast. In the bottom-fixed offshore wind market, DeepOcean positioned itself with several key clients in preparation for a number of opportunities that are expected to come to fruition in 2023. Inspection activities in Mexico picked up in 2022, and we anticipate a further increase in project executions and inspections in 2023.

In the ocean minerals sector, our ongoing investment in Adolph Minerals has enabled further preparations in anticipation of future projects. DeepOcean will be carrying out a survey offshore northern Norway in order to map the extent of seabed mineral deposits.

DeepOcean's portfolio continues to expand as the result of activities such as our participation in the Windteller Alliance, our investment in Adolph Minerals, the building of a core renewables team and the establishment of Remota in partnership with Solstad and Østengjæ Rederi.

Although oil and gas is forecasted as being the group's major contributor of revenue in the near term, DeepOcean is both fully equipped and capable of playing a more active role in the energy transition by means of diversification into a wider range of energy segments. In its five-year plan, DeepOcean has set a target that non-oil and gas activities will account for 50% of its revenue in 2026. Twenty-five per cent of the group's revenue in 2022 was derived from non-oil and gas activities, which represents a significant increase from the 10% recorded for 2021.



DeepOceans' increased order backlog is a clear indication of the positive market outlook.

Organization

For the purposes of reporting to its owners, lenders and other key stakeholders, the group operates with four external reporting segments: Europe, the Americas, Africa and Corporate.

Furthermore, DeepOcean reports its revenues according to business line. We refer to Note 6 for a breakdown of revenue on reporting segments by business line. The group's business lines are Inspection, Maintenance and Repair (IMR), Recycling, Survey and Seabed Intervention, Subsea Construction and Other Services.

Group financial performance

DeepOcean presents its consolidated financial statements in accordance with the International financial Reporting Standards (IFRS) as adopted by the European Union. Unless otherwise stated, all amounts below refer to the consolidated financial statements of the group. The financial statements cover the period from 1 January 2022 to 31 December 2022.

ORDER INTAKE AND BACKLOG

In 2022, the full-year order intake increased to USD 605 691 thousand (2021: USD 566 668 thousand).

This represents a book-to-bill ratio of 1.25. Tender activity remains very high with DeepOcean having submitted tender bids for approximately USD 650 million worth of contracts at year-end 2022.

Our accounting order backlog represents the aggregated value of signed contracts at the end of the relevant contract period (excluding extension options and letters of intent).

This decrease is mainly due to lower proceeds from sales of property, plant and equipment and higher capital expenditure in 2022. Net cash flow from financing activities amounted to negative USD 42,602 thousand (2021: negative USD 51,553 thousand). The increase in cash outflow is partly due to the USD 12,927 thousand repayment of the Facility term loan in 2022. We refer to Note 19 for further information. The group also redeemed shares during 2022 amounting to USD 40,000 thousand. We refer to Note 18 for further information.

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NCOME STATEMENT

During the period, the groups' revenue increased to USD 5,666,085 thousand in 2021/2021. The Europe and Americas segments showed strong growth in the USD 499,427 thousand, driven primarily by strong project performance across the Europe and Americas segments, partially offset by an increased depreciation burden. Profit from continuing operations for the period was USD 29,936 thousand (2020/2020: USD 25,014 thousand). The Board of Directors has resolved to propose to the annual general meeting that the dividend is distributed for 2022.

	AMOUNTS IN USD THOUSAND	2022	2021
External revenue and other income		566 085	499 427
EBITDA		175 485	124 871
EBIT		65 827	49 916
Order intake		705 691	556 668
Order backlog		411 666	272 000
Back-to-bill		125	113
Employees		1 225	1 019

CASHFLOW AND FINANCIAL POSITION

The group had a positive cash flow from operating activities of USD 138 673 thousand (2021: USD 98 282 thousand). This consisted mainly of an EBITDA of USD 138 673 thousand, adjusted for changes in current assets and other operating items. Net cash flow from investing activities in 2022 amounted to negative USD 17 241 thousand (2021: negative USD 10 683 thousand).

The order backlog increased by 51 percent during 2023 to USD 411,666 thousand at year-end and 2021: USD 272,000 thousand. DeepOcean expects to recognize approximately USD 252,261 thousand of this secured order backlog in 2023. The group also has several frame agreements with clients that materialize into projects throughout the year. Based on historical rates and current market activity DeepOcean has developed internal targets and entertains high likely backlog expectations for these frame agreements. The definitions of order intake and order backlog are available in the alternative performance measures section of this report.

Current market conditions, as described in the market outlook section above, suggest that group will continue to have a strong financial position in the upcoming years. We expect to generate stable cash flows in the next few years based on current order backlog and current market outlook. However, any changes to the market outlook will be met by appropriate measures. Management continuously monitors cash levels to ensure appropriate levels and the development related to financial covenants. Management does not foresee any breaches of said covenants.

As of 31 December 2022, total assets for the group amounted to USD 481 793 thousand (2021: USD 342 468 thousand). The group had a cash position of USD 86 253 thousand (2021: USD 102 864 thousand) and total interest-bearing debt of USD 88 313 thousand (2021: USD 99 108 thousand). The group has the option to draw a further USD 300 thousand on its credit facility. For more information about credit facility terms, we refer to Note 10.



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EUROPE

The Europe region is based in Haugesund and Stavanger in Norway and in Aberdeen in the UK. As of 31 December 2022, the segment had 977 employees. It delivers the full range of DeepOcean services to our clients and also represents a resource pool for other regions in connection with commercial initiatives, vessel management, procurement and other operational activities.

During the period, the region's external revenue increased to USD 448 954 thousand (2021: USD 349 578 thousand). This was driven primarily by an increase in project awards related to recycling projects from new clients in the UK sector, combined with stable growth in IMR projects in the Norwegian sector.

AMOUNTS IN USD THOUSAND	2022	2021
External revenue and other income	448 954	349 578
EBITDA	153 058	116 151
EBIT	70 074	58 881
Order intake	578 094	415 943
Order backlog	361 376	229 176
Book-to-bill	1.30	1.21
Employees	977	795

EBITDA was USD 153 058 thousand (2021: USD 116 151 thousand). The higher EBITDA was the result, primarily of robust project performance across the portfolio combined with the achievement of key performance and schedule milestones agreed with clients. Operating profit for the period was USD 70 074 thousand (2021: USD 58 881 thousand).

The full-year order intake increased to USD 578 094 thousand in 2022 (2021: USD 415 943 thousand), representing a book-to-bill ratio of 1.30. Tender activity remains very high with an estimated sales value at year-end of around USD 450 million. Order backlog increased by 58 percent to USD 361 704 thousand at year-end (2021: USD 229 176 thousand). The increased backlog reflects key areas of growth for DeepOcean given that significant portions relate to the Equinor and Aker BP IMR contracts awarded in 2022.

AMERICAS

The Americas region is based in Houston in the USA and Ciudad del Carmen in Mexico. As of 31 December 2022, the region had 152 employees. It has developed by means of both internal growth and the group's acquisition of Delta Subsea in 2018. The segment offers a full range of DeepOcean's services in the Gulf of Mexico and works with some of the most prominent clients in the region.

During the period, the region's external revenue increased to USD 100 892 thousand in 2022 (2021: USD 75 234 thousand). This was driven primarily by increased growth linked to IMR projects executed in the US. At the same time, activity in Mexico decreased due to a reduction in offshore service market activity in 2023 with the expected award of trenching projects.

EBITDA ended at USD 28 294 thousand (2021: USD 15 165 thousand). The higher EBITDA was fueled primarily by the effective execution of IMR projects in the US, and an improved margin fall through on the increased revenue from US operations. Operating profit for the period was USD 2 850 thousand (2021: USD 5 511 thousand). This decrease is related to the increased depreciation burden offsetting the improved EBITDA.

The full-year order intake decreased to USD 79 202 thousand in 2022 (2021: USD 105 221 thousand), representing a book-to-bill ratio of 0.79. Tender activity remains very high with an estimated sales value of around USD 100 million at year-end. Order backlog decreased significantly during 2022 to USD 21 135 thousand at year-end (2021: USD 42 824 thousand). This decrease in backlog position is the result of a shortfall in awards in Mexico. Moreover, US activity functions as a typical book-and-turn business in which there is only limited secured backlog and where projects are awarded and executed during the same period.

AMOUNTS IN USD THOUSAND	2022	2021
External revenue and other income	100 892	75 234
EBITDA	28 294	15 165
EBIT	2 850	5 511
Order intake	79 202	105 221
Order backlog	21 135	42 824
Book-to-bill	0.79	1.40
Employees	152	140

AFRICA

The Africa region is based in Sète, France and Accra, Ghana. As of 31 December 2022, the segment employed 55 staff. The segment region offers a full range of our services primarily in West Africa and works with some of the most prominent clients in the region.

AMOUNTS IN USD THOUSAND	2022	2021
External revenue and other income	19 099	74 549
EBITDA	(80)	(1 434)
EBIT	(67)	(6 849)
Order intake	48 254	35 438
Order backlog	29 155	-
Book-to-bill	2.53	0.48
Employees	55	59

Historically, most of the business was focused on Ghana, however, DeepOcean has since acquired SeaRev which opened up further opportunities.

In the period, the company's external revenue decreased from USD 74 549 thousand in 2021 to USD 19 099 thousand in 2022. The major decrease in revenue was due to two major factors: the loss of a major frame agreement in Ghana and two major project deliveries in Equatorial Guinea 2021. Thus, 2022 was a year of realignment and strategic planning for the African business.

EBITDA ended at negative USD 80 thousand, compared to negative USD 1 434 thousand in 2021.

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Parent company financial statements					
DeepOcean Group Holding AS is the parent company of the DeepOcean group, owns and manages the group's subsidiaries DeepOcean Group Holding AS has outsourced all corporate functions to other companies within the group, mainly to DeepOcean Management AS. Assets and liabilities related to the corporate treasury function remain the responsibility of DeepOcean Group Holding AS.		DeepOcean Group Holding AS had a net profit of NOK 2,339,203 thousand in 2022 (2021: negative NOK 364,624 thousand), resulting from the reversal of impairment of investment in subsidiaries. More information on the allocation of profits can be found in the income statement of the parent company			
Risk DeepOcean's operations and global footprint, as well as its exposure to energy markets and its implied cyclicality, all combine to present opportunities and risks that may affect the group's operations, performance, finances, reputation and future prospects. It is clear that external risk factors related to pandemics, climate change, market risk, supply chains, cybercrime, compliance and integrity, as well as political risks and risks related to civil or political unrest, including wars, may all have adverse impacts on the group. To a large extent, short-term risks are related to global and regional market volatility. Longer term risks are influenced also by megatrends such as the energy transition and relative competition strengths linked to the various countries and regions in which DeepOcean operates These risk factors are described in the following					
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MARKET RISK The fluctuating commodity price environment, combined with the impacts of the current macro-economic instabilities, create uncertainty for activity levels and financial performance of the group. The main market risk factors that impact on our overall market outlook are as follows: Instability in the world economy and increasing rates of inflation and interest, combined with risks related to civil or political unrest, including wars, leading to supply chain disruption The main uncertainties for the group are related to its delivery of the five-year plan which includes clear ambitions for growth in the global market, including entry into new energy-segments. DeepOcean is committed to an active policy of risk management that includes the continuous assessment of market risk. The group has thus initiated a process of scenario planning to take account of major fluctuations in the market. This will enable it rapidly to adjust cost levels in situations where market outlook indicates signs of deterioration.					
FINANCIAL RISKS The objective of financial risk management is to manage exposure to financial risks in such a way that increases the predictability of earnings and minimizes potential adverse effects on financial performance. - A fluctuating oil and gas market, as well as changes in supply demand and storage, all have an adverse impact on energy prices, which is also likely to impact activity levels - Uncertainty linked to future contract awards and their impact on future revenue and profitability - Climate change and the speed of the energy transition to renewables and a lower carbon economy, including environmental requirements impact on oil and gas related activities and overall market development - Such factors will influence oil price, gas prices and the oil and gas companies' exploration, development, energy transition, production, investment, inspection, maintenance and repair activities					
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CURRENCY RISK

DeepOcean operates globally and is exposed to foreign currency risk in a number of currencies, most notably related to the NOK against the USD, the EUR against the USD and the GBP against the USD. It is also exposed to fluctuations in the MXN and XAF.

Foreign exchange risk arises from future commercial transactions, contractual obligations (assets), liquidity positions, liabilities and investments in foreign operations. DeepOcean aims to achieve a natural hedge between cash inflows and cash outflows by means of upfront project forecasting. This will enable the management and potential mitigation of any remaining foreign exchange risk arising from the commercial decision to execute a certain project.

Foreign currency risk is evaluated at tender board meetings prior to any project award. The potential currency risk is then highlighted to the corporate finance team who will then assess the risk and instigate a plan for currency needs.

Currency variation clauses, escalation mechanisms and currency options are also used to mitigate contingent currency exposures during tenders.

LIQUIDITY RISK

Liquidity risk represents the risk that the group may not be able to meet the obligations associated with its financial liabilities. Corporate finance team ensures financial flexibility by forecasting short-term cash flow and long-term needs while maintaining sufficient liquidity reserves and available credit lines.

However, the group's strong financial performance in 2022, combined with robust cash generation, has contributed to an improved balance sheet and better visibility. The development of financial covenants is being closely monitored, and management does not anticipate any breaches of covenants.

CREDIT RISK

Credit risk is the risk of financial loss if a customer or counterparty fails to meet its contractual obligations in connection with financial receivables or financial instruments.

Financing by the group is completed using reputable and highly rated banks and financial institutions, where the credit risk is regarded as low. However, banks are becoming more reluctant to provide funding to the oil and gas sector due to the increased ESG requirements. It is therefore incumbent on DeepOcean to continue its journey towards diversifying into a wider range of energy segments.

Credit risk related to a client's ability to pay is assessed during both the tender phase and execution of a project. The majority of the group's traditional oil and gas segment clients are well-reputed energy companies, for which credit risk is considered to be limited.

Historically, the group's proportion of non-collectable receivables has been low. However, due to ongoing macroeconomic uncertainties, DeepOcean continues to monitor credit risk closely, especially in the case of lower-rated clients.

PRICE RISK

DeepOcean is exposed to cost increases due to market price fluctuations. In connection with projects, these increases are assessed as part of the overall tender process, and escalation clauses are sought with clients prior to contract agreement. If necessary, contracts will involve locking in to agreed prices with certain vendors.

DeepOcean also attempts to reduce price risk by signing contracts with suppliers that are in the financial position required to complete projects in accordance with agreed project schedules.

13% revenue growth was driven by a record year for our recycling business line. strong growth and supporting the energy transition.

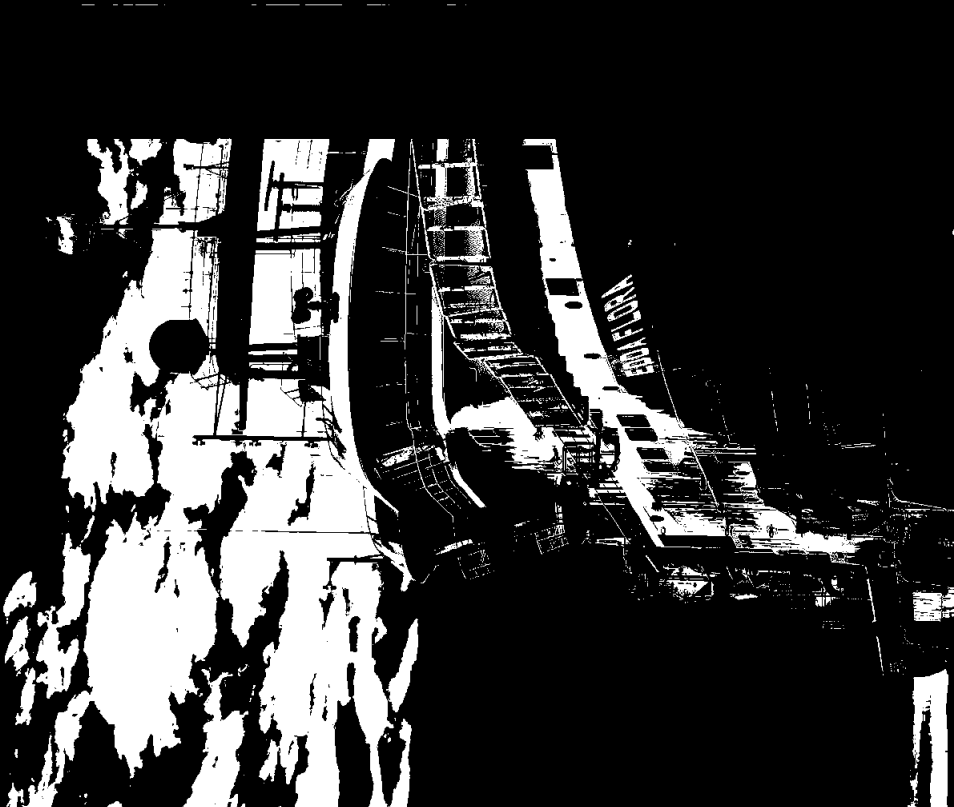
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DeepOcean is committed to a goal of zero harm to people and the environment. DeepOcean reduced our fleet CO2 emissions by 16% over the last two years.

Environmental, Social and Governance (ESG) focus

ESG is at the very heart of DeepOcean's strategy and operations. The group is striving to act as a robust enabler of the energy transition helping to move our industry towards low-carbon and commercially successful operations by investing in and applying modern and remote technologies, and implementing energy-efficient practices.

It is essential to achieving our ambitions that the group embraces sustainability and implements the United Nations' Sustainable Development Goals (SDGs) by use of the SDG Compass. This systematic approach has enabled DeepOcean to establish a framework that promotes sustainability, fosters innovation and provides guidance to our management team.

In 2022, DeepOcean completed a structured Double Materiality Assessment (DMA) with the aim of validating certain material topics identified in 2021 and prioritizing appropriate actions to address them.

The results of the DMA enabled us to confirm and further refine the sustainability priorities reported in the 2021 sustainability report. The following five priorities have since been used to structure the sections of the 2022 sustainability report:

- Enabling the energy transition
- Limiting environmental and ecological impacts
- Safeguarding occupational health and safety
- Protecting employee rights and well-being
- Exercising responsibility and transparency across the value chain

These priorities are described in more detail in the ESG section of the Annual Report, together with associated tangible actions and measurable key performance indicators that will ensure that DeepOcean's progress is results-based and transparent to all its stakeholders. Sustainability at DeepOcean means acting as a supplier that assists in accelerating the transition to sustainable energy production by making responsible business decisions that not only generate wealth, but which also help to protect the environment and contribute to the benefit of wider society.

DeepOcean is guided by a sustainability mindset in everything it does. The group works to ensure safe operations for its people and the environment, and operates with robust programs in the fields of social responsibility and governance.

At DeepOcean, we strive to exercise good stewardship of the natural world. The environmental impact of our operations and maintenance programs is our most material issue. The group has assumed a leadership role in its sector, achieving ISO 50001 standard compliance for its energy management system and ISO 14001 compliance for its environmental management system. This is key to our understanding the ecological impact of the group's operations and of how to address mitigation issues and improvements.

DeepOcean's business strategy sets out a roadmap designed to ensure that the group meets its emissions targets and supports its clients in achieving their goals, while at the same time advancing development of its low-carbon solutions.

The key pillar of the group's ESG plan is to reduce CO2 emissions from its own operations. In this regard, the following two key targets have been defined:

- A 45 per cent reduction in CO2 emissions by 2030 (compared to a 2020 baseline)
- Achievement of net-zero emissions within the group by 2040

DeepOcean operates with a strong commitment to social responsibility. It has implemented policies and procedures to ensure the health and safety of its employees, including regular training programs. The group has also implemented initiatives such as education programs to support local communities in the regions where it operates. Further details of these policies are given in the ESG section of this report.

DeepOcean continues to demonstrate a strong commitment to ESG principles. It is determined to continue this transitional journey and is steadfastly resolved to continue to make improvements, limit our environmental impact and improve our social relations in the locations where the group operates.

DeepOcean will publish its statement on the Norwegian Transparency Act on our website www.deepoceangroup.com by 30 June 2023.

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CORPORATE GOVERNANCE

Robust corporate governance executed by DeepOcean will ensure sustainable operations and future wealth creation for the benefit of its shareholders and other stakeholders. Corporate governance consists of the framework of processes, mechanisms, and responsibilities involved in managing a business and ensuring that appropriate objectives and strategies are defined and implemented, leading to results that can be measured and followed up.

Robust governance is the foundation of any successful business. DeepOcean sets high standards for the group and seeks to enter into partnerships and work with counterparts who share our values.

The management and Board of Directors are responsible for ensuring that the group conducts its business according to sound corporate governance practices. They are also responsible for setting internal governance standards and for ensuring that these comply with the Norwegian Code of Practice for Corporate Governance.

DeepOcean's policies, programs, and day-to-day practices are designed to ensure that we comply with all legal and regulatory requirements in every region in which we operate.

The key pillars of the group's governance strategy are as follows:

- A Business Conduct and Ethics Policy**
An anti-bribery and corruption program
The reporting of concerns – a 'speak-up' culture
Data privacy, cybersecurity and environmental policies

DeepOcean's Business Conduct and Ethics Policy sets out the key principles governing global corporate responsibility in our sector. It describes the overarching principles governing ethics, accountability, transparency and legislative compliance.

et details in particular DeepOcean's policies related to gifts and hospitality, the use of group assets, conflicts of interest, fair competition, accurate reporting, anti-money laundering and confidential information. All personnel receive training in business conduct and ethics in the form of a dedicated online training module.

DespOcean is acutely aware that bribery and corruption represent key risks in our industry. As such, the group operates with the highest levels of integrity with all markets with the aim of safeguarding against the real risk of corruption. This is fundamental to the group's success as an innovative and sustainable participant in the market. DespOcean employees undergo an anti-bribery and corruption program which consists of mandatory online training and classroom seminars for all employees and contracted staff. The group operates a zero-tolerance policy for any form of bribery or corruption.

DeepOcean expects and actively encourages its personnel to have the courage openly to raise any concerns they may have without fear of reprisal, whether related to unethical or illegal behavior issues of health and safety, breaches of our Business Conduct and Ethics Policy or other matters.

DeepOcean employs a third-party channel for notifying of such concerns, which reports directly to our Head of Compliance and the Board Chair.

This offers an option for those who wish to raise issues either anonymously or in the strictest confidence. It also provides the opportunity for a moderated dialogue between our Compliance Department and the reporter.

DeepOcean's current Privacy Policy (Binding Corporate Rules) has been in place since 2018 and acts as a guide to the processing of personal data within the group. In 2022, the group experienced two breaches related to data privacy. Both incidents were deemed to be of low criticality and the result of human error. DeepOcean registered zero breaches of system-related data security in 2022.

DeepOcean made a significant investment in information and data security in 2022, introducing new technical and organizational systems. The group also employed dedicated information and cybersecurity specialists in both our onshore and offshore IT teams. DeepOcean will continue to invest in improving our security systems in 2023, with upgrades to our networks and the provision of key training.

The key pillars of DeepOcean's governance strategy are detailed in the ESG section of this report.

The officers and directors of DeepOcean Group Holding AS are covered by the DeepOcean Group Director & Officers liability insurance (D&O). This insurance covers the personal legal liabilities including defense and legal costs. Officers and directors of the parent company and all global subsidiaries (of which the group has a greater than 50 per cent ownership share) are covered by this insurance. The cover also includes employees in managerial positions or those who may be named in a claim or investigation.





Partnerships and collaborations

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The formation of partnerships and collaborations with prospective customers and technology/system suppliers are a key element of DeepOcean's five-year plan. In 2022, DeepOcean continued to mature its alliances and collaborative partnerships. It entered into additional collaboration agreements with the aim of delivering on its commitments to reduce CO₂ emissions from its operations by 45 per cent by 2030, and to achieve net-zero by 2040.

In 2022, DeepOcean and Akvaplan-niva entered into a joint collaboration agreement. Akvaplan-niva is a non-profit research institute based in Norway. The agreement will involve the combined utilization of DeepOcean's operational field experience and Akvaplan-niva's environmental data collection services. DeepOcean will share environmental data collected during the group's ROV operations with Akvaplan-niva for use by the wider research community.

In July 2021, DeepOcean acquired a significant ownership share in Adeph Minerals AS (Adeph Minerals). The Adeph Minerals group focuses on the sustainable exploration for and recovery of marine minerals. In 2022, Adeph Minerals was awarded NOK 70.8 million in grants from the Research Council of Norway, Innovation Norway and Siva as part of the 'Green Platform Initiative'. The aim of this initiative is to explore how to best create a new value chain based on the exploitation of deep-sea minerals. The grant funding will support a research expedition that will be completed during the first half of 2023. DeepOcean will provide a vessel, equipment, and project management expertise in support of the expedition. In due course, later in the year, DeepOcean expects to become the majority shareholder in Adeph Minerals.

As one of the first subsea service providers to invest in the ocean minerals space, DeepOcean is preparing to position itself at the forefront of the sustainable utilization of ocean resources. By assuming an ownership interest in Adeph Minerals, the group is taking an active step towards promoting the energy transition. Adeph Minerals has also stated that its corporate mission is to power the low-carbon transition.

The Windstaller Alliance was established in October 2021, comprising DeepOcean, Aker Solutions and Solstad Offshore. The alliance combines the expertise of three offshore industry leaders to offer highly flexible service packages to the offshore renewables and marine operations sectors. The Windstaller Alliance aims to provide cost-efficient and comprehensive lifecycle services to the offshore wind and other offshore renewables sectors.

As part of the alliance, DeepOcean can offer its extensive experience in offshore renewables, including dedicated assets including trenchers and cable repair spreads. The group can also provide the alliance with specialized subsea installation and service systems for offshore renewables applications in the form of our employee expertise, and more than 50 ROVs.

In 2022, tender activity for the Windstaller Alliance in the offshore renewables sector has been very high. Current market consensus indicates that some tenders will be awarded in the near future, with the first deliveries scheduled from 2025.



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Investing in research, innovation and technology

As a world-leading ocean services provider, DeepOcean continues to be driven by the development of new technologies and innovative solutions that set the group apart from its competitors. DeepOcean believes that this approach is the best way of meeting the demands of an industry continually seeking minimal project costs, reduced carbon footprints, increased efficiencies and, most importantly, better safety standards.

Technology is at the core of everything we do at DeepOcean, and 2022 has seen significant progress in the following key areas:

- Remota (ocean services alliance)
- The Uncrewed Surface Vessel (USV) project
- The Autonomous Inspector Drone (AID) project
- Cloud-based survey processing
- The research expedition involving Adelphi Minerals
- Digital twins and the animation of subsea operations

Remota was established in 2022 as an alliance between the group and vessel owners and partners Solstad and Grøntjønn Rederi, with whom DeepOcean has formed a long-term relationship and maintained strong collaboration over the years. Remota offers remote operations and semi-autonomous ocean services to the offshore and marine industries via a remote operating center developed by DeepOcean that has been operational since 2020 and is delivering key efficiencies to our clients.

Remota enables DeepOcean to assist our onshore operators and experts remotely to perform a variety of offshore operations. Remota offers key benefits to

our stakeholders, including the 'anchoring' of offshore activities resulting in reduced costs and emissions and improvements in safety. Robust performance in 2022 has increased interest from clients, which in turn is fueling the further commercialization of Remota. Plans for geographical expansion are well underway.

Remota has also assumed responsibility for development of the Uncrewed Surface Vessel (USV) project. This project will benefit greatly from the expertise of our partners, and the USV will be owned and operated by Remota. DeepOcean is committed to utilizing Remota's services, which aim to deliver significant cost optimization while also reducing the group's carbon footprint.

The Autonomous Inspector Drone (AID) project is forging ahead as planned. Significant progress has been achieved in 2022, and in 2023 the project will continue on its path to commercialization. The AID project will increase automation and reduce costs in connection with inspection work. The drone represents an ideal tool for use in connection with offshore oil and gas fields and windfarm projects.

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The AID was successfully mobilized on the Edda Fauna in Q1 2023, and extensive testing and qualification of the system has been performed. The AID is currently being permanently mobilized on the vessel, where its primary mode of operation will be based at the Remota operating center in Haugesund. The AID is being developed in collaboration with AkerBP, Argus Remote Systems and Vanist. The group senses a general atmosphere of excitement among key clients in the offshore renewables and oil and gas sectors resulting from the value generated by the AID.

Project HawkEye has been designed to improve survey data processing and ensure that all processing is cloud-based. DeepOcean is establishing an onshore survey reporting team that will be dedicated solely to this project. The team operates with the following targets for 2023:

- Cloud processing will be integrated into commercial operations by Q4 2023
- Starlink has been purchased for Deep Vizion, and a planned trial will take place in Q1 2023, during which data will be transferred over the Starlink connection

The test results are expected to confirm that DeepOcean can work with the data in a cloud environment more efficiently than is possible on the vessel at the present day.

The aforementioned projects demonstrate that DeepOcean is an independent and technology-driven solution provider in the context of ocean space. The fact that funding for these research and technology projects has been secured demonstrates that the group is trusted as a technology partner by clients and public sector organizations. DeepOcean spent USD 2,407 thousand on development projects in 2022 related to physical assets.

DeepOcean will continue to invest in research and technology developments as a means of underpinning the group's growth and strategy plan. As part of this investment, DeepOcean is expanding its innovation team covering the Europe, Africa, and Americas segments.



Health and working environment

DeepOcean is committed to be the employer of choice within our sector. This can only be achieved by safeguarding our employees' physical and mental health and by ensuring that they come to no harm. In 2022, the group's HSEQ team carried out site-specific assessments as part of its continued focus on reducing employee exposure to health hazards.

A further priority in 2022 was the safeguarding of our employees' mental health and provision of the resources necessary to ensure employee well-being. This process included efforts to prevent the negative effects of long-term working from home, as well as other precautions. This was achieved by promoting mental health awareness and coping skills, using internal mass communication channels, combined with face-to-face meetings and interviews conducted using digital platforms.

Globally, DeepOcean's sickness absence figure for 2022 was 4.98%, compared with 5.3% in 2021. This decrease reflects the diminishing impact of the Covid-19 pandemic, combined with DeepOcean's focus on employee well-being.

SAFETY

DeepOcean operates with a zero-injury mindset and a belief that all potentially harmful incidents can be prevented. The group uses the following key indicators to evaluate its safety performance:

- Lost time incident frequency rate
- Total recordable incident frequency rate
- HfPo count and frequency rate

The lost time injury (LTI) metric is limited to the number of fatalities and lost time injuries per million employees and does not include other types of injuries. The group's LTI was slightly higher in 2022 (0.52) when compared to the current five-year low of 0.31 recorded in 2021. DeepOcean incurred two lost time injuries in 2022, both of which were related to routine, low-risk activities. The figure for 2021 was only one lost time incident.

The total recordable injury frequency (TRIF) metric records the number of fatalities, lost time injuries, alternate work, and other injuries requiring medical treatment per million hours worked. The group incurred five recordable injuries in 2022 and recorded a TRIF of 1.29. This may be compared with the three recordable injuries noted in 2021, with a TRIF of 0.93, representing a 5-year low.

A HfPo is defined as an unplanned HSE incident or near-miss that has the potential to cause permanent disability or death. As of 31 December 2022, the group's current HfPo frequency rate, based on 12-month rolling average, is 0.26. This can be compared with the rate as of 31 December 2021, which was 1.84. The result for 2022 thus represents an 85 percent reduction on the previous year.

In order to consolidate the group's safety performance based on current trends, management continues to emphasize the need for ongoing pre-work checks and toolbox talks focusing on hands-free operations, the correct use of hand tools and aids, the appropriate use of PPE, barrier management and dropped object prevention.

Further information concerning all safety performance results and improvement initiatives is available in the ESG section of this report.

CYBERCRIME

The threat posed by cyber criminals continues to be a major operational risk factor. Corporate IT is responsible for managing this risk. The threat picture is being monitored continuously, and the necessary steps are being taken to safeguard our employees, systems, data and products. Phishing e-mails remain the most important vector used in cyberattacks. Further measures have been taken to secure email communication, improve the identification of ongoing malicious activities, and increase employee awareness of cyber threats. As increasingly smarter devices become connected to the internet, the systems to which they are connected become exposed to greater risk.

ENVIRONMENT

More than 90% of DeepOcean's emissions (Scope 1) are generated by our offshore operations. As a result, our main focus is on increasing energy efficiency and reducing the carbon footprint of our vessels. We are achieving this by enforcing sustainable operational practices, embracing digitalization and disruptive technologies, and using low-carbon fuels and alternative energy sources as soon as these become available.

In 2022, to consolidate these actions, DeepOcean has taken further action in collaboration with one of our vessel owner partners to retrofit the Normand Ocean vessel with a hybrid battery pack. This has enabled DeepOcean to reduce its CO₂ emissions by 16% at the end of the 2022, compared to our 2020 baseline.



DeepOcean has further committed to retrofit two more vessels with hybrid battery packs in 2023 and 2024, respectively. This will further boost our emissions reduction program. The group currently operates with four hybrid vessels, and this will be increased to six when the upgrades have been completed.

A secondary factor in achieving this carbon reduction was the increased use by the group's vessels of 'eco speed'. A vessel's speed has a direct impact on carbon emissions and fuel efficiency. 'Eco speed' (7 knots) reduces fuel consumption by 30% and is currently the default for all vessels operated by DeepOcean, unless they are responding to an emergency.

Another key element of DeepOcean's role in society is to limit the damage it causes to the environment as a result of its operations. A key metric in this context is the environmental spill volume to the sea. DeepOcean reduced its overall global spill volume by 30% in 2022 to 144 liters, compared with 197 liters in 2021. While this is a positive reduction, DeepOcean will continue to strive to reduce all potentially harmful environmental releases in the ocean space.

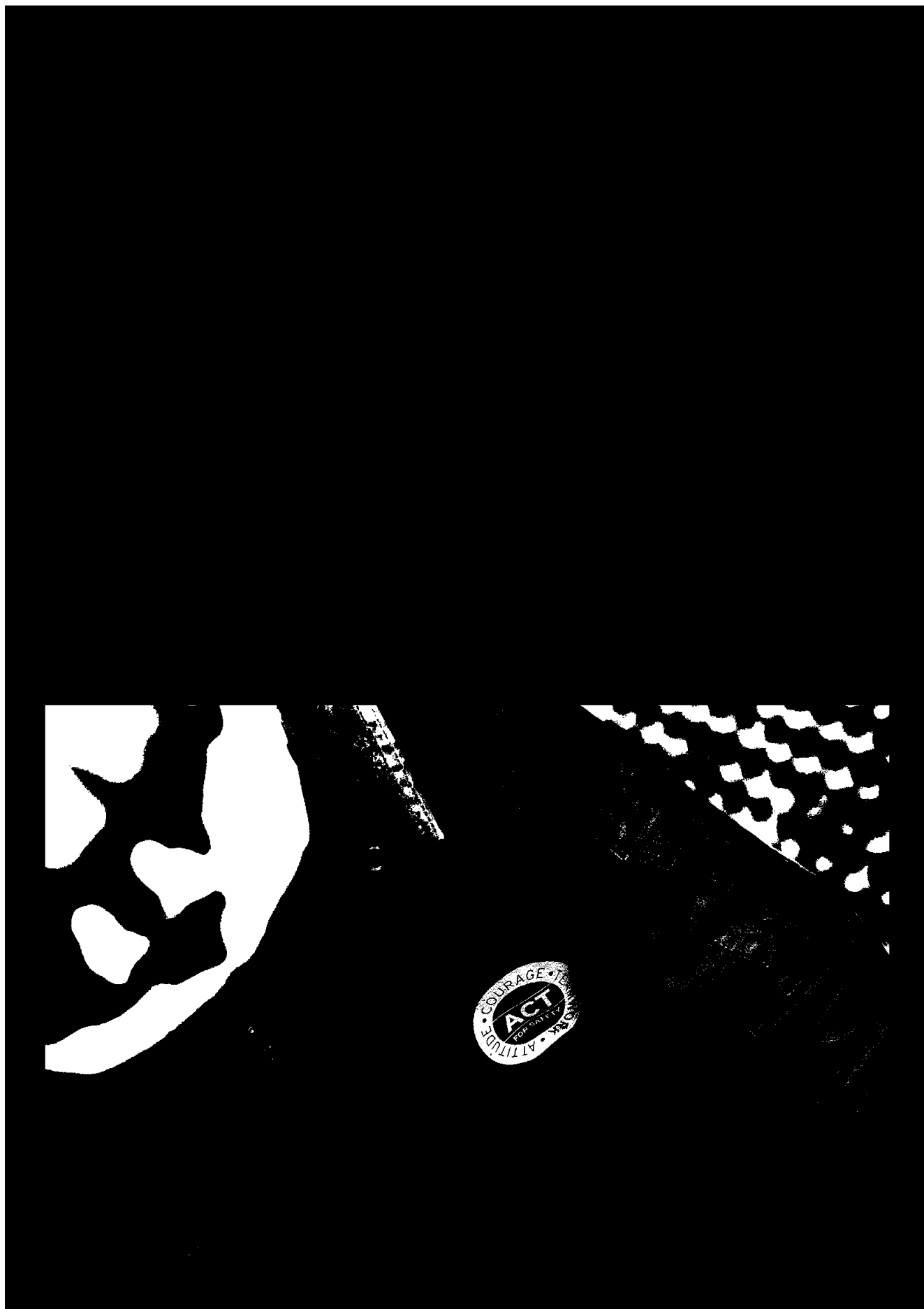
However, in the light of increasing stakeholder concerns about biodiversity loss and the climate crisis, we continue to accept that the group, along with all other businesses, will have to do more to meet these expectations.

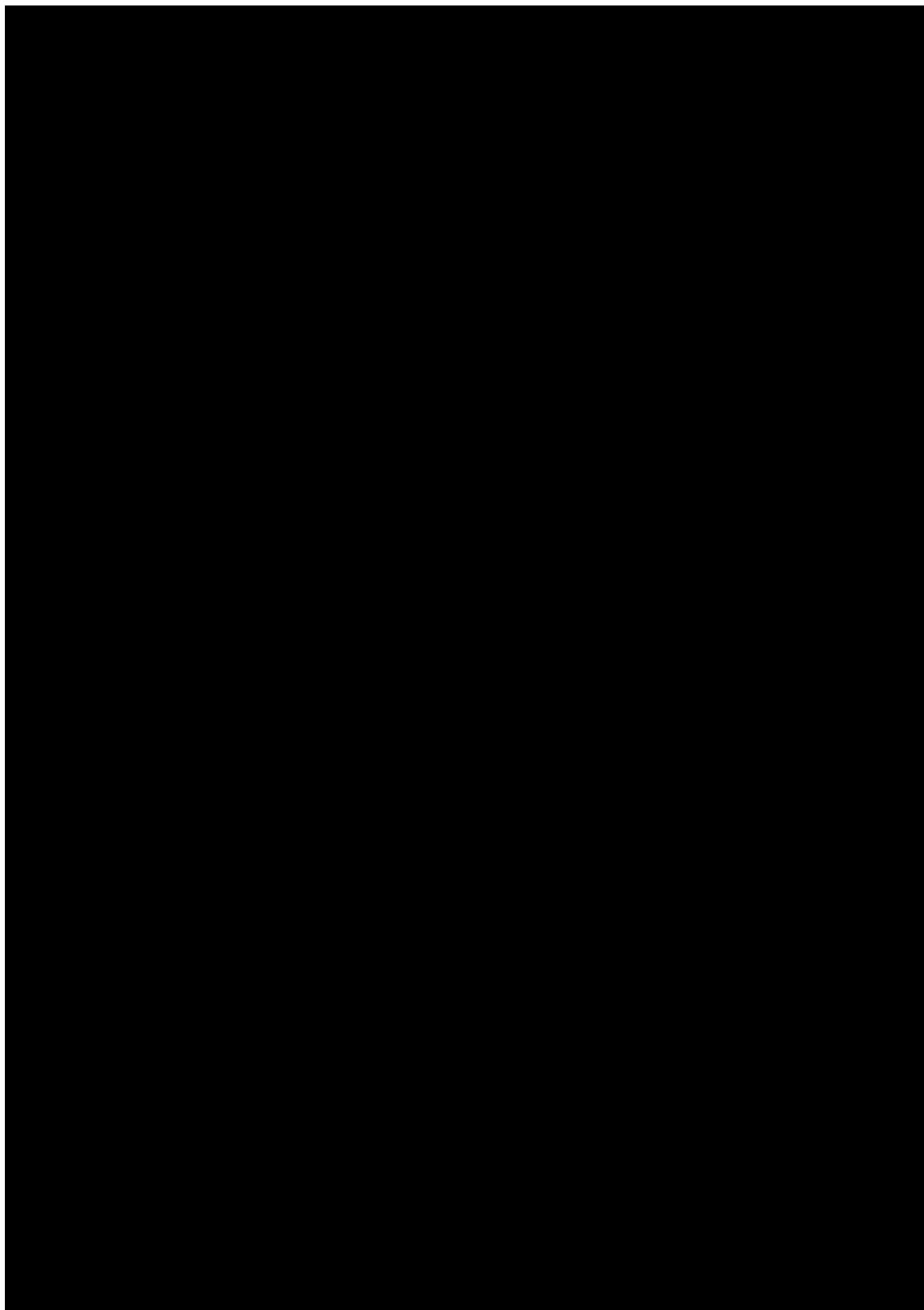


DEEPOCEAN



ANNUAL REPORT 2022 MENY		BOARD OF DIRECTORS' REPORT		DEEPOCEAN		DEEPOCEAN GROUP	
SAFEGUARDING DIVERSITY AND EQUAL OPPORTUNITY At year-end 2022, DeepOcean had 1 225 employees (2021: 1 019 employees). The group is strongly committed to the principles of non-discrimination and equal opportunity regardless of gender, nationality and other factors. The recruitment of women has traditionally been a challenge in the oil and gas industry. This continues to remain an issue at DeepOcean where approximately only 14% of employees are female, almost the same figure as at year-end 2021. The percentage of women in management positions in 2022 was 15%. In 2022, DeepOcean intensified its focus on greater diversity by recruiting more female candidates and promoting more women to management positions. The Board and executive management team are not content with progress on this issue, and increasing the proportion of female employees will remain a key priority in 2023. Previously, DeepOcean operated with a target that 40% of all new onshore recruitment in 2022 would be female. The group has failed to achieve this target. The year ended with only 29% of new onshore hires being female. DeepOcean's workforce represents 44 nationalities, offering a wide range of capabilities and expertise that benefits both our partners and the business. The figure for 2021 was 36 nationalities. DeepOcean seeks to promote inclusion and diversity in its workforce by stipulating clear recruitment requirements, combined with individual development programs designed to promote equal opportunity in accordance with its personnel policy and recruitment procedures.		Going concern In accordance with the Norwegian Accounting Act, the Board of Directors confirms that the consolidated financial statements and parent company financial statements have been prepared based on the going concern assumption. The Board of Directors confirms that the Annual Report for 2022 gives a true and fair overview of development during the year, the impact on the financial statements, as well as most significant risks and uncertainties facing the group.		DEEPOCEAN		DEEPOCEAN	
				Oslo, 21 March 2023			
				Board of Directors of DeepOcean Group Holding AS			
				Jo Lunder Chairman		Terje Askvig Director	
				Kristian Diesen Director			
				Marc van der Plas Director		Mike Winkel Director	
						Øyvind Mikalsen Chief Executive Officer	







2022
556 095
9 990
566 085
(256 579)
(127 380)
(6 641)
(390 600)
175 485
(109 650)
(8)
65 827
15 497
(35 500)
1 268
(18 736)
47 091
(17 155)
29 926
(899)
29 037
29 564
(527)
29 037

2022
29 037
14 954
14 984
208
(41)
167
15 121
44 158
44 685
(527)
44 158



2022
85 313
100 479
186
270
62
186 310
106 937
16 005
2 098
11 828
115 626
261
252 754
439 064
481 793

2022
60 435
5 226
187 701
3 616
5 094
310
577
262 961
621
7 792
54 424
69 433
86 253
310
218 832
481 793
3 718
44 833
15 187
(13 429)
50 308
(7 579)
42 729



Equity as of 31 December 2021	8 108	80 416	892	(799)	(42 993)	45 623	(7 052)	38 571
Equity as of 31 December 2022	3 718	44 833	15 819	(633)	(13 429)	50 308	(7 579)	42 729

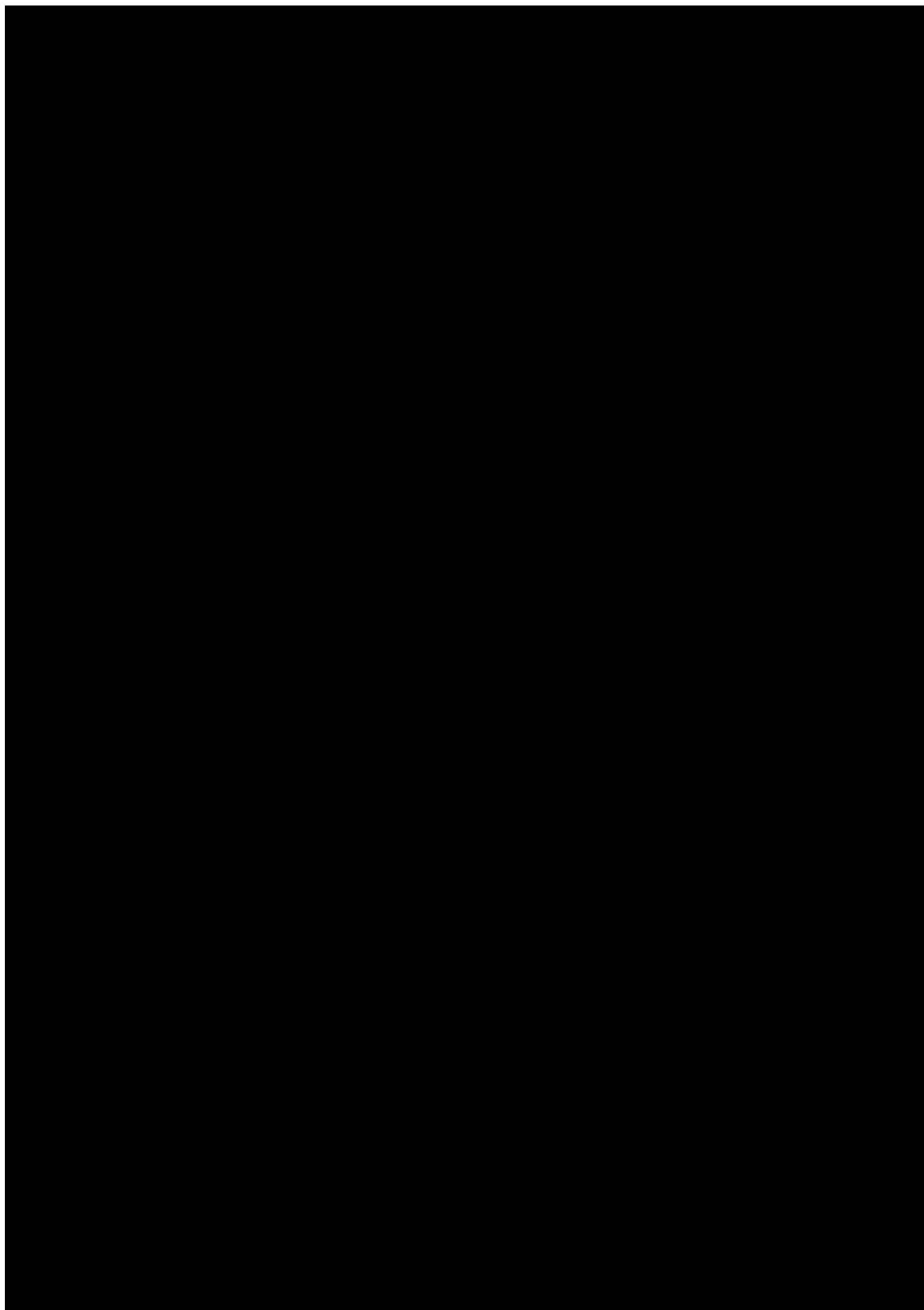


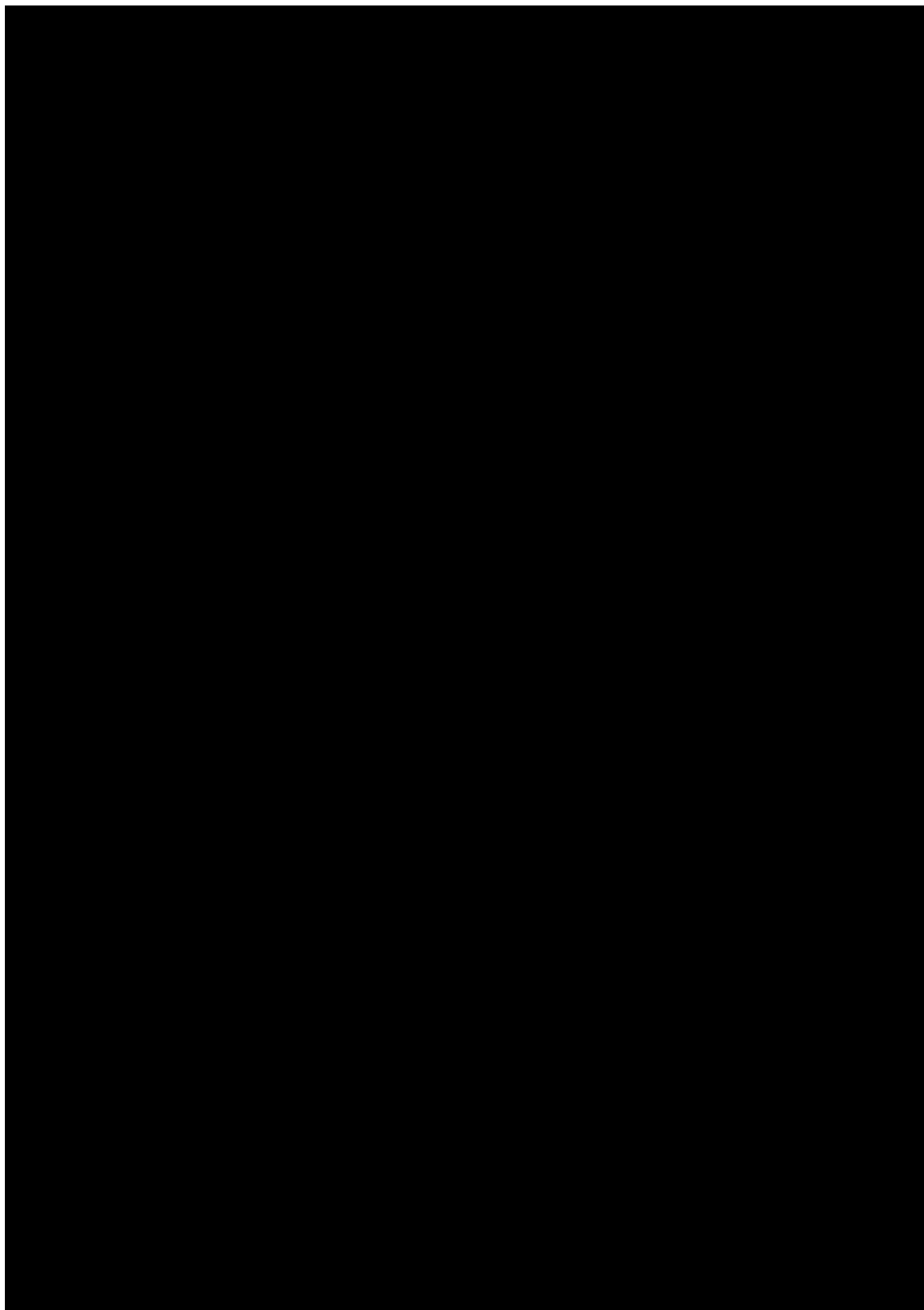
2022
(15 757)
-
-
981
(2 190)
(1 062)
787
(17 241)
-
(12 978)
(40 000)
(89 330)
(142 308)
4 265
(16 611)
102 864
86 253

2022
29 037
17 155
17 863
109 052
899
(1 268)
(388)
806
173 157
(20 203)
152 954
(7 570)
474
(6 885)
138 673



DeepOcean delivered a 13 %
revenue increase in 2022.
This signifies our successful
of projects.









Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognized in profit or loss as incurred.

Amortization

Amortization is calculated to write off the cost of intangible assets less their estimated residual values, using the straight-line method, over their estimated useful lives, and is recognized in profit or loss. Goodwill is not amortized but assessed for impairment annually.

INTERESTS IN EQUITY-ACCOUNTED INVESTEEES

Interests in equity-accounted investees comprise associates or joint ventures.

Associates are those entities in which the group has significant influence, but not control or joint control, over the financial and operating policies. Interests in associates are accounted for using the equity method. They are initially recognized at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the group's share of the profit or loss and other comprehensive income of equity-accounted investees, until the date on which significant influence ceases.

Joint arrangements

Joint arrangements are classified as either joint operations or joint ventures, depending on the contractual rights and obligations of each investor. The group recognizes its direct right to the assets, liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses. These have been incorporated in the financial statements under the appropriate headings. The group does not currently have any joint operations.

Joint ventures

Joint ventures are accounted for using the equity method, where interests in joint ventures are initially recognized at cost and adjusted thereafter to recognize the group's share of the post-acquisition profits or losses and movements in other comprehensive income. When the group's share of losses in a joint venture equals or exceeds its interests in the joint ventures (which includes any long-term interests that, in substance, form part of the group's net investment), the group does not recognize further losses, unless it has incurred obligations or made payments on behalf of the joint venture.

The group determines at each reporting date whether there is any objective evidence that the investment, using the equity method, needs to be impaired. If this is the case, the group calculates the amount of impairment as the difference between the recoverable amount of the investments and its carrying value, and recognizes the amount adjacent to share of profit/(loss) of an investee in the statement of profit or loss.

Profits and losses resulting from upstream and downstream transactions between the group and its investments are recognized in the group's financial statements only to the extent of unrelated investor's interests in the investments.

IMPAIRMENT OF NON-FINANCIAL ASSETS

Non-financial assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). Prior impairments of non-financial assets (other than goodwill) are reviewed for possible reversal at each reporting date.

FINANCIAL ASSETS, FINANCIAL LIABILITIES AND EQUITY

On initial recognition, a financial asset is classified as measured at amortized costs, FVOCI or FVTPL. The classification depends on the group's business model for managing the financial assets and the contractual terms of the cash flows.

- A financial asset is measured at amortized costs if the business model is to hold the asset to collect contractual cash flows, and the contractual cash flows are solely payments of principal and interests (SPPI criterion).
- A debt instrument is classified at FVOCI if the business model is both collecting contractual cash flows and selling the financial asset, and it meets the SPPI criterion.
- All financial assets not classified as measured at amortized cost or FVOCI are measured at FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the group changes its business model for managing financial assets.

Trade and other receivables

Trade and other receivables are generally classified as financial assets measured at amortized costs. They are recognized at the original invoiced amount, less a loss allowance made for credit losses. The interest rate element is disregarded if insignificant, which is the case for the majority of the group's trade receivables.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, demand deposits held at banks and other short-term highly liquid investments with original maturity of three months or less.

Trade and other payables

Trade payables are recognized at the original invoiced amount. Other payables are recognized initially at fair value.

Trade and other payables are valued at amortized cost using the effective interest rate method. The interest rate element is disregarded if it is insignificant, which is the case for the majority of the group's trade payables.

Interest-bearing borrowings

Interest-bearing borrowings are recognized initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are measured at amortized cost with any difference between cost and redemption value being recognized in the income statement over the period of the borrowings on an effective interest basis.

Share capital

Issued shares are classified as equity.

Impairment of financial assets

The group recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held, or other credit enhancements that are integral to the contractual terms.

For trade receivables and contract assets, the group applies a simplified approach in calculating ECLs. Therefore, the group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date.

FINANCE INCOME AND EXPENSE

Finance income and expense include interest income and expense, foreign exchange gains and losses, dividend income, gains and losses on derivatives, as well as changes in fair value of financial assets measured at FVTPL. Interest income and expense include calculated interest using the effective interest method, in addition to discounting effects from assets and liabilities measured at fair value. Gains and losses on derivatives include effects from derivatives that do not qualify for hedge accounting and embedded derivatives, in addition to the ineffective portion of qualifying hedges.

INVENTORIES

Inventories consist of fuel, spare parts and other supplies to be consumed in the rendering of services. These supplies are measured at the lower of cost and net realizable value. The cost of inventories is based on the first-in-first-out (FIFO) principle, and includes expenditure incurred in acquiring the inventories and other costs incurred in bringing them to their existing location and condition. Within spare parts a distinction is to be made between 'immaterial' and 'material' spare parts. Immaterial spare parts are to be carried as inventories and recognized as an expense in the income statement as they are consumed. Material spare parts will qualify for recognition as property, plant and equipment.

For clarification purposes the useful life (and depreciation) of these material spare parts will commence when they are put into use rather than when it is acquired.

PROVISIONS

A provision is recognized when the group has a present obligation as a result of a past event that can be estimated reliably, and it is probable that the group will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a market based pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the liability-specific risks. The unwinding of the discount is recognized as finance expense.

Onerous contracts

Provisions for onerous contracts are recognized when the expected benefits to be received under a contract are lower than the unavoidable costs of meeting the obligations under the contract. The provision is measured at the lower of the expected cost of terminating the contract and the expected cost of fulfilling the contract. Costs to fulfil a contract consist both of incremental costs of fulfilling a contract and an allocation of other costs that relate directly to fulfilling a contract. Before a provision is recognized, the group recognizes any impairment loss on the assets associated with the contract.

STATEMENT OF CASH FLOWS

The consolidated statement of cash flows is prepared using the indirect method. The consolidated statement of cash flows distinguishes between operating, investing and financing activities. Cash flows in foreign currencies are converted at the exchange rate at the dates of the transactions. Currency exchange differences on cash held are separately shown. Payments and receipts of corporate taxes are included as cash flow from operating activities.

In the consolidated statement of cash flows, cash on hand, demand deposits held at banks and other short-term highly liquid investments with original maturity of three months or less. In the consolidated statement of financial position, bank overdrafts are shown as borrowings in current liabilities.



Note 4 – Significant accounting estimates and judgments

The preparation of the consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, the accompanying disclosures and, the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. Estimates and assumptions that have a significant risk of causing material adjustments to the carrying amounts of assets and liabilities within the next financial year are discussed below.

REVENUE RECOGNITION ON LUMP-SUM CONTRACTS

Revenue from performance obligations satisfied over time, typically for long-term construction, engineering and project management contracts, is recognized using progress from an input method based on cost incurred, which is industry practice in the group's line of business.

The main uncertainty when assessing contract revenue is related to recoverable amounts from variation orders, claims and incentive payments which are recognized when, in the group's judgement, it is highly probable that they will not result in a significant reversal of revenue. This assessment is adjusted based on management's evaluation of the liquidated damages that will be imposed by customers, typically relating to contractual delivery terms. In many contracts, there are frequent changes in scope of work resulting in a number of variation orders. The contracts with customers normally include procedures for the issue and approval of a variation order.

The main uncertainty when assessing the forecast cost of a lump-sum contract is related to forecast of vessel availability, probability of harsh weather conditions when performing offshore activities, equipment breakdown and estimation of the required offshore days and required engineering hours. This assessment is based on management's evaluation of the input factors and most likely outcome. Further details about revenue are included in Note 6 Revenue.

INCOME TAX

The group is subject to taxation in numerous jurisdictions and different taxation regimes, including those covered by production sharing contracts of our customers and deemed profit regimes. Significant judgement is required in arriving at the tax provision. There are transactions for which the ultimate tax determination is uncertain and for which the group makes provisions based on an assessment of internal estimates and/or appropriate external advice, including decisions regarding whether to recognize deferred tax assets in

respect of tax losses. Each year the group completes a detailed review of uncertain tax positions across the Group and makes provisions based on the probability of the liability arising. Where the final tax outcome of these matters differs from the amounts that were initially recorded, the difference will impact the tax charge in the period in which the outcome is determined.

The group also recognizes the increased scrutiny applied by tax authorities on intercompany transactions. As such, the group has evaluated its key transactions with affiliates and has reasonable grounds for concluding that the prices used are at arm's length. This is supported by internal transfer pricing documentation that is consistent with the OECD Guidelines (OECD Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations). Further details about income taxes are included in Note 11 Income tax.

IMPAIRMENT OF NON-FINANCIAL ASSETS

The group has significant non-current assets recognized in the consolidated statement of financial position related to Property, plant and equipment, intangible assets and Right of Use assets. The value in use of some of these assets can be significantly impacted by changes of market conditions. The group considers whether there are indications of impairment on the carrying amounts of such non-current assets. If such indications exist, an impairment test is performed to assess whether or not the assets should be impaired.

The valuations, often determined by value in use calculations, will often be performed based on estimates of future cash flows discounted by an appropriate discount rate. Significant estimates and judgments are made by management, including determining appropriate cash-generating units and discount rates, projections for future cash flows and assumptions of future market conditions. This also includes physical climate risk such as changes to weather patterns and severity of rain, wind, flooding, and other events impact our assessment. DeepOcean has not identified material assets expected to have a significantly shorter life due



to climate related risks. References are made to Note 12 Property, plant and equipment, Note 13 Intangible assets and Note 26 Leases.

EXPECTED CREDIT LOSSES

Trade receivables are presented net of expected credit losses arising from identified doubtful receivables from customers. Trade receivables are impaired considering the credit rating and liquidity of the debtors, the days outstanding and the expected outcome of negotiations and legal proceedings against debtors.

DEFINED BENEFIT PLANS

The present value of pension obligations depends on factors that are determined on an actuarial basis using a number of assumptions. These assumptions include financial factors such as the discount rate, expected salary growth, inflation and return on assets as well as demographic factors concerning mortality, employee turnover, disability and early retirement. Assumptions about all these factors are based on the situation at the time the assessment is made. Any changes in these assumptions will affect the calculated pension obligations. With immediate recognition in other comprehensive income, further information about pension liabilities and the assumptions used are included in Note 20 Pension obligations.

RECOGNITION OF PROVISIONS AND DISCLOSURE OF CONTINGENT LIABILITIES

The group, in the ordinary course of business, may be subject to various claims and lawsuits involving service providers, employees, tax authorities and others. In consultation with internal and external advisors, management will recognize a provision for related expenses and claims, if information available prior to issuance of the consolidated financial statements indicates a probable event and if the amount of the loss/cost can be reasonably estimated. Contingent liabilities for which a possible obligation exists are disclosed but not recognized. Reference is made to Note 21 Provisions and contingent liabilities for further information.



CONSIDERATION TRANSFERRED AND GOODWILL

AMOUNTS IN USD THOUSAND	INSTALLIT
Cash consideration	2 838
Settlement of acquired loan	(469)
Total consideration transferred	2 368
Fair value of net identifiable assets	(463)
Goodwill	1 906

The goodwill, resulting from the acquisitions is mainly attributable to the value of the assembled workforce in Installit as well as expected synergies arising from the acquisitions. The fair value of the trade and other receivables as of the acquisition date is equal to the gross contractual amounts receivable and is the best estimate at the acquisition date of the contractual cash flows expected to be collected. The goodwill is not expected to be deductible for tax purposes.

The fair value measurement is based on significant inputs that are not observable in the market:

- An assumed discount rate of 15 %
- Explicit forecast period of four years
- Terminal growth rate of 2.0 %

Note 6 – Revenue

Revenue in DeepOcean consists of various contracts in the oil and gas sector and renewable energy sector. Refer to Note 3 for a description of considerations made when assessing revenue recognition on each contract.

REVENUE FROM CUSTOMER CONTRACTS BY BUSINESS LINE AND CONTRACT TYPE

AMOUNTS IN USD THOUSAND	2022	2021
Inspection, maintenance and repair	251 798	249 146
Recycling	120 706	49 735
Survey & Seabed intervention	84 627	77 787
Subsea construction	82 842	75 686
Other services	16 121	31 943
Total revenue from contracts with customers	556 095	483 737
Gain from sale of fixed assets	388	6 960
Operating lease income	9 602	8 731
Total other income	9 990	15 690
Total revenue and other income	566 085	499 427

Note 5 – Business combinations

Acquisition of Installit

On 7 April 2022, DeepOcean, through its subsidiary, DeepOcean AS, acquired 100 percent ownership interest in completed the acquisition of Installit AS and its three subsidiaries (Installit) for a cash consideration of NOK 25.0 million at a cash-free and debt-free basis. Installit is consolidated as part of Europe.

The group expects that Installit will be an essential part of expanding DeepOcean's engineering competence in subsea cables further develop our renewables team and provide a hub for DeepOcean's engineers in the Oslo region. The acquired Installit business contributed revenues of USD 1 790 thousand and net loss of USD

137 thousand for the period from the acquisition date to 31 December 2022. If the acquisition of Installit had occurred on 1 January 2022, the group estimates that consolidated revenue and loss after tax for the year ended 31 December 2022 would have been USD 2 765 thousand and USD 106 thousand respectively. In determining these amounts, management has assumed that the fair value adjustments, determined provisionally, that arose on the date of acquisition would have been the same if the acquisition had occurred on 1 January 2022.

Details of the net assets acquired, consideration transferred and goodwill are as follows.

IDENTIFIABLE ASSETS AND LIABILITIES ACQUIRED

AMOUNTS IN USD THOUSAND	INSTALLIT
Property, plant and equipment	56
Intangible assets	8
Deferred tax assets	26
Equity accounted investees	41
Trade and other receivables	906
Cash and cash equivalents	648
Other non-current liabilities	-469
Trade and other payables	-735
Other current liabilities	-19
Total net identifiable assets acquired	463

The real estate lease contract in the acquired group of companies was less than 12 months at the time of acquisition, thus the group applied the short-term lease exemption for the lease contract at the time of acquisition.

If new information obtained within one year of the date of acquisition about facts and circumstances that existed at the date of acquisition identifies adjustments to the above amounts, the accounting for the acquisition will be revised.



Revenue from contracts with customers is disaggregated by segment, business line and contract type (timing of revenue recognition) in the table below.

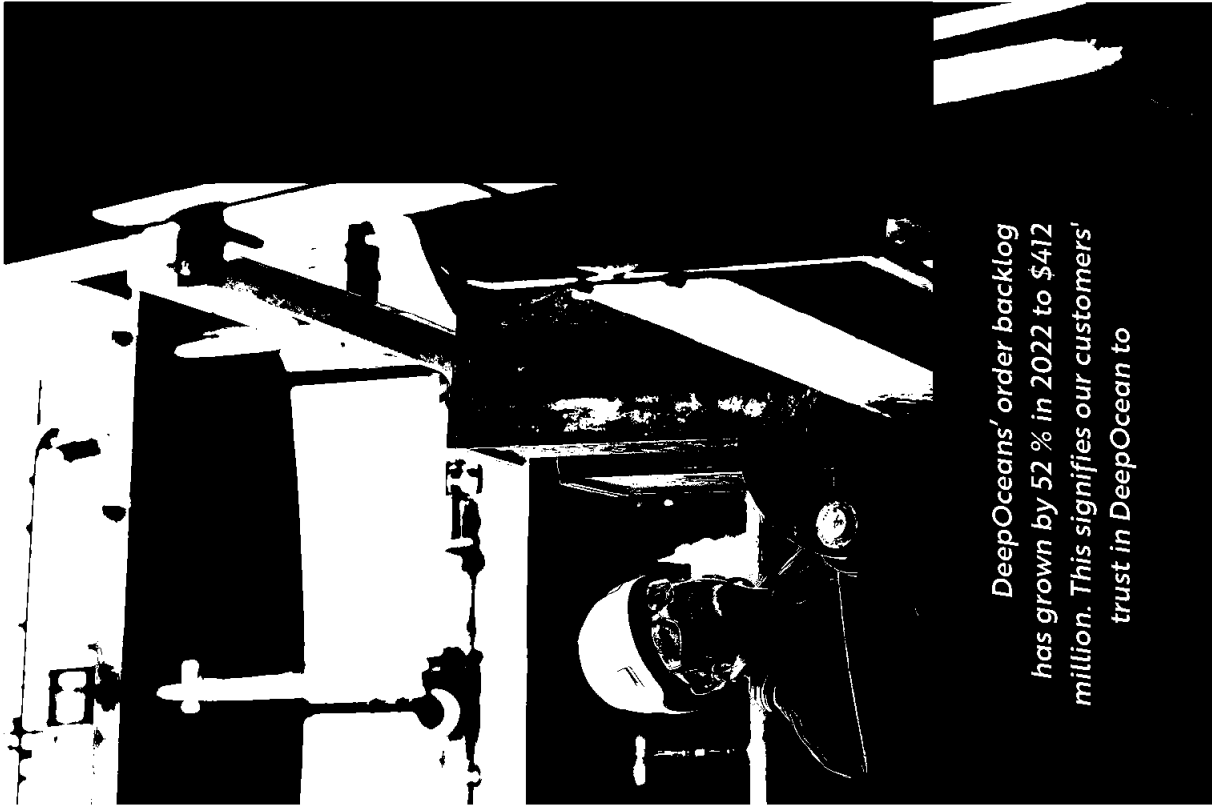
AMOUNTS IN USD THOUSAND	EUROPE		AMERICAS		AFRICA		CORPORATE		DEEPOCEAN	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Business Line										
Inspection, maintenance and repair	170 896	171 298	77 948	43 535	2 954	34 313	-	-	251 798	249 146
Recycling	120 310	42 316	-75	6 859	472	-	-	-	120 706	49 175
Survey & Seabed intervention	78 157	51 316	5 572	15 191	898	11 279	-	-	84 627	77 787
Subsea construction	66 569	46 730	2 857	-	13 417	28 957	-	-	82 842	75 686
Other services	9 413	29 657	5 238	2 219	1 331	-	140	66	16 121	31 943
Total revenue from contracts with customers	445 344	341 317	91 539	67 805	19 071	74 549	140	66	556 095	483 737
Timing of revenue	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Products and services transferred at a point in time	264 168	251 430	91 539	67 805	18 442	74 549	140	66	374 290	393 850
Products and services transferred over time	181 176	89 887	-	-	629	-	-	-	181 805	89 887
Total revenue from contracts with customers	445 344	341 317	91 539	67 805	19 071	74 549	140	66	556 095	483 737
Other income	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Gain from sale of fixed assets	388	6 948	-	11	-	-	-	-	388	6 960
Operating lease income	222	1 312	9 352	7 419	28	-	-	-	9 602	8 731
Total other income	610	8 260	9 352	7 430	28	-	-	-	9 990	15 690
Total revenue and other income	445 954	349 578	100 891	75 234	19 099	74 549	140	66	566 085	499 427

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DeepOceans' order backlog
has grown by 52 % in 2022 to \$412
million. This signifies our customers'
trust in DeepOcean to

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UNSATISFIED PERFORMANCE OBLIGATIONS

The satisfaction of performance obligations in customer contracts vary for each contract. The order backlog as of 31 December 2022 was USD 393 833 thousand, compared to USD 245 285 thousand the year before.

The table below shows the expected timing of future revenue for unsatisfied performance obligations and future operating income at year-end.

AMOUNTS IN USD THOUSAND	2022	2021
Less than 1 year	244 014	163 119
1-2 years	89 985	64 083
2-3 years	49 834	18 083
3-4 years	10 000	-
Unsatisfied performance obligations as of 31 December	393 833	245 285

CONTRACT BALANCES

AMOUNTS IN USD THOUSAND	2022	2021
Trade receivables	61 117	53 723
Contract assets	54 424	38 737
Contract liabilities	(11 828)	(5 882)
Net receivables from contracts with customers as of 31 December	103 713	86 578

Contract assets relate to the group's rights to consideration for performance obligations that have been fulfilled, but not yet invoiced at the reporting date. The contract assets are transferred to receivables when the rights to payment become unconditional, which usually occurs when invoices are issued to the customers. No impairment has been recognized on contract assets in 2022 or 2021.

Contract liabilities relate to advance consideration received from customer for work not yet performed. Revenue recognized in 2022 that was included in contract liabilities in the beginning of the year is USD 5 882 thousand (2021: USD 9 591 thousand).

SEASONALITY OF OPERATIONS

The group's activities in all segments are subject to seasonal fluctuations due to weather conditions. During the winter months, the possibility of adverse weather conditions is significantly higher compared to the summer months. As a result, the group's revenues and results typically are lower in the first and fourth quarter of the year, particularly in operations in the northern hemisphere.

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Note 7 – Segments

DeepOcean as a global ocean services provider has three reporting segments and a Corporate and other holdings' segment. DeepOcean's reporting segments are based on regional operating segments. The Chief Executive Officer fulfil the role of Chief Operating Decision Maker (CODM) in the group and monitor the operating results of its business units separately for the purpose of decision making and performance assessment. The segments are managed separately and offer similar services to different regional segments. Inter-segment pricing is determined on an arm's length basis.

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AMOUNTS IN USD THOUSAND	NOTE	EUROPE	AMERICAS	AFRICA	CORPORATE	TOTAL OPERATING SEGMENTS	ELIMINATIONS	DEEPOCEAN
2022								
Income statement								
External revenue and other income	6	445 954	100 892	19 099	140	566 085	-	566 085
Inter-segment revenue		22 162	(775)	4 612	17 115	43 113	(43 113)	-
Total revenue and other income		468 116	100 116	23 710	17 255	609 197	(43 113)	566 085
Operating profit before depreciation, amortization and impairment (EBITDA)								
		153 058	28 294	(80)	(3 284)	177 988	(2 503)	175 485
Depreciation and amortization	12, 13, 26	(82 976)	(25 444)	(337)	(1 005)	(109 762)	111	(109 650)
Impairment	12, 13	(8)	(0)	-	-	(8)	-	(8)
Operating profit (loss) (EBIT)		70 074	2 844	(419)	(4 289)	68 219	(2 392)	65 827
Assets								
Non-current operating assets		199 583	52 386	972	8 794	261 736	(2 392)	259 344
Current operating assets		92 825	22 718	15 648	1 078	132 269	-	132 269
Segment assets		292 409	75 104	16 621	9 872	394 006	(2 392)	391 614
Liabilities								
Non-current operating liabilities		99 438	1 376	120	(0)	100 935	-	100 935
Current operating liabilities		187 150	39 163	5 952	20 291	252 555	-	252 555
Segment liabilities		286 588	40 539	6 072	20 291	353 490	-	353 490



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AMOUNTS IN USD THOUSAND	NOTE	EUROPE	AMERICAS	AFRICA	CORPORATE	TOTAL OPERATING SEGMENTS	ELIMINATIONS	DEEPOCEAN
2021								
Income statement								
External revenue and other income	6	349 578	75 234	74 549	66	499 427	-	499 427
Inter-segment revenue		41 958	4 949	1 291	12 965	61 163	(61 163)	-
Total revenue and other income		391 536	80 183	75 840	13 031	540 590	(61 163)	499 427
Operating profit before depreciation, amortization and impairment (EBITDA)								
Depreciation and amortization	12, 13, 26	116 151	15 165	(1 484)	(4 961)	124 871	-	124 871
Impairment	12, 13	(56 714)	(9 653)	(4 356)	(765)	(71 489)	-	(71 489)
Operating profit (loss) (EBIT)		58 881	5 531	(6 849)	(7 626)	49 916	-	49 916
Assets								
Non-current operating assets		69 153	45 647	1 240	5 526	121 566	-	121 566
Current operating assets		69 347	20 649	23 450	1 179	114 625	-	114 625
Segment assets		138 500	66 296	24 690	6 705	236 191	-	236 191
Liabilities								
Non-current operating liabilities		11 527	837	-	38	12 403	-	12 403
Current operating liabilities		119 961	28 206	31 828	10 701	190 694	-	190 694
Segment liabilities		131 488	29 043	31 828	10 739	203 097	-	203 097



MAJOR CUSTOMERS

Revenues from customers that represents more than 10 % of revenue from contracts with customers.

AMOUNTS IN USD THOUSAND		2022	2021
Customer 1	88 488	Less than 10 % of revenue	
Customer 2	87 570		64 235
Customer 3	Less than 10 % of revenue		77 573

Europe and Americas has recognized revenue related to Customer 1, whereas revenue recognized related to Customer 2 and Customer 3 relate solely to Europe.

Note 8 – Personnel expenses

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AMOUNTS IN USD THOUSAND		NOTE	2022	2021
Salaries and wages including holiday allowance			105 277	94 839
Social security taxes			14 666	15 097
Pension cost		20	5 690	5 141
Other employee costs			1 746	5 206
Personnel expenses			127 380	120 282
Total number of employees as of 31 December			1 225	1 019

RECONCILIATIONS OF INFORMATION ON REPORTABLE SEGMENTS TO IFRS MEASURES

AMOUNTS IN USD THOUSAND		NOTE	2022	2021
Assets				
Total segment assets			391 614	236 191
Cash and cash equivalents		17	86 253	102 857
Assets held for sale			310	1 172
Equity accounted investees		14	3 616	2 248
Consolidated assets			481 793	342 468

Liabilities				
Total segment liabilities			353 490	203 097
Liabilities held for sale			261	1 693
Non-current borrowings		19	85 313	99 108
Consolidated Liabilities			439 064	303 897

GEOGRAPHIC INFORMATION

Revenues from external customers are allocated based on the country of the registered office of the company executing the services. Non-current operating assets is based on the geographical location company owning the assets.

AMOUNTS IN USD THOUSAND		REVENUE FROM CONTRACTS WITH CUSTOMERS		NON-CURRENT OPERATING ASSETS	
		2022	2021	2022	2021
Norway		338 894	296 706	197 706	73 415
United Kingdom		106 450	45 989	1 877	1 264
US		80 743	48 393	38 246	31 127
Mexico		8 933	18 099	14 127	14 519
Other countries		21 074	74 549	7 387	12 41
Total		556 095	483 737	259 344	121 566



Note 9 – Other operating expenses

AMOUNTS IN USD THOUSAND	2022	2021
Premises	313	2 535
IT and office supplies	6 420	6 031
Travel expenses	1 757	411
Professional fees including audit fees	8 892	9 918
Insurance	1 175	710
Bad debt expense	81	1 577
Capitalization of expenses	(14 331)	(7 129)
Other expenses	2 334	3 441
Other operating expenses	6 641	17 494

AUDIT FEES

Fees billed by the group's auditor EY as the independent statutory auditor of the group were:

AMOUNTS IN USD THOUSAND	DEEPOCEAN GROUP HOLDING AS		SUBSIDIARIES		TOTAL
	2022	2021	2022	2021	
Audit	176	390	643	413	818
Other assurance services	-	22	12	-	12
Tax services	241	10	-	23	241
Other non-audit services	957	-	-	-	957
Total fees EY expensed during the year	1 374	422	655	436	2 019

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Note 10 – Financial income and expenses

AMOUNTS IN USD THOUSAND	NOTE	2022	2021
Finance income			
Interest income on bank deposits measured at amortized cost	19	474	30
Net changes in fair value of financial assets at FVTPL		-	339
Foreign exchange gain		14 774	19 552
Other finance income		249	13 301
Finance income		15 497	33 221
Finance expense			
Interest expense on financial liabilities measured at amortized cost	19	(3 387)	(10 414)
Interest expense on lease liabilities	26	(4 808)	(4 320)
Foreign exchange loss		(26 031)	(22 370)
Other finance expense		(1 274)	(299)
Finance expenses		(35 500)	(37 403)
Profit from equity-accounted investees	14	1 268	500
Net financial income (expense)		(18 736)	(3 681)

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Note 11 – Income tax

INCOME TAX EXPENSE

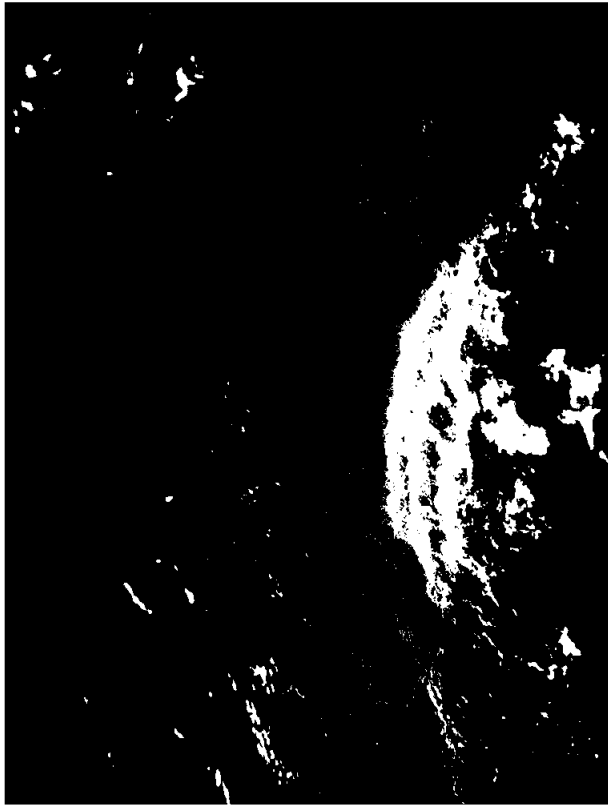
AMOUNTS IN USD THOUSAND	2022	2021
Current year	(15 681)	(11 918)
Prior year adjustments	(3 085)	(64)
Total current tax benefit (expense)	(18 766)	(11 982)
Origination and reversal of temporary differences	2 251	(8 042)
Write down of tax loss and deferred tax assets	(3 424)	(1 197)
Recognition of previously unrecognized deferred tax assets	2 784	-
Total deferred tax benefit (expense)	1 612	(9 239)
Income tax expense	(17 155)	(21 221)

EFFECTIVE TAX RATE

The table below reconciles the reported income tax expense to the expected income tax expense according to the corporate income tax rate in Norway.

AMOUNTS IN USD THOUSAND	2022	2021
Profit before tax, continuing operations	50 385	46 235
Tax income (expense) using the company's domestic tax rate	(11 085)	(10 172)
	22 %	22 %
Tax effects of:		
Effect of different income tax rates in other jurisdictions	496	2 119
	-1 %	-5 %
Non-taxable income (non-deductible expenses)	401	(8 234)
	-1 %	18 %
Withholding taxes	(445)	(2 243)
	1 %	5 %
Recognition of previously unrecognized deferred tax assets	2 784	228
	-6 %	0 %
Write down of deferred tax assets	(3 424)	(1 197)
	7 %	3 %
Prior year adjustments	(3 085)	(64)
	6 %	0 %
Other	(2 797)	(1 658)
	6 %	4 %
Income tax expense	(17 155)	(21 221)
	34 %	46 %

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RECOGNIZED DEFERRED TAX ASSETS AND LIABILITIES

AMOUNTS IN USD THOUSAND	2022	2021	2022	2021	2022	2021
Vessels and equipment	2 136	1 066	(3 299)	-	(1 163)	1 066
Receivables	514	1 357	-	-	514	1 357
Post-employment benefits	-	156	(68)	-	(68)	156
Provisions	439	133	-	-	439	133
Tax loss carry-forwards	3 732	-	-	-	3 732	-
Other	1 424	1 570	(54)	(622)	1 370	948
Set-off of tax components	(3 150)	-	3 150	-	-	-
Total	5 094	4 282	(270)	(622)	4 824	3 660

Deferred tax assets are recognized to the extent that it is probable that future taxable profit will be available, against which the deductible temporary difference can be utilized.

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CHANGE IN NET RECOGNIZED DEFERRED TAX ASSETS (LIABILITIES)

AMOUNTS IN USD THOUSAND	BALANCE 1 JANUARY 2021	ADDITIONS THROUGH BUSINESS COMBINATIONS	RECOGNIZED IN PROFIT OR LOSS	RECOGNISED IN OTHER COMPREHENSIVE INCOME	CURRENCY TRANSLATION DIFFERENCES	BALANCE 31 DECEMBER 2021
Vessels and equipment	1 068	-	14	-	(16)	1 066
Receivables	5	-	1 455	-	(103)	1 357
Post employment benefits	156	-	347	(342)	(6)	156
Provisions	456	-	(319)	-	(3)	133
Tax losses carried forward	9 049	-	(8 814)	-	(235)	-
Other	3 107	-	(1 923)	-	(236)	948
Total	13 841	-	(9 259)	(342)	(600)	3 640

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AMOUNTS IN USD THOUSAND	BALANCE 1 JANUARY 2022	ADDITIONS THROUGH BUSINESS COMBINATIONS	RECOGNIZED IN PROFIT OR LOSS	RECOGNISED IN OTHER COMPREHENSIVE INCOME	CURRENCY TRANSLATION DIFFERENCES	BALANCE 31 DECEMBER 2022
Vessels and equipment	1 066	4	(2 249)	-	16	(1163)
Receivables	1 357	-	(748)	-	(96)	514
Post employment benefits	156	-	(183)	(31)	(10)	(68)
Provisions	133	-	301	-	5	439
Tax losses carried forward	-	49	3 683	-	-	3 732
Other	948	(28)	808	-	(358)	1 370
Total	3 660	26	1 612	(31)	(443)	4 824

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UNRECOGNIZED DEFERRED TAX ASSETS
(NET AMOUNTS)

AMOUNTS IN USD THOUSAND	2022	2021
Deductible temporary differences	-	-
Tax loss carry-forwards	4 978	4 338
Interest limitation	434	798
Total	5 412	5 136

DeepOcean's Recycling business had a record year in 2022, with more than USD 120 million in revenue

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Unrecognized deferred tax assets relate to temporary differences and tax losses carried forward in certain entities where it is currently not probable that future taxable profits will be generated to utilize these assets.

TAX CONTINGENCIES

Group companies receive enquiries from tax authorities and tax audits are performed by tax authorities with group companies, which may result in disputes in respect of filed tax returns. Tax liabilities are recognized when it is considered probable that there will be a future outflow of funds to a tax authority. In such cases, a provision is made for the amount that is expected to be settled, where this can be reasonably estimated. This requires the application of judgement as to the ultimate outcome, which can change over time depending on facts and circumstances. A change in estimate of the likelihood of a future outflow and/or in the expected amount to be settled would be recognized in income in the period in which the change occurs.

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Note 12 – Property, plant & equipment

AMOUNTS IN USD THOUSAND	VESSELS - OWN USE	VESSELS - OPERATING LEASE	MISSION EQUIPMENT	OTHER	ASSETS UNDER CONSTRUCTION	TOTAL
Historical cost						
Balance as of 1 January 2021	43 736	16 663	118 162	6 523	4 025	189 110
Reclassification to intangibles	-	-	-	-	(2 677)	(2 677)
Additions	-	1 191	1 090	418	3 027	5 726
Transfer from RoU assets	-	-	19 085	-	-	19 085
Reclassification	-	-	363	797	(1 160)	-
Disposals and scrapping	(15 405)	-	(5 610)	(118)	-	(21 132)
Currency translation differences	(944)	(568)	(5 544)	3 153	16	(3 887)
Balance as of 31 December 2021	27 387	17 286	127 546	10 773	3 231	186 223
Balance as of 1 January 2022	27 387	17 286	127 546	10 773	3 231	186 223
Additions	4 035	-	6 555	603	4 564	15 757
Additions through business combinations	-	-	-	56	-	56
Reclassification	-	-	1 544	345	(1 889)	-
Disposals and scrapping	(494)	-	(2 724)	(1 508)	-	(4 725)
Currency translation differences	(2 524)	980	(8 473)	(737)	(332)	(11 085)
Balance as of 31 December 2022	28 404	18 266	124 448	9 533	5 575	186 226



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AMOUNTS IN USD THOUSAND	VESSELS - OWN USE	VESSELS - OPERATING LEASE	MISSION EQUIPMENT	OTHER	ASSETS UNDER CONSTRUCTION	TOTAL
Accumulated depreciation and impairment						
Balance as of 1 January 2021	(35 255)	(1 785)	(89 342)	(1 989)	-	(128 371)
Depreciation for the year	(2 014)	(1 548)	(7 883)	(659)	-	(12 105)
Impairment	-	-	(557)	-	-	(557)
Transfer from RoU assets	-	-	(7 535)	-	-	(7 535)
Disposals and scrapping	12 567	-	6 167	118	-	18 851
Currency translation differences	2 632	79	8 101	(7 660)	-	3 151
Balance as of 31 December 2021	(22 070)	(3 255)	(91 049)	(10 190)	-	(126 564)
Balance as of 1 January 2022	(22 070)	(3 255)	(91 049)	(10 190)	-	(126 564)
Depreciation for the year	(2 837)	(2 810)	(7 429)	(726)	-	(13 802)
Disposals and scrapping	494	-	2 724	1 508	-	4 725
Currency translation differences	2 261	(280)	5 668	2 200	-	9 850
Balance as of 31 December 2022	(22 152)	(6 344)	(90 086)	(7 209)	-	(125 791)
Carrying amount						
As of 31 December 2021	5 317	14 031	36 496	583	3 231	59 657
As of 31 December 2022	6 252	11 923	34 361	2 324	5 575	60 435

Depreciation
Estimates for useful life, depreciation method and residual values are reviewed annually. Assets are mainly depreciated on a straight-line basis over their expected economic lives as follows.

Impairment
In 2021, obsolete equipment was impaired as it was no longer in use in the group. During 2022, no impairment of property, plant and equipment has been identified.

CATEGORY	ASSET TYPE/COMPONENT	YEARS
Vessels	Vessel hull	30
Vessels	Other vessel components	15-20
Vessels	Dry docking	2,5-5
Mission equipment	Equipment (ROV, trenchers, etc.)	5-10
Other	Furniture and fittings, office equipment and vehicles	2-10

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Note 13 – Intangible assets

AMOUNTS IN USD THOUSAND	GOODWILL	CUSTOMER RELATIONSHIPS	OTHER INTANGIBLE ASSETS	ASSETS UNDER CONSTRUC- TION	TOTAL
Historical cost					
Balance as of 1 January 2021	1 078	1 906	72	-	3 056
Reclassification from assets under construction (PPE)	-	-	-	2 677	2 677
Additions	-	-	1 404	1 039	2 443
Transfer	-	-	3 716	(3 716)	-
Disposals and scrapping	(1 010)	(1 900)	-	-	(2 910)
Currency translation differences	(68)	(6)	(108)	-	(182)
Balance as of 31 December 2021	-	-	5 084	-	5 084
Balance as of 1 January 2022	-	-	5 084	-	5 084
Additions through business combinations	1 906	-	8	-	1 914
Currency translation differences	(193)	-	(422)	-	(614)
Balance as of 31 December 2022	1 713	-	4 670	-	6 384

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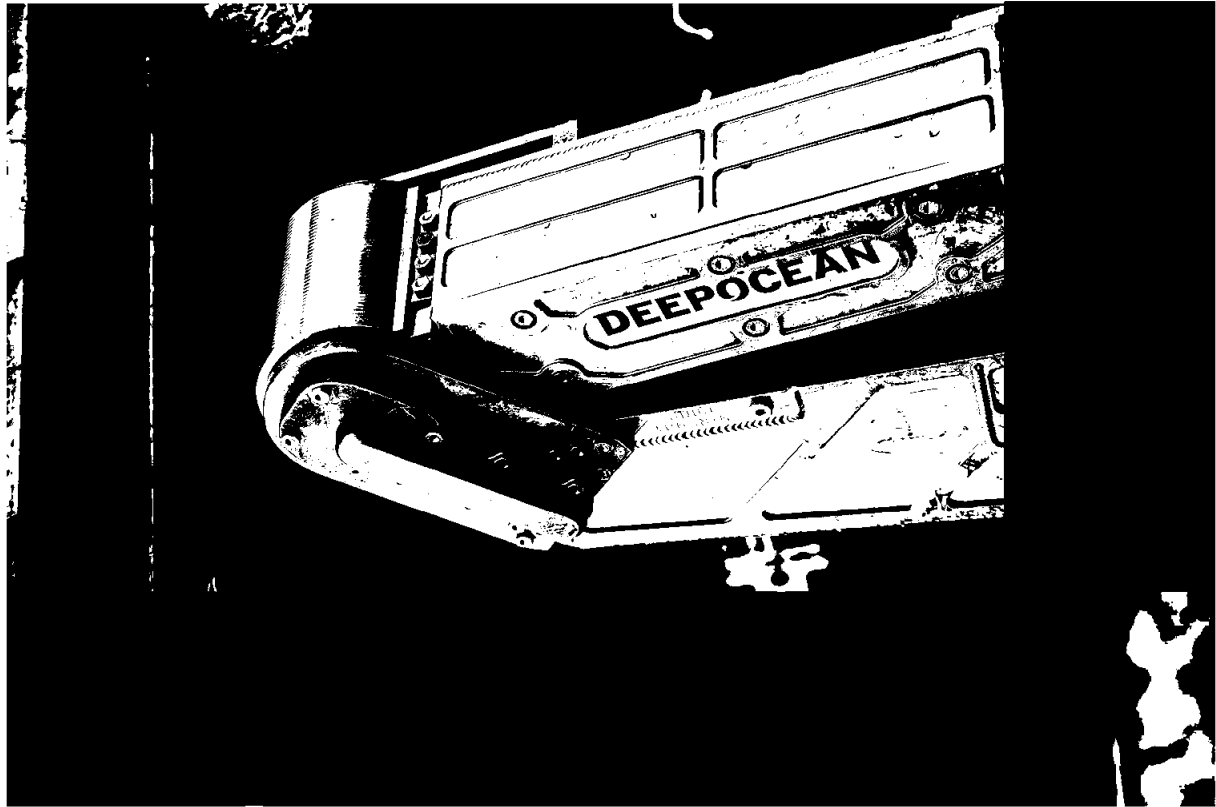
AMOUNTS IN USD THOUSAND	GOODWILL	CUSTOMER RELATIONSHIPS	OTHER INTANGIBLE ASSETS	ASSETS UNDER CONSTRUC- TION	TOTAL
Accumulated amortisation and impairment					
Balance as of 1 January 2021	-	-	-	-	-
Amortization for the year	-	-	(554)	-	(554)
Impairment	(1 010)	(1 900)	-	-	(2 910)
Disposals and scrapping	1 010	1 900	-	-	2 910
Currency translation differences	-	-	(18)	-	(18)
Balance as of 31 December 2021	-	-	(572)	-	(572)
Balance at 1 January 2022	-	-	(572)	-	(572)
Amortization for the year	-	-	(643)	-	(643)
Impairment	-	-	(8)	-	(8)
Currency translation differences	-	-	65	-	65
Balance as of 31 December 2022	-	-	(1 158)	-	(1 158)
Carrying amounts					
As of 31 December 2021	-	-	4 511	-	4 511
As of 31 December 2022	1 713	-	3 513	-	5 226

OTHER INTANGIBLE ASSETS

During 2021, USD 5 084 thousand was capitalized for a software asset which is to be amortized over seven years. No research and development costs were expensed during the year (2021: Nil).

GOODWILL

On the 7 April 2022 the Group entered into an agreement to acquire the shares in Instalitt AS and its subsidiaries. The acquisition is accounted for under the acquisition method and an excess value of USD 1 906 thousand was identified and allocated to goodwill. Refer to Note 5 for further information on the business combination.



Note 14 – Equity-accounted investees

Equity-accounted investees include joint ventures and associates. Such investments are defined as related parties to DeepOcean. See Note 28 Related parties for overview of transactions and balances with joint ventures and associates.

AMOUNTS IN USD THOUSAND	TECHNIP- DEEPOCEAN PRS JV DA		LEVEL OFFSHORE AS		ADEPTH MINERALS AS		OTHER	TOTAL
	Haugesund, Norway	Haugesund, Norway	Haugesund, Norway	Bergen, Norway	Bergen, Norway			
Business office								
Percentage of voting rights and ownership	50 %	50 %	50 %	35.70 %				
2021								
Equity accounted investees as of 1 January	550	59	-	-	-			609
Acquisition	-	-	1 670	-	-			1 670
Share of profits included in Net financial income (expenses)	402	167	(69)	-	-			500
Dividends received	(479)	-	-	-	-			(479)
Currency translation differences	(36)	(18)	-	-	-			(54)
Equity accounted investees as of 31 December	437	208	1 602	-	-			2 247
2022								
Equity accounted investees as of 1 January	437	208	1 602	-	-			2 247
Acquisition	-	-	1 011	51	1 062			37
Additions through business combinations	-	-	-	-	-			-
Share of profits included in Net financial income (expenses)	267	1 184	(188)	5	1 268			(787)
Dividends received	(379)	(408)	-	-	-			(209)
Currency translation differences	(27)	(18)	(165)	0	(209)			93
Equity accounted investees as of 31 December	297	967	2 260	93	3 616			



Technip-DeepOcean PRS JV DA

In 2014, the group entered into a joint venture agreement with Technip Norge AS, resulting in the incorporation of Technip-DeepOcean PRS JV DA (PRS) in Norway, in which both parties have a 50 % interest. The main purpose of the joint venture is to execute the PRS Framework Agreement. The parties have joint control.

Level Offshore AS

In 2018, the group entered into a joint venture with Level Personal AS, resulting in the incorporation of Level Offshore AS in Norway, in which both parties hold 50 % of the shares. The main purpose of the joint venture is to provide staffing services to the offshore industry and the marine market.

Adepth Minerals AS

In 2021, DeepOcean invested in Adepth Minerals AS. DeepOcean owns 35.7 % of shares in the company. Adepth Minerals AS is an exploration company for deepsea minerals that is currently working obtaining licenses for exploration campaigns on the Norwegian Continental Shelf.

Other

In addition to the above investments, the group has minor investments in Forsea Robotics SAS, Toolpool AS and Windtaller Alliance AS.

During the year ended 31 December 2022, the group received dividend from its equity-accounted investments amounting USD 787 thousand (2021: USD 479 thousand). None of these companies are publicly listed and consequently do not have published price quotations. There are no contingent liabilities relating to the group's interest in the investments accounted for using the equity method.

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Summary of financial information for significant equity-accounted investees (100 percent basis)	TECHNIP-DEEPOCEAN PRS JV DA		LEVEL OFFSHORE AS	
	2022	2021	2022	2021
AMOUNTS IN USD THOUSAND				
Current assets	5166	4 065	8 143	5 303
- Cash and cash equivalents	2 021	1 952	3 307	1 878
Non-current assets	-	1	43	32
Current liabilities	(4 572)	(3 106)	(6 252)	(4 265)
- Current financial liabilities	-	-	(3 217)	(633)
Non-current liabilities	-	-	-	-
- Non-current financial liabilities	-	-	-	-
Net assets (100 %)	593	960	1 933	1 069
DeepOcean's share of net assets (50 %)	297	480	967	535
Elimination	-	(43)	-	(326)
DeepOcean's carrying amount of the investment	297	437	967	208

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Summary of financial information for significant equity-accounted investees (100 percent basis)	TECHNIP-DEEPOCEAN PRS JV DA		LEVEL OFFSHORE AS	
	2022	2021	2022	2021
AMOUNTS IN USD THOUSAND				
Revenue	12 441	13 795	18 033	15 154
Depreciation, amortization and impairment	(1)	-	(453)	(548)
Interest Income	10	-	42	21
Interest expense	-	-	(44)	(35)
Income tax expense	-	-	(283)	(293)
Profit (loss) for the year	533	804	2 368	334
Other comprehensive income (loss)	(55)	(72)	(36)	(36)
Total comprehensive income (loss) (100 %)	479	732	2 332	298
DeepOcean's share of total comprehensive income (loss)	239	366	1 166	149

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Note 16 – Trade and other receivables

AMOUNTS IN USD THOUSAND	NOTE	2022	2021
Trade receivables			
Trade receivables		60 635	54 597
Trade receivables, related parties	28	1212	1 471
Allowances for expected credit losses		(730)	(2 345)
Trade receivables, net		61 117	53 723
Prepaid expenses		2 257	3 428
Public duties and tax refunds		5 656	12 766
Other receivables		402	870
Total trade and other receivables		69 433	70 788

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AGING OF TRADE RECEIVABLES		
AMOUNTS IN USD THOUSAND	2022	2021
Not due	48 506	33 037
Past due 0-30 days	2 711	9 482
Past due 30-60 days	8 135	4 143
Past due 60-90 days	538	6 267
Past due more than 90 days	1 957	3 139
Trade receivables, gross	61 847	56 068
Allowances for expected credit losses	(730)	(2 345)
Trade receivables, net	61 117	53 723

Note 15 – Inventories

The inventories comprise of the following:

AMOUNTS IN USD THOUSAND	2022	2021
Raw materials	7 057	4 068
Finished goods	736	280
Total inventories	7 792	4 349
Balance as of 1 January	4 349	2 586
Purchase of inventory	48 449	33 925
Recognized as expense	(44 100)	(31 338)
Currency translation differences	(906)	(824)
Total inventories as of 31 December	7 792	4 349

As of 31 December 2022, there was no obsolescence provision for inventories (2021: nil). The inventories are for internal use only and consists of fuel, oil, and lubricants, which is considered to be raw materials, and spare parts which is presented as finished goods. There are no securities pledged over inventories.



Note 18 – Equity

SHARE CLASSES	A SHARES ISSUED	B SHARES ISSUED	C SHARES ISSUED	D SHARES ISSUED	TOTAL SHARES ISSUED
As of 1 January 2021	20 000 000	-	30 000 000	-	50 000 000
New shares issued	-	-	-	15 000 000	15 000 000
Reclassification	(10 000 000)	10 000 000	-	-	-
As of 31 December 2021	10 000 000	10 000 000	30 000 000	15 000 000	65 000 000
As of 1 January 2022	10 000 000	10 000 000	30 000 000	15 000 000	65 000 000
Share redemption	-	-	(25 224 354)	(15 000 000)	(40 224 354)
As of 31 December 2022	10 000 000	10 000 000	4 775 646	-	24 775 646
Nominal value per share (NOK)	110	110	110	-	-
Total share capital (NOK thousand) as of 31 December 2022	11 000	11 000	5 253	-	27 253
Total share capital (USD thousand) as of 31 December 2022	1 501	1 501	717	-	3 718

As of 31 December 2022, DeepOcean Group Holding AS does not hold treasury shares in any share class. The shares are all authorized, issued and fully paid.

per year multiplied by the sum of a base amount and unpaid dividend from previous periods. The calculation period for each preference share class is annual and is determined by the initial investment date. We refer to the table below. The company is only permitted to pay a dividend if it has sufficient distributable reserves, determined in accordance with Chapter 8 of the Norwegian Private Limited Companies Act. The company has no obligation to distribute dividends even if such distributable reserves are available.

SHARE CAPITAL STRUCTURE

Voting rights
All shares issued are entitled to one vote per share at General Meeting.

Economic rights
For both classes of preference shares (B and C shares, D shares were redeemed during 2022), dividends accrue at an amount equal to the effective preference dividend

ALLOWANCE FOR EXPECTED CREDIT LOSSES ON TRADE RECEIVABLES AND CONTRACT ASSETS

AMOUNTS IN USD THOUSAND	NOTE	2022	2021
Balance as of 1 January		(2 345)	(759)
Reclassification to held for sale		-	-
Provision made		(61)	(2 354)
Provision reversed		968	944
Provision utilized		690	-
Currency translation differences		18	(176)
Balance as of 31 December		(730)	(2 345)

Note 17 – Cash and cash equivalents

Cash and cash equivalents include cash on hand, demand deposits in banks and other short-term highly liquid deposits with original maturity of three months or less.

AMOUNTS IN USD THOUSAND	2022	2021
Interest-bearing deposits	82 792	99 630
Restricted cash	3 461	3 233
Total cash and cash equivalents	86 253	102 863
Cash and cash equivalents	86 253	102 864
Available credit facilities	300	4 372
Available liquidity reserve	86 553	107 236

AVAILABLE LIQUIDITY RESERVE
Available credit facilities consist of additional undrawn committed revolving credit facilities, refer to Note 19 for further details.



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On distribution to shareholders, all amounts shall be allocated in accordance with the following order of priority:

1. The accrued and unpaid preferred dividend in respect of each outstanding C share
2. The base amount in respect of each outstanding C share
3. The accrued and unpaid preferred dividend in respect of each outstanding B share
4. The base amount in respect of each outstanding B share

DIVIDEND
The Board of Directors has proposed no allocation of dividends for 2022 or 2021.

DeepOcean has strong financial performance over the last two years, enabling the group to provide returns to its owners and lenders.

PREFERENCE DIVIDEND	B SHARES ISSUED	C SHARES ISSUED	TOTAL
Investment date	17.09.2021	30.11.2018	
Base amount	139 079 834	4 177 260	
Unpaid dividend from previous periods as of 31 December 2022	11 176 387	88 767	
Effective preference dividend per year	8.00 %	5.07 %	
Total earned, unpaid preference dividend as of 31 December 2022	14 583 187	107 134	14 690 321

CURRENCY TRANSLATION RESERVE

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

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Note 19 – Borrowings

Below are contractual terms of the group's interest-bearing loans and borrowings, which are measured at amortized cost. For more information about the group's exposure to currency risk, interest rate risk, liquidity risk and operational risk, reference is made to Note 23.

2022

AMOUNTS IN USD THOUSAND	CURRENCY	FACILITY COMMITMENT (NOMINAL CURRENCY)	UNDRAWN COMMITMENT (NOMINAL CURRENCY)	DRAWN FACILITY (NOMINAL CURRENCY)	CARRYING AMOUNT (USD)	BASE INTEREST	INTEREST MARGIN	INTEREST	MATURITY	INTEREST TERMS
Facility A - Credit Facility (EUR 80 000 thousand commitment)	USD	-	-	67 120	67 120	3,07 %	2,00 %	5,07 %	Feb 2025	US 3M LIBOR + 2,00 % fixed margin
Facility A - Credit Facility (EUR 80 000 thousand commitment)	EUR	EUR 80 000	-	17 000	18 193	0,58 %	2,00 %	2,58 %	Feb 2025	EURIBOR 3M + 2,00 % fixed margin
Total borrowings					85 313					
Current borrowings					-					
Non-current borrowings					85 313					
Total borrowings					85 313					

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2021

AMOUNTS IN USD THOUSAND	CURRENCY	FACILITY COMMITMENT (NOMINAL CURRENCY)	UNDRAWN COMMITMENT (NOMINAL CURRENCY)	DRAWN FACILITY (NOMINAL CURRENCY)	CARRYING AMOUNT (USD)	BASE INTEREST	INTEREST MARGIN	INTEREST	MATURITY	INTEREST TERMS
Facility A - Credit Facility (EUR 80 000 thousand commitment)	USD	-	-	67 120	67 120	0,12 %	2,00 %	2,12 %	Feb 2025	US 3M LIBOR + 2,00 % fixed margin
Facility A - Credit Facility (EUR 80 000 thousand commitment)	EUR	EUR 80 000	5 922	17 000	19 061	0,00 %	2,00 %	2,00 %	Feb 2025	EURIBOR 3M + 2,00 % fixed margin
Facility B - Term loan (USD 16 244 thousand commitment)	USD	USD 12 957	-	12 957	12 927	0,12 %	2,00 %	2,12 %	Feb 2025	US 3M LIBOR + 2,00 % fixed margin
Total borrowings					99 108					
Current borrowings					-					
Non-current borrowings					99 108					
Total borrowings					99 108					

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MATURITY OF BORROWINGS

2022									
AMOUNTS IN USD THOUSAND	CARRYING AMOUNT (USD)	TOTAL CASHFLOW ¹⁾	6 MONTHS AND LESS	6-12 MONTHS	1-2 YEARS	2-5 YEARS	MORE THAN 5 YEARS		
Facility A - Credit Facility (EUR 80 000 thousand commitment) ²⁾	67 120	77 877	1 701	1 701	3 403	71 071	-		
Facility A - Credit Facility (EUR 80 000 thousand commitment) ²⁾	18 193	19 678	235	235	470	18 738	-		
Total borrowings	85 313	97 555	1 936	1 936	3 872	89 810	-		

2021

AMOUNTS IN USD THOUSAND	CARRYING AMOUNT (USD)	TOTAL CASHFLOW ¹⁾	6 MONTHS AND LESS	6-12 MONTHS	1-2 YEARS	2-5 YEARS	MORE THAN 5 YEARS		
Facility A - Credit Facility (EUR 80 000 thousand commitment) ²⁾	67 120	71 618	711	711	1 423	68 773	-		
Facility A - Credit Facility (EUR 80 000 thousand commitment) ²⁾	19 061	20 266	191	191	381	19 503	-		
Facility B - Term loan (USD 16 244 thousand commitment)	12 927	13 793	137	137	274	13 245	-		
Total borrowings	99 108	105 677	1 039	1 039	2 078	101 521	-		

Facility A is revolving credit facility which is rolled over every three months until maturity. Unless the facility agreement is breached, there are no obligations to repay prior to maturity and the facility is thus presented as a non-current borrowings.

1) The interest costs are calculated using either the last fixing rate known by year end (plus applicable margin) or the contractual fixed rate when fixed rate debt

2) The cashflow is based on the assumption that the nominal drawn amount will remain constant until the maturity of the revolving credit facility.

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RECONCILIATION OF BORROWINGS

	2022			2021			
AMOUNTS IN USD THOUSAND	REVOLVING CREDIT FACILITIES	TERM LOAN	TOTAL	REVOLVING CREDIT FACILITIES	TERM LOAN	UNSECURED LOAN FROM RELATED PARTY	TOTAL
Balance as of 1 January	86 181	12 927	99 108	87 887	11 433	147 772	247 092
Capitalized interest - PIK	-	-	-	-	2 449	7 228	-
Repayment of borrowings	-	(12 978)	(12 978)	-	(1 994)	-	(1 994)
Proceeds from borrowings	-	-	-	-	-	15 000	15 000
Amortization of capitalized fees	-	-	-	-	182	-	182
Conversion to equity	-	-	-	-	-	(169 595)	(169 595)
Currency translation differences	(868)	51	(817)	(1 706)	857	(405)	(1 254)
Balance as of December 31	85 313	(0)	85 313	86 181	12 927	-	89 431

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Note 20 – Pension obligations

DeepOcean's pension costs represent the future pension entitlement earned by employees in the financial year. In a defined contribution plan the company is responsible for paying an agreed contribution to the employee's pension assets. In such a plan, this annual contribution is also the cost. In a defined benefit plan, it is the company's responsibility to provide a certain pension. The measurement of the cost and the pension liability for such arrangements is subject to actuarial valuations. DeepOcean has over time gradually moved from defined benefit arrangements to defined contribution plans in most regions. Consequently, the impact of the remaining defined benefit plans is gradually reduced.

Pension plans in Norway

The main pension arrangement in Norway is a general pension plan organized by the Norwegian Government. This arrangement provides the main general pension

entitlement of all Norwegians. All pension arrangements by employers consequently represent limited additional pension entitlements. Norwegian employers are obliged to provide an employment pension plan, which can be organized as a defined benefit plan or as a defined contribution plan.

Pension plans outside Norway

Pension plans outside Norway are predominately defined contribution plans.

Pension cost

AMOUNTS IN USD THOUSAND	2022	2021
Defined benefit plans	775	812
Defined contribution plans	4 965	4 329
Total pension cost	5 690	5 141

Net defined pension obligations

AMOUNTS IN USD THOUSAND	2022	2021
Defined benefit plans - Norway	(310)	709
Defined benefit plans - Mexico	186	164
Net defined benefit obligations (assets) at 31 December	(124)	872

Net defined pension obligations in the balance sheet

AMOUNTS IN USD THOUSAND	2022	2021
Pension assets	310	32
Pension liabilities	186	905
Net defined benefit obligations (assets) at 31 December	(124)	872

Movement in net defined benefit (asset) obligation

	PRESENT VALUE OF OBLIGATION	FAIR VALUE OF PLAN ASSETS	NET DEFINED BENEFIT LIABILITY
AMOUNTS IN USD THOUSAND	2022	2021	2022
Balance as of 1 January	11 967	9 642	(11 095)
Current service and administration cost	703	787	22
Interest expense (income)	217	223	(219)
Included in income statement	920	1 011	(107)

Actuarial loss (gain) arising from:

- demographic assumptions	-	-	-	-
- financial assumptions	(167)	344	-	(167)
- experience adjustments	313	1 406	-	313
Return on plan assets	-	-	(316)	(78)
Currency translation differences	(1 228)	(269)	1 190	(38)
Remeasurement loss (gain) included in OCI	(1 082)	1 482	874	(208)
Contributions paid into the plan	-	(13)	(1 522)	(2 165)
Benefits paid by the plan	(133)	(154)	133	-
Other movements	(133)	(167)	(1 389)	(2 165)
Balance as of 31 December	11 672	11 967	(11 807)	(136)

Plan assets		
	AMOUNTS IN USD THOUSAND	
Equity instruments	1 311	1 276
Bonds	1 098	1 398
Hold to maturity bonds	7 651	6 834
Property	1 618	1 564
Other	130	22
Total plan assets at fair value	11 807	11 095

Defined benefit obligation - actuarial assumptions

The group's most significant defined benefit plan is in Norway.

The equity portfolio is invested globally. The fair value of the equities is based on their quoted prices at the reporting date without any deduction for estimated future selling cost. The market value as at year end is based on official prices provided by the Norwegian Securities Dealers Association. The Bond investments have on average a high credit rating. Most of the investments are in Norwegian municipalities with a credit rating of AA. The investment in fund/private equity is mainly funds that invests in listed securities and where the fund value is based on quoted prices.

ACTUARIAL ASSUMPTIONS	2022	2021
Discount rate	3.00 %	1.90 %
Asset return	3.00 %	1.90 %
Salary progression	3.50 %	2.75 %
Pension indexation	1.50 %	0.00 %
Mortality table	K2013BE	K2013BE

The information below relates only to Norwegian plans as these represent the majority of the defined benefit plans.

ACTUARIAL ASSUMPTIONS	2022	2021
Life expectancy of male pensioners	20.1	20.0
Life expectancy of female pensioners	23.2	23.2

2022

PLAN STATISTICS	ACTIVE	PENSIONERS	ACTIVE	PENSIONERS
Number of participants	278	19	231	15
Average age	43	66	45	65

As of 31 December 2022, the weighted-average duration of the defined benefit obligation was 13.5 years.

Sensitivity analysis

Sensitivity analysis
Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding the other assumptions constant, would have affected the defined benefit obligation as of 31 December 2022 by the amounts shown below.

AMOUNTS IN USD THOUSAND	INCREASE (+) %	DECREASE (-) %
Discount rate	(1 036)	1 342
Future salary growth	2 454	(2 980)
Future pension growth	377	(342)

The change in discount rate assumptions would affect plan assets in the income statement in next period as it would change the estimated asset return but have no effect on pension assets as of year-end.



Note 21 – Provisions and contingent liabilities

AMOUNTS IN USD THOUSAND	ONEROUS CONTRACTS	DILAPIDATIONS	OTHER	TOTAL
Balance as of 1 January 2021	1 768	119	-	1 887
Provisions made during the year	502	-	-	502
Provisions utilized during the year	(1 731)	(133)	-	(1 864)
Provisions reversed during the year	-	-	-	-
Currency translation differences	(32)	14	-	(18)
Balance as of 31 December 2021	507	-	-	507
Reclassification from held for sale	-	-	1 282	1 282
Provisions made during the year	-	62	815	877
Provisions utilized during the year	(25)	-	-	(25)
Provisions reversed during the year	(453)	-	-	(453)
Currency translation differences	(29)	-	-	(29)
Balance as of 31 December 2022	-	62	2 098	2 159
Expected timing of payments				
Due within twelve months	507	-	-	507
Due after twelve months	-	-	-	-
Total as of 31 December 2021	507	-	-	507
Due within twelve months	-	-	2 098	2 098
Due after twelve months	-	62	-	62
Total as of 31 December 2022	-	62	2 098	2 159

Onerous Contracts

The provision normally includes onerous customer contracts with expected losses upon completion. In 2021, the provision was related to a short-term lease of a property that was no longer in use in the group. The group has had no provisions related to customer contracts during 2021 and 2022.

Dilapidations

Dilapidation provisions relates to cost on leased properties to restore the properties to the initial condition.

Other

Other provisions relate to liabilities with uncertain timing or amount where the group assess that it is

probable that a cash outflow will arise based on past events. This includes provisions for various claims.

Contingent Liabilities

Disputes with customers are normally settled during the final negotiations with the customer upon delivery and provided for in the project accounts. However, given the scope of the group's global operations there is a risk that legal claims may arise in the future for deliveries where revenue has been recognized in the past. Legal and tax claims are assessed on a regular basis.

Note 22 – Trade and other payables

AMOUNTS IN USD THOUSAND	NOTE	2022	2021
Trade payables		50 004	42 802
Trade payables, related parties	28	4 978	4 064
Total trade payables		54 982	46 866
Accrued expenses		42 160	54 698
Accrued interest expenses		456	186
Public duties and tax payables		10 807	16 330
Other current liabilities		7 220	7 635
Total trade and other payables		115 626	125 715

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Note 23 – Financial risk management and exposures

OVERVIEW

The group's activities expose it to a variety of financial risks: currency risk, interest rate risk, credit risk, price risk and liquidity risk. The objective of financial risk management is to manage and control financial risk exposures and thereby increase the predictability of earnings and minimize potential adverse effects on the group's financial performance. Management has well-established principles for overall risk management to identify, analyze and monitor these risks, and to set appropriate risk limits and controls. Financial risk management is carried out in accordance with the Group Risk Management policy approved by the Executive Management. The written principles and policies are reviewed periodically to reflect changes in market conditions, the activities of the business and laws and regulations affecting our business. There have not been any changes in these policies during the year.

CURRENCY RISK

The group has global operations and is exposed to currency risk on transactions, assets and liabilities. Commercial transactions and recognized assets and liabilities are subject to currency risk when payments are denominated in a currency other than the respective functional currency of the subsidiary. The group is primarily exposed to currency risk for NOK, GBP, and EUR. The group continually assess its exposure and currency derivatives may be used to further reduce this risk.

The main currencies used throughout the group at the balance sheet date, compared to the USD, were as follows:

	NOK		GBP		EUR	
	closing	average	closing	average	closing	average
2021	0.11367	0.11609	1.34860	1.37503	1.13480	1.18036
2022	0.10198	0.10469	1.20928	1.23744	1.07017	1.05504

Sensitivity analysis

A strengthening of NOK, GBP, and EUR against USD as of 31 December would have affected the measurement of financial instruments denominated in a foreign currency and increased (decreased) equity and income

statement by the amounts shown below. The analysis assumes that all other variables, in particular interest rates, remain constant. Figures in the table below only include the effect in income statement and equity for change in currency regarding

AMOUNTS IN USD THOUSAND		EQUITY		PROFIT (LOSS) BEFORE TAX	
	strengthening 10 %	weakening -10 %	strengthening 10 %	weakening -10 %	weakening -10 %
31 December 2021					
EUR	(3 844)	3 844		(532)	532
GBP	1 700	(1 700)		2 220	(2 220)
NOK	48 214	(48 214)		20 367	(20 367)
31 December 2022					
EUR	(544)	544		(730)	730
GBP	1 359	(1 359)		(260)	260
NOK	5 417	(5 417)		4 417	(4 417)

The effect on profit and loss arises in connection with monetary balances denominated in currencies other than the relevant entity's functional currency; the effect on equity arises predominantly from the translation of assets and liabilities of entities that does not have USD as their functional currency.

INTEREST RATE RISK

The group is exposed to interest-rate risk to borrowings issued at variable rates and cash deposits. In particular,

floating rate borrowings under the group's credit facility involve exposure for the group's cash flow. The terms of the group's borrowings are described in Note 19.

An increase of 100 basis points in interest rates during 2022 would have increased (decreased) equity and profit and loss by the amounts shown on the table below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis as for 2021.

Effect of increase of 100 basis points in interest rates on profit (loss) before tax:

AMOUNTS IN USD THOUSAND		2022	2021
Cash and cash equivalents		(474)	(30)
Borrowings		(885)	(4 528)
Net sensitivity		(1 360)	(4 558)

A decrease of 100 basis points in interest rates during 2022 would have had the equal but opposite effect on the above amounts, on the basis that all other variables remain constant. There are no direct effects on equity as the group does not have interest swaps.



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CREDIT RISK

Credit risk is the risk of financial losses to the group if customer or counterparty to financial investments/ instruments fails to meet contractual obligations and arise principally from receivables.

The group's exposure of trade receivables is managed through continuous credit risk assessments for each individual customer. If customers are independently rated, these ratings are used. If there is no independent rating, the credit quality is based on past experience, their financial position and other factors. The utilization of the credit limits is regularly monitored.

Based on estimates of incurred losses in respect of trade receivables and contract assets, the group establishes a provision for impairment losses. Provisions for loss on debtors are based on individual assessments. Provisions for loss on receivables were USD 730 thousand in 2022 (USD 2345 thousand in 2021).

The group evaluates that significant credit risk concentrations are related to trade receivables from major corporate customers. The maximum exposure to credit risk at the reporting date equals the carrying amounts of financial assets and contract assets (see Note 6 revenue and other income). The group does not hold collateral as security.

PRICE RISK

The group is exposed to fluctuations in market prices in the operational areas related to contracts, including changes in market prices for raw materials, equipment and development in wages. These risks are to the extent possible managed in bid processes by locking in committed prices from vendors as a basis for offers to customer or through escalation clauses with customers.

LIQUIDITY RISK

Liquidity risk is the risk that the group will be unable to fulfil its operational and financial obligations as they fall due. The group manages its liquidity to ensure that it will always have sufficient liquidity reserves to meet its liabilities when due. The group monitors liquidity risk through continued evaluations of its liquidity position combined with a rolling cash flow forecast of its operational activities, including the servicing of its financial obligations.

FINANCIAL LIABILITIES AND THE PERIOD IN WHICH THEY MATURE

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

		AMOUNTS IN USD THOUSAND	NOTE	BOOK VALUE	TOTAL CASH FLOW	6 MONTHS AND LESS	6-12 MONTHS	1-2 YEARS	2-5 YEARS	MORE THAN 5 YEARS
2022										
Borrowings	19			85 313	97 555	1 936	1 936	3 872	89 810	-
Lease liabilities	26			2 08 021	213 847	55 648	55 648	59 472	42 365	714
Trade and other payables	22			114 557	114 557	114 557	-	-	-	-
Total				407 892	425 959	172 141	57 584	63 344	132 174	714
2021										
Borrowings	19			99 108	105 677	1 039	1 039	2 078	10 121	-
Lease liabilities	26			63 046	67 534	28 194	28 194	4 624	6 055	467
Trade and other payables	22			125 715	125 715	125 715	-	-	-	-
Total				287 870	298 927	154 948	29 233	6 702	16 176	467

The interest included in the above table is based on the current amounts borrowed with current interest rates and interest rate swaps. No assumptions are included

for potential future changes in borrowings or interest payments.



Note 24 – Capital management

Capital risk

The group's objectives when managing capital is to maintain a capital structure that enables the group to achieve its strategic objectives and daily needs, and to safeguard the group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders.

To maintain or adjust the capital structure, the group may issue new shares, adjust its dividend policy, return capital to shareholders, or sell assets to reduce debt taking into account relevant covenants of external borrowings.

The group monitors capital on two metrics: adjusted net debt and adjusted EBITDA ratio. This adjusted net debt is calculated as total borrowings plus finance lease liabilities (per IAS 17) less cash and cash equivalents (excluding cash and cash equivalents defined as restricted per the facilities agreement). The net debt measure includes legacy IAS 17 finance leases, as this is included in the group's financing agreement which was initially entered into prior to IFRS 16 becoming effective. Adjusted EBITDA is defined as EBITDA from continuing operations excluding the impact from lease contracts accounted for under IFRS 16.

AMOUNTS IN USD THOUSAND		2022	2021
Borrowings		85 313	99 108
Plus: Finance lease liabilities		4 021	7 042
Less: Cash and cash equivalents		(86 253)	(102 864)
Plus: Restricted cash per the facilities agreement		6 234	10 490
Adjusted Net debt		9 316	13 777

AMOUNTS IN USD THOUSAND		2022	2021
Operating profit before depreciation, amortization and impairment		175 485	124 871
Less: IFRS 16 effects		(92 626)	(59 420)
Adjusted EBITDA		82 859	65 451

Capital commitments

At period end the group had a contractual obligations related to docking cost of the Deep Vision vessel as of 31 December 2021, and has contractual obligations related to docking cost of the Arbol Grande vessel as of 31 December 2022:

AMOUNTS IN USD THOUSAND		2022	2021
Within one year		5 344	1 500
Total		5 344	1 500

Bank guarantee commitments

The group has open bank guarantees for contractual guarantees and warranties:

AMOUNTS IN USD THOUSAND	TOTAL	6 MONTHS AND LESS	6-12 MONTHS	1-2 YEARS	2-5 YEARS	MORE THAN 5 YEARS
Bank guarantees as of 31 December 2022	17 694	963	3 584	7 093	6 054	-
Bank guarantees as of 31 December 2021	19 273	1 021	8 735	3 421	6 097	-

FUNDING POLICY AND EXTERNAL COVENANTS

Liquidity monitoring
DeepOcean has a strong focus on liquidity management in order to meet its short-term working capital needs and to ensure solvency for its financial obligations. DeepOcean had a liquidity reserve as of 31 December 2022 of USD 86 553 thousand, consisting of an undrawn committed credit facility of USD 300 thousand and cash and cash equivalents of USD 86 253 thousand. Management reviews the current liquidity situation and short-term liquidity forecasts are reviewed on a weekly basis to ensure that short-term capital is managed as efficiently as possible.

Funding of operations

DeepOcean's group funding policy is that subsidiaries should finance their operations with the DeepOcean Corporate Treasury. This ensures optimal cash flow and control within the group of the overall debt as well as lower financing cost.

Covenants

DeepOcean has two financial covenants in its credit facilities agreement which are described in detail below.

Liquidity:	Adjusted EBITDA shall exceed the following amount for the periods stated below:
• Liquidity shall at all times exceed USD 7 500 thousand until 31st December 2023	• twelve months ending on 31 December 2022 USD 15 000 thousand
• Liquidity shall at all times exceed USD 10 000 thousand from 1 January 2024, until maturity	• twelve months ending on 31 March 2023 USD 15 076 thousand
	• twelve months ending on 30 June 2023 USD 16 153 thousand
	• twelve months ending on 30 September 2023 USD 17 230 thousand
	• twelve months ending on 31 December 2023 USD 18 307 thousand
	• twelve months ending on 31 March 2024 USD 18 384 thousand
	• twelve months ending on 30 June 2024 USD 19 461 thousand
	• twelve months ending on 30 September 2024 USD 20 538 thousand
	• twelve months ending on 31 December 2024 USD 21 615 thousand
	• any twelve-month period thereafter USD 21 700 thousand

Liquidity is defined in the same manner cash and cash equivalents plus undrawn committed credit facility less restricted cash. Restricted cash is defined as cash not held in investment grade banks or cash held in a different currency than USD, NOK, GBP or EUR.

Adjusted EBITDA is defined as operating profit (loss) before amortization, depreciation and impairment excluding the impact from lease contracts accounted for under IFRS 16.



Note 25 - Financial instruments

Accounting classifications and fair values
The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value. For financial instruments measured at fair value, the levels in the fair value hierarchy are as shown below.

Level 1 - fair values are based on prices quoted in an active market for identical assets or liabilities.
Level 2 - fair values are based on price inputs other than quoted prices derived from observable market transactions in an active market for identical assets or liabilities. Level 2 includes currency or interest derivatives and interest bonds, typically when the group uses forward prices on foreign exchange rates or interest rates as inputs to valuation models.
Level 3 - fair values are based on unobservable inputs, mainly based on internal assumptions used in the absence of quoted prices from an active market or other observable price inputs.

2022	CARRYING AMOUNT				FAIR VALUE			
AMOUNTS IN USD THOUSAND	NOTE	FINANCIAL ASSETS MEASURED AT AMORTIZED COST	FINANCIAL LIABILITIES MEASURED AT AMORTIZED COST	TOTAL	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
Trade and other receivables	16	69 433	-	69 433	-	-	-	-
Cash and cash equivalents	17	86 253	-	86 253	-	-	-	-
Financial assets		155 686	-	155 686	-	-	-	-
Borrowings	19	-	85 313	85 313	-	-	-	-
Lease liabilities	26	-	208 021	208 021	-	-	-	-
Trade and other payables	26	-	114 557	114 557	-	-	-	-
Financial liabilities		-	408 354	408 354	-	-	-	-

2021	Trade and other receivables	16	70 788	-	70 788	-	-	-	-
	Cash and cash equivalents	17	102 864	-	102 864	-	-	-	-
	Financial assets		173 652	-	173 652	-	-	-	-
	Borrowings	19	-	99 108	99 108	-	-	-	-
	Lease liabilities	26	-	52 170	52 170	-	-	-	-
	Trade and other payables	26	-	125 715	125 715	-	-	-	-
	Financial liabilities		-	276 994	276 994	-	-	-	-



Note 26 – Leases

GROUP AS LESSEE

The group lease several vessels, ROVs, office buildings and operational sites in addition to vehicles.

exemptions for leases with lease term shorter than twelve months or low-value assets. Consequently, right-of-use assets ("RoU") and lease liabilities are not recognized for short-term leases or leases of low-value assets. The lease agreements do not impose any covenants or restrictions.

Contracts that contain a lease are recognized on the balance sheet as a right-of-use asset and lease liability. The group applies the short-term lease recognition

RIGHT-OF-USE ASSETS

AMOUNTS IN USD THOUSAND	VESSELS	MISSION EQUIPMENT	LAND AND BUILDINGS	OTHER	TOTAL
Historical cost					
Balance as of 1 January 2021	169 077	39 190	8 975	280	217 522
Additions and remeasurement	57 808	3 078	3 159	44	64 089
Transfer to PPE	-	(19 085)	-	-	(19 085)
Disposals and scrapping	(104 837)	(3 436)	(356)	(139)	(108 768)
Currency translation differences	19 878	(3 600)	5 074	122	21 474
Balance as of 31 December 2021	141 926	16 148	16 852	307	175 232
Balance as of 1 January 2022	141 926	16 148	16 852	307	175 232
Additions and remeasurement	229 025	-	3 207	149	232 382
Disposals and scrapping	(20 405)	(3 094)	(1 413)	(159)	(25 071)
Currency translation differences	(10 391)	(1 580)	(1 608)	(2)	(13 582)
Balance as of 31 December 2022	340 156	11 473	17 037	295	368 961

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AMOUNTS IN USD THOUSAND	VESSELS	MISSION EQUIPMENT	LAND AND BUILDINGS	OTHER	TOTAL
Accumulated depreciation and impairment					
Balance as of 1 January 2021	(124 302)	(22 176)	(4 381)	(185)	(151 044)
Remeasurement	-	3 078	-	-	3 078
Depreciation for the year	(56 648)	(2 781)	(2 419)	(67)	(61 915)
Transfer to PPE	-	7 535	-	-	7 535
Disposals and scrapping	104 837	3 412	356	139	108 744
Currency translation differences	(26 966)	401	(2 255)	(127)	(28 947)
Balance as of 31 December 2021	(103 079)	(10 530)	(8 699)	(240)	(122 549)
Balance at 1 January 2022	(103 079)	(10 530)	(8 699)	(240)	(122 549)
Depreciation for the year	(91 170)	(1 382)	(2 578)	(76)	(95 206)
Disposals and scrapping	20 405	3 094	1 413	159	25 071
Currency translation differences	10 144	495	779	6	11 424
Balance as of 31 December 2022	(163 700)	(8 323)	(9 084)	(152)	(178 101)
Carrying amount					
As of 31 December 2021	38 847	5 617	8 153	67	52 684
As of 31 December 2022	176 455	3 150	7 953	144	187 701



Movement of lease liabilities

The movement in lease liabilities is presented below.

AMOUNTS IN USD THOUSAND	2022	2021
Balance as of 1 January	63 046	66 898
Additions and remeasurement	232 725	60 275
Transfers and reclassifications	-	-
Purchase of lease object and extinguishment of liability	-	(8 179)
Lease payments	(94 138)	(64 559)
Interest expense	4 808	4 320
Held for sale adjustment	-	-
Currency translation differences	974	4 291
Balance as of 31 December	207 415	63 046
Current lease liabilities	106 937	52 170
Non-current lease liabilities	100 479	10 876
Balance as of 31 December	207 415	63 046

Maturity of lease liabilities

The maturity of lease payments per 31 December are presented below.

AMOUNTS IN USD THOUSAND	2022	2021
Less than 1 year	111 296	56 388
1-2 years	59 472	4 624
2-3 years	40 772	3 303
3-4 years	883	2 354
4-5 years	710	397
More than 5 years	714	467
Total undiscounted lease liabilities as of 31 December	213 847	67 534
Discounting effect	(6 431)	(4 488)
Lease liabilities as of 31 December	207 415	63 046

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GROUP AS LESSOR

The group charters an owned vessel to an external party on a long-term lease. The lease contract is classified as an operating lease contract, and the related assets are presented as a separate category in Note 12. Property, plant & equipment.

Maturity of undiscounted lease payments

The following table sets out future undiscounted lease income under the non-cancellable lease periods.

AMOUNTS IN USD THOUSAND	2022	2021
Less than 1 year	8 917	8 881
1-2 years	8 917	8 917
2-3 years	-	8 917
3-4 years	-	-
4-5 years	-	-
More than 5 years	-	-
Total future undiscounted operating lease income	17 833	26 715

AMOUNTS RECOGNISED IN THE INCOME STATEMENT

The following amounts are recognized in the income statement related to the group's leases:

AMOUNTS IN USD THOUSAND	2022	2021
Revenue from operating leases	9 602	8 731
Expenses relating to short-term leases presented as operating costs	(26 692)	(29 401)
Expenses relating to low-value leases presented as operating costs	(7 535)	(1 340)
Depreciation of RoU assets	(95 206)	(61 915)
Impairment of RoU assets	-	-
Interest on lease liabilities presented as financial expense	(4 808)	(4 320)
Total effect on profit (loss) before tax	(124 640)	(88 246)

Short-term leases primarily relate to vessel charter costs and equipment rent for periods of less than twelve months. Total cash outflow for leases was USD 128 366 thousand (2021: USD 95 300 thousand).

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Note 27 – Group Companies

DeepOcean has 36 subsidiaries in 15 countries at the reporting date. The number of countries where DeepOcean has employees was about 10, not counting branches of the subsidiaries listed below. The group holds the majority of the shares in all subsidiaries except three. Unless otherwise, ownership corresponds to the share of voting rights.

For information about other investments in the group, refer to Note 14 Equity-accounted Investees.

COMPANY	COUNTRY	2022	2021
Parent			
DeepOcean Group Holding AS	Norway	100 %	100 %
Europe			
DeepOcean AS	Norway	100 %	100 %
DeepOcean Management AS	Norway	100 %	100 %
DeepOcean Maritime AS	Norway	100 %	100 %
DeepOcean Shipping AS	Norway	100 %	100 %
DeepOcean Shipping III AS	Norway	100 %	100 %
Installit AS	Norway	100 %	-
DeepOcean Subsea Services Ltd	UK	100 %	100 %
Americas			
DeepOcean (Guyana) Inc.	Guyana	100 %	100 %
DeepOcean de Mexico, S de RL de CV	Mexico	100 %	100 %
DOMY Marítima, S de RL de CV	Mexico	49 %	49 %
Subsea Trinidad and Tobago Limited	Trinidad & Tobago	100 %	100 %
Delta Subsea LLC	US	100 %	100 %
Delta Subsea International LLC	US	100 %	100 %

COMPANY	COUNTRY	2022	2021
Africa			
SeaRov Offshore SAS	France	100 %	100 %
SeaRov Offshore EC, S.L.	Equatorial Guinea	65 %	-
SeaRov Offshore Group S.A.	Gabon	100 %	100 %
DeepOcean Ghana Ltd	Ghana	49 %	49 %
SeaRov Offshore Co Ltd	Myanmar	99 %	99 %
DeepOcean BV	The Netherlands	100 %	100 %
DeepOcean Ghana BV	The Netherlands	49 %	49 %
SeaRov Offshore Ltd	UK	100 %	100 %
Corporate			
AXA Engenharia Submarina Ltda	Brazil	60 %	60 %
CTC Marine Projects (Guernsey) Ltd	Guernsey	100 %	100 %
DeepOcean Guernsey Ltd	Guernsey	100 %	100 %
DeepOcean Investco I AS	Norway	100 %	100 %
DeepOcean New Energy AS	Norway	100 %	100 %
Remota AS ¹	Norway	100 %	100 %
Remota Holding AS ¹	Norway	100 %	100 %
USV AS ¹	Norway	100 %	100 %
DeepOcean Middle East DMCC	UAE	100 %	100 %
DeepOcean 1 UK Ltd	UK	100 %	100 %
DeepOcean 2 UK Ltd	UK	100 %	100 %
DeepOcean 3 UK Ltd ⁴	UK	100 %	100 %
DeepOcean Subsea Cables Ltd ⁴	UK	100 %	100 %
DeepOcean 5 UK Ltd ⁴	UK	100 %	100 %

Note 1 – Renamed from DeepOcean Investco 2 AS
Note 2 – Renamed from DeepOcean Investco 3 AS
Note 3 – Renamed from DeepOcean Investco 4 AS
Note 4 – Currently undergoing liquidation

SUBSIDIARIES IN WHICH DEEPOCEAN DOES NOT HOLD THE MAJORITY OF SHARES

DeepOcean holds less than 50 percent of the shares in three of the subsidiaries shown in the table above. DeepOcean has control over relevant activities through shareholders agreements. These subsidiaries are fully consolidated, and the non-controlling interest's share of profit (loss) is presented in the income statement and in the balance sheet.



Note 29 – Management remunerations

The compensation paid to the Chief Executive Officer and Board of Directors is shown below.

Remuneration of the Chief Executive Officer

AMOUNTS IN USD THOUSAND		2022	2021
Salaries and other short term employee benefits		1 235	1 322
Post-employment benefits		13	9
Other benefits		31	16
Total		1 248	1 322
Remuneration of the Board of Directors			
AMOUNTS IN USD THOUSAND		2022	2021
Jo O. Lunder, Chairman of the Board		101	100
Other members of the board		261	228
Total		362	328

The remuneration for the CEO is a market-based salary, a bonus scheme, and employment benefits in line with the local market. The CEO participate in the Norwegian pension and insurance schemes available to employees in Norway. The CEO has a discretionary bonus determined annually by the Board of Directors. The bonus calculation is reviewed group-wide financial targets, as well as specific individual goals for the CEO. The bonus pay-out is subject to individual taxation and eligible for vacation accrual.

The CEO is entitled to six months of severance pay in the event the employment is terminated by the company after the expiry of the notice period.

The Chairman of the Board does not have any specific compensation or severance arrangements outside the fee received as the Chairman of the Board.

Note 30 – Events after the reporting date

SIGNIFICANT LEASE CONTRACTS

DeepOcean has entered into long-term charter parties (lease contracts) for the Olympic Ares, Sten Day, Sirl Server and Volantis vessels which will all commence in 2023. The expected future cash outflows that the group is committed to for these three leases is USD 102 808 thousand. This does not include future lease payments for options available to DeepOcean for extensions of the charter parties.

Note 28 – Related parties

The ultimate parent of DeepOcean is Tricer Lux Holdco S.C.A., a subsidiary of Triton, a private equity company. All Triton entities are considered related parties of DeepOcean and transactions and balances with Triton entities are separately listed below. In addition, DeepOcean's investments in associates and joint ventures are also considered related parties.

SIGNIFICANT TRANSACTIONS

Transactions with related parties	TRITON COMPANIES		JOINT VENTURES AND ASSOCIATES		TOTAL	TRITON COMPANIES		JOINT VENTURES AND ASSOCIATES		TOTAL
AMOUNTS IN USD THOUSAND	2022	2021	2022	2021	2022	2022	2021	2022	2021	2021
Revenue	-	4 292	4 292	-	5 613	-	-	-	-	5 613
Operating expenses	(376)	(9 903)	(10 279)	(895)	(11 930)	(376)	(895)	(11 035)	(11 930)	(11 930)
Net financial items	-	(37)	(37)	(6 288)	479	-	(6 288)	479	(5 809)	(5 809)
Profit (loss) before tax	(376)	(5 648)	(6 024)	(7 183)	(4 943)	(376)	(7 183)	(4 943)	(12 126)	(12 126)
Balances with related parties	-	-	-	-	-	-	-	-	-	-
Trade and other receivables	-	1 212	1 212	-	1 417	-	-	1 417	1 417	1 417
Assets - related parties	-	1 212	1 212	-	1 417	-	-	1 417	1 417	1 417
Trade and other payables	2 751	2 227	4 978	2 894	1 171	2 751	2 894	1 171	4 065	4 065
Liabilities - related parties	2 751	2 227	4 978	2 894	1 171	2 751	2 894	1 171	4 065	4 065

Loan and interest expenses

DeepOcean has previously received a loan from Triton which was converted to equity in 2021. See Note 19 for further details. In 2021, interest expenses of USD 6 228 was charged to the loan and a total of USD 169 595 thousand was converted to equity.

Revenue from related parties

The group provides project delivery and management services to its joint venture, Technip-DeepOcean PPS JV DA.

Operating expenses from related parties

DeepOcean procures services from Level Offshore AS, a joint venture of DeepOcean, as a vendor for hire-in or offshore personnel. In 2022, DeepOcean purchased services from Level Offshore AS for USD 8 663 thousand (2021: 9 879 thousand). In addition, the group procures certain professional advice from Triton.



DeepOcean Group Holding AS

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Parent Company Financial Statements for the year 2022

PARENT COMPANY FINANCIAL STATEMENTS

- Parent company Income Statement
- Parent company Statement of Financial Position
- Parent company Statement of Cash Flows
- Note 1 | Company Information
- Note 2 | Accounting principles
- Note 3 | Operating revenue and operating expenses
- Note 4 | Property, plant and equipment
- Note 5 | Intangible assets
- Note 6 | Net financial items
- Note 7 | Tax
- Note 8 | Shareholders' equity
- Note 9 | Investments in group companies
- Note 10 | Related parties
- Note 11 | Borrowings
- Note 12 | Guarantees
- Note 13 | Financial risk management



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Parent company Income Statement

For the year ended December 31

AMOUNTS IN NOK THOUSAND	NOTE	2022	2021
Operating revenue	3	170 091	157 107
Operating expenses	3	(162 556)	(316 486)
Operating profit (loss) before depreciation, amortization and impairment		7 534	(159 379)
Depreciation and amortization	4,5	(6 527)	(4 881)
Operating profit/(loss)		1 008	(164 260)
Finance income	6	2 761 065	1 336 235
Finance expenses	6	(312 384)	(804 916)
Net financial income		2 448 681	531 319
Profit before tax		2 449 689	367 059
Income tax expense	7	(110 486)	(2 435)
Profit for the period		2 339 203	364 624
Profit for the period distributed as follows:			
Share premium	8	-	364 624
Retained earnings	8	2 339 203	-
Profit for the period		2 339 203	364 624

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Parent company Statement of Financial Position

For the year ended December 31

AMOUNTS IN NOK THOUSAND	NOTE	2022	2021
Property, plant and equipment	4	894	385
Intangible assets	5	33 086	39 386
Investments in subsidiaries	9	3 843 618	1 619 152
Non-current interest-bearing receivables on group companies	10	157 036	167 778
Deferred tax assets	7	-	7 209
Total non-current assets		4 034 634	1 833 910
Trade receivables		-	-
Trade receivables on group companies	10	24 331	163 078
Other receivables		10 082	10 375
Other receivables on group companies	10	651 140	436 411
Cash and cash equivalents		42 954	54 441
Total current assets		728 508	664 304
Total assets		4 763 142	2 498 214
Share capital	8	27 253	71 500
Share premium	8	321 532	680 177
Retained earnings	8	2 716 789	377 586
Total equity		3 065 575	1 129 263
Non-current borrowings, external	11	836 542	871 895
Non-current borrowings to group companies	10	480 848	313 768
Deferred tax liabilities	7	10	-
Total non-current liabilities		1 317 400	1 185 662

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AMOUNTS IN NOK THOUSAND	NOTE	2022	2021
Current tax liabilities	7	102 711	6 588
Trade payables		37 685	36 246
Trade payables to group companies	10	104 458	79 334
Other current liabilities		42 024	49 926
Other current liabilities to group companies	10	93 290	11 195
Total current liabilities		380 167	183 288
Total liabilities		1 697 567	1 368 951
Total equity and liabilities		4 763 142	2 498 214

Oslo, 21 March 2023

Board of Directors of DeepOcean Group Holding AS

Jo Lunder Chairman	Terje Askvig Director	Kristian Diesen Director	Marc van der Plas Director
Mike Winkelt Director	Collette Cohen Director	Øyvind Hillebrandt Chief Executive Officer	



Parent company Statement of Cash Flows

For the year ended December 31

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AMOUNTS IN NOK THOUSAND	NOTE	2022	2021
Cash flows from operating activities			
Profit for the period		2 339 203	364 624
Income tax expense (benefit)	7	110 486	2 435
Depreciation, amortization and impairment	4, 5	6 527	4 881
Reversal of impairment, net interest cost and unrealized currency (gain) loss	6	(2 458 264)	(531 319)
Other non-cash effects		3 626	-
Profit (loss) for the period after adjustments		1 578	(159 379)
Changes in operating assets and liabilities		83 528	(112 803)
Cash (used in)/generated from operating activities		85 106	(272 181)
Tax paid		(6 605)	-
Interest paid		(57 426)	(23 003)
Interest received		14 204	28 697
Net cash flow from operating activities		35 279	(266 487)
Cash flows from investing activities			
Payments for capitalized development	5	-	(21 079)
Acquisition of fixed assets		(736)	(66 350)
Acquisition of subsidiaries, net of cash acquired	9	-	(140)
Proceeds from sale of subsidiaries	9	60	-
Net cash flow from investing activities		(676)	(87 569)

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AMOUNTS IN NOK THOUSAND	NOTE	2022	2021
Cash flows from financing activities			
Proceeds from group contribution		236 195	-
Payment of group contribution		(11 195)	-
Proceeds from issuance of shares	8	-	128 669
Payment of share redemption	8	(425 528)	-
Repayment of borrowings, external	11	(129 495)	(16 660)
Changes in borrowings from group companies	10	367 080	313 157
Changes in borrowings to group companies	10	(71 660)	(34 463)
Net cash flow from financing activities		(34 603)	390 703
Effect of exchange rate changes on cash and cash equivalents		(11 486)	(4 581)
Net increase (decrease) in cash and cash equivalents		(11 486)	37 066
Cash and cash equivalents at the beginning of the period		54 441	22 375
Cash and cash equivalents at the end of the period		42 954	54 441

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Notes to the Parent Company Financial Statements

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Note 1 – Company information

DeepOcean Group Holding AS is the parent company of DeepOcean Group, and is a limited liability company domiciled in Norway. The financial statements are presented in accordance with the Norwegian Accounting Act and Norwegian Generally Accepted Accounting Principles (NCAAP).

On 16 December 2021, DeepOcean Group Holding AS merged with Tricer NL Bidco 3 BV. DeepOcean Group Holding AS absorbed the assets and liabilities of Tricer NL Bidco 3 BV. Prior to the merger, Tricer NL Bidco 3 BV had merged with Tricer NL Bidco 4 BV, which in turn had merged with DeepOcean Group Holding BV.

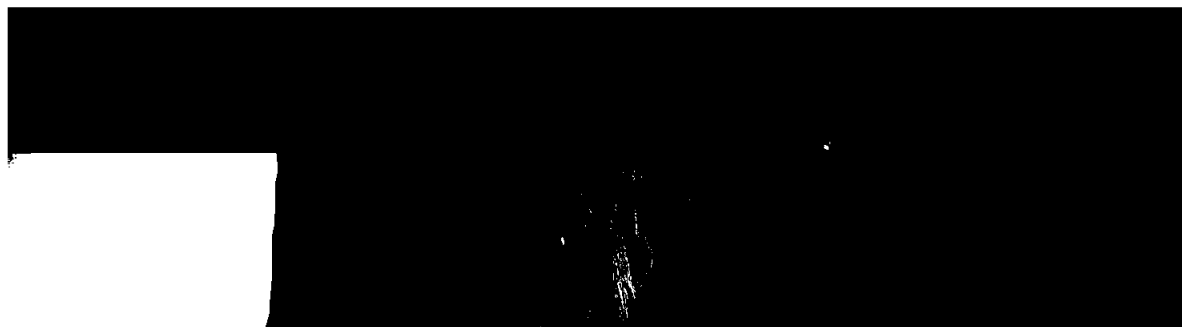
Both companies were controlled by Tricer Lux Holdco S.C.A. at the time of the merger. The financial statements in this report include the financial performance and position of both companies as if the merger had occurred on 1 January 2021 based on the continuity method (book value), since this is deemed to provide the most accurate true and fair view of the transaction.



*DeepOcean achieved an adjusted
EBITDA margin of 14.6% in 2022.
DeepOcean is a world-leading ocean
services provider results.*

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Note 2 – Accounting principles

USE OF ESTIMATES

The preparation of financial statements in compliance with the Accounting Act requires the use of estimates. The application of the company's accounting principles also requires management to apply assessments. For areas that contain a number of such assessments, a high degree of complexity, or in areas in which assumptions and estimates are significant for the financial statements, descriptions are provided in the notes.

REVENUE

Operating revenue is mainly comprised of management fee to entities within the group. The revenue is recognized when the services are delivered.

CLASSIFICATION

Current assets and current liabilities include items due within one year, or items that are part of the operating cycle. Other balance sheet items are classified as non-current assets or liabilities.

Non-current borrowings are presented as current if a loan covenant breach exists at balance date or the loan is due for repayment within the next twelve months. If a covenant waiver is approved subsequent to year-end and before the approval of the financial statements, the liability is presented as non-current debt to the extent that the maturity date is beyond one year.

FOREIGN CURRENCY

Transactions in foreign currencies are translated at the exchange rate applicable at the date of the transaction. Monetary items in a foreign currency are translated to NOK using the exchange rate applicable on the balance sheet date. Foreign exchange differences arising on translation are recognized in the income statement as they occur.

INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries are measured at cost in the parent company accounts, less any impairment losses. The cost price is increased when funds are added through capital increases or when group contributions are made to subsidiaries. The investments are impaired to fair value if the impairment is not considered temporary. Impairment losses are reversed if the basis for the impairment loss is no longer present. Investments in subsidiaries and associates are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may exceed the fair value of the investment.

Dividends, group contributions and other distributions from subsidiaries are recognized as income in the same year as they are recognized in the financial statement.

of the provider if the dividends or group contributions exceed withheld profits after the acquisition date, the excess amount represents repayment of invested capital, and is recognized as a reduction in carrying value of the investment.

INTANGIBLE ASSETS

Intangible assets that are acquired by the company and have finite useful lives, are measured at cost, less accumulated amortization and any accumulated impairment losses. Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognized in profit or loss as incurred. Amortization is calculated to write off the cost of intangible assets, less their estimated residual values, using the straight-line method, over their estimated useful lives, and is recognized in profit or loss.

MEASUREMENT OF BORROWINGS AND RECEIVABLES

Financial assets and liabilities consist of investments in other companies, trade and other receivables, interest-bearing receivables, cash and cash equivalents, trade and other payables and interest-bearing borrowing.

Trade receivables and other receivables are recognized in the balance sheet at nominal value, less provision for expected losses. Interest-bearing borrowings are initially recorded at transaction value, less transaction costs. Subsequent to initial recognition, these borrowings are measured at amortized cost with any difference between cost and redemption value being recognized in the income statement over the period of the borrowings on an effective interest basis.

FUNCTIONAL CURRENCY

AND PRESENTATION CURRENCY

The parent company's financial statements are presented in NOK, which is DeepOcean Group Holding AS' functional currency. All financial information presented in NOK has been rounded to the nearest thousand (NOK thousand), unless stated otherwise. The subtotals and totals in some of the tables in these financial statements not being equal to the sum of the amounts shown.

TAX

The tax income (expense) in the income statement consists of payable taxes for the period, withholding taxes and changes in deferred tax. Deferred tax is calculated as 22 percent of temporary differences between accounting and tax values, as well as any tax losses carry-forward at the year end. Net deferred

tax assets are recognized only to the extent that it is probable that they will be utilized against future taxable profits.

STATEMENT OF CASH FLOWS

The statement of cash flows is prepared using the indirect method. The statement of cash flows distinguishes between operating, investing and financing activities. Cash flows in foreign currencies are converted at the exchange rate at the dates of the transactions. Currency exchange differences on cash held are separately shown. Payments and receipts of corporate taxes are included as cash flow from operating activities.

In the statement of cash flows, cash on hand, demand deposits held at banks and other short-term highly liquid investments with original maturity of three months or less, in the statement of financial position, bank overdrafts are shown as borrowings in current liabilities.

Note 3 – Operating revenue and operating expenses

Operating revenue mainly comprises of management fee from subsidiaries, referring to Note 10 Related parties. Operating expenses in 2021 was heavily influenced by one-off costs related to the restructuring of the UK operations and hence there is a significant decrease in 2022.

There are no employees in DeepOcean Group Holding AS and hence no salary or pension related cost and also no loan or guarantees related to the executive management team. Group management and corporate staff are employed by other DeepOcean companies and the costs for their service, as well as other parent company costs, are recharged to DeepOcean Group Holding AS.

FEES TO THE AUDITORS

Refer to Note 9 Operating expenses in DeepOcean's consolidated financial statements.



Note 4 – Property, plant and equipment

AMOUNTS IN NOK THOUSAND	FURNITURE AND FIXTURES	TOTAL
Historical cost		
Balance as of 1 January 2021	803	803
Additions	-	-
Disposals and scrapping	-	-
Balance as of 31 December 2021	803	803
Balance as of 1 January 2022	803	803
Additions	736	736
Disposals and scrapping	-	-
Balance as of 31 December 2022	1 539	1 539
Accumulated depreciation and impairment		
Balance as of 1 January 2021	(254)	(254)
Depreciation for the year	(164)	(164)
Balance as of 31 December 2021	(418)	(418)
Balance as of 1 January 2022	(418)	(418)
Depreciation for the year	(226)	(226)
Balance as of 31 December 2022	(644)	(644)
Carrying amount		
As of 31 December 2021	385	385
As of 31 December 2022	894	894

The property, plant and equipment acquired by the company is currently depreciated over five years. The depreciation schedule is chosen based on the company's best estimate of useful life at the time of acquisition of the individual asset.

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Note 5 – Intangible assets

AMOUNTS IN NOK THOUSAND	SOFTWARE	ASSETS UNDER CONSTRUCTION	TOTAL
Historical cost			
Balance as of 1 January 2021	-	23 024	23 024
Additions	12 096	8 983	21 080
Reclassification	32 007	(32 007)	-
Balance as of 31 December 2021	44 103	-	44 103
Balance as of 1 January 2022	44 103	-	44 103
Additions	-	-	-
Reclassification	-	-	-
Balance as of 31 December 2022	44 103	-	44 103
Accumulated amortization and impairment			
Balance as of 1 January 2021	-	-	-
Amortization for the year	(4 717)	-	(4 717)
Balance as of 31 December 2021	(4 717)	-	(4 717)
Balance as of 1 January 2022	(4 717)	-	(4 717)
Amortization for the year	(6 300)	-	(6 300)
Balance as of 31 December 2022	(11 017)	-	(11 017)
Carrying amounts			
As of 31 December 2021	39 386	-	39 386
As of 31 December 2022	33 086	-	33 086

The intangible assets acquired by the company is currently amortized over seven years. The amortization schedule is chosen based on the company's best estimate of useful life at the time of acquisition of the individual asset.

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Note 6 – Net financial items

AMOUNTS IN NOK THOUSAND	NOTE	2022	2021
Finance income			
Interest income on bank deposits measured at amortized cost		234	0
Interest income from group companies	10	73 345	46 039
Income on investment in subsidiary	10	575 636	436 195
Reversal of impairment of investment in subsidiaries	9	2 063 420	700 000
Net foreign exchange gain		46 255	112 044
Other finance income		2 176	41 957
Finance income		2 761 065	1 336 235
Finance expense			
Interest expense on financial liabilities measured at amortized cost	11	(31 182)	(90 938)
Interest expense to group companies	10	(44 030)	(7 180)
Impairment of investment in subsidiaries	9	-	-
Impairment of interest-bearing receivables on group companies	10	(97 352)	(580 342)
Net foreign exchange loss		(128 061)	(121 924)
Other finance expense		(11 759)	(4 531)
Finance expenses		(312 384)	(804 916)
Net financial income (expenses)		2 448 681	531 319

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Note 7 – Tax

AMOUNTS IN NOK THOUSAND	2022	2021
Calculation of taxable income		
Profit before tax	2 449 689	367 059
Permanent differences	(2 502 309)	69 740
Group contribution with tax effect	575 636	(425 000)
Change in temporary differences	(32 814)	32 813
Basis for payable taxes in the income statement	490 201	44 612
Utilized interest deduction carry forward	(23 334)	(7 040)
Generated (utilized) tax losses carry forward	-	(7 628)
Taxable income	466 867	29 943
Payable tax on taxable income	102 711	6 588
Current tax liabilities	102 711	6 588
Taxable temporary differences		
Fixed assets	(64)	(46)
Profit & loss account	17	21
Receivables	-	32 791
Net temporary differences	(47)	32 767
Interest deduction carried forward	-	23 334
Tax losses carried forward	-	-
Basis for deferred tax	(47)	56 101
Tax rate	22 %	22 %
Tax effects of temporary differences	(10)	12 342
Unrecognized deferred tax assets	-	(5 033)
Deferred tax assets (liabilities)	(10)	7 209

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AMOUNTS IN NOK THOUSAND	2022	2021
Components of the income tax expense		
Payable tax on taxable income	(102 711)	(6 588)
Change in deferred tax	(7 219)	5 541
Withholding taxes paid	(556)	(1 388)
Income tax benefit (expense)	(110 486)	(2 435)

Permanent differences mainly consist of reversal of impairment in subsidiaries and impairment charge on loan receivables. Deferred tax assets are not recognized when management assesses that it is not probable that future taxable profit will be available, against which the deductible temporary difference can be utilized.

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Note 8 – Shareholders’ equity

AMOUNTS IN NOK THOUSAND	SHARE CAPITAL	SHARE PREMIUM	OTHER EQUITY	TOTAL EQUITY
Equity as of 1 January 2021	55 000	203 384	-	258 384
Merger	-	-	377 586	377 586
Issuance of shares by debt conversion	16 500	112 169	-	128 669
Profit (loss) for the period	-	364 624	-	364 624
Equity as of 31 December 2021	71 500	680 177	377 586	1 129 264
Equity as of 1 January 2022	71 500	680 177	377 586	1 129 264
Share redemption	(44 247)	(358 645)	-	(402 892)
Profit (loss) for the period	-	-	2 339 203	2 339 203
Equity as of 31 December 2022	27 253	321 532	2 716 789	3 065 575

The share capital of DeepOcean Group Holding AS is divided into 24 775 646 shares, each with a nominal value of NOK 11 and consisting of three different share classes. Refer to Note 18 of the consolidated financial statement for details of the rights pertaining to each share class.

2022	SHAREHOLDER	NUMBER OF SHARES	SHARE CLASS	OWNERSHIP SHARE
	Tricer Lux Bidco 1 SARL	9 000 000	A	36 %
		9 000 000	B	36 %
		4 298 081	C	17 %
	Total ownership Tricer Lux Bidco 1 SARL	22 298 081		90 %
	Tricer Mipco 2 AS	1 000 000	A	4 %
		1 000 000	B	4 %
	Total ownership Tricer Mipco 2 AS	2 000 000		8 %
	Tricer Mipco 3 AS	477 565	C	2 %
		477 565		2 %
	Total ownership Tricer Mipco 3 AS	477 565		2 %
	Total shares	24 775 646		100 %

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2021	SHAREHOLDER	NUMBER OF SHARES	SHARE CLASS	OWNERSHIP SHARE
	Tricer Lux Bidco 1 SARL	9 000 000	A	14 %
		9 000 000	B	14 %
		27 000 000	C	42 %
		15 000 000	D	23 %
	Total ownership Tricer Lux Bidco 1 SARL	60 000 000		92 %
	Tricer Mipco 2 AS	1 000 000	A	2 %
		1 000 000	B	2 %
	Total ownership Tricer Mipco 2 AS	2 000 000		3 %
	Tricer Mipco 3 AS	3 000 000	C	5 %
		3 000 000		5 %
	Total ownership Tricer Mipco 3 AS	3 000 000		5 %
	Total shares	65 000 000		100 %



Note 10 – Related parties

AMOUNTS IN NOK THOUSAND	2022	2021
Operating items		
Revenue from management fee to subsidiaries	168 666	166 513
Personnel charges charged from subsidiaries	-	(6 664)
Management fee charged from subsidiaries	(5 916)	(72 971)
Other costs charged from subsidiaries	(111 160)	-
Operating profit from transactions with group companies	51 590	76 878
Financial items		
Group contributions received	575 636	436 195
Interest income	73 345	46 039
Interest costs	(44 030)	(7 180)
Other financial expense	(12 042)	41 696
Net financial items from transactions with group companies	592 908	516 750
Balance sheet		
Non-current interest-bearing receivables on group companies	157 036	167 778
Non-current borrowings to group companies	(480 848)	(313 768)
Net interest-bearing borrowings on group companies	(323 812)	(145 990)
Trade receivables on group companies	24 331	163 078
Other receivables on group companies	651 140	436 411
Trade payables to group companies	(104 458)	(79 334)
Other current liabilities to group companies	(93 290)	(11 195)
Net non interest-bearing receivables (payables) on group companies	477 724	508 960

INTEREST-BEARING RECEIVABLES ON AND BORROWINGS FROM GROUP COMPANIES

DeepOcean Group Holding AS is the group's corporate treasury function and enters into borrowings and deposit agreements with subsidiaries. Deposits and borrowings are done at market terms and are dependent of the subsidiaries' credit rating, the duration of the borrowings and the financial position of the borrower.

MANAGEMENT FEE

The corporate management team is employed in other subsidiaries and the cost related to these employees are charged to the company as a management fee. The company charges management fee to its subsidiaries for group-wide services and global IT cost.



Note 9 – Investment in group companies

AMOUNTS IN NOK THOUSAND	REGISTERED OFFICE	OWNERSHIP	EQUITY	PROFIT (LOSS) FOR THE PERIOD	2022	2021
DeepOcean AS	Haugesund, Norway	100 %	NOK 1 029 573 thousand	NOK 23 568 thousand	3 648 558	1 619 012
DeepOcean BV	Den Helder, The Netherlands	100 %	EUR 2 703 thousand	EUR (6 241) thousand	115 000	-
DeepOcean New Energy AS	Oslo, Norway	100 %	NOK 80 060 thousand	NOK 6 thousand	80 060	60
Remota Holding AS	Oslo, Norway	-	NOK 60 thousand	NOK 50 060 thousand	-	80
Investments in subsidiaries					3 843 618	1 619 152

CHANGES IN OWNERSHIP

Remota Holding AS was sold to DeepOcean AS during 2022 for NOK 60 thousand.

REVERSAL OF IMPAIRMENT

The company has reversed previous impairment of investments in subsidiaries by NOK 2 063 420 thousand in 2022. The reversal is due to changes in evaluation of market outlook for the investments.



Note 11 – Borrowings

The table below sets out the contractual terms of the group's interest-bearing loans and borrowings, which are measured at amortized cost. For more information made to Note 13.

2022

AMOUNTS IN USD THOUSAND	CURRENCY	FACILITY COMMITMENT (NOMINAL CURRENCY)	UNDRAWN COMMITMENT (NOMINAL CURRENCY)	DRAWN FACILITY (NOMINAL CURRENCY)	CARRYING AMOUNT (NOK)	BASE INTEREST	INTEREST MARGIN	INTEREST	MATURITY	INTEREST TERMS
Facility A - Credit Facility (EUR 80 000 thousand commitment)	USD	-	-	67 120	658 151	3.07 %	2.00 %	5.07 %	Feb 2025	US 3M LIBOR + 2.00 % fixed margin
Facility A - Credit Facility (EUR 80 000 thousand commitment)	EUR	EUR 80 000	-	17 000	178 391	0.58 %	2.00 %	2.58 %	Feb 2025	EURIBOR 3M + 2.00 % fixed margin
Total borrowings					836 542					
Current borrowings					-					
Non-current borrowings					836 542					
Total borrowings					836 542					

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2021

AMOUNTS IN USD THOUSAND	CURRENCY	FACILITY COMMITMENT (NOMINAL CURRENCY)	UNDRAWN COMMITMENT (NOMINAL CURRENCY)	DRAWN FACILITY (NOMINAL CURRENCY)	CARRYING AMOUNT (NOK)	BASE INTEREST	INTEREST MARGIN	INTEREST	MATURITY	INTEREST TERMS
Facility A - Credit Facility (EUR 80 000 thousand commitment)	USD	-	-	67 120	589 150	0.12 %	2.00 %	2.12 %	Feb 2025	US 3M LIBOR + 2.00 % fixed margin
Facility A - Credit Facility (EUR 80 000 thousand commitment)	EUR	EUR 80 000	5 922	17 000	169 021	0.00 %	2.00 %	2.00 %	Feb 2025	EURIBOR 3M + 2.00 % fixed margin
Facility B - Term loan (USD 12 956 thousand commitment)	USD	USD 12 957	-	12 956	113 724	0.12 %	2.00 %	2.12 %	Feb 2025	US 3M LIBOR + 2.00 % fixed margin
Total borrowings					871 895					
Current borrowings					-					
Non-current borrowings					871 895					
Total borrowings					871 895					

The group's borrowings are provided by a bank syndicate consisting of high-quality Nordic and international banks. The term and conditions include restrictions which are customary for such facilities, including inter alia negative pledge provisions, as well as restrictions on acquisitions, disposals and mergers, dividend distribution and change of control provisions. For information about financial covenants, see Note 24 Capital Management in the consolidated financial statements. The fair value of the outstanding borrowings in 2022 is estimated to approximate their carrying amount because the impact of discounting is not significant.

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MATURITY OF BORROWINGS

2022	AMOUNTS IN USD THOUSAND	CARRYING AMOUNT (NOK)	TOTAL CASHFLOW ¹⁾	6 MONTHS AND LESS	6-12 MONTHS	1-2 YEARS	2-5 YEARS	MORE THAN 5 YEARS
	Facility A - Credit Facility (EUR 80 000 thousand commitment) ²⁾	658 151	796 988	16 683	16 683	33 365	730 258	-
	Facility A - Credit Facility (EUR 80 000 thousand commitment) ²⁾	178 391	197 557	2 303	2 303	4 606	188 345	-
	Total borrowings	836 542	994 546	18 986	18 986	37 971	918 603	-

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2021	AMOUNTS IN USD THOUSAND	CARRYING AMOUNT (NOK)	TOTAL CASHFLOW ¹⁾	6 MONTHS AND LESS	6-12 MONTHS	1-2 YEARS	2-5 YEARS	MORE THAN 5 YEARS
	Facility A - Credit Facility (EUR 80 000 thousand commitment) ²⁾	589 150	653 608	6 245	6 245	12 489	628 629	-
	Facility A - Credit Facility (EUR 80 000 thousand commitment) ²⁾	169 021	186 468	1 690	1 690	3 380	179 707	-
	Facility B - Term loan (USD 12 956 thousand commitment)	113 724	126 166	1 205	1 205	2 411	121 345	-
	Total borrowings	871 895	966 242	9 140	9 140	18 280	929 681	-

1) The interest costs are calculated using either the last fixing rate known by year end (plus applicable margin) or the contractual fixed rate when fixed rate debt

2) The cashflow is based on the assumption that the nominal drawn amount will remain constant until the maturity of the revolving credit facility



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value risk on its outstanding loan receivables or loan payables. Interest-bearing loan receivables and loan payables expose the company to income statement and cash flow interest risk. Interest-bearing borrowings to group companies reflect the cost of external borrowings, and thus reduce the company's exposure to interest risk.

CREDIT RISK

Credit risk is the risk of financial losses to the company if a customer or counterparty to financial investments/instruments fails to meet its contractual obligations. Credit risk arises principally from receivables. Credit risk relates to loans to subsidiaries and associated companies, hedging contracts, guarantees to subsidiaries and associated companies, and deposits with external banks.

Loss provisions for interest-bearing receivables are made in situations where management considers that the company is not expected to maintain the liquidity necessary to fulfil its obligations. See Note 10 for more information about receivables.

LIQUIDITY RISK

Liquidity risk is the risk that the company will be unable to fulfil its operational and financial obligations when they become due. The company manages its liquidity to ensure that it will always have sufficient liquidity reserves to meet its liabilities when due. The company monitors liquidity risk by means of continued evaluations of its liquidity position, combined with a rolling cash flow forecast of its operational activities, including the servicing of its financial obligations.

Note 12 – Guarantees

As of 31 December, DeepOcean Group Holding AS has provided the following guarantees on behalf of its subsidiaries.

AMOUNTS IN NOK THOUSAND	TOTAL	6 MONTHS AND LESS	6-12 MONTHS	1-2 YEARS	2-5 YEARS	MORE THAN 5 YEARS
Bank guarantees and maturity						
Bank guarantees as of 31 December 2022	173 500	9 444	35 144	69 553	59 358	-
Bank guarantees as of 31 December 2021	169 011	8 948	76 575	30 018	53 470	-

Although guarantees are financial instruments, they are regarded as contingent obligations and the notional amounts are not included in the financial statements.

Note 13 – Financial risk management

OVERVIEW

The company's activities expose it to a variety of financial risks: currency risk, interest rate risk, credit risk and liquidity risk. The objective of financial risk management is to manage and control exposure to financial risk and thereby increase the predictability of earnings and minimize potential adverse effects on the company's financial performance. Management applies well-established risk management principles for the identification, analysis and monitoring of these risks, and for the setting of appropriate risk limits and controls. Financial risk management is carried out in accordance with the Group Risk Management policy approved by the Executive Management. These principles and policies are reviewed periodically to reflect changes in market conditions, the activities of the business, and the laws and regulations affecting our business. There have not been any changes in these policies during the year.

CURRENCY RISK

The company has interests in subsidiaries and is exposed to currency risk on transactions, assets and liabilities. Commercial transactions and recognized assets and liabilities are subject to currency risk when payments are denominated in a currency other than the respective functional currency of the subsidiary. The company is primarily exposed to currency risk for USD, GBP, and EUR. The company continually assess its exposure and currency derivatives may be used to further reduce this risk.

INTEREST RATE RISK

The company is exposed to changes in interest rates because of floating interest rates linked to loan receivables and loan payables. The company does not hedge transactions exposure in financial markets and has no fixed interest rate loan receivables nor loan payables. The company is therefore not exposed to fair

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Independent Auditor's Report



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INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of DeepOcean Group Holding AS

Opinion

We have audited the financial statements of DeepOcean Group Holding AS (the Company) which comprise the financial statements of the Company and the consolidated financial statements of the Company and its subsidiaries (the Group). The financial statements of the Company comprise the statement of financial position as at 31 December 2022, the income statement and statement of cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies. The consolidated financial statements of the Group comprise the statement of financial position as at 31 December 2022, the income statement, statement of comprehensive income, statement of cash flows and statement of changes in equity 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 legal requirements,
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2022 and its 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,
- the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2022 and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under these 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 requirements of the relevant laws and regulations in Norway 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

Other information consists of the information included in the annual report other than the financial statements and our auditor's report thereon. Management (the board of directors and the managing director) is 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 board of directors' report contains the information required by legal requirements and 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 or that the information required by legal requirements is not included, we are required to report that fact.

We have nothing to report in this regard, and in our opinion, the board of directors' report is consistent with the financial statements and contains the information required by applicable legal requirements.

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Responsibilities of management for the financial statements

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

In preparing the financial statements, management is responsible for assessing the Company's and the Group'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 the Group, 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 ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for the 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 and the Group'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 and the Group'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 and the Group 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.

Independent auditor's report - DeepOcean Group Holding AS 2022

Independent auditor's report - DeepOcean Group Holding AS 2022



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

Bergen, 24 March 2023
ERNST & YOUNG AS

Truls Nesslin
State Authorised Public Accountant (Norway)

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Alternative Performance Measures

DeepOcean discloses alternative performance measures as a supplement to the consolidated financial statements prepared in accordance with IFRS. Such performance measures are used to provide an enhanced insight into the operating performance, financing abilities and future prospects of the group. These measures are calculated in a consistent and transparent manner and are intended to provide enhanced comparability of the performance from period to period.

The definitions of these measures are as follows:

EBITDA – earnings before interest, tax, depreciation and amortization, corresponding to “Operating profit before depreciation, amortization and impairment” in the consolidated income statement.

Adjusted EBITDA – EBITDA as defined above excluding the impact from lease contracts accounted for under IFRS 16.

EBIT – earnings before interest and tax, corresponding to “Operating profit” in the consolidated income statement.

Capex – a measure of expenditure on property, plant and equipment or intangible assets that qualify for capitalization equalling the definition used for these categories in the cash flow statement.

Net debt – Sum of current and non-current borrowings, excluding operating lease liabilities (as defined under IAS 17) less cash and cash equivalents. IAS 17 used internally due to how the facility agreement is structured with the bank syndicate.

Equity ratio – a measure of investment leverage, calculated as total equity divided by total assets at the reporting date.

Adjusted equity ratio – a measure of investment leverage, calculated as total equity divided by total assets at the reporting date excluding right of use assets operating lease liabilities (as defined under IAS 17). IAS 17 used internally due to how the facility agreement is structured with the bank syndicate.

Liquidity reserve – comprises cash and cash equivalents and undrawn committed credit facilities.

Order intake – represents the estimated contract value from the contracts or orders that are entered into or committed in the reporting period for both revenue from contracts with customers and operating lease contracts where the group is a lessor.

Order backlog – represents the remaining unearned contract value from the contracts that are entered into or committed at the reporting date. The backlog does not include options on existing contracts, or contract value from short-cycled orders. The order backlog contains both unexpired performance obligations from contracts with customers and future operating lease income.

Book-to-bill – is calculated as order intake divided by total revenue from contracts with customers and lease income in the period. A book-to-bill ratio higher than 1 implies that the group has secured more order intake in the period than what has been executed in the same period.

The tables below show reconciliation of alternative performance measures to the line items in the financial statements according to IFRS.

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ADJUSTED EBITDA

AMOUNTS IN USD THOUSAND	2022	2021
EBITDA	175 485	124 871
Less: IFRS 16 effects	(92 626)	(59 420)
Adjusted EBITDA	82 859	65 451

EQUITY RATIO

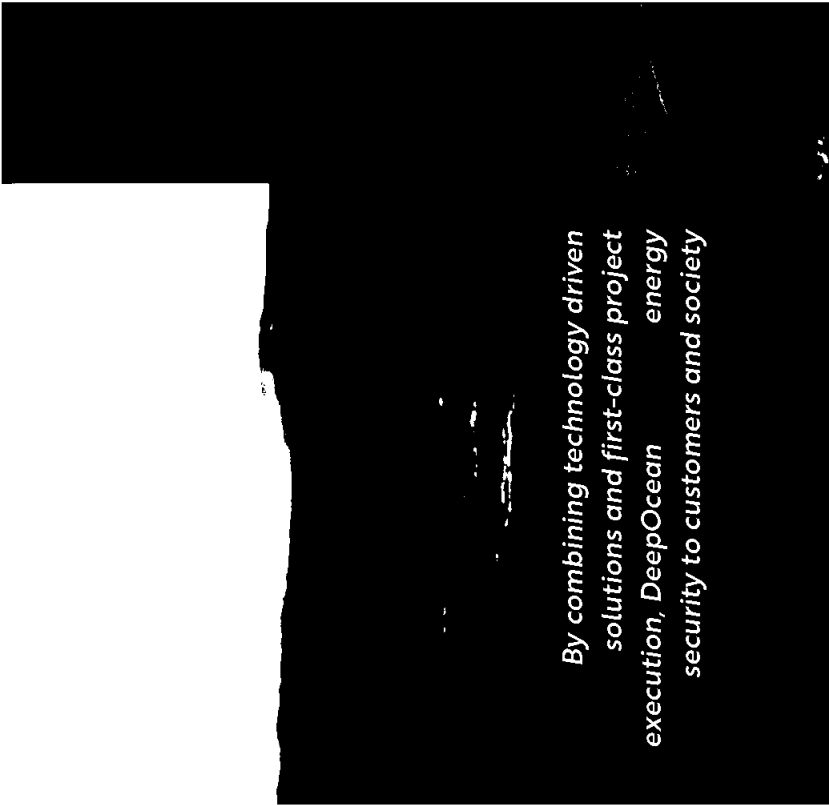
AMOUNTS IN USD THOUSAND	2022	2021
Total equity	42 729	38 571
Divided by: Total assets	481 793	342 468
Equity ratio	9 %	11 %

ADJUSTED EQUITY RATIO

AMOUNTS IN USD THOUSAND	2022	2021
Total equity	42 729	38 571
Less: Right of use assets from operating leases	(184 552)	(47 067)
Plus: Operating lease liabilities	203 394	56 005
Adjusted total equity	60 965	47 508
Total assets	481 793	342 468
Less: Right of use assets from operating leases	(184 552)	(47 067)
Divided by: Adjusted total assets	297 241	295 401
Adjusted equity ratio	21 %	16 %



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LIQUIDITY			
AMOUNTS IN USD THOUSAND			
	2022	2021	
Cash and cash equivalents	86 253	102 864	
Available credit facilities	300	4 372	
Available liquidity reserve	86 553	107 236	

ORDER INTAKE			
AMOUNTS IN USD THOUSAND			
	2022	2021	
Order intake - contracts with customers	705 691	521 664	
Order intake - operating lease contracts	-	35 004	
Order intake	705 691	556 668	

ORDER BACKLOG			
AMOUNTS IN USD THOUSAND			
	2022	2021	
Unsatisfied performance obligations from contracts with customers	393 833	245 285	
Future operating lease income	17 833	26 715	
Order backlog	411 666	272 000	

BOOK-TO-BILL RATIO				
AMOUNTS IN USD THOUSAND				
	2022	2021		
	ORDER INTAKE	REVENUE FROM CONTRACTS WITH CUSTOMERS AND LEASE INCOME	BOOK-TO-BILL	
Africa	48 254	19 099	2.53	0.48
Americas	79 202	100 891	0.79	1.40
Europe	578 094	445 566	1.30	1.21
Corporate	140	140	1.00	1.00
DeepOcean	705 691	565 697	1.25	1.13

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Owned vessels



DEEP VISION

Deep Vision is a modern and flexible Subsea IMR and Survey Vessel with a well proven track record. The vessel is equipped with a DP II system and 3 ROV systems. This combined with the large deck area and the 60t AHC (active heave compensated) crane makes the vessel a versatile workstation for IMR, survey and construction support operations. The vessel was rebuilt in 2012, where the accommodation and superstructure capacity were increased, and ROV hangars were incorporated in the superstructure.



ARBOL GRANDE

Arbol Grande is a general construction and subsea support DP II vessel, with a built-in accommodation for 199 persons and a 60t constant tension crane (Liebherr), in addition to a secondary 60t telescopic crane (TTS). She has a Superpuma helideck, 960m² of free deck space. The vessel has been used as an accommodation and topside maintenance support vessel for several IMR contracts involving ROV survey and diving activities.

Long-term leased vessels



DINA STAR

Dina Star is a modern and flexible Multipurpose Offshore Vessel built on the MT 6015 design and delivered in 2013. The vessel joined DeepOcean's Fleet in 2015 and has since gained a large track record including general IMR services, light construction work, well stimulation and survey work. Given its large deck and tank capacities, the vessel can also serve as a PSV if required. Dina Star is fitted with a state of the art power distribution system that provides substantial fuel efficiency and lower emissions, especially in DP mode. This, combined with a 150t AHC crane, helideck and removable cargo rail makes the vessel an effective and versatile workstation.



EDDA FAUNA

The state-of-the-art IMR vessel Edda Fauna came into operation in 2008 as the flagship in the DeepOcean IMR fleet. Edda Fauna was designed with special emphasis on providing excellent safety and work conditions on deck with a closed deck hangar. Edda Fauna accommodation and office facilities are of very high standards, creating a good working environment for offshore crew and clients.



EDDA FLORA

Edda Flora is designed for IMR and survey operations and came into operation in 2008. Edda Flora accommodation and office facilities are of very high standards, creating a good working environment for offshore crew and clients. Edda Flora has proven to be a very efficient vessel for IMR and survey operations. Edda Flora has been upgraded with battery solution enabling her to be an environmental friendly hybrid vessel. The vessel is equipped with a unique high-speed Survey ROV from Kystdesign in a dedicated hangar.



EDDA FREYA

The Edda Freya is a state-of-the-art construction vessel suited for operations worldwide and utilizing an environmentally friendly fuel saving diesel-electric hybrid propulsion system. Edda Freya was designed with a focus on cable laying operations, offshore constructions and inspection, and maintenance and repair (IMR) operations, and also with a focus on redundancy, excellent maneuverability and station keeping. The vessel has 2300m² of deck space and is

Our Fleet

DeepOcean operates a modern fleet of vessels.



equipped with a 400 T AHC offshore crane that can lift 600 T in double-fall mode, a 70 T AHC offshore crane which is belted, and can easily be moved to secondary position, a Huisman 15' dual tensioner VLS located over the main moonpool, a system for quick mobilization of reels and reel drive systems, an integrated skidding system for WROVs and a 3000 T carousel is located below deck. In addition to the hybrid battery system Edda, Freya's environmentally friendly credentials are enhanced by the adoption of Siemens' BlueDrive Plus concept, which was implemented by Siemens in co-operation with Østensjø Rederi. By using variable rotational speed with optimal operation of the diesel generators in combination with the battery system, the system will significantly reduce fuel consumption and the emissions of nitrogen oxides (NOx) and greenhouse gases (CO2 and methane). The use of selective catalytic reduction systems further reduces emissions.



HOS BAYOU

The HOS Bayou is a U.S.-flagged Jones Act-compliant MPSV equipped with two DeepOcean Schilling HD ISO HP work-class remotely operated vehicles (ROVs). The HOS Bayou can perform inspection, maintenance and repair (IMR) of subsea oil installations and construction support in the Gulf of Mexico (GoM). In addition to IMR work, this vessel package is designed to perform a variety of deep-water services, such as SURF installation, decommissioning activities, drilling support and deep-water well intervention projects.



NORMAND OCEAN

Normand Ocean is an MT6022 multipurpose construction vessel built in 2014. The MT6022 design provides excellent stability and station keeping. The selection and design of spread equipment and workspaces, is all based on the objective of performing safe and efficient subsea operations. Normand Jarstein is a vessel equipped with a 250t active heave compensated subsea crane, capable of delivering loads to depths up to 3000 meters and is a versatile and cost-effective working platform for a broad range of demanding offshore projects, including pipe and cable laying, subsea construction, surveying and flood/W2W.



NORMAND OCEAN

Normand Ocean is an MT6022 multipurpose construction vessel built and joined DeepOcean's fleet in 2014. The MT6022 design provides excellent stability and station keeping. The selection and design of spread, equipment and workspaces, are all based on the objective to perform safe and efficient subsea operations. Normand Ocean's large deck, combined with high weather limitations on MHS and ROV's together with the ISO 16 offshore crane and De-ice class, results in a vessel that is flexible and fit for offshore operations in harsh environments.



SIEM SPEARFISH

The vessel is an Offshore Subsea Construction Vessel (OSCV) designed and equipped for subsea operation duties such as construction and installation work, inspection and maintenance. The design is of type OSCV 03. The vessel is environmentally friendly with focus on low fuel consumption through its hull shape and diesel electric machinery. Siem Spearfish is a vessel equipped with a 250t active heave compensated subsea crane, capable of delivering loads to depths up to 3000 meters and is a versatile and cost effective working platform for a broad range of demanding offshore projects.



VOLANTIS

Volantis is a dynamically positioned multi-role subsea construction vessel. Designed for operation in severe weather conditions, the vessel demonstrates high station keeping capability whilst remaining environmentally efficient. The vessel incorporates a ISOte Active Heave Compensated subsea crane and is permanently mobilized with an Installer Work Class ROV and Seabeve Panther XT III A Work Class ROV, which can be launched and recovered in high sea States. Volantis has an extensive global track record for performing comprehensive construction, installation and trenching projects on a highly productive basis. The spread also includes a 2000te rated carousel to facilitate the installation and/or simultaneous burial of flexible products.

In addition to the above vessels, DeepOcean has access to a wider fleet of vessels through charter parties with vessel owners on a call-off basis.



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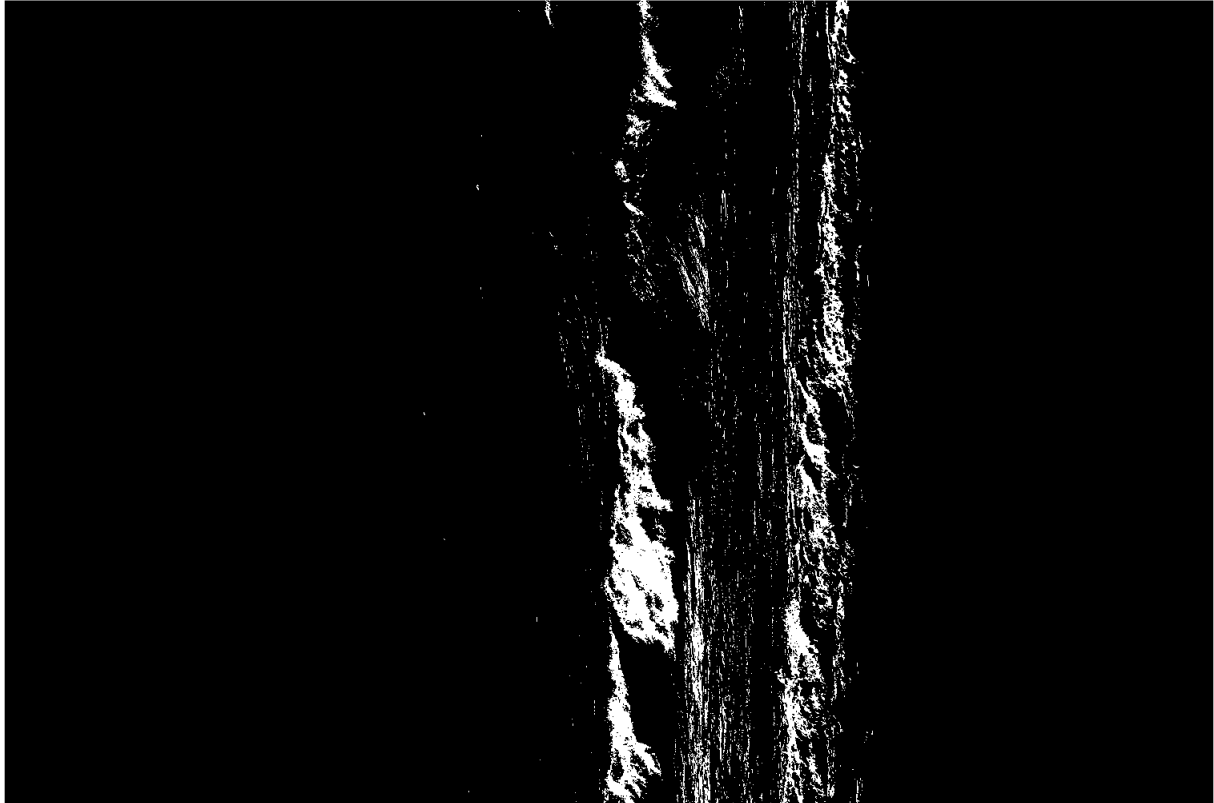
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