



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2020 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer: 912 669 165
Organisasjonsform: Aksjeselskap
Foretaksnavn: TROMS OFFSHORE FLEET HOLDING AS
Forretningsadresse: c/o Tidewater Marine AS
Strandgata 5
4307 SANDNES

Regnskapsår

Årsregnskapets periode: 01.01.2020 - 31.12.2020

Konsern

Morselskap i konsern: Nei

Regnskapsregler

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

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Leif Snorre Tarberg (Styreleder) og Daniel Allen Hudson (Styremedlem)
Dato for fastsettelse av årsregnskapet: 28.12.2021

Grunnlag for avgivelse

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

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



Postadresse: 8910 Brønnøysund

Telefoner: Opplysningstelefonen 75 00 75 00 Telefaks 75 00 75 05

E-post: firmapost@brreg.no Internett: www.brreg.no

Organisasjonsnummer: 974 760 673



Resultatregnskap

| Beløp i: NOK | Note | 2020 | 2019 |
|---|-------|--------------------|-------------------|
| RESULTATREGNSKAP | | | |
| Inntekter | | | |
| Revenue | 2, 3 | 122 198 505 | 0 |
| Depreciation and amortization of fixed assets | 4 | -77 329 693 | 0 |
| Impairment of fixed assets | 4 | -18 911 153 | 0 |
| Other operating expenses | 5, 10 | 173 513 705 | -4 274 166 |
| Sum inntekter | | 199 471 364 | -4 274 166 |
| Driftsresultat | | 199 471 364 | -4 274 166 |
| Finansinntekter og finanskostnader | | | |
| Renteinntekt fra foretak i samme konsern | 3, 6 | 0 | 1 122 082 |
| Annen renteinntekt | 6 | 21 786 | 820 |
| Annen finansinntekt | 6 | 2 447 458 | 0 |
| Sum finansinntekter | | 2 469 244 | 1 122 902 |
| Rentekostnad til foretak i samme konsern | 3, 6 | 69 709 795 | 0 |
| Annen rentekostnad | 6 | 5 834 | 13 215 |
| Annen finanskostnad | 6 | 968 123 | 0 |
| Sum finanskostnader | | 70 683 752 | 13 215 |
| Netto finans | | -68 214 508 | 1 109 687 |
| Ordinært resultat før skattekostnad | | 131 256 856 | -3 164 479 |
| Skattekostnad på ordinært resultat | 7 | 52 704 | 12 950 |
| Ordinært resultat etter skattekostnad | | 131 204 152 | -3 177 429 |
| Årsresultat | | 131 204 152 | -3 177 429 |
| Overføringer og disponeringer | | | |
| Transferred to/from other equity | 12 | 131 204 151 | -3 177 429 |
| Sum overføringer og disponeringer | | 131 204 151 | -3 177 429 |



Balanse

| Beløp i: NOK | Note | 2020 | 2019 |
|--|-------|----------------------|----------|
| BALANSE - EIENDELER | | | |
| Anleggsmidler | | | |
| Immaterielle eiendeler | | | |
| Varige driftsmidler | | | |
| Vessels | 4, 8 | 683 394 782 | 0 |
| Capitalized dry dock | 4, 8 | 45 327 640 | 0 |
| Contruction in progress | 4, 8 | 565 856 | 0 |
| Sum varige driftsmidler | | 729 288 278 | |
| Finansielle anleggsmidler | | | |
| Lån til foretak i samme konsern | 9, 10 | 396 994 362 | 0 |
| Sum finansielle anleggsmidler | | 396 994 362 | 0 |
| Sum anleggsmidler | | 1 126 282 640 | 0 |
| Omløpsmidler | | | |
| Varer | | | |
| Fordringer | | | |
| Kundefordringer | 9 | 10 132 | 0 |
| Andre fordringer | | 49 388 | 0 |
| Konsernfordringer | 10 | 236 532 900 | 0 |
| Sum fordringer | | 236 592 420 | 0 |
| Bankinnskudd, kontanter og lignende | | | |
| Bankinnskudd, kontanter og lignende | 11 | 2 165 874 | 0 |
| Sum bankinnskudd, kontanter og lignende | | 2 165 874 | 0 |
| Sum omløpsmidler | | 238 758 294 | 0 |
| SUM EIENDELER | | 1 365 040 934 | 0 |

BALANSE - EGENKAPITAL OG GJELD



Balanse

| Beløp i: NOK | Note | 2020 | 2019 |
|-----------------------------------|-------|-----------------------|-------------------|
| Egenkapital | | | |
| Innskutt egenkapital | | | |
| Selskapskapital | 12 | 30 000 | 30 000 |
| Sum innskutt egenkapital | | 30 000 | 30 000 |
| Opptjent egenkapital | | | |
| Annen egenkapital | 12 | -1 095 442 818 | -1 716 247 |
| Sum opptjent egenkapital | | -1 095 442 818 | -1 716 247 |
| Sum egenkapital | | -1 095 412 818 | -1 686 247 |
| Gjeld | | | |
| Langsiktig gjeld | | | |
| Annen langsiktig gjeld | | | |
| Langsiktig konserngjeld | 9, 10 | 1 855 600 364 | 0 |
| Sum annen langsiktig gjeld | | 1 855 600 364 | 0 |
| Sum langsiktig gjeld | | 1 855 600 364 | 0 |
| Kortsiktig gjeld | | | |
| Leverandørgjeld | | 35 474 | 0 |
| Betalbar skatt | 7 | 52 704 | 244 131 |
| Skyldige offentlige avgifter | | 293 087 | 0 |
| Kortsiktig konserngjeld | 10 | 602 768 573 | 1 441 943 |
| Annen kortsiktig gjeld | | 1 703 551 | 173 |
| Sum kortsiktig gjeld | | 604 853 389 | 1 686 247 |
| Sum gjeld | | 2 460 453 753 | 1 686 247 |
| SUM EGENKAPITAL OG GJELD | | 1 365 040 935 | 0 |



Brønnøysundregistrene

ÅRSREGNSKAP FOR REGNSKAPSÅRET 2020 - GENERELL INFORMASJON

Journalnummer: 2022 105005

Enheten

Organisasjonsnummer: 912 669 165
Organisasjonsform: Aksjeselskap
Foretaksnavn: TROMS OFFSHORE FLEET HOLDING AS
Forretningsadresse: c/o Tidewater Marine AS
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4307 SANDNES

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Morselskap i konsern: Nei

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

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Leif Snorre Tarberg (Styreleder) og
Daniel Allen Hudson (Styremedlem)
Dato for fastsettelse av årsregnskapet: 28.12.2021

Grunnlag for avgivelse

År 2020: Årsregnskap er elektronisk innlevert.
År 2019: Tall er hentet fra elektronisk innlevert årsregnskap fra 2020.

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

Brønnøysundregistrene, 04.01.2022



Organisasjonsnr: 912 669 165
TROMS OFFSHORE FLEET HOLDING AS

RESULTATREGNSKAP

| Beløp i: NOK | Note | 2020 | 2019 |
|---|-------------|--------------------|-------------------|
| RESULTATREGNSKAP | | | |
| Inntekter | | | |
| Revenue | 2, 3 | 122 198 505 | 0 |
| Depreciation and amortization of fixed assets | 4 | -77 329 693 | 0 |
| Impairment of fixed assets | 4 | -18 911 153 | 0 |
| Other operating expenses | 5, 10 | 173 513 705 | -4 274 166 |
| Sum inntekter | | 199 471 364 | -4 274 166 |
| Driftsresultat | | 199 471 364 | -4 274 166 |
| Finansinntekter og finanskostnader | | | |
| Renteinntekt fra foretak i samme konsern | 3, 6 | 0 | 1 122 082 |
| Annen renteinntekt | 6 | 21 786 | 820 |
| Annen finansinntekt | 6 | 2 447 458 | 0 |
| Sum finansinntekter | | 2 469 244 | 1 122 902 |
| Rentekostnad til foretak i samme konsern | 3, 6 | 69 709 795 | 0 |
| Annen rentekostnad | 6 | 5 834 | 13 215 |
| Annen finanskostnad | 6 | 968 123 | 0 |
| Sum finanskostnader | | 70 683 752 | 13 215 |
| Netto finans | | -68 214 508 | 1 109 687 |
| Ordinært resultat før skattekostnad | | | |
| Skattekostnad på ordinært resultat | 7 | 52 704 | 12 950 |
| Ordinært resultat etter skattekostnad | | 131 204 152 | -3 177 429 |
| Årsresultat | | 131 204 152 | -3 177 429 |
| Overføringer og disponeringer | | | |
| Transferred to/from other equity | 12 | 131 204 151 | -3 177 429 |
| Sum overføringer og disponeringer | | 131 204 151 | -3 177 429 |



Organisasjonsnr: 912 669 165
TROMS OFFSHORE FLEET HOLDING AS

BALANSE

Beløp i: NOK Note 2020 2019

BALANSE - EIENDELER

Anleggsmidler

Immaterielle eiendeler

Varige driftsmidler

| | | | |
|--------------------------------|------|--------------------|---|
| Vessels | 4, 8 | 683 394 782 | 0 |
| Capitalized dry dock | 4, 8 | 45 327 640 | 0 |
| Construction in progress | 4, 8 | 565 856 | 0 |
| Sum varige driftsmidler | | 729 288 278 | |

Finansielle anleggsmidler

| | | | |
|--------------------------------------|-------|--------------------|----------|
| Lån til foretak i samme konsern | 9, 10 | 396 994 362 | 0 |
| Sum finansielle anleggsmidler | | 396 994 362 | 0 |

| | | | |
|--------------------------|--|----------------------|----------|
| Sum anleggsmidler | | 1 126 282 640 | 0 |
|--------------------------|--|----------------------|----------|

Omløpsmidler

Varer

Fordringer

| | | | |
|-----------------------|----|--------------------|----------|
| Kundefordringer | 9 | 10 132 | 0 |
| Andre fordringer | | 49 388 | 0 |
| Konsernfordringer | 10 | 236 532 900 | 0 |
| Sum fordringer | | 236 592 420 | 0 |

Bankinnskudd, kontanter og lignende

| | | | |
|--|----|------------------|----------|
| Bankinnskudd, kontanter og lignende | 11 | 2 165 874 | 0 |
| Sum bankinnskudd, kontanter og lignende | | 2 165 874 | 0 |

| | | | |
|-------------------------|--|--------------------|----------|
| Sum omløpsmidler | | 238 758 294 | 0 |
|-------------------------|--|--------------------|----------|

| | | | |
|----------------------|--|----------------------|----------|
| SUM EIENDELER | | 1 365 040 934 | 0 |
|----------------------|--|----------------------|----------|

BALANSE - EGENKAPITAL OG GJELD

Egenkapital

Innskutt egenkapital

| | | | |
|---------------------------------|----|---------------|---------------|
| Selskapskapital | 12 | 30 000 | 30 000 |
| Sum innskutt egenkapital | | 30 000 | 30 000 |

Opptjent egenkapital

| | | | |
|-------------------|----|----------------|------------|
| Annen egenkapital | 12 | -1 095 442 818 | -1 716 247 |
|-------------------|----|----------------|------------|



| | | | |
|---------------------------------|-------|----------------------|------------|
| Sum opptjent egenkapital | | -1 095 442 818 | -1 716 247 |
| Sum egenkapital | | -1 095 412 818 | -1 686 247 |
| Gjeld | | | |
| Langsiktig gjeld | | | |
| Annen langsiktig gjeld | | | |
| Langsiktig konserngjeld | 9, 10 | 1 855 600 364 | 0 |
| Sum annen langsiktig gjeld | | 1 855 600 364 | 0 |
| Sum langsiktig gjeld | | 1 855 600 364 | 0 |
| Kortsiktig gjeld | | | |
| Leverandørgjeld | | 35 474 | 0 |
| Betalbar skatt | 7 | 52 704 | 244 131 |
| Skyldige offentlige avgifter | | 293 087 | 0 |
| Kortsiktig konserngjeld | 10 | 602 768 573 | 1 441 943 |
| Annen kortsiktig gjeld | | 1 703 551 | 173 |
| Sum kortsiktig gjeld | | 604 853 389 | 1 686 247 |
| Sum gjeld | | 2 460 453 753 | 1 686 247 |
| SUM EGENKAPITAL OG GJELD | | 1 365 040 935 | 0 |



Organisasjonsnr: 912 669 165
TROMS OFFSHORE FLEET HOLDING AS

NOTEOPPLYSNINGER - SELSKAP - alle poster oppgitt i hele tall

Note
1

Regnskapsprinsipper
Se note 1 i vedlagt regnskap.

Note
Er det usikkerhet om fortsatt drift?: Ja

Se note 13 i vedlagt regnskap.

Omløpsmidler Startdato Sluttdato Endring

Skattemessig fremf.undersk. Startdato Sluttdato Endring

Kortsiktig gjeld Startdato Sluttdato Endring



KPMG AS
Forusparken 2
Postboks 57
4064 Stavanger

Telephone +47 45 40 40 63
Fax
Internet www.kpmg.no
Enterprise 935 174 627 MVA

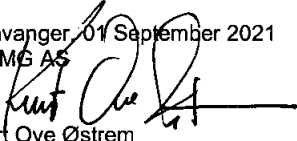
To the General Meeting of Troms Offshore Fleet Holding AS

Independent auditor's report

Statement about not submitted financial statements and the Board of Directors' report

The Board of Directors and the Managing Director have not submitted the financial statements and the Board of Directors' report for Troms Offshore Fleet Holding AS for the financial year of 2020 within the statutory time limit, therefore we have not been able to conduct the audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway.

Stavanger, 01 September 2021
KPMG AS


Kurt Ove Østrem
State Authorised Public Accountant

Note: This translation from Norwegian has been prepared for information purposes only.

KPMG AS, a Norwegian limited liability company and member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity
Statsautoriserede revisorer - medlemmer av Den norske Revisorforening

Offices in:

| | | | |
|---------|--------------|--------------|-----------|
| Oslo | Elverum | Mo i Rana | Stord |
| Alta | Finnsnes | Molde | Straume |
| Arendal | Hamar | Skien | Tromsø |
| Bergen | Haugesund | Sandefjord | Trondheim |
| Bodø | Knarvik | Sandnessjøen | Tynset |
| Drammen | Kristiansand | Stavanger | Alesund |



Troms Offshore Fleet Holding AS

Financial Statements 2020

Org. no. 912 669 165



Troms Offshore Fleet Holding AS

Financial Statements 2020

Profit & loss statement

| | Note | 2020 | 2019 |
|---|-------|--------------------|-------------------|
| Operating revenue and expenses | | | |
| Revenue | 2, 3 | 122 198 505 | 0 |
| Total operating revenue | | 122 198 505 | 0 |
| Depreciation and amortization of fixed assets | 4 | 77 329 693 | 0 |
| Impairment of fixed assets | 4 | 18 911 153 | 0 |
| Other operating expenses | 5, 10 | -173 513 705 | 4 274 166 |
| Total operating expenses | | -77 272 859 | 4 274 166 |
| Operating profit / loss (-) | | 199 471 363 | -4 274 166 |
| Financial income and expenses | | | |
| Interest income from intercompany | 3, 6 | 0 | 1 122 082 |
| Other interest income | 6 | 21 786 | 820 |
| Other finance income | 6 | 2 447 458 | 0 |
| Interest expense to intercompany | 3, 6 | 69 709 795 | 0 |
| Other interest expense | 6 | 5 834 | 13 215 |
| Other finance expense | 6 | 968 123 | 0 |
| Net financial income / expense (-) | | -68 214 508 | 1 109 687 |
| Profit / loss (-) before tax | | 131 256 855 | -3 164 479 |
| Tax expense | 7 | 52 704 | 12 950 |
| Net income | | 131 204 151 | -3 177 429 |
| Allocation of net income | | | |
| Transferred to/from other equity | 12 | 131 204 151 | -3 177 429 |
| Total | | 131 204 151 | -3 177 429 |



Troms Offshore Fleet Holding AS

Financial Statements 2020

Balance sheet

| | Note | 31 Dec 2020 | 31 Dec 2019 |
|-------------------------------------|-------|----------------------|-------------|
| ASSETS | | | |
| Fixed assets | | | |
| Intangible assets | | | |
| Deferred tax asset | 7 | 0 | 0 |
| Total intangible assets | | 0 | 0 |
| Tangible assets | | | |
| Vessels | 4, 8 | 683 394 782 | 0 |
| Capitalized dry dock | 4, 8 | 45 327 640 | 0 |
| Construction in progress | 4, 8 | 565 856 | 0 |
| Other fixed assets | 4, 8 | 0 | 0 |
| Total tangible assets | | 729 288 279 | 0 |
| Financial fixed assets | | | |
| Long term intercompany receivables | 9, 10 | 396 994 362 | 0 |
| Total financial fixed assets | | 396 994 362 | 0 |
| Total fixed assets | | 1 126 282 641 | 0 |
| Short term receivables | | | |
| Trade receivables | 9 | 10 132 | 0 |
| Short term intercompany receivables | 10 | 236 532 900 | 0 |
| Other short term receivables | | 49 388 | 0 |
| Total short term receivables | | 236 592 420 | 0 |
| Cash and cash equivalents | 11 | 2 165 874 | 0 |
| Total short term assets | | 238 758 294 | 0 |
| Total assets | | 1 365 040 935 | 0 |

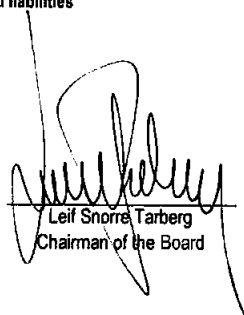


Troms Offshore Fleet Holding AS Financial Statements 2020

Balance sheet

| | Note | 31 Dec 2020 | 31 Dec 2019 |
|-------------------------------------|-------|-----------------------|-------------------|
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Paid-in capital | | | |
| Share capital | 12 | 30 000 | 30 000 |
| Total paid-in capital | | 30 000 | 30 000 |
| Other equity | | | |
| Other equity | 12 | -1 095 442 818 | -1 716 247 |
| Total other equity | | -1 095 442 818 | -1 716 247 |
| Total equity | | -1 095 412 818 | -1 686 247 |
| Liabilities | | | |
| Long term liabilities | | | |
| Long term intercompany payables | 9, 10 | 1 855 600 364 | 0 |
| Total long term liabilities | | 1 855 600 364 | 0 |
| Short term liabilities | | | |
| Trade payables | | 35 474 | 0 |
| Short term intercompany payables | 10 | 602 768 573 | 1 441 943 |
| Tax payable | 7 | 52 704 | 244 131 |
| Public duties payable | | 293 087 | 0 |
| Other short term liabilities | | 1 703 551 | 173 |
| Total short term liabilities | | 604 853 389 | 1 686 247 |
| Total liabilities | | 2 460 453 753 | 1 686 247 |
| Total equity and liabilities | | 1 365 040 935 | 0 |

28 December 2021



Leif Snorre Farberg
Chairman of the Board



Daniel Allen Hudson
Board Member



Troms Offshore Fleet Holding AS

Financial Statements 2020

Cash flow statement

| | 2020 | 2019 |
|--|---------------------|-----------------|
| Cash flow from operational activities | | |
| Profit / loss (-) before tax | 131 256 855 | -3 164 479 |
| Net taxes paid | -308 648 | -259 791 |
| Depreciation and amortization of fixed assets | 77 329 693 | 0 |
| Impairment of fixed assets | 18 911 153 | 4 187 820 |
| Change in trade receivables | 7 964 829 | 0 |
| Change in trade payables | -11 294 505 | 0 |
| Change in short term intercompany receivables and payables | -11 717 113 | 0 |
| Change in other accruals | -79 632 651 | -383 553 |
| Net cash flow from operational activities | 132 509 612 | 379 997 |
| Cash flow from investing activities | | |
| Change in fixed assets incl. capitalization of dry dock expenses | -9 141 916 | 0 |
| Net cash flow from investing activities | -9 141 916 | 0 |
| Cash flow from financing activities | | |
| Change in long term loan to credit institutions | 0 | 0 |
| Change in long term intercompany receivables and payables | -129 096 608 | -379 997 |
| Net cash flow from financing activities | -129 096 608 | -379 997 |
| Net change in cash and cash equivalents | -5 728 912 | 0 |
| Cash and cash equivalents at 1 Jan 2020 | 0 | 0 |
| Cash and cash equivalents resulting from merger | 7 894 785 | 0 |
| Cash and cash equivalents at 31 Dec 2020 | 2 165 874 | 0 |



Troms Offshore Fleet Holding AS Financial Statements 2020

Notes

Note 1 - Accounting principles

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

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. Areas which to a great extent contain such assessments, a high degree of complexity, or areas in which assumptions and estimates are significant for the financial statements, are described in the notes.

Functional and presentation currency

The financial statements are presented in NOK. This is also the company's functional currency.

Revenue recognition

Revenue from charters for offshore marine services is recognized as performed based on contractual charter rates.

Gain or loss from sale of vessels are recognized in the profit and loss once delivery to the new owner has taken place. Interest income is recorded as interest incur.

Classification of balance sheet items

Assets intended for long term ownership or use have been classified as fixed assets. Other receivables are classified as short term assets if they are to be repaid within one year after the transaction date. Similar criteria apply to liabilities. First year's instalment on long term liabilities and long term receivables are, however, not classified as short term liabilities and short term assets.

Fixed assets

The book value of vessels are decomposed in vessels and capitalized dry dock. Vessels and capitalized dry dock are included in the balance sheet at their acquisition cost after deduction of accumulated depreciation and impairment.

Vessels

The acquisition cost of vessels include the cost price for the vessels and other direct costs related to the purchase, such as inspection costs during the construction. Interest are not capitalized.

The vessels are depreciated linearly over the defined period of useful life of 20 years. If changes in the depreciation plan occur, the effect is allocated over the remaining depreciation period. Direct maintenance of an asset is expensed as operating expenses when incurred.

Capitalized dry dock

Ordinary repairs and maintenance are recognized as expense as they incur. The cost of dry docking and periodic maintenance of the vessels are capitalized. Capitalized dry dock costs are depreciated on a straight-line basis over the period until the next planned dry docking, normally 30 to 60 months.

Vessels under construction

Instalments paid for new builds are capitalized as vessels under construction. Other related costs during construction are capitalized. Interests are not capitalized. Vessels under construction are not depreciated until the vessel is put into service.



Troms Offshore Fleet Holding AS Financial Statements 2020

Notes

Impairment of vessels

The book value of vessels, including capitalized dry dock, and vessels under construction are reviewed for impairment when events or changes in circumstances indicate the book value may not be recoverable. If such indicators exist and the book value exceeds the estimated recoverable amount, the assets are impaired to their recoverable amount, which for fixed assets is the greater of the net selling price and value in use.

Broker value estimates from independent shipbrokers are obtained and used as an approximation to find the net selling price for the vessels. The broker's estimate assume the vessels are without any charter contracts, available for immediate sale and there being a willing seller and buyer. Value in use is calculated by discounting future cash flows to the present value at December 31. Each vessel are considered a separate cash generating unit (CGU) in the value in use calculation. The company has placed greater emphasis on the value in use calculation than on the broker estimates as the estimates are not considered reliable to reflect market values in the current market situation due to increased uncertainty about the value of vessels in the current market.

Receivables

Trade receivables are recognised in the balance sheet at nominal value less provision for bad debts. The provision is made on the basis of an individual assessment. Significant financial problems for a customers, risk of bankruptcy, past experience with delay and/or insufficient payment are considered indicators that a provision should be made.

Other receivables, both short and long term, are recognised at the lower of nominal and net realisable value. Net realisable value is the present value of estimated future payments.

Liabilities

Liabilities are recognised in the balance sheet at nominal amount.

Taxes

The company operates under the Norwegian tonnage tax regime. The company is subject to a tonnage tax based on the net tonnage of the company's vessels. Shipping revenues are exempt for taxation and net financial income is subject to 22% tax.

Deferred tax is calculated using actual tax rates on the basis of the temporary differences which exist between accounting and tax values, and any losses brought forward for tax purposes at the year-end. Tax enhancing or tax reducing temporary differences, which are reversed or may be reversed in the same period, have been offset. The disclosure of deferred tax benefits on net tax reducing differences which have not been eliminated, and losses brought forward, is based on estimated future earnings. Deferred tax and tax benefits which may be shown in the balance sheet are presented net. Deferred tax is reflected at nominal value.

Foreign currencies

Receivables and liabilities in foreign currencies are recognized at the exchange rate on the balance sheet date. Exchange gains and losses relating to sales and purchases in foreign currencies are recognised as operating income and operating expenses.

Cash flow statement

The cash flow statement has been prepared according to the indirect method. Cash and cash equivalents include cash and bank deposits.



Troms Offshore Fleet Holding AS

Financial Statements 2020

Notes

Note 2 - Revenues

| Revenue by business area | 2020 | 2019 |
|--------------------------|--------------------|----------|
| Charterhire revenue | 5 078 504 | 0 |
| Bareboat revenue | 117 120 000 | 0 |
| Total | 122 198 504 | 0 |

Revenue by geographical location

| | | |
|----------------|--------------------|----------|
| Norway | 87 840 000 | 0 |
| United Kingdom | 34 358 505 | 0 |
| Netherlands | 0 | 0 |
| Finland | 0 | 0 |
| Ireland | 0 | 0 |
| Total | 122 198 504 | 0 |

Note 3 - Transactions with group companies

| Income from group companies | 2020 | 2019 |
|---|----------|------------------|
| Time charter revenue | 0 | 0 |
| Pool equalization revenue / expense (-) | 0 | 0 |
| Interest income | 0 | 1 122 082 |
| Total | 0 | 1 122 082 |

Expenses to group companies

| | | |
|--|-------------------|----------|
| Crew expenses | 0 | 0 |
| Crew expenses recharged to other group companies | 0 | 0 |
| Bareboat charter | 857 305 | 0 |
| Operating expenses | 0 | 0 |
| Vessel management fees | 0 | 0 |
| Management fees | 0 | 0 |
| Interest expenses | 69 709 795 | 0 |
| Total | 70 567 100 | 0 |



Troms Offshore Fleet Holding AS Financial Statements 2020

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Note 4 - Vessels, vessels under construction and capitalized dry dock costs

| | Vessels | Capitalized dry dock |
|--|----------------------|-------------------------|
| Cost price 1 Jan 2020 | 0 | 0 |
| Additions due to merger* | 2 075 511 092 | 145 378 824 |
| Additions | 14 339 258 | 8 565 559 |
| Disposals | 0 | 0 |
| Cost price 31 Dec 2020 | 2 089 850 350 | 153 944 383 |
| Acc. depr. and impairment 1 Jan 2020 | 0 | 0 |
| Additions due to merger* | 1 337 318 412 | 81 393 938 |
| Current year depreciation | 50 226 003 | 27 222 805 |
| Current year impairment / reversal (-) | 18 911 153 | 0 |
| Disposals | 0 | 0 |
| Acc. depr. and impairment 31 Dec 2020 | 1 406 455 568 | 108 616 743 |
| Book value 31 Dec 2020 | 683 394 782 | 45 327 640 |
| Useful lifetime | 20 years | 30-60 months |
| Method of depreciation | Straight-line | Straight-line |

| | Construction in progress | Other fixed assets | Total |
|--|-----------------------------|-----------------------|----------------------|
| Cost price 1 Jan 2020 | 0 | 0 | 0 |
| Additions due to merger* | 13 363 120 | 30 494 | 2 234 283 530 |
| Additions | 565 598 | 0 | 23 470 415 |
| Disposals | -13 362 862 | -30 494 | -13 393 356 |
| Cost price 31 Dec 2020 | 565 856 | 0 | 2 244 360 589 |
| Acc. depr. and impairment 1 Jan 2020 | 0 | 0 | 0 |
| Additions due to merger* | 0 | 0 | 1 418 712 350 |
| Current year depreciation | 0 | 0 | 77 448 808 |
| Current year impairment / reversal (-) | 0 | 0 | 18 911 153 |
| Disposals | 0 | 0 | 0 |
| Acc. depr. and impairment 31 Dec 2020 | 0 | 0 | 1 515 072 312 |
| Book value 31 Dec 2020 | 565 856 | 0 | 729 288 279 |
| Method of depreciation | No depreciation | No depreciation | |

*As per 1 January 2020, Troms Offshore Fleet Holding AS merged with its subsidiaries Troms Offshore Fleet 1 AS, Troms Offshore Fleet 2 AS, Troms Offshore Fleet 3 AS and Troms Offshore Fleet 4 AS as part of a restructuring of Troms Offshore Supply AS' subsidiaries. The merger was conducted in accordance with the principle of continuity for accounting purposes.



Troms Offshore Fleet Holding AS

Financial Statements 2020

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Impairment of vessels

Due to the current market conditions and uncertainty relating to the vessels future earnings, the company has performed individual impairment tests of all vessels in accordance with NGAAP (NRS (F) Nedskrivning av anleggsmidler).

The recoverable amount for each vessel is based on a value in use calculation from cash flow before financial items. The cash flow calculations have been discounted with a weighted cost of capital after tax (WACC) of 12.0%. The cash flow per vessel has been calculated until the vessels reach an age of 25 years. Vessels that are considered to be disposed have been valued based on the net sales value method.

It is assumed that the market will recover from the current downturn by 2022. Day rates are assumed to increase by 2.5% to 5.0% from 2025 and onwards with cyclical 5 yearly downturn of 10% decrease in day rates starting 2024. Historical levels of operating and dry docking expenses have been used in the forecast.

Value in use calculations are based on the above assumptions. The company has performed a sensitivity analysis by amending key assumptions (discount rate, day rate and useful lifetime of vessels).

| Assumption | Change in assumption | Increase / decrease (-) in value in use |
|----------------------------|-----------------------------|--|
| Discount rate | + 1.0% | -60 600 000 |
| Discount rate | + 0.5% | -40 200 000 |
| Discount rate | - 0.5% | 3 400 000 |
| Discount rate | - 1.0% | 26 900 000 |
| Day rate | - NOK 5,000 | -90 100 000 |
| Day rate | - NOK 2,500 | -54 500 000 |
| Day rate | + NOK 2,500 | 16 700 000 |
| Day rate | + NOK 5,000 | 52 300 000 |
| Useful lifetime of vessels | - 5.0 years | -146 000 000 |
| Useful lifetime of vessels | - 2.5 years | -89 800 000 |
| Useful lifetime of vessels | + 2.5 years | 15 800 000 |
| Useful lifetime of vessels | + 5.0 years | 55 500 000 |

Note 5 - Employees, remunerations, etc.

Employees

The company has no employees. The crew operating the vessels owned by the company are employed by the associated company Tidewater Marine AS.

Pensions

The company is not required to have an occupational pension scheme in accordance with the Mandatory Occupational Pensions Act ("lov om obligatorisk tjenestepensjon" as the company has no employees.

Auditor's remuneration

| | |
|--|----------------|
| Remuneration to the company's auditor excl. VAT: | 2020 |
| Audit fee | 150 000 |
| Preparation of financial statements and tax return | 85 000 |
| Other assurance services | 0 |
| Other services | 0 |
| Total | 235 000 |



Troms Offshore Fleet Holding AS

Financial Statements 2020

Notes

Note 6 - Financial items

| Financial income | 2020 | 2019 |
|-----------------------------------|------------------|------------------|
| Interest income from intercompany | 0 | 1 122 082 |
| Interest income | 21 786 | 820 |
| Foreign exchange gains | 2 447 458 | 0 |
| Total | 2 469 244 | 1 122 902 |

Financial expenses

| | | |
|----------------------------------|-------------------|---------------|
| Interest expense to intercompany | 69 709 795 | 0 |
| Interest expense | 5 834 | 0 |
| Foreign exchange losses | 0 | 13 215 |
| Correction of IC balances | 968 123 | 0 |
| Total | 70 683 752 | 13 215 |

Note 7 - Taxes

The company operates under the Norwegian tonnage tax regime.

| Specification of tax expense | 2020 | 2019 |
|-------------------------------------|---------------|---------------|
| Tax payable on net financial income | 0 | 244 131 |
| Change in deferred tax | 0 | -231 181 |
| Tonnage tax payable | 52 704 | 0 |
| Errors in previous years tax | 0 | 0 |
| Total tax expense | 52 704 | 12 950 |

| Specification of tax payable | 31 Dec 20 | 31 Dec 19 |
|-------------------------------------|---------------|----------------|
| Tax payable on net financial income | 0 | 244 131 |
| Tonnage tax payable | 52 704 | 0 |
| Total tax payable | 52 704 | 244 131 |

| Specification of tax payable on net financial income | 2020 | 2019 |
|--|--------------------|------------------|
| Interest income from group companies | 0 | 0 |
| Interest expense to group companies | 0 | 0 |
| Other interest income | 21 786 | 0 |
| Other interest expense | 0 | 0 |
| Other financial income | 302 568 | 0 |
| Taxable foreign exchange gains / losses (-) | -661 366 | 0 |
| Deductible interest expenses | -21 496 459 | 0 |
| Other financial expense | -968 123 | 0 |
| Taxable income - high equity | 0 | 0 |
| Net financial income/expense (-) | -22 801 594 | 0 |
| Utilization of losses brought forward | 0 | 0 |
| Non deductible interest expenses | 21 467 944 | 1 109 687 |
| Basis for tax payable | -1 333 650 | 1 109 687 |
| Tax payable on financial income | 22 % 0 | 244 131 |



Troms Offshore Fleet Holding AS

Financial Statements 2020

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| | 31 Dec 20 | 31 Dec 19 |
|--|--------------------|-----------|
| Specification of deferred tax | | |
| Accumulated loss brought forward | -33 645 243 | 0 |
| Accumulated non deductible interest expenses brought forward | -21 467 944 | 0 |
| Temporary differences | -55 113 188 | 0 |
| Temporary differences not recognized in the balance sheet | 55 113 188 | 0 |
| Basis deferred tax | 0 | 0 |
| Deferred tax liability / asset (-) | 22 % | 0 |

The deferred tax asset has not been recognized in the balance sheet due to uncertainty related to the company's ability to offset the deferred tax asset in the foreseeable future.

| | 31 Dec 20 | 31 Dec 19 |
|---|---------------|-----------|
| Specification of tonnage tax payable | | |
| Mv Troms Pollux | 9 882 | 0 |
| Mv Troms Sirius | 9 882 | 0 |
| Mv Troms Arcturus | 9 882 | 0 |
| Mv Troms Castor | 9 882 | 0 |
| Mv Troms Lyra | 3 294 | 0 |
| Mv Troms Capella | 9 882 | 0 |
| Tonnage tax payable | 52 704 | 0 |

Note 8 - Significant Transactions

Effective 1 January 2020, Troms Offshore Supply AS completed the merger of Troms Offshore Fleet Holding AS, Troms Offshore Fleet 1 AS, Troms Offshore Fleet 2 AS, Troms Offshore Fleet 3 AS and Troms Offshore Fleet 4 AS as part of a restructuring of Troms Offshore Supply AS' subsidiaries.

The merger is assessed to be a transaction under common control considering all entities were under control of Troms Offshore Supply AS. Consequently, the assets and liabilities of Troms Offshore Fleet 1 AS, Troms Offshore Fleet 2 AS, Troms Offshore Fleet 3 AS and Troms Offshore Fleet 4 AS were transferred to the combined company at their carrying amounts. Therefore, no adjustments were made to reflect fair values, or to recognize any new assets or liabilities, at the date of the combination that would otherwise have been done under the acquisition method. The merger has been executed without consideration transferred and the acquired net assets have been reflected within equity.



Troms Offshore Fleet Holding AS

Financial Statements 2020

Notes

The carrying amounts for the assets and liabilities of Troms Offshore Fleet 1 AS, Troms Offshore Fleet 2 AS, Troms Offshore Fleet 3 AS and Troms Offshore Fleet 4 AS at the date of the merger were the following:

| Assets | 01.01.2020 | Equity and Liabilities | 01.01.2020 |
|-------------------------------------|--------------------|-------------------------------------|-----------------------|
| Vessels | 739 008 712 | Share capital | - |
| Capitalized dry dock | 63 984 884 | Other equity | -1 145 592 657 |
| Construction in progress | 13 363 120 | Total equity | -1 145 592 657 |
| Other fixed assets | 30 494 | Long term intercompany payables | 1 587 702 610 |
| Total tangible assets | 816 387 209 | Total long term liabilities | 1 587 702 610 |
| Long term intercompany receivables | - | Trade payables | 11 329 979 |
| Total financial fixed assets | - | Short term intercompany payables | 409 553 968 |
| Total fixed assets | 816 387 209 | Tax payable | 64 517 |
| Trade receivables | 7 974 961 | Public duties payable | 801 |
| Short term intercompany receivables | 33 043 125 | Other short term liabilities | 3 914 762 |
| Other short term receivables | 1 673 900 | Total short term liabilities | 424 864 028 |
| Total short term receivables | 42 691 986 | Total liabilities | 2 012 566 638 |
| Cash and cash equivalents | 7 894 785 | Total equity and liabilities | 866 973 980 |
| Total short term assets | 50 586 771 | | |
| Total assets | 866 973 980 | | |

Note 9 - Receivables and liabilities

| Specification of trade receivables | 31 Dec 20 | 31 Dec 19 |
|---|------------------|------------------|
| Trade receivable at nominal value | 10 132 | 0 |
| Provision for bad debt | 0 | 0 |
| Total | 10 132 | 0 |

Receivables due more than one year after the balance sheet date

| | | |
|------------------------------------|--------------------|----------|
| Long term intercompany receivables | 396 994 362 | 0 |
| Total | 396 994 362 | 0 |

The company does not have any long term liabilities due more than 5 years after the balance sheet date.



Troms Offshore Fleet Holding AS

Financial Statements 2020

Notes

Note 10 - Receivables and liabilities to group companies

Receivables and payables to group companies which are of long term characteristics are classified as long term receivables and liabilities. Long term receivables and liabilities of the same characteristics against the same counterparty are presented net. The same principle is applied for short term receivables and liabilities.

| | 31 Dec 20 | 31 Dec 19 |
|-------------------------------|----------------------|------------------|
| Long term receivables | | |
| Troms Offshore Supply AS | 396 993 879 | 0 |
| Other group companies | 483 | 0 |
| Total | 396 994 362 | 0 |
| Short term receivables | | |
| Troms Offshore Supply AS | 142 949 072 | 0 |
| Troms Offshore Management AS | 10 044 087 | 0 |
| Tidewater Rederi AS | 33 376 611 | 0 |
| Other group companies | 50 163 130 | 0 |
| Total | 236 532 900 | 0 |
| Long term payables | | |
| Troms Offshore Supply AS | 1 606 082 675 | 0 |
| Troms Offshore Management AS | 45 134 422 | 0 |
| Other group companies | 204 383 266 | 0 |
| Total | 1 855 600 364 | 0 |
| Short term payables | | |
| Troms Offshore Supply AS | 519 930 535 | 1 241 943 |
| Troms Offshore Management AS | 51 631 041 | 0 |
| Troms Offshore Fleet 1 AS* | 0 | 200 000 |
| Tidewater Marine AS | 159 086 | 0 |
| Other group companies | 31 047 911 | 0 |
| Total | 602 768 573 | 1 441 943 |

*As per 1 January 2020, Troms Offshore Fleet Holding AS merged with its subsidiaries Troms Offshore Fleet 1 AS, Troms Offshore Fleet 2 AS and associated companies Troms Offshore Fleet 3 AS and Troms Offshore Fleet 4 AS as part of a restructuring of Troms Offshore Supply AS' subsidiaries. The merger was conducted in accordance with the principle of continuity.

The ultimate parent company, Tidewater Inc., have declared that it will, if necessary, provide liquidity and solidity to the company and its intercompany counterparties until 31 December 2022. The company has accordingly assessed that a provision for bad debt on intercompany balances is no longer necessary per 31.12.2020. As such, the accumulated provision for bad debt amounting to NOK 183,5 million, acquired as part of the merger with Troms Offshore Fleet 1 AS, Troms Offshore Fleet 2 AS, Troms Offshore Fleet 3 AS and Troms Offshore Fleet 4 AS, has been reversed. The reversal is included in the Other operating expenses for 2020. Reference is made to note 13 for further details.

Note 11 - Restricted funds

The company does not have any restricted funds as at 31 December 2020.



Troms Offshore Fleet Holding AS

Financial Statements 2020

Notes

Note 12 - Equity, share capital, shareholders, etc.

| | Share capital | Share premium | Other equity | Total |
|------------------------------|---------------|---------------|-----------------------|-----------------------|
| Equity 1 January | 30 000 | 0 | -1 716 247 | -1 686 247 |
| Equity resulting from merger | | | -1 224 930 723 | -1 224 930 723 |
| Current year net income | 0 | 0 | 131 204 151 | 131 204 151 |
| Equity 31 December | 30 000 | 0 | -1 095 442 819 | -1 095 412 818 |

The share capital of NOK 30 000 consists of 1 share with nominal value of NOK 30 000. All shares are owned by Troms Offshore Supply AS. All shares have equal voting rights. As per 1 January 2020, Troms Offshore Fleet Holding AS merged with its subsidiaries Troms Offshore Fleet 1 AS, Troms Offshore Fleet 2 AS and associated companies Troms Offshore Fleet 3 AS and Troms Offshore Fleet 4 AS as part of a restructuring of Troms Offshore Supply AS' subsidiaries. The merger was conducted in accordance with the principle of continuity.

The company notes that an extensive review of intercompany balances has been performed for Tidewater Inc. and its subsidiaries, including Troms Offshore Fleet Holding AS, where non-reconciling balances amounting to NOK 79,8 millions were identified. As a result of this review, all intercompany balances where no counterparty was identified was treated as prior period misstatements in the merged companies and corrected against equity. This is reflected in the equity resulting from merger line item above.

The Company's Board of Directors, management and the ultimate parent company, Tidewater Inc., is in the process of addressing the negative equity position. Reference is made to note 13 for further details.

Note 13 - Going concern

The Company has significant negative equity as per 31.12.2020 as disclosed in note 12. Total liabilities as per 31 December 2020 amounts to NOK 2.460,5 million, of which NOK 2,1 million is external.

As a result of recent restructuring of the Troms Offshore Supply subsidiaries, the Company's business is limited to bareboat charter with related parties in the Tidewater Group. Accordingly, the future need for liquidity is limited and future cash flows primarily consist of bareboat revenues. Further, the Company has access to funding if required from the ultimate parent, Tidewater Inc., which has declared that it will provide liquidity to the company until 31 December 2022, if necessary.

In order to ensure that the company has an adequate equity in terms of the risk and scope of the company's business, the Board of Directors has the intention to initiate a process to restructure the total intercompany payables and receivables. The first step is to convert intercompany debt to equity.

The aimed outcome of this ongoing restructuring is that the Company's net debt of NOK 1.586,1 million to its parent company, Troms Offshore Supply AS, is converted to equity. The restructuring of the debt is complex and involve several jurisdictions. Legal aspects, including tax, will be considered in the process and there is a risk that it may delay or stop the process.

Despite the uncertainty as described above, the Board of Director's remain positive that it will be able to convert the intercompany debt.

The Board of Directors concludes that Troms Offshore Fleet Holding AS is a going concern.



TROMS OFFSHORE FLEET HOLDING AS

ANNUAL REPORT

Troms Offshore Fleet Holding AS was established on October 28th 2013 and is headquartered in Sandnes.

The company owns six vessels ; MV Troms Arcturus, MV Troms Capella, MV Troms Lyra, MV Troms Sirius, MV Troms Pollux and MV Troms Castor all of which are operated by Tidewater in Sandnes, Norway and Aberdeen, UK. The vessels are operated mainly in the North Sea and Arctic waters.

All of the named vessels are large, modern Platform Supply Vessels (PSV's) all specifically built for oil & gas platform operations.

Troms Offshore Fleet Holding AS is a wholly owned subsidiary in the Tidewater Inc. group of companies.

The financial statements for 2020 consist of the full calendar year of 1st January to 31st December 2020.

Business Review

2020 was expected to be a period of solid growth in both offshore activity and associated vessel day rates. The first quarter of 2020 started promisingly but, with the event of the COVID-19 pandemic and associated oil price crash, our business was affected.

Fortunately, most of our vessels were engaged on term contracts which gave some protection from the volatile market. Our spot market exposure at the time was limited to "Troms Sirius". It was decided to lay this vessel up in May until further work was secured for it. This action obviously had an adverse effect on revenue but allowed us to make a saving on associated vessel operating costs.

Throughout the remainder of 2020 the market was stable but with very limited spot market opportunities. An improvement was seen at the end of 2020.

The directors intend to seek and obtain new contracts in the North Sea sector and elsewhere for its existing fleet and also to continue to evaluate investment opportunities in both domestic and overseas markets as they arise.

Going Concern

In accordance with section 3-3 of the Norwegian Accounting Act, it is confirmed that the assumption of going concern is present and used as basis for the preparation of the accounts. The Board believes that the financial statements give a true and fair view of the Troms Offshore Fleet Holding AS assets, liabilities, financial position and results.

For the year ending December 2020, the Company made a profit of NOK 131,204,151. For the fiscal year 2021, the Company will have access to funding, if required, from the ultimate parent, Tidewater Inc. A letter of support to this effect has been provided for ongoing operations.



Reference should be made to Note 13 in the audited Financial Statements for further detail on going concern & negative equity.

Working Environment & Staff

Health, safety & environment are central to the business and are integrated into the Group's quality assurance system.

As of 31st December 2020, the company had no employees.

QHSE / Environmental reporting

The company's business has a limited impact on the external environment, but the operation of the company's vessels results in limited emissions to air and sea, as well as residual waste. The company actively minimizes emissions by using cleaning systems, good maintenance and collection of residual waste delivered to landfills. Emphasis is placed on a high operational technical standard on all vessels. The company's quality assurance system has instructions and procedures to prevent pollution and limit accidental accidents. In addition to what follows from normal operation, in 2020, the company's vessels have not been involved in events that have polluted the external environment.

Financial Performance and financial risk

The accounts have been prepared with a profit after tax of NOK 131,204,151. The Board of Directors do not propose the payment of a dividend for the current financial year.

The company is exposed to interest rate risk, foreign currency risk, liquidity risk and market risk in its ordinary business operations and manages to accept acceptable risk in these areas.

The company's financial liabilities comprise of external debt and internal loan from Tidewater Marine International Inc.

Transactions with group companies in foreign currency have currency risk in line with fluctuations in exchange rates. The company is also exposed to foreign currency risk through its long term intercompany receivables and liabilities due to the fact that these loans are denominated in currencies other than NOK.

The financial statements for the year ended 31st December 2020 include corrections of prior period misstatements regarding intercompany transactions. The sum of these corrections amount to a cost in the reporting period of NOK 79.8 million. Furthermore, an accumulated provision for bad debt concerning intercompany receivables has been reversed. The financial effect of this correction gives income in the same period of NOK 183.5 million.

External debt from DNB has fixed interest rates plus guarantee premiums that may change with the capitalisation of the Tidewater Inc. group.

The equity as at 31 December 2020 amounted to NOK – 1,095 million (2019 NOK -1.6 million). Equity ratio based on total assets was – 80.1% (2019 : nil).



The Directors are aware that action needs to be taken to address the equity situation and will formalise a plan most likely based on converting intercompany debt to equity.

Company Activity / Future Development

Troms Offshore Fleet Holding AS owns six PSV's, with an average age of ten years.

Troms Offshore will continue to own the vessels and earn income by means of formal bareboat charter agreements. The Board consider that the agreed bareboat charter rates are sufficient to cover the financial burden of each of the owning entities.

The market was still affected by the pandemic in the beginning of 2021. The Norwegian government decided last year on an improved package to the offshore industry which is intended to boost liquidity to allow the operators to continue with planned projects. We slowly start to see some effect of this and there is lot of optimism for the coming season in 2022. There was increased activity in the first half of the year which caused the spot market to be very strong and in May rates of more than NOK 200,000 were achieved. The strong market was expected to last through the summer. However, a combination of owners taking vessels out of layup, reflagging to NOR flag and sublets of vessel from Charterers and delayed start-up of rig programs caused a dramatic drop in rates from end June and through the summer. We have seen rates from well above NOK 200,000 in May to NOK 50,000 level in July /August which only shows the volatility in the market and the thin balance of demand/supply.

The fluctuations in day rates do not affect the Troms business as all vessels are chartered to other entities on a bareboat basis therefore earning revenue 365 days per year.

The reminder part of the year (and winter season 2022) is expected to be challenging and our main focus will be to keep a high degree of utilisation and be prepared for an expected stronger market in Q2 2022 onwards. However, as Norway most likely will get a new Government in September and with an expected stronger focus on climate and anti oil and gas industry attitude from several of the smaller Parties that is supporting the new Government we have to be aware of likely risk of stronger regulations of our industry that could cause lower activity long-term for the Norwegian sector.

There is a lack of new build vessels either under construction or on the market and this situation is expected to continue over the next 2-5 years. This is expected to further stimulate the market as older tonnage becomes less attractive to potential charterers.

During the fiscal year it was decided to merge some of the Troms companies to lessen the amount of entities requiring to file statutory reports, tax filings etc. Four entities (Troms Fleet 1, 2, 3 & 4) were merged to become one, being Troms Offshore Fleet Holdings AS. The assets were transferred and the business has continued as before with revenue being generated by means of bareboat charter to the two previously mentioned Tidewater entities operating in Norway & UK.

The Board is of the opinion that the long-term outlook for the Company is positive.

However, as much as the Board believe that any forward looking statements are reasonable when made, there can be no assurance that future developments affecting the Company will be as anticipated. Forward looking statements involve significant risks and uncertainties (many of which are beyond our control) and assumptions that could cause actual results to differ materially from our historical experience and our present expectations or projections. Important factors that could cause actual results to differ materially from those in the forward looking statements include, but



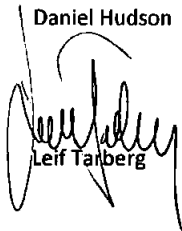
are not limited to : risks of insufficient access to sources of liquidity; operational risk; the price of oil and gas and its effect on offshore drilling, vessel utilisation and day rates; industry volatility; fluctuations in the size of the offshore marine vessel fleet in areas where we operate; changes in competitive factors.

Events after the balance sheet date

In an effort to resolve the negative equity position of this entity, extensive discussions have been held regarding the conversion of intercompany debt to equity. To date, this matter has yet to be concluded but the intent is to reach a resolution early in 2022.

Oslo, December 28th, 2021


Daniel Hudson


Leif Tarberg



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To the General Meeting of Troms Offshore Fleet Holding AS

Independent auditor's report

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Troms Offshore Fleet Holding AS showing a profit of NOK 131 204 151. The financial statements comprise the balance sheet as at 31 December 2020, the income statement and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are prepared in accordance with law and regulations and give a true and fair view of the financial position of the Company as at 31 December 2020, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Basis for Opinion

We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company as required by laws and regulations, 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.

Material Uncertainty Related to Going Concern

We draw attention to note 13 and the Board of Directors' report which indicates that the Company has a significant negative equity amounting to NOK -1 095 412 818. As stated in note 13, the Board of Directors has the intention to initiate a process to restructure the total intercompany payables and receivables. The restructuring of the debt is complex and involve several jurisdictions. Legal aspects, including tax, will be considered in the process and there is a risk that it may delay or stop the process. This matter and other circumstances that are stated in note 13 and in the Board of Directors' report indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director (management) are responsible for the preparation of the financial statements in accordance with law and regulations, including a true and fair view of the financial statements in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

KPMG AS, a Norwegian limited liability company and member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

Statsautoriserte revisorer - medlemmer av Den norske Revisorforening

Offices in:

| | | | |
|---------|--------------|--------------|-----------|
| Oslo | Elverum | Mo i Rana | Stord |
| Ållå | Finnsnes | Molde | Straume |
| Arendal | Hamar | Skien | Tromsø |
| Bergen | Haugesund | Sandefjord | Trondheim |
| Bodo | Knarvik | Sandnessjøen | Tynset |
| Drammen | Kristiansand | Stavanger | Ålesund |

Pennneo Dokumentnøkkel: 6XEQK-SD3QY-NXEYQ-X14VA-3H71Z-MXITJ



Troms Offshore Fleet Holding AS

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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.

Report on Other Legal and Regulatory Requirements

Qualified opinion on Registration and Documentation

The company has long term intercompany receivables of NOK 396 994 362 and long term intercompany payables of NOK 1 855 600 364. According to the Norwegian Bookkeeping Act section 11, the preparation of annual accounts shall be based on documentation of all balance sheet entries, unless these are insignificant. Further, the Norwegian Limited Companies Act section 3-9 requires significant agreements between companies of the same group to be formalized in writing. Based on our audit we have identified that the Company does not have in place formalized agreements for most of the

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Troms Offshore Fleet Holding AS

intercompany loans to and from other group companies. Accordingly, the Company does not fulfill the requirements set forth in the Norwegian Bookkeeping Act section 11.

The Company must be able to reproduce recorded information in a standardised form (Standard Audit File-Tax, "SAF-T") in according to the Norwegian Bookkeeping Act (bokføringsloven) § 13b, cf. the Norwegian Bookkeeping regulation (bokføringsforskriften) § 7-8. Based on our audit we have identified that the Company is unable to reproduce the recorded information in the required SAF-T format, and no exemption from the requirement has been granted. Failure to comply with these Bookkeeping Rules may result in a bookkeeping order from the Tax Authorities (bokføringspålegg). If management fails to comply with a bookkeeping order or fail to provide information that Tax Authorities have requested in an audit, the Company may be imposed an enforcement fine (tvangsmulkt). The Tax Authorities also can impose an enforcement fine if the Company fail to submit information within deadlines.

Based on our audit of the financial statements as described above, it is our opinion that management, except for the effects of the matters described in this section, has fulfilled its duty to produce a proper and clearly set out registration and documentation of the Company's accounting information in accordance with the law and bookkeeping standards and practices generally accepted in Norway.

Other Matter

It is assumed that the equity is less than adequate considering the risk and the scope of the Company's business. The Board of Directors has not fulfilled its obligation under the Norwegian Limited Companies Act section 3-5. Depending on the circumstances, this may lead to liability for the Board of Directors.

This audit report replaces our previous audit report as of 01.09.2021, which was issued at the statutory deadline for holding the annual shareholders meeting. Complete annual financial statements and Board of Directors report were at this point in time not submitted by the Board of Directors and Managing Director.

Stavanger, 28 December 2021
KPMG AS

Kurt Ove Østrem
State Authorized Public Accountant
(This document is signed electronically)

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"Med min signatur bekrefter jeg alle datoer og innholdet i dette dokument."

Kurt Ove Østrem

Statsautorisert revisor

På vegne av: KPMG AS

Serienummer: 9578-5997-4-812667

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Skatteetaten

Vår dato
12.07.2021

Din/Deres dato
18.06.2021

Saksbehandler
Lars Waalorp

800 80 000
Skatteetaten.no

Din/Deres referanse
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Org.nr
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Vår referanse
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KPMG AS
Postboks 7000 Majorstua
0306 OSLO

Att. Trym Eriksen

Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk

Vi viser til deres brev av 18. juni 2021 der det søkes om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk for følgende selskaper:

| | |
|--|----------------------------|
| Troms Offshore Supply AS | org.nr. 995 541 467 |
| Troms Offshore Fleet Holding AS | org.nr. 912 669 165 |
| Troms Offshore Management AS | org.nr. 896 488 112 |

Søknaden ble sendt til Skattedirektoratet. Skattedirektoratets myndighet til å treffe enkeltvedtak etter regnskapsloven § 3-4 tredje ledd ble delegert til skattekontoret med virkning fra 1. juni 2019.

Skattekontoret gir på bakgrunn av en konkret helhetsvurdering de overnevnte selskaper dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk, jf. regnskapsloven § 3-4 tredje ledd. Dispensasjonen gjelder så lenge opplysningene som danner grunnlaget for vedtaket ikke endres vesentlig.

Kopi av dette brevet må sendes til Regnskapsregisteret i Brønnøysund sammen med årsregnskapet. Den regnskapspliktige må selv dokumentere ved dette brev at tillatelse er gitt.

Bakgrunn

Troms Offshore Fleet Holding AS og Troms Offshore Management AS er datterselskaper av Troms Offshore Supply AS som igjen er eid av et utenlandsk selskap. Selskapene driver rederivirksomhet og opererer primært forsyningsskip i Nordsjøen. Selskapene har utenlandsk styreleder/-medlem.

Skattekontorets 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 mv., 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 skattekontorets 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 skattekontoret lagt særlig vekt på at selskapene direkte eller indirekte er eid av et utenlandsk selskap. Videre er det vektlagt at selskapet driver virksomhet i en internasjonal bransje der alle sentrale aktører behersker og benytter engelsk.

Vennligst oppgi vår referanse ved henvendelse i saken.

Med hilsen

Lars Waalorp
seniorrådgiver
Brukerdialog, brukerkontakt
Skatteetaten

Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer.