



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2019 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer: 914 274 133
Organisasjonsform: Aksjeselskap
Foretaksnavn: DEEP SEA SUPPLY AS
Forretningsadresse: Storgaten 4
4876 GRIMSTAD

Regnskapsår

Årsregnskapets periode: 01.01.2019 - 31.12.2019

Konsern

Morselskap i konsern: Ja
Konsernregnskap lagt ved: Nei

Regnskapsregler

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

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Leif Henning Stave
Dato for fastsettelse av årsregnskapet: 09.09.2020

Grunnlag for avgivelse

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

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

Brønnøysundregistrene, 15.10.2021



Resultatregnskap

Beløp i: USD	Note	2019	2018
RESULTATREGNSKAP			
Kostnader			
Nedskrivning av varige driftsmidler og immaterielle eiendeler	7	7 101 000	49 077 000
Other operating expenses		118 000	53 000
Sum kostnader		7 219 000	49 130 000
Driftsresultat		-7 219 000	-49 130 000
Finansinntekter og finanskostnader			
Inntekt på investering i datterselskap og tilknyttet selskap		670 000	656 000
Annen finansinntekt		4 000	
Sum finansinntekter		674 000	656 000
Verdireduksjon andre finansielle instrumenter vurdert til virkelig verdi	2	190 000	14 191 000
Rentekostnad til foretak i samme konsern	2	3 099 000	2 868 000
Annen finanskostnad			2 000
Sum finanskostnader		3 289 000	17 061 000
Netto finans		-2 615 000	-16 405 000
Ordinært resultat før skattekostnad		-9 834 000	-65 535 000
Ordinært resultat etter skattekostnad		-9 834 000	-65 535 000
Årsresultat		-9 834 000	-65 535 000



Balanse

Beløp i: USD	Note	2019	2018
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Varige driftsmidler			
Driftsløsøre, inventar, verktøy, kontormaskiner og lignende			2 000
Sum varige driftsmidler			2 000
Finansielle anleggsmidler			
Investering i datterselskap	7	0	7 101 000
Sum finansielle anleggsmidler		0	7 101 000
Sum anleggsmidler		0	7 103 000
Omløpsmidler			
Varer			
Fordringer			
Andre fordringer		7 000	0
Konsernfordringer	2	13 000	196 000
Sum fordringer		20 000	196 000
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter og lignende		279 000	109 000
Sum bankinnskudd, kontanter og lignende		279 000	109 000
Sum omløpsmidler		299 000	305 000
SUM EIENDELER		299 000	7 408 000
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Selskapskapital	3,4	4 302 000	4 302 000



Balanse

Beløp i: USD	Note	2019	2018
Overkurs	3	288 762 000	288 762 000
Sum innskutt egenkapital		293 064 000	293 064 000
Opptjent egenkapital			
Annen egenkapital	3	-361 701 000	-351 867 000
Sum opptjent egenkapital		-361 701 000	-351 867 000
Sum egenkapital		-68 637 000	-58 803 000
Sum langsiktig gjeld		0	0
Kortsiktig gjeld			
Leverandørgjeld			6 000
Kortsiktig konserngjeld	2	68 936 000	66 103 000
Annen kortsiktig gjeld			104 000
Sum kortsiktig gjeld		68 936 000	66 213 000
Sum gjeld		68 936 000	66 213 000
SUM EGENKAPITAL OG GJELD		299 000	7 410 000



Brønnøysundregistrene

ÅRSREGNSKAP FOR REGNSKAPSÅRET 2019 - GENERELL INFORMASJON

Journalnummer: 2020 829096

Enheten

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Brønnøysundregistrene, 19.09.2020

Brønnøysundregistrene

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Telefoner: Opplysningstelefonen 75 00 75 00 Administrasjonen 75 00 75 09 Telefaks 75 00 75 05
E-post: fimapost@brreg.no Internett: www.brreg.no
Organisasjonsnummer: 974 760 673



Organisasjonsnr: 914 274 133
DEEP SEA SUPPLY AS

RESULTATREGNSKAP

Beløp i: USD	Note	2019	2018
RESULTATREGNSKAP			
Kostnader			
Nedskrivning av varige driftsmidler og immaterielle eiendeler	7	7 101 000	49 077 000
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Organisasjonsnr: 914 274 133
DEEP SEA SUPPLY AS

BALANSE

Beløp i: USD Note 2019 2018

BALANSE - EIENDELER

Anleggsmidler
Immaterielle eiendeler

Varige driftsmidler
Driftsløsøre, inventar,
verktøy, kontormaskiner
og lignende 2 000
Sum varige driftsmidler 2 000

Finansielle anleggsmidler
Investering i datterselskap 7 0 7 101 000
Sum finansielle
anleggsmidler 0 7 101 000
Sum anleggsmidler 0 7 103 000

Omløpsmidler
Varer

Fordringer
Andre fordringer 7 000 0
Konsernfordringer 2 13 000 196 000
Sum fordringer 20 000 196 000

Bankinnskudd, kontanter
og lignende
Bankinnskudd, kontanter
og lignende 279 000 109 000
Sum bankinnskudd,
kontanter og lignende 279 000 109 000

Sum omløpsmidler 299 000 305 000

SUM EIENDELER 299 000 7 408 000

BALANSE - EGENKAPITAL OG GJELD

Egenkapital
Innskutt egenkapital
Selskapskapital 3,4 4 302 000 4 302 000
Overkurs 3 288 762 000 288 762 000
Sum innskutt egenkapital 293 064 000 293 064 000

Opptjent egenkapital
Annen egenkapital 3 -361 701 000 -351 867 000
Sum opptjent egenkapital -361 701 000 -351 867 000



Sum egenkapital	-68 637 000	-58 803 000
Sum langsiktig gjeld	0	0
Kortsiktig gjeld		
Leverandørgjeld		6 000
Kortsiktig konserngjeld 2	68 936 000	66 103 000
Annen kortsiktig gjeld		104 000
Sum kortsiktig gjeld	68 936 000	66 213 000
Sum gjeld	68 936 000	66 213 000
SUM EGENKAPITAL OG GJELD	299 000	7 410 000



Organisasjonnr: 914 274 133
DEEP SEA SUPPLY AS

NOTEOPPLYSNINGER - SELSKAP - alle poster oppgitt i hele tall

Note
1,8

Regnskapsprinsipper
Se note til årsregnskapet

Note
8
Er det usikkerhet om fortsatt drift?: Ja

Se note 8 til årsregnskapet

Note
4

Antall aksjer og aksjeeiere

<u>Aksjeklasse</u>	<u>Ant. aksjer</u>	<u>Pålydende</u>	<u>Bokført verdi</u>
Ordinære aksjer	30.00	143.40	4302.00

<u>Aksjeeiere - fritekst</u>	<u>Antall</u>	<u>Eierandel</u>	<u>Aksjeklasse</u>
Solship Invest 3 AS	30.00	100.00%	Ordinære aksjer

<u>Sum</u>	<u>Sum antall</u>	<u>Sum eierandel</u>
	30.00	100.00%

se note 4

Note
6

Lønn og ytelser

ingen ansatte

Note
6

Ytelser til ledende personer
Er det gitt ytelser til ledende person: Nei

Ytelser til daglig leder

<u>Ytelser</u>	<u>Lønn</u>	<u>Pensj.forpl.</u>	<u>Andre godtgj.</u>
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Note
6

Ytelser til andre ledende personer

ingen ytelser til styret i 2019

Note
6

Ytelser til revisjon

<u>Revisjon</u>	<u>Årets</u>	<u>Fjorårets</u>
	34000.00	43000.00
<u>Andre tjenester</u>	<u>Årets</u>	<u>Fjorårets</u>
	0.00	5000.00
<u>Sum godtgjørelse til revisor</u>	<u>Årets</u>	<u>Fjorårets</u>
	34000.00	48000.00

se note 6

Note
6

Antall årsverk i regnskapsåret

Virksomheten har hatt følgende antall årsverk:
0.00

Note
6

Obligatorisk tjenstepensjon

ingen ansatte

Note
6

Lån og sikkerhetsstillelse til ledende personer og aksjeeiere

Er det gitt lån eller sikkerhetsstillelse til ledende personer: Nei

Note
7

Konsern, tilknyttet selskap og datterselskap



Tilknyttet selskap/datterselskap

<u>Navn og adresse</u>	<u>Eierandel</u>	<u>Stemmeandel</u>	<u>Egenkapital</u>	<u>Resultat</u>
Deep Sea Supply Shipowning AS	100.00%	100.00%	-45911.00	-24486.00
Deep Sea Supply Shipowning I AS	96.70%	96.70%	-76378.00	-9584.00
Deep Sea Supply Shipowning II AS	100.00%	100.00%	-104336.00	-50389.00
Deep Sea Supply Shipowning III AS	100.00%	100.00%	-4534.00	-11635.00

se note 7

Konsernregnskapet inngår i konsolideringen til morselskap: Ja

<u>Navn</u>	<u>Forretningskontor</u>
Solstad Offshore ASA	Skudeneshavn

Note

5

Skattekostnad

Resultatført skatt på ordinært resultat

Skattepliktig inntekt

Betalbar skatt i balansen

se note 5

Note

5

Midlertidige forekjeller - utsatt skatt/skattefordel

se note 5

Note

1

Noteopplysninger ut over minimumskravene for små foretak
se noter til årsregnskapet



Directors' report 2019

Background and activities

Deep Sea Supply AS ("the Company") was established in 25th of September 2014. The company was merged with Deep Sea Supply BTG B.V. 23rd of September 2015. The company was a joint venture on a 50/50 basis between Deep Sea Supply PLC and Sagale Beteiligungsverwaltungs GMBH, until 16 of September 2016, at which date, Deep Sea Supply PLC acquired 100% of the Company.

Deep Sea Supply PLC merged on 22th of June 2017, with Solship Invest 3 AS, a wholly owned subsidiary of Solstad Farstad ASA.

The Company is the parent company of Deep Sea Supply Shipowning I AS, Deep Sea Supply Shipowning II AS, Deep Sea Supply Shipowning III AS and Deep Sea Supply Shipowning AS. The four subsidiaries are the owners of 23 vessels, 3 AHTS vessels and 20 PSV vessels and have 4 vessels bare boated on a long term contract from a third party, 2 AHTS and 2 PSVs.

The company is domiciled in Storgaten 4 in Grimstad, Norway.

Financial status

Below is a summary of the financial position of the company.

Revenues and Profit

The Company's revenues were nil during 2019, due to the downturn in the offshore supply market, which resulted in zero dividends from its subsidiaries.

Total operating expenses were MUSD 7.21 out of which MUSD 7.1 were impairment charges on investments.

Net loss for the year after tax was MUSD 9.83.

Equity

The company's total equity at the end of 2019 was negative MUSD 68.64.

Going concern

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

However, the Company's and the Group's financial situation is unsustainable as equity is negative and liquidity is under pressure. The long-term viability of the Company's and the group's business depends on the Company finding a solution to its financial situation. On 8 May 2020, the Company entered into a Restructuring Implementation Agreement to strengthen its financial situation, and the going concern assumption is based on the board's view that the Restructuring Implementation Agreement has a reasonable prospect of being implemented. If the Restructuring Implementation Agreement is not implemented, and in the event the Group should be forced to realize its assets, there is a risk that these will be realized at a significantly lower value than their carrying amount, as value in use is higher than estimated sales values for several of the vessels. Based on the information above the Board of Directors would like to emphasize that there is material uncertainty related to the going concern assumption.

Financial risk

Below, we will explain some key risk factors:



Assessment of the company's assets

The value of the vessels could change, due to long-term changes in the market (earnings) for this Type of vessels, the cost of newbuilding of vessels etc. This may affect the subsidiaries equity and subsequently impair further the investment position of the Company in these subsidiaries.

Market risk

The Company's subsidiaries have and will have its fleet in the spot market which means uncertainty about future rate levels and thus the company's revenues and profits. The market was weak throughout 2019 and future development depends on the activity level for the oil companies.

Health, safety and environment

The company has no employees. The company does not pollute the environment.

Equality

The Board consists of men. The Board strives to gender equality.

Future outlook

When entering 2020, there were expectations of a gradually higher activity level in 2020 compared to 2019. That was based on an oil-price at a stable, high level and the E&P budgets published by the oil companies.

During March 2020 the oil prices suddenly dropped significantly because of the Covid-19 pandemic and the trade war between certain oil producing countries. Consequently, most oil companies announced a revision of the activity plans for 2020, leading to a significant reduction in their activities with immediate effect.

It is now a great uncertainty how the markets will develop. There are reasons to believe that the activity in general will be significantly reduced, but short term activity linked to oil and gas production will be less effected than activity linked to exploration and maintenance.

Within the renewable energy sectors, the activity continues to grow. Not only in Europe, but also in other areas and particularly Asia.

Allocation of profit

Loss after tax is MUSD 9.83 and proposed transferred to other equity.

Skudeneshavn, 9 September 2020

Lars Peder Solstad
Chairman of the Board

Eivind Kvilhaug
Member of the board

Kjetil Ramstad
Member of the board



Deep Sea Supply AS

INCOME STATEMENT

(Amounts in USD 1000)

	Note	2019	2018
Revenue		0	0
Total revenue		0	0
Impairment on investments	7	-7 101	-49 077
Other operating expenses		-118	-53
Total operating expenses		-7 219	-49 130
Operating loss		-7 219	-50 570
Interest income from subsidiaries and associated companies		670	656
Interest expenses from subsidiaries and associated companies		-3 099	-2 868
Impairment financial assets		-190	-14 191
Other financial expense/income		4	-2
Loss before income tax		-9 834	-66 975
Income tax expense	5	0	0
Net loss for the year		-9 834	-66 975



Deep Sea Supply AS

BALANCE SHEET AT 31.12.

(Amounts in USD 1000)


ASSETS	Note	2019	2018
Fixtures and fittings, tools, office machinery and equipment		0	2
Total tangible assets		0	2
Investments in subsidiaries	7	0	7 101
Total financial fixed assets		0	7 101
TOTAL FIXED ASSETS		0	7 103
Trade receivables		0	0
Receivables with group companies	2	13	196
Other receivables		7	0
Total receivables		20	196
Cash and bank deposits		279	109
TOTAL CURRENT ASSETS		299	306
TOTAL ASSETS		299	7 409

**Deep Sea Supply AS****BALANCE SHEET AT 31.12.**


(Amounts in USD 1000)

EQUITY AND LIABILITIES	Note	2019	2018
Share capital	3,4	4 302	4 302
Share premium	3	288 762	288 762
Total paid-in equity		293 064	293 064
Other equity	3	-361 701	-351 867
Total retained earnings		-361 701	-351 867
TOTAL EQUITY	3	-68 637	-58 803
Accounts payable		0	6
Liabilities to related parties	2	68 936	66 103
Other short-term liabilities		0	104
Total other current liabilities		68 936	66 212
TOTAL LIABILITIES		68 936	66 212
TOTAL EQUITY AND LIABILITIES		299	7 409


Skudeneshavn, 09.09.2020



Lars Peder Solstad
Chairman of the Board



Eivind Kvilhaug
Member of the Board



Kjetil Ramstad
Member of the Board



Note 1 Accounting principles

Basis of preparation

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

Functional and presentation currency

The company uses USD as functional currency and presentation currency.

All amounts in these financial statements are in USD 1 000 unless otherwise stated.

Use of estimates

The preparation of financial statements in compliance with the Norwegian Accounting Act requires the use of estimates. The application of the company's accounting principles also require 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.

Classification of balance sheet items

Assets intended for long term ownership or use have been classified as fixed assets. Assets relating to the trading cycle have been classified as current assets. Other receivables are classified as current 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 current assets.

Investments in other companies

Except for short term investments in listed shares, the cost method is applied to investments in other companies. The cost price is increased when funds are added through capital increases or when group contributions are made to subsidiaries. Dividends received are initially taken to income. Dividends exceeding the portion of retained equity after the purchase are reflected as a reduction in purchase cost. Dividend/group contribution from subsidiaries are reflected in the same year as the subsidiary makes a provision for the amount. Dividend from other companies are reflected as financial income when it has been approved.

Asset impairments

Impairment tests are carried out if there is indication that the carrying amount of an asset exceeds the estimated recoverable amount. The test is performed on the lowest level of fixed assets at which independent cashflows can be identified. If the carrying amount is higher than both the fair value less cost to sell and recoverable amount (net present value of future use/ownership), the asset is written down to the highest of fair value less cost to sell and the recoverable amount.

Previous impairment charges, except writedown of goodwill, are reversed in later periods if the conditions causing the write-down are no longer present. Reversal of previously recognized impairment is limited to the amount the carrying value of the asset would have been, had the initial impairment charge not taken place.

Debtors

Trade debtors are recognised in the balance sheet after provision for bad debts. The bad debts provision is made on basis of an individual assessment of each debtor and an additional provision is made for other debtors to cover expected losses. Significant financial problems at the customers, the likelihood that the customer will become bankrupt or experience financial restructuring and postponements and insufficient payments, are considered indicators that the debtors should be written down.

Other debtors, both current 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. When the effect of a writedown is insignificant for accounting purposes this is, however, not carried out. Provisions for bad debts are valued the same way as for trade debtors.

Foreign currencies

Assets and liabilities in foreign currencies are valued 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 cost of goods sold.

Liabilities

Liabilities, with the exception of certain liability provisions, are recognised in the balance sheet at nominal amount.

Taxes

Taxes in the income statement include tax payable and changes in deferred tax.

Deferred tax is calculated at the relevant rate 22% (23% in 2018) on the basis of the temporary differences between accounting and tax values, as well as any tax loss carryforwards at the end of the fiscal year.

Taxable and deductible temporary differences that reverse or may reverse in the same period are offset.

Deferred tax assets arising from loss carryforwards are not capitalized, as there is uncertainty about future earnings.



Note 2 Balance with group companies, etc.

	Other debtors	
	2019	2018
Group companies	13	196
Total	13	13 718

	Other long term liabilities	
	2019	2018
Group companies	-68 936	-66 103
Total	-68 936	-66 103

An amount of USD 190 (2018: USD 14.191) has been recognised as an impairment of receivables from group companies.

Transactions with related parties, etc.

Related parties are members of the board, management and other companies within the group.

<i>Revenue transactions</i>	2019	2018
Interest income	670	656
Total Revenue transactions	670	656

<i>Cost transactions</i>	2019	2018
Interest expense	-3 099	-2 868
Total cost transactions	-3 099	-2 868

Note 3 Shareholders' equity

Equity changes in the year	Share capital	Share premium	Other equity	Total
Equity 01.01.	4 302	288 762	-351 867	-58 803
Profit for the year	0	0	-9 834	-9 834
Equity 31.12.	4 302	288 762	-361 701	-68 637

Note 4 Share capital and shareholder information

The share capital consists of 30 shares, each with a nominal value of NOK 1 210 448 each. All shares issued are fully paid in.

Deep Sea Supply AS has the following shareholder's:

	Location	Number of shares	Ownership
Solship Invest 3 AS	Skudeneshavn, Norway	30	100 %
Total number of shares		30	

The parent company of Solship Invest 3 AS has its registered offices in Nesavegen 39, 4280 Skudeneshavn in Karmøy in Rogaland, Norway. The ultimate parent company Solstad Offshore ASA is listed on the Oslo stock exchange. The consolidated accounts are available from the company's webpage www.solstad.com



Note 5 Taxes

	2019	2018
Taxable income		
Result before tax	-9 834	-66 975
Changes in temporary differences	0	0
Permanent differences	7 419	66 078
Currency exchange differences	-358	-3 890
Limitation of interest deduction	2 421	2 194
Transferred to/ from loss carry forward	352	2 593
Taxable income	0	0
Tax expense consist of:		
Payable tax	0	0
Payable tax abroad	0	0
Change in deferred taxes	0	0
Tax on ordinary result	0	0
Taxes payable in balance sheet		
Payable taxes in Norway	0	0
Payable taxes abroad	0	0
Total payable taxes	0	0
Deferred taxes	2 019	2 018
Temporary differences		
Fixed assets	0	0
Receivables	0	0
Gain and loss account	0	0
Net temporary differences	0	0
Unrecovered interests carried forward	-5 249	-2 851
Unrecovered loss carried forward	-7 611	-7 335
Basis for deferred tax	-12 860	-10 186
22% deferred tax	-2 829	-2 241
Whereof not recognized	2 829	2 241

The Company has chosen to exit the Norwegian Tonnage Tax Regime with effect from January 1, 2016. Amended tax returns for 2016, 2017 and 2018 have been filed. The exit lead to an accumulated tax loss carry forward of USD 7.3 million. Final assessment of amended tax returns is yet to be received.

Loss carry forward is included fully as basis for deferred tax asset. Deferred tax asset is not recognized as it is not likely the the Company will be in a tax paying position in the near future.

Note 6 Payroll expenses, number of employees, remunerations, loans to employees, etc.

There have been no employees in the company throughout the year.
No remuneration has been paid to Board of Directors during 2019.
No loans/securities have been granted to the general manager, Board chairman or other related parties.

	2019	2018
Expensed audit fee		
Statutory audit (incl. technical assistance with financial statements)	34	43
Other assurance services	0	5
Total audit fees	34	48



Note 7 Subsidiaries, associated companies, and joint ventures

Parent company

Investments in subsidiaries, associated companies and joint ventures are booked according to the cost method.

Subsidiaries	Location	Ownership/ voting right	Equity 2019 (100%)	Result 2019 (100%)	Balance sheet value
Dess Shipowning AS	Grimstad, Norway	100 %	-45 911	-24 486	0
Dess Shipowning I AS	Grimstad, Norway	96,7 %	-76 378	-9 584	0
Dess Shipowning II AS	Grimstad, Norway	100 %	-104 336	-50 389	0
Dess Shipowning III AS	Grimstad, Norway	100 %	-4 534	-11 635	0
Balance sheet value 31.12.			-231 159	-96 095	0

The investments in subsidiaries have been impaired with the total of USD 7 101 in 2019 (2018; 49 077), mainly due to negative equity in

Note 8 Going concern

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

However, the Company's and the Group's financial situation is unsustainable as equity is negative and liquidity is under pressure. The long-term viability of the Company's and the Group's business depends on the Company finding a solution to its financial situation.

On 8 May 2020, the Company entered into a Restructuring Implementation Agreement to strengthen its financial situation, and the going concern assumption is based on the board's view that the Restructuring Implementation Agreement has a reasonable prospect of being implemented. If the Restructuring Implementation Agreement is not implemented, and in the event the Group should be forced to realize its assets, there is a risk that these will be realized at a significantly lower value than their carrying amount, as value in use is higher than estimated sales values for several of the vessels.

Based on the information above the Board of Directors would like to emphasize that there is material uncertainty related to the going concern assumption.

Note 9 Events after the balance sheet date

The company is not aware of any legal disputes that are of material importance for the judgment of the company.

The company is part of the restructuring process for the Solstad Offshore ASA group. Please refer to note 8.

The company left the Norwegian shipping tax system with effect from 01.01.2016, please refer to note 5.

The company has not been significantly affected by Covid-19.



Statsautoriserte revisorer
Ernst & Young AS

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Medlemmer av Den norske revisorforening

INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of Deep Sea Supply AS

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Deep Sea Supply AS, which comprise the balance sheet as at 31 December 2019, the income statement, for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements have been prepared in accordance with laws and regulations and present fairly, in all material respects, the financial position of the Company as at 31 December 2019 and its financial performance for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Basis for opinion

We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Norway, and we have fulfilled our ethical responsibilities as required by law and regulations. We have also complied with our other ethical obligations in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

The financial statements and the Board of Director's report indicates that the Company incurred a net loss of MUSD 9,8 during the year ended 31 December 2019. The Company's equity is negative by MUSD 68,6 as at 31 December 2019. The Company is a part of the Solstad Offshore ASA Group ("the Group") which is currently undergoing a restructuring process. On 8 May 2020, the Group signed a Restructuring Implementation Agreement ("RIA") to strengthen its financial position. In event the RIA is not implemented, and in the event the Company should be forced to realize its assets, assurance can be given that these will not be realized at a significantly lower value than their carrying value, as value in use is higher than estimates sales values. These circumstances along with other matters as set forth in note 8 and the Board of Director's report, indicate that a material uncertainty exists that cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other information

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

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



Responsibilities of management for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

Report on other legal and regulatory requirements

Other matters

This report replaces our previous auditor's report, dated 1 September 2020, issued at the expiration of the statutory deadline for holding the Annual Shareholders' Meeting. At that time, the financial statements and the Director's report had not been approved.

Independent auditor's report - Deep Sea Supply AS

A member firm of Ernst & Young Global Limited

Pennco Dokumentnøkkel: 6CLZX-N30HI-EPTWS-53EST-VV7AF-0V61T



Opinion on the Board of Directors' report

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

Opinion on registration and documentation

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

Oslo, 9 September 2020
ERNST & YOUNG AS

The auditor's report is signed electronically

Asbjørn Rødal
State Authorised Public Accountant (Norway)

Penneo Dokumentnøkkel: 6CLZX-N3CHJ-EPTWS-53EST-YV7AF-OV51T



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

Asbjørn Rødal

Statsautorisert revisor

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Skattedirektoratet

Saksbehandler Torstein Kinden Helleland	Deres dato 18.03.2016	Vår dato 29.03.2016
Telefon 22078139	Deres referanse Peter R. Elleson	Vår referanse 2016/247372

ADVOKATFIRMAET PRICEWATERHOUSECOOPERS AS
Postboks 447
4664 KRISTIANSAND S

PRICEWATERHOUSECOOPERS
INNKOMMET 31 MAR 2016

Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk språk

Vi viser til deres brev av 18. mars 2016 der det søkes om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk for følgende selskaper;

Deep Sea Supply Management AS	org.nr. 990 397 090
Deep Sea Supply Shipowning AS	org.nr. 986 847 839
Deep Sea Supply BTG AS	org.nr. 914 274 133
Deep Sea Supply Shipowning I AS	org.nr. 914 439 639
Deep Sea Supply Shipowning II AS	org.nr. 914 439 736
Deep Sea Supply Shipowning III AS	org.nr. 914 441 277

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

Deep Sea Supply Plc er et børsnotert selskap hjemmehørende på Kypros. Selskapet er morselskap i en konsernstruktur med datterselskaper i en rekke land (Kypros, Brasil, Malaysia, Singapore og Norge). I tillegg eier selskapet 50 % i et joint venture med den brasilianske investeringsbanken BTG Pactual. Joint venture er etablert i Norge med et felles holdingselskap og underliggende skipseiende selskaper. Konsernets hovedaktivitet er å eie og drive ankerhånderings- og supplyfartøyer. Driften består av utleie av fartøyene på bareboat eller time charter. Konsernets virksomhet er verdensomspennende, med særlig fokus på Brasil, Nordsjøen, Sør-Øst-Asia og Afrika.

Deep Sea Supply Management AS og Deep Sea Supply Shipowning AS er heleid av Deep Sea Supply Plc. Joint venture med BTG Pactual består av holdingselskapet Deep Sea Supply BTG AS, som er eid 50/50 av Deep Sea Supply Plc og BTG. Dette selskapet har tre underliggende

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

Sentralbord
800 80 000
Telefaks
22 17 08 60



heleide skipseiende datterselskaper; Deep Sea Supply Shipowning I AS, Deep Sea Supply Shipowning II AS og Deep Sea Supply Shipowning III AS.

Bransjen selskapene tilhører er internasjonal og arbeidsspråket på verdensbasis er engelsk. 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 selskapene er eid av utenlandsk selskaper. Eierkretsen er begrenset. Videre er det vektlagt at selskapene driver virksomhet i en bransje der alle sentrale aktører behersker og benytter engelsk språk.



Vennligst oppgi vår referanse ved henvendelser i saken.

Med hilsen

Rune Tystad
seniorrådgiver
Rettsavdelingen, foretaksskatt
Skattedirektoratet

Torstein Kinden Helleland

Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer

