



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2021 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer: 927 002 264
Organisasjonsform: Aksjeselskap
Foretaksnavn: GENERAL OCEANS AS
Forretningsadresse: Vangkroken 2
1351 RUD

Regnskapsår

Årsregnskapets periode: 07.04.2021 - 31.12.2021

Konsern

Mørselskap i konsern: Ja
Konsernregnskap lagt ved: Ja

Regnskapsregler

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

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Tore Grøttum
Dato for fastsettelse av årsregnskapet: 21.04.2022

Grunnlag for avgivelse

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

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

Brønnøysundregistrene, 02.08.2023



Resultatregnskap

Beløp i: NOK	Note	2021	2020
RESULTATREGNSKAP			
Inntekter			
Salgsinntekt		0	
Sum inntekter		0	
Kostnader			
Annen driftskostnad		835 000	
Sum kostnader		835 000	
Driftsresultat		-835 000	
Finansinntekter og finanskostnader			
Inntekt på investering i datterselskap og tilknyttet selskap		645 000	
Annen finansinntekt		1 507 000	
Sum finansinntekter		2 152 000	
Annen finanskostnad		673 000	
Sum finanskostnader		673 000	
Netto finans		1 479 000	
Ordinært resultat før skattekostnad		644 000	0
Skattekostnad på ordinært resultat		142 000	
Ordinært resultat etter skattekostnad		502 000	0
Årsresultat		502 000	0
Overføringer og disponeringer			
Overføring til/fra fond		-34 613 000	
Ordinært utbytte		35 115 000	
Sum overføringer og disponeringer		502 000	



Balanse

Beløp i: NOK	Note	2021	2020
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Utsatt skattefordel		282 000	
Sum immaterielle eiendeler		282 000	
Finansielle anleggsmidler			
Investering i datterselskap		187 687 000	
Sum finansielle anleggsmidler		187 687 000	
Sum anleggsmidler		187 969 000	0
Omløpsmidler			
Varer			
Fordringer			
Andre fordringer		128 000	
Konsernfordringer		73 915 000	
Sum fordringer		74 043 000	
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter og lignende		3 719 000	
Sum bankinnskudd, kontanter og lignende		3 719 000	
Sum omløpsmidler		77 762 000	0
SUM EIENDELER		265 731 000	0
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Selskapskapital		255 000	
Annen innskutt egenkapital		259 746 000	
Sum innskutt egenkapital		260 001 000	



Balanse

Beløp i: NOK	Note	2021	2020
Opptjent egenkapital			
Udekket tap		34 652 000	
Sum opptjent egenkapital		-34 652 000	
Sum egenkapital		225 349 000	0
Gjeld			
Langsiktig gjeld			
Annen langsiktig gjeld			
Gjeld til kredittinstitusjoner		40 246 000	
Sum annen langsiktig gjeld		40 246 000	
Sum langsiktig gjeld		40 246 000	0
Kortsiktig gjeld			
Leverandørgjeld		35 000	
Annen kortsiktig gjeld		100 000	
Sum kortsiktig gjeld		135 000	
Sum gjeld		40 381 000	0
SUM EGENKAPITAL OG GJELD		265 730 000	0



Konsernets resultatregnskap

Beløp i: NOK	Note	2021	2020
RESULTATREGNSKAP			
Inntekter			
Salgsinntekt		334 384 000	279 976 000
Annen driftsinntekt		29 345 000	34 068 000
Sum inntekter		363 729 000	314 044 000
Kostnader			
Varekostnad		101 228 000	76 898 000
Lønnskostnad		127 423 000	117 809 000
Avskrivning på varige driftsmidler og immaterielle eiendeler		10 481 000	7 312 000
Annen driftskostnad		50 564 000	41 729 000
Sum kostnader		289 696 000	243 748 000
Driftsresultat		74 033 000	70 296 000
Finansinntekter og finanskostnader			
Annen finansinntekt		9 784 000	13 796 000
Sum finansinntekter		9 784 000	13 796 000
Annen finanskostnad		10 781 000	25 664 000
Sum finanskostnader		10 781 000	25 664 000
Netto finans		-997 000	-11 868 000
Ordinært resultat før skattekostnad		73 036 000	58 428 000
Skattekostnad på ordinært resultat		16 061 000	10 734 000
Ordinært resultat etter skattekostnad		56 975 000	47 694 000
Årsresultat		56 975 000	47 694 000



Konsernets balanse

Beløp i: NOK	Note	2021	2020
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Konsesjoner, patenter, lisenser, varemerker og lignende rettigheter		2 544 000	67 000
Utsatt skattefordel		1 581 000	373 000
Goodwill		169 439 000	0
Sum immaterielle eiendeler		173 564 000	440 000
Varige driftsmidler			
Maskiner og anlegg		18 727 000	15 601 000
Driftsløsøre, inventar, verktøy, kontormaskiner og lignende		6 661 000	4 132 000
Sum varige driftsmidler		25 388 000	19 733 000
Finansielle anleggsmidler			
Investeringer i tilknyttet selskap		110 000	14 000
Andre fordringer		12 380 000	12 080 000
Sum finansielle anleggsmidler		12 490 000	12 094 000
Sum anleggsmidler		211 442 000	32 267 000
Omløpsmidler			
Varer			
Varer		64 210 000	52 375 000
Sum varer		64 210 000	52 375 000
Fordringer			
Kundefordringer		60 285 000	37 623 000
Andre fordringer		10 338 000	8 247 000
Sum fordringer		70 623 000	45 870 000
Investeringer			
Markedsbaserte aksjer			60 000
Sum investeringer			60 000
Bankinnskudd, kontanter og lignende			



Konsernets balanse

Beløp i: NOK	Note	2021	2020
Bankinnskudd, kontanter og lignende		84 783 000	117 464 000
Sum bankinnskudd, kontanter og lignende		84 783 000	117 464 000
Sum omløpsmidler		219 616 000	215 769 000
SUM EIENDELER		431 058 000	248 036 000

BALANSE - EGENKAPITAL OG GJELD

Egenkapital

Innskutt egenkapital

Selskapskapital	255 000	107 000
Beholdning av egne aksjer		-4 000
Annen innskutt egenkapital	272 015 000	16 609 000
Sum innskutt egenkapital	272 270 000	16 712 000

Opptjent egenkapital

Annen egenkapital	30 629 000	112 160 000
Minoritetsinteresser	0	2 523 000
Sum opptjent egenkapital	30 629 000	114 683 000

Sum egenkapital

302 899 000 **131 395 000**

Gjeld

Langsiktig gjeld

Annen langsiktig gjeld

Gjeld til kredittinstitusjoner	40 931 000	365 000
Sum annen langsiktig gjeld	40 931 000	365 000

Sum langsiktig gjeld

40 931 000 **365 000**

Kortsiktig gjeld

Leverandørgjeld	43 209 000	21 643 000
Betalbar skatt	12 872 000	7 633 000
Skyldige offentlige avgifter	13 331 000	12 323 000
Utbytte		60 000 000
Annen kortsiktig gjeld	17 816 000	14 676 000



Konsernets balanse

Beløp i: NOK	Note	2021	2020
Sum kortsiktig gjeld		87 228 000	116 275 000
Sum gjeld		128 159 000	116 640 000
SUM EGENKAPITAL OG GJELD		431 058 000	248 035 000



Brønnøysundregistrene

ÅRSREGNSKAP FOR REGNSKAPSÅRET 2021 - GENERELL INFORMASJON

Journalnummer: 2022 493888

Enheten

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Brønnøysundregistrene, 23.06.2022



Organisasjonsnr: 927 002 264
GENERAL OCEANS AS

RESULTATREGNSKAP

Beløp i: NOK	Note	2021	2020
RESULTATREGNSKAP			
Inntekter			
Salgsinntekt		0	
Sum inntekter		0	
Kostnader			
Annen driftskostnad		835 000	
Sum kostnader		835 000	
Driftsresultat		-835 000	
Finansinntekter og finanskostnader			
Inntekt på investering i datterselskap og tilknyttet selskap		645 000	
Annen finansinntekt		1 507 000	
Sum finansinntekter		2 152 000	
Annen finanskostnad		673 000	
Sum finanskostnader		673 000	
Netto finans		1 479 000	
Ordinært resultat før skattekostnad		644 000	0
Skattekostnad på ordinært resultat		142 000	
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GENERAL OCEANS AS

BALANSE

Beløp i: NOK Note 2021 2020

BALANSE - EIENDELER

Anleggsmidler

Immaterielle eiendeler

Utsatt skattefordel 282 000
Sum immaterielle eiendeler 282 000

Finansielle anleggsmidler

Investering i datterselskap 187 687 000
Sum finansielle anleggsmidler 187 687 000

Sum anleggsmidler 187 969 000

0

Omløpsmidler

Varer

Fordringer

Andre fordringer 128 000
Konsernfordringer 73 915 000
Sum fordringer 74 043 000

Bankinnskudd, kontanter og lignende

Bankinnskudd, kontanter og lignende 3 719 000
Sum bankinnskudd, kontanter og lignende 3 719 000

Sum omløpsmidler 77 762 000

0

SUM EIENDELER 265 731 000

0

BALANSE - EGENKAPITAL OG GJELD

Egenkapital

Innskutt egenkapital

Selskapskapital 255 000
Annen innskutt egenkapital 259 746 000
Sum innskutt egenkapital 260 001 000

Opptjent egenkapital

Udekket tap 34 652 000
Sum opptjent egenkapital -34 652 000

Sum egenkapital 225 349 000

0

Gjeld



Langsiktig gjeld		
Annen langsiktig gjeld		
Gjeld til		
kredittinstitusjoner	40 246 000	
Sum annen langsiktig gjeld	40 246 000	
Sum langsiktig gjeld	40 246 000	0
Kortsiktig gjeld		
Leverandørgjeld	35 000	
Annen kortsiktig gjeld	100 000	
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GENERAL OCEANS AS

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GENERAL OCEANS AS

KONSERNBALANSE

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Immaterielle eiendeler			
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Omløpsmidler			
Varer			
Varer		64 210 000	52 375 000
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SUM EIENDELER	431 058 000	248 036 000
BALANSE - EGENKAPITAL OG GJELD		
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Innskutt egenkapital		
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Gjeld		
Langsiktig gjeld		
Annen langsiktig gjeld		
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Sum annen langsiktig gjeld	40 931 000	365 000
Sum langsiktig gjeld	40 931 000	365 000
Kortsiktig gjeld		
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Utbytte		60 000 000
Annen kortsiktig gjeld	17 816 000	14 676 000
Sum kortsiktig gjeld	87 228 000	116 275 000
Sum gjeld	128 159 000	116 640 000
SUM EGENKAPITAL OG GJELD	431 058 000	248 035 000



Organisasjonsnr: 927 002 264
GENERAL OCEANS AS

NOTEOPPLYSNINGER - SELSKAP

- alle poster oppgitt i hele tall



Organisasjonsnr: 927 002 264
GENERAL OCEANS AS

NOTEOPPLYSNINGER - KONSERN - alle poster oppgitt i hele tall

Note

Antall årsverk i regnskapsåret
134.00

Note

Spesifisering av resultatregnskapet

Lønnskostnader

<u>Lønn</u>	<u>Årets</u>	<u>Fjorårets</u>
	96153000.00	91218000.00
<u>Folketrygdavgift</u>	<u>Årets</u>	<u>Fjorårets</u>
	14231000.00	12617000.00
<u>Pensjonskostnader</u>	<u>Årets</u>	<u>Fjorårets</u>
	3162000.00	2868000.00
<u>Andre ytelser</u>	<u>Årets</u>	<u>Fjorårets</u>
	13876000.00	11105000.00
<u>Sum lønnskostnader</u>	<u>Årets</u>	<u>Fjorårets</u>
	127423000.00	117809000.00

Note

Ekstraordinære inntekter og kostnader

<u>Sum</u>	<u>Beløp</u>
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Note

Varige driftsmidler og immaterielle eiendeler

<u>Anskaffelseskost 01.01.</u>	<u>Varige driftsmidler</u>	<u>Immaterielle eiend.</u>
	51529000.00	3322000.00
<u>Tilgang i året</u>	<u>Varige driftsmidler</u>	<u>Immaterielle eiend.</u>
	13160000.00	175501000.00
<u>Avgang i året</u>	<u>Varige driftsmidler</u>	<u>Immaterielle eiend.</u>



-2938000.00

<u>Anskaffelseskost 31.12.</u>	<u>Varige driftsmidler</u>	<u>Immaterielle eiend.</u>
	61469000.00	175885000.00
<u>Balanseført verdi 31.12.</u>	<u>Varige driftsmidler</u>	<u>Immaterielle eiend.</u>
	25389000.00	171983000.00
<u>Årets av-/nedskrivn.</u>	<u>Varige driftsmidler</u>	<u>Immaterielle eiend.</u>
	6885000.00	3596000.00

Anskaffelseskost - balanseførte lånekostnader, egentilvirkede anleggsmidler

Goodwill spesifisert for hvert enkelt virksomhetskjøp

Avskrivningsplan for goodwill som er lenger enn fem år - begrunnelse

Mer om varige driftsmidler/immaterielle eiendeler

Konsernregnskap

Morselskapet sitt navn

Forretningskontor for morselskapet

Begrunnelse for at datterselskap er utelatt fra konsolideringen

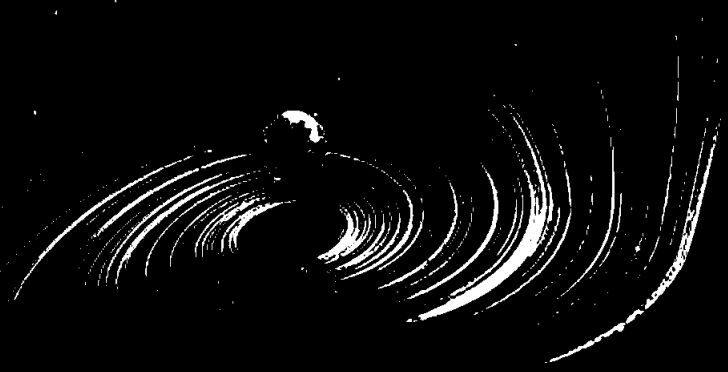
<u>Samlet beløp - tilknyttet selskap</u>	<u>Årets</u>	<u>Fjorårets</u>
<u>Samlet beløp - foretak i samme konsern</u>	<u>Årets</u>	<u>Fjorårets</u>
<u>Samlet beløp - foretak i samme konsern</u>	<u>Årets</u>	<u>Fjorårets</u>
<u>Samlet beløp - felles kontrollert virksomhet</u>	<u>Årets</u>	<u>Fjorårets</u>

Pantstillelse Beløp

Beholdning av egne aksjer Antall Pålydende Andel av aksjek.



REPORT



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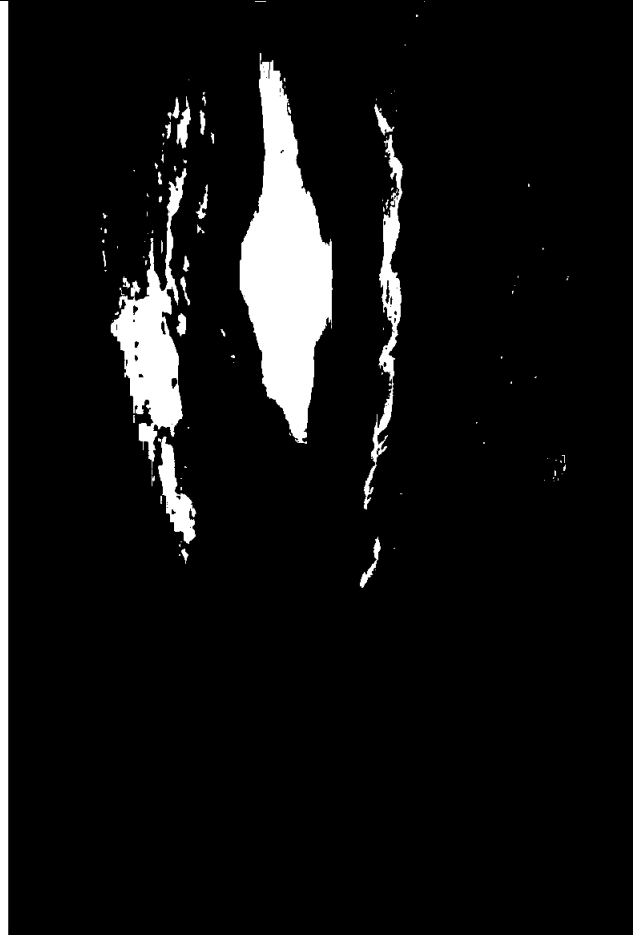
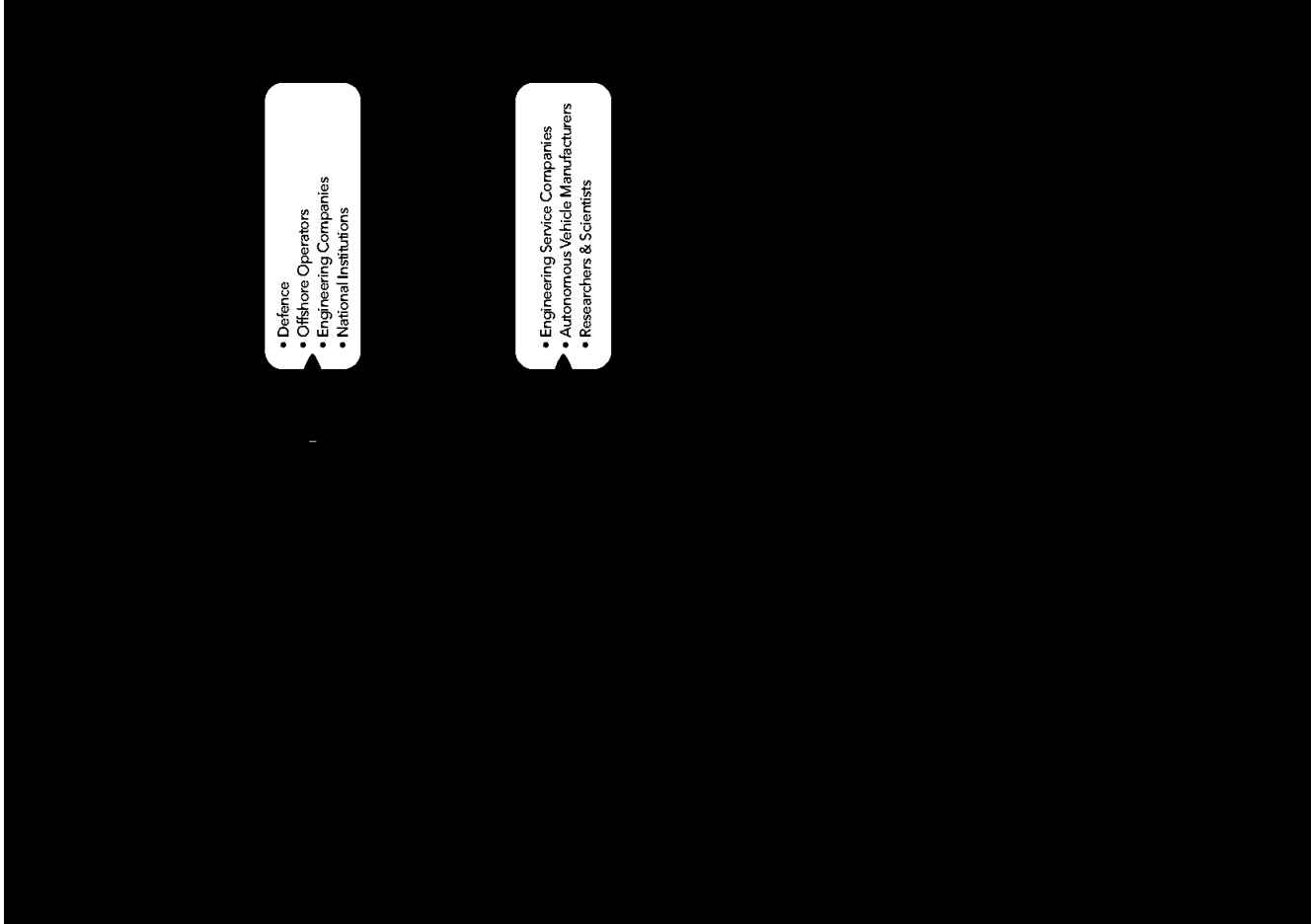
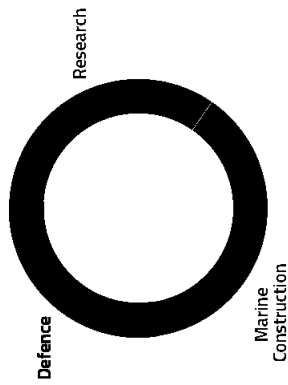


AT A GLANCE

General Oceans is the parent of the Group and works collaboratively with operating companies to accelerate performance. Its independence from the operating companies allows for an approach that is nimble and decisive, with the ability to set long-term objectives from its head office in London.

The operating companies are able to focus all efforts on creating sustainable long-term solutions for their customers, with the ultimate goal of driving growth. The Group's common integrated platform is a simple and efficient model, that enables each of the portfolio companies to set their own KPI and performance targets, building on the value of their industry knowledge and unique brand identity.

SALES BY MARKET AREA





PRESIDENT'S LETTER

2021 was a year of great change and will be remembered as the birth-year of General Oceans. We long had the idea of forming a group of like-minded and profitable ocean technology companies, but this year we went from ideation to practical implementation.

Company founders all face similar existential questions as their businesses mature: What do you do when your company has a solid customer base, good quality products, is profitable, and has a decent market share? Sell to a private equity fund or become a portfolio company in an industrial roll-up? Get out of the game and focus on fine tuning the starting sequence in dinghy regattas? With General Oceans we have chosen a more challenging path - the transition from a lone journey with singular product focus to a group of companies that merges technologies to solve bigger problems. In the summer of 2021, Nortek AS joined with Strategic Robotic Systems Inc. (SRS) to form the core of General Oceans AS. An ambitious name to go with an ambitious agenda. We welcomed Australia-based Blueprint Lab later in the year, increasing our time zone expanse to the limit of what we can handle in one call.

During the year, a great many organisational and operational improvements were made in preparation for the coming changes. Nortek AS delivered a strong set of results, reporting EBIT of 19.6%, albeit with modest organic growth of 6.7%. 2021 results only include the final quarter for SRS but show their strength, reporting EBIT of 26.4%. Both companies are looking strong going into 2022 and have ambitious targets for organic growth while continuing on in the tradition of a solid bottom line. Blueprint Lab joined the Group from 1 January 2022. While entering as a smaller company, their ambitions are anything but, as their electric manipulators gain increased acceptance with ROV companies worldwide.

The COVID-19 pandemic was still making an impact in 2021, but each operating company found workarounds to ensure the safety of all employees. In many ways, the reality of the electronic component shortage was perceived as a more consequential operational challenge. The short-term solution was to retain larger inventories where possible, but it also forced our electronics engineers to spend much of their time looking for alternative components to secure their ability to deliver. The development cycle became longer and required constant redesigns as key components 'disappeared' from the market. At the time of writing, these problems persist, and we expect a continued impact on the time-to-market for new products, if not on the ability to deliver established products.

In 2022, our internal focus is to establish the procedures and systems required to ensure that General Oceans becomes a well-functioning organisation. Plans include centralised financial reporting and job boards to allow employees to access opportunities across the Group. We are also going to 'test the waters' with the financial market to see if we - and they - are ready for an IPO. Meanwhile, first quarter results from all three companies are promising so for now there is much to be positive about, and we may even find time to get better at hiking our Laser dinghy.


Atle Lohmann



...k AS, Strategic
Blueprint Lab to form
s AS. An ambitious
ous agenda."



INDUSTRY OUTLOOK

Autonomous Underwater Vehicles (AUVs) offer real solutions in the area of marine technology, and industry focus has revolved around their advancement for some years now. While not on the same scale as solutions available on land, their popularity has been steadily growing.

Several countries have established testing zones for autonomous surface vessels and we anticipate that the first autonomously-operating surface vessels will be common practice in the near future, as small-scale autonomous data collectors and on a larger scale for the transportation of goods.

The Defence industry has been investing heavily in research and development (R&D) and deployment of autonomous vehicles, from small-

scale mapping systems to small autonomous submarines. There will be boundless opportunities in this area, including, but not limited to:

- Oil and Gas
- Offshore wind farms
- Ports
- Wild and farmed fishing
- Coastal pollution control
- Preservation of beaches

In addition to full autonomy, we expect to see a rise in AI-aided control as a key area of development—where technology will enable remote-vehicle operators to optimise operational efficiencies and perform tasks that would have been impossible to complete in the past.

Underwater mapping and survey inspection and positioning have been huge drivers for the development of Remotely Operated Vehicles (ROVs).

As a place of work the ocean can be a hostile environment, and communication is notoriously difficult under water. Light, in optical systems, will travel fewer than 100 metres, restricting it to a limited range of data transmission. Acoustic systems can travel over longer distances but typically carry a small amount of information. Adding to the challenge, normal radio waves, such as those found in cell phones do not work under water, and neither does a GPS signal – so it can be difficult to pinpoint exact locations when under water.

The ocean is a corrosive environment, which means that most metals and plastic materials have limited life span and require routine inspection and maintenance. Growth of barnacles and seaweed (naming just two) can limit the lifespan of any installed sensors, and it can be difficult to develop sensors that are able to be deployed for more than a year.

The opportunities for ongoing technology developments are endless, and it gets ocean technology professionals excited, as we see new developments come into play all the time, which will improve life on land and in the sea.

Our industry is heavily involved with global defence forces, and we pride ourselves on the role we play in making the allied nations' frontlines safer. We have contracts with the US, Norwegian, and Royal Navies, and have been awarded contracts, accolades and investments worldwide in technology development as the global landscape for defence continues to evolve.

The rise of AUVs is a result of this funding from the defence sector, along with updated infrastructure in acoustic propagation and communication.

Our products and innovations offer complex inspection and intervention. Long-term forecasts predict an increase in demand for solutions which serve offshore markets such as defence, wind, ports and harbours, and oil and gas.

Our ROVs, manipulators, and sensors help make offshore operations safer and more efficient by providing domain awareness, early hazard warnings, and direct repairs and inspections. We prioritise efficiency, safety, and dexterity across all operations and missions. We respect the blue economy, and the conservation of marine and coastal ecosystems.

Academic and research institutions globally have long been key customers and collaborators of ours. As the market leader in acoustic sensor technology for ocean research applications, leading scientists around the world have long approached us to develop systems which provide entirely new capabilities to drive their research forward. This relationship is mutually beneficial as it allows us to stay ahead of the industry in the blue ocean of offshore technology and easily transition solutions seeded in the foremost research institutions to industry customers.



OUR STRATEGY

In 2021 we embarked on an exciting new strategy to seize opportunities in the underwater technology sector by combining our resources under the General Oceans brand. Our goal is to scale up as a global player within the sector, backed up by an experienced team and a dedicated growth strategy.

We have identified three main strategic pillars, which drive solutions for our customers, opportunities to source and retain excellent talent, and the growth of sustainable profits with opportunities for value creation.

Underpinned by an integrated strategy and ESG focus that permeates each of our subsidiary operations, we offer dedicated support from General Oceans' head office that allows experts within our operating companies to focus on more complicated projects, as they are backed up by a centralised team to support with non-core operational activities.

General Oceans has a vision to lead on sustainability and ESG. This means using its scale and holding company status to help transform the ocean technology sector and drive change across the Group. We will put plans in place that will enable the delivery of best practices across all Environment, Social, and Governance-related programmes (ESG) and processes.

We are committed to executing the Group's strategy with an ESG focus that is integrated with our core strategic priorities of serving global customers, recruiting and retaining the best talent of the industry, and growing sustainable profits through an increasingly optimised network of suppliers and partners.

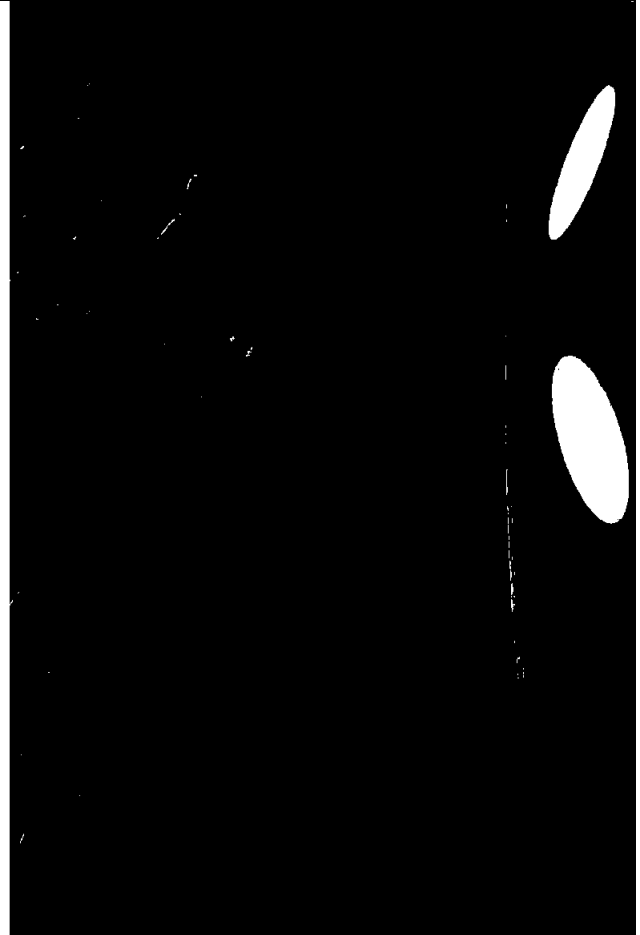
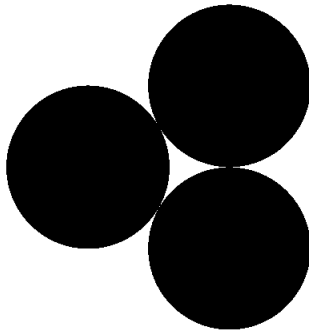
General Oceans is alert to its responsibility to the blue economy and will use its integrated platform and business model to support all subsidiary operations, who retain the independence to align their business strategies and operational duties to the SDGs – and this work is getting underway across the Group. In 2021, Nortek conducted its first materiality analysis exercise, interviewing stakeholders across the employee, customer, and supplier network. The feedback from this process will be used to assess impacts and identify the topics that are material to Nortek and its stakeholders.

In 2015, the United Nations adopted a plan to "end poverty, fight inequality and injustice, and tackle climate change by 2030". At the heart of this agenda are 17 Sustainable Development Goals (SDGs). Fulfilling these goals will take significant effort by all sectors in society and it is widely recognised that business has an important role to play.

14 LIFE BELOW WATER



At the General Oceans level, our focus will be geared towards projects that deliver for SDG 14 – which aims to reduce all marine pollution by 2025, and to conserve all marine and coastal ecosystems.





General Oceans has a unique and innovative business model in the ocean technology sector, based on a simple structure at the centre with empowered operating companies that benefit from the Group's strategic focus and scale. Each operating subsidiary is accountable for its own financials and growth, but also to a set of standards and KPI metrics as set out by the Group. The centralised functions of the Group include: Financial Reporting, Human Resources, Marketing, Investor Relations, and the M&A Deals Team.

General Oceans is the parent company of the Group – working actively with a portfolio of operating companies to drive synergies and maximise performance, innovation, and customer experience in local markets. Its independence from the operating companies allows for objective decision making that is nimble by nature and enables General Oceans to implement the strategy to deliver the long-term vision for the Group. The operating companies are in turn able to focus their efforts on their target customers in a competitive and supported environment which allows for complete focus on core business activities, with the ability to undertake projects that are more complex, while benefiting from the longevity of local and long-standing relationships built from their own brand identity.

The operating companies avail of the Group's full support structure, which drives efficiency while allowing each operating company to achieve individual performance targets and maintain its unique identity.

General Oceans combines leading companies in strategic locations, which enables them to enhance their presence in local and/or global markets while retaining trusted brand identities.

The operating companies each target specific customer markets and geographies, providing information, choice, and innovation across the full spectrum of ocean technology.

The operating companies' customers benefit from a larger combined network and economies arising from alliance partnerships as well as the utility of successful joint businesses that help them to expand their customer offer and global reach.

OPERATING COMPANIES

An Operational Focus Only
Local Identity Retained Project Ownership
Improved Capability to Deliver More Complex Projects

SYNERGISTIC RESOURCES

Greater Understanding of Customers & Market
Amplified Expertise in Underwater Technology
(from Components to Systems)
A Global Distribution Network & Customer Base
Balanced Growth, Profitability, & Cashflow



NORTEK GROUP



Nortek was founded in 1996 with a purpose to enable better understanding and resource management of our oceans through the innovative applications of acoustic technologies. Fast forward more than 25 years, and the relevance of our original purpose is more important than ever, as we navigate the challenges and opportunities presented by several global trends in a changing world.

Our strong technological foundations and first-rate production systems have powered us to grow into the successful company we are today. Our instruments are central to weather forecasting systems, offshore operations, scientific research, defence, and energy industries – and are used in more than 90 countries worldwide. Our distribution network comprises eight subsidiaries, located in: China, The Netherlands, France, Australia, Japan, Brazil, the US, and the UK.

Nortek produces acoustic sensors that measure water movement, such as ocean currents and waves, and provide fundamental input into subsea navigation systems. We are making subsea vehicle and robotic development possible by developing unparalleled navigation sensor packages, right-sized for smaller, more economical, and scalable new vehicles. Nortek maintains its leading market position in ocean current and wave measurement by continuing to introduce novel capabilities to scientists and engineers, most recently expanding into fisheries by adding biomass measurements.

2021 HIGHLIGHTS

90

COUNTRIES

where products delivered

ECO

NEW ADCP PRODUCT

launch in 2021

SALES BY REGION



- Most of Nortek's technology is based on a scientific physical principle called the Doppler effect. This relates to the change in frequency (or pitch) when a sound source moves with respect to an observer.
- Nortek's product portfolio ranges from wave measurement systems to single-point turbulence sensors, oceanic current profilers, and underwater navigation sensor packages.
- Our exploratory devices help cast light on the workings of the world's oceans, which are still little understood.
- Our Doppler Velocity Logs support more accurate underwater navigation which is key for both autonomous and remotely operated underwater vehicles.
- Our objective is to excite users with useful, innovative technology underpinned by scientific evaluation. We work systematically with quality and are certified by leading quality assurance organisations.



CEO, NORTEK GROUP

2021 was a good year for Nortek, with significant progress made, despite the ongoing backdrop of COVID-19 and navigating the challenges of disrupted global supply chains and travel restrictions. Our people and customers have shown resilience and adaptability, for which I am thankful - and have responded to market challenges with a nimble and entrepreneurial approach that has enabled us to work towards our ambition to become a listed company, leading the way in marine technology by 2024.

Over the course of the last five years, Nortek has grown revenues by 50% and expanded its global footprint, opening new sales offices in Brazil, Australia, and Japan, as well as significantly growing its existing subsidiaries. Nortek's position has moved up the rankings from industry challenger to a leader, a position we must nurture and develop by keeping ahead of global and industry trends. Following profitable growth in 2020, we continued the positive trend in 2021, reporting revenues in 2021 of NOK 335 million, which are up from NOK 314 million in 2020.

I am delighted with this progress, and look forward to Nortek making significant developments as part of the General Oceans Group in the future - with the many benefits that a parent company business model can bring as a more 'complete supplier' that facilitates complementary product synergies from

across the whole Group. This can only be a good thing for our customers and corporate partners, who will benefit from a more holistic approach to the instruments and solutions we can offer.

Hiring the brightest and best talent is a priority for us, as we look to foster a culture where opportunities have no limits, with secondments and diverse project exposure to keep our people interested and engaged. The opportunities to streamline procurement systems and operational efficiencies pave the way for an accelerated programme of research and development as we align manufacturing processes and realise cross-selling opportunities across the General Oceans Group.

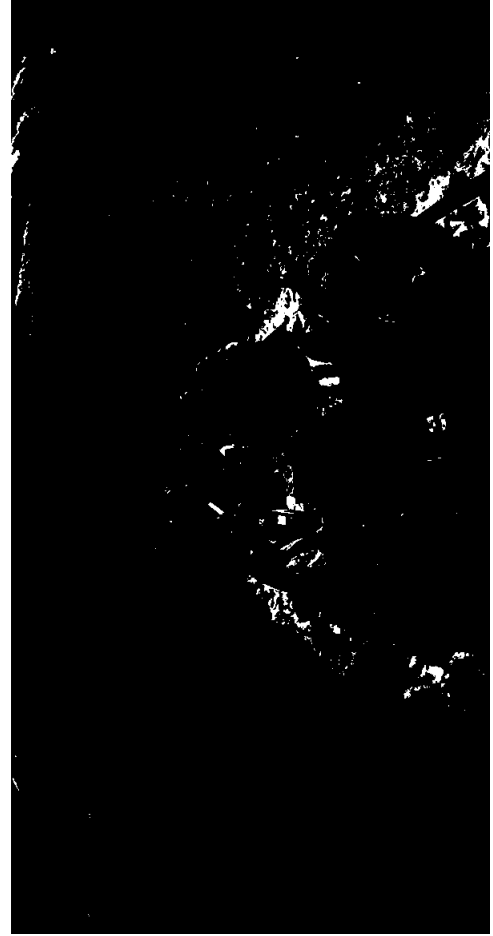
My team at Nortek stands ready to drive new opportunities and take the Group forward - not just with profit in mind - but as drivers of a wider purpose that enables better understanding and sustainable management of our oceans, while stimulating economic development. This purpose is deeply embedded in all of Nortek's business activities quite naturally already, and will be even more critical to our future growth and success, as we work to formalise our ESG ambitions and reporting commitments.

We are actively seeking to promote diversity and inclusion in the workforce, with equal pay for equal work, bridging ethnicity gaps, promoting a positive work and family balance, providing ongoing training, and supporting career development which is paramount to our future success. Fostering a 'listening and supportive culture' that enables people to thrive in the workplace is essential to this. In March 2021, we ran a feature called "Women in Nortek" which can be found in the news section of our website. It offers insights on how these successful women found their individual pathways into the

DRIVERS FOR GROWTH

In 2021 we set about increasing efficiency to build on our revenue growth and volumes, with a view to optimising resources and minimising Nortek's cost base. We initiated a range of specific internal projects which included the:

- Development of our people strategy
- Strengthening of our sales and marketing team
- Development of scalable production facilities
- Initiation of our digital transformation (DX)
- Further strengthened product development team with an increased focus on underwater navigation instruments





LATEST DEVELOPMENTS

In 2021, Nortek's Doppler Velocity Log (DVL) product line marked its fifth year in the world of marine robotics, and a new range of products has been introduced as a measure to address evolving market requirements. Integrators are increasingly turning to us when seeking high-performance and reliable navigation, ranging from commercial-grade ROV/AUV operations to new scientific research platforms. Having a non-GNSS-reliant navigation source ensures robust performance of vehicles in virtually all conditions, using technology that until recently has been the reserve of the subsea industry.

We also introduced a new current profiling measurement sensor, the Eco, designed to provide a simpler solution for training new entrants to the industry, and support new markets within biological, ecological, and conservation applications.

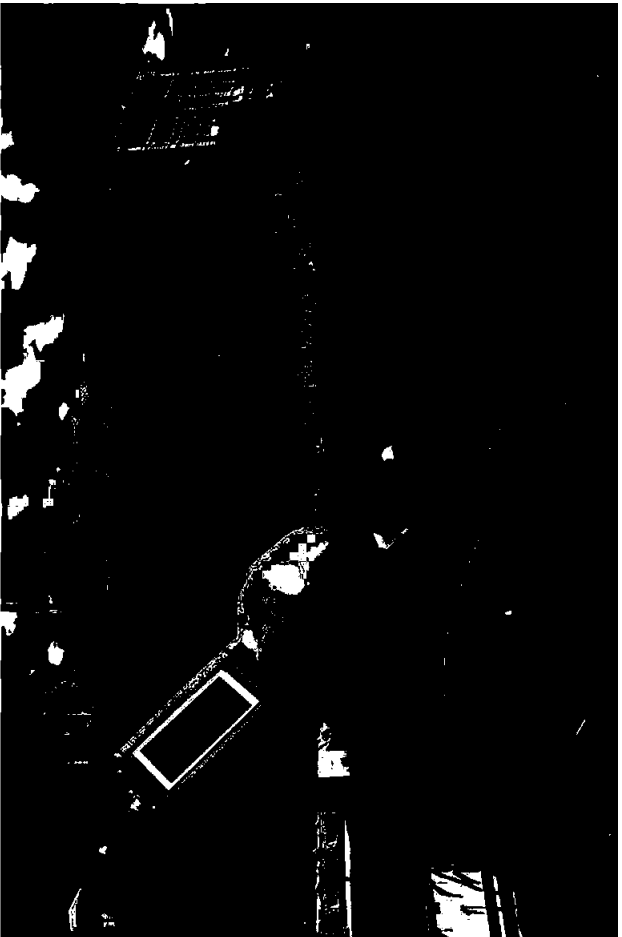
GLOBAL ENVIRONMENT & RISK FACTORS

Geopolitical factors such as the war in Ukraine, supply-chain constraints and disruptions, and nationalist trade policies will continue to affect both the market and manufacturing of certain products, and will continue to remain a factor for some time to come. We will keep a watchful eye on global events, seizing opportunities where we can, while maintaining a responsible and ethical approach at all times. We will aim to be a force for good in society.

Employee training will continue to prioritise areas such as cyber security and connected

systems, with robust communication, clearly defined processes, and an open-dialogue approach that makes the company run more smoothly and with less risk. We will be alert to the prospect of future pandemics and respond to regulations and government policies in all of the territories in which we operate – just as we did at the onset and throughout the last two years when we were all so personally affected by COVID-19.

"We continue to invest in digital transformation driven by technological advancement. The Nortek of the future will see a further shift towards digitalisation with simplified operations to support our growth strategy."



RESPONSIBLE & SUSTAINABLE BUSINESS

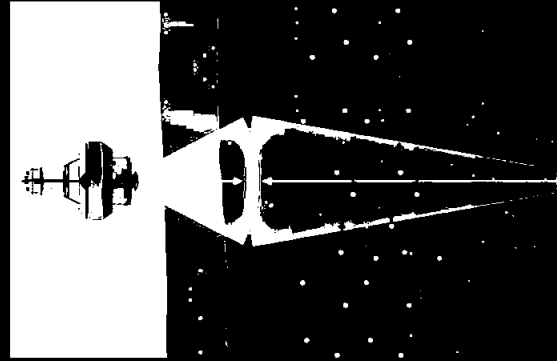
We are always looking to improve our environmental performance and have ramped up these efforts significantly in 2021. We are committed to making a positive impact on society, and recognise that the ocean technology sector has a vital role to play in this. Investors, customers, and communities are increasingly interested in companies' ESG credentials, and Nortek commits to playing its part.

In 2021, we conducted our first materiality analysis exercise interviewing stakeholders across our employee, customer, and supplier network. The feedback from this process will be used to assess our impacts and help us to identify the topics that are material to Nortek and its stakeholders. We will build on this work by aligning with the United Nations (UN) Sustainable Development Goals (SDGs) and following the GRI reporting standards in the future.

Active planning is under way to determine our disclosures, and how we might share this expertise more widely across the operating companies within the General Oceans Group.

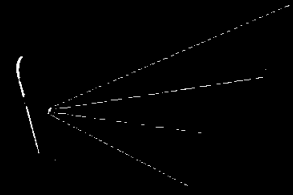
It is an exciting time in our industry, and our alliances with Blueprint Lab and SRS are set to create a collaborative approach in our industry. Our part in the General Oceans Group will offer mutual benefits for all stakeholders, as will the value of any completed future M&As.

We look forward to leveraging the strength of these strategic and corporate alliances with a newly extended global reach and we will continue to explore new technologies and products. I express my thanks to the people of Nortek, who have helped bring our success to life, with positivity in these exceptional times.

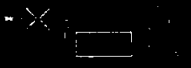
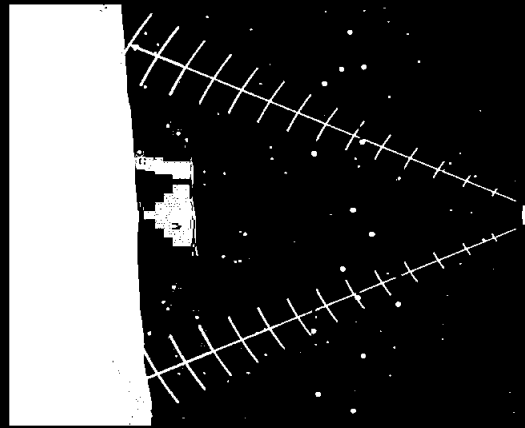


ADCPs measure the particles' velocity using narrow beams of sound. They transmit the sound, wait a short time, and listen for echoes from the particles. Doppler processing tells ADCPs how fast the particles are moving, and therefore, the velocity of the water; by using the change in frequency of the echo and the speed of sound in water to calculate the speed of the moving particles. ADCPs do this using acoustic frequencies that are too high for us to hear.

A Doppler Velocity Log (DVL) is a type of ADCP that estimates the velocity of a moving vehicle relative to the stationary sea bottom. This velocity is an important component in a vehicle's navigation system. Inertial Navigation Systems (INS) use motion sensors and algorithms to estimate a moving vehicle's position. Over time, the processing used exposes the position estimate to a growing error. A displacement estimate that does not drift excessively is needed to correct this error. Underwater, in the absence of GPS, DVLs are used to provide this displacement estimate.



Acoustic Doppler Current Profilers (ADCPs) measure water velocity indirectly by measuring the velocity of particles that are moving with the water. These particles may be zooplankton, suspended sediment, or other particles. ADCPs assume that the particles are moving at the same velocity as the water. This is nearly always a safe assumption, which is why ADCPs have successfully replaced other current meter technologies. These particles are called scatterers because they scatter (or deflect) the sound waves.





BLUEPRINT LAB

Blueprint Lab is a specialist company with expertise in the development and production of robotic arms, controllers and perception packages. Our products offer complex inspection and intervention for a range of clients; across maritime infrastructure management, military and police operations, marine science, autonomous robotic research applications, and more.

Designed to enable and facilitate remote and autonomous operations in harsh environments, Blueprint Lab focuses on user-experience and feedback to create high-performance solutions to difficult problems. As the market trend of accepting artificial intelligence (AI) and robotic solutions continues to grow at pace, we will expand our niche position as a subsea technology provider.

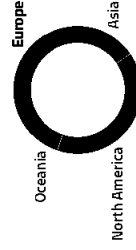
Recently, we were awarded an Australian Defence Innovation Hub grant to develop advanced robotic clearance diver technology, including novel manipulator and vision systems for portable ROVs. Based in Sydney, Australia, the company has doubled in size in the last 12 months and moved to a larger manufacturing premises to accommodate a growing order book.

2021 HIGHLIGHTS

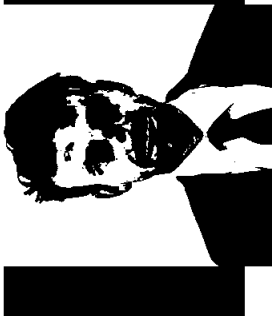
500+ UNITS
SOLD TO DATE
in 15 countries

\$1 M
FUNDING AWARDED
from Australian government

SALES BY REGION



- Provide manipulators that enable efficient remote intervention in subsea environments.
- Adapt our technology to overcome similar challenges in land and space.
- Utilise AI and other emerging technologies to perform complex tasks.
- Build on our Defence partnerships to secure long-term contracts.
- Reach the full potential of manipulators by investing in new ideas.



CEO, BLUEPRINT LAB

I'm pleased to report a strong financial performance and good business momentum in 2021, with several development projects, including the Australian Navy (\$1 million), and other commercial ventures, as well as internal projects such as digitalising the production line. We successfully finalised details of the merger and are delighted to have joined SRS and Nortek as part of the General Oceans Group. Together we're on a mission to become a dominant global player in the underwater technology sector, and I look forward to leading my Blueprint Lab colleagues in this new phase of growth.

As part of the General Oceans Group, we now have access to operational support, additional funding, and exceptional technical expertise from the Group's subsidiaries; priming us for cost-base reduction, the successful development of next-generation solutions, and a period of accelerated growth. We've expanded our office space by taking over the top floor of our existing building – improving production capability, and creating a dedicated R&D environment in our Sydney-based office, the hive of expertise and home to our fantastic team with recent additions to our headcount and production lines.

OUR PEOPLE

Our people are one of the key drivers of success, so sourcing and retaining talent is of the utmost importance to us. All colleagues are expected

to engage in our learning and development culture to develop their careers as we grow and develop as a scaled-up business. We collaborate with universities on a wide range of programmes to entice the very best graduates to join us, and have successful internships under way. Our work with universities extends to the field and testing.

We use media campaigns to create a drumbeat of engagement and awareness around what we do, and advertise specific project vacancies as and when they come up. We expect commitment and hard work, in return for life-changing career opportunities in a company that makes a real difference in the world.

DEFENCE INNOVATION HUB AWARD

Blueprint Lab has been awarded \$1 million in investment as part of the Australian government's Defence Innovation Hub grant scheme. This exciting award will help us to turbo boost our technology development programme, while moving forward on our vision to drive remote operating systems for underwater expeditions and harsh environments.

We don't take this responsibility lightly, and are confident that our vast experience of working with military stakeholders across Australia, the US, and the UK will add immense value to our

research and development process as we fulfil contractual obligations to deliver advancements via portable manipulator and vision systems for Remotely Operated Vehicles (ROVs). Ultimately this will help to protect Australian Defence Force (ADF) personnel while in the field, and we will use this investment to fast-track innovation and improve operational efficiencies for Navy operators.

AUSTRALIAN SPACE AGENCY MOON TO MARS AWARD

We were pleased to receive additional funding from the Australian Space Agency's "Moon to Mars" funding program, which will support

2021 HIGHLIGHTS

- Our engineers worked hard to upgrade our advanced Reach Bravo manipulator technology – packed with new features, Bravo Mk2 is stronger, faster, and more reliable in the field
- We challenged USYD's SUMO students to deliver an autonomous solution using the Bravo 7 robotic arm in their 4.2hr 'Hackathon' and the winning team joined us in the Lab to bring their concepts to life
- We took Field Testing to a new level with regular visits to Chowder Bay – putting our Alpha and Bravo manipulators to the test with multiple vehicle integrations and complex tasks performed by real-world operators
- We celebrated the release of the Reach Bravo Falcon Integration Kit – making it easier than ever for Falcon ROV users to install and operate our robotic arms
- We've signed a Memorandum of Understanding (MoU) with UNSW's Australian Centre for Space Engineering Research (ACSER) to collaborate on verifying our manipulator technology for space
- We launched a series of resource articles on our website to help shape an understanding of our technology and the industries we support

BLUEPRINTLAB

challenges, and add accessories to elevate the experiential factor when they require them.

I am looking forward to the host of opportunities that Blueprint Lab can enjoy as part of General Oceans, and am genuinely excited by the collaboration opportunities we can avail of, as we innovate together to provide solutions that act as a force for good on the world stage. The synergies and advantages of outsourcing time-consuming operations, while reshaping the business with a lean and entrepreneurial structure, can only serve to add value to the bottom line as we work towards creating next generation manipulators with optimal 'in-mission' performance.

COMMUNICATING WITH CUSTOMERS

We use traditional marketing methods and in-house demonstrations to demonstrate our products' capabilities, answer questions, and prove our solution. Much of our relationship development is conducted face-to-face, at exhibitions, and via in-field testing. Naturally, we moved to a virtual model through the course of the COVID-19 pandemic, with webinars, tutorials, and online presentations - but nothing beats real-life interactions and relationships which are the lifeblood of our business. We are trusted by our customers and they come back to us again and again because they can rely on us to refine technical

Some of this version's improvements include: continuous rotation in all inline joints, increased 450 m depth rating, high-strength linear actuator of up to 10kN, easier maintenance, increased reliability, and a much higher joint speed.

We see it as our duty to improve the performance of next-generation systems, and are delighted with the awards received over the past 12 months, which have given us the seal of approval and investment to keep moving forward with a programme that's rooted in innovation, research and ongoing development.

Understanding user experiences (UX), along with a problem-solving mindset will remain a key priority for my team here, as will our focus and determination for technological improvements in an ever-changing world. We have proven our skills around inspections, measuring probe sizes, and sourcing defects. We kicked off our Non-Destructive Testing (NDT) programme in 2021, which is important for driving safety and efficiency, and we are constantly modifying the supporting technology to make the tool even more effective.

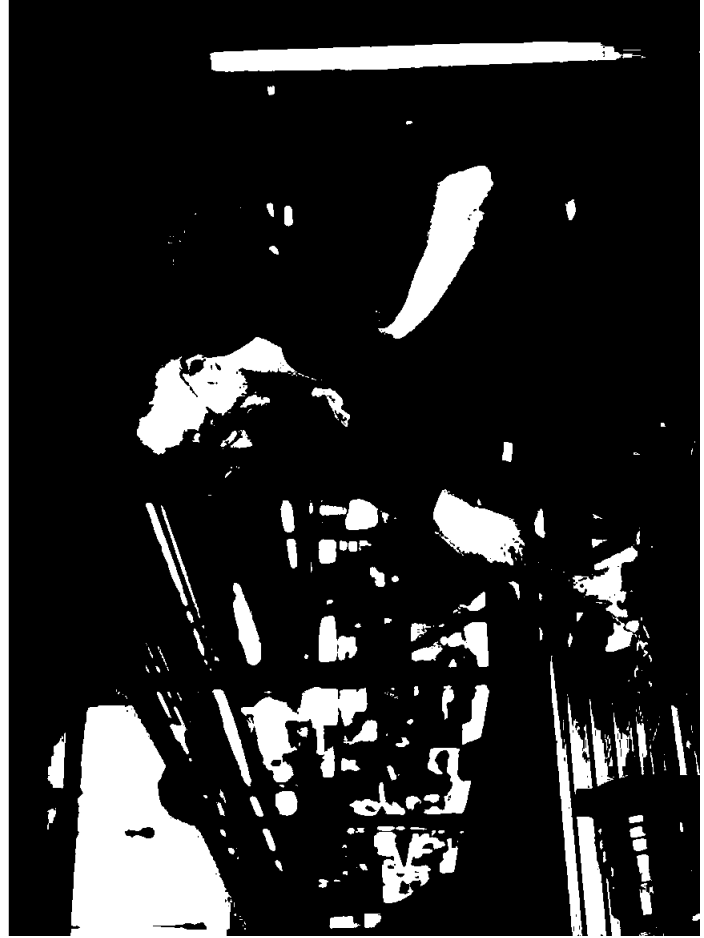
Our ambitions are not without risk, and the limited talent pool is a situation to be mindful of, especially as our products are incredibly complicated and require a high level of technical rigour, education, focus and drive to learn. As the flow of talent can be limited, we must remain vigilant, and continue to actively engage with academics and scientists so it does not cause operational issues in the future. Add to this 'the great resignation' and the risk of future pandemics, which must all be mitigated for with robust business planning.

testing and development of our manipulator technology for future exploration missions, such as NASA's Artemis program and help us to make our products 'space ready'. The funds will allow us to tackle the challenges of operating in space, such as ionising radiation, enormous thermal swings and the large shocks associated with a launch, as well as the need for advanced vision and control arising from low-bandwidth communications.

REACH BRAVO MK2 PRODUCT UPDATE

In 2021, we continued to make engineering breakthroughs with the release of Reach Bravo MK2, with upgrades to the original which offer a whole new level of performance, making it a best-in-class manipulator for underwater ROV users, and a capability multiplier for autonomous systems researchers - as well as subsea and land operators. We commit to continuous innovation across our Reach Alpha and Reach Bravo product lines, and use 360-feedback to make it better each time.

"If you can provide the right kind of value and technology to assist in solving a Defence client's problems, the relationships tend to be long-standing and solid. We aim for this level instrumental capability and continue to support all of our clients with this mindset."





STRATEGIC ROBOTIC SYSTEMS

SRS was founded in 2015 to develop and manufacture its FUSION vehicle to meet the needs of the global defence community. The company started with a team of four and now employs 24 people at our 8,000 sq ft facility in Redmond, WA in the United States. We started out with a desire to apply alternative technologies to the field of robotics, with functionality, capability, and underwater testing all forming a major part of the design process.

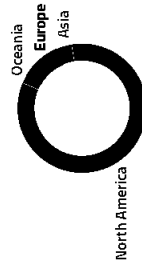
Fast forward to 2022, and we are employed by Defence and Special Forces worldwide in Explosive Ordnance Disposal (EOD) and other missions. Our client list comprises the US, Royal, and Norwegian Navies, and the US Marine Corp; and we were awarded the US Coast Guard contract in 2019. We are pleased to be going from strength to strength, because of our obsession with finding customer solutions in a changing world. In 2021 we merged into the General Oceans group of companies and look forward to the exciting developments this partnership will bring.

2021 HIGHLIGHTS

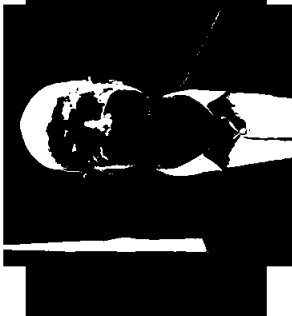
8,000 SQ FT
PRODUCTION FACILITY

50%
GROWTH IN FUSION SYSTEMS
delivered year-on-year

SALES BY REGION



- Work with partners to leverage opportunities in global markets.
- Explore cross-platform opportunities to reduce our cost base and grow profits.
- Remove the man from the minefield with intelligent ROVs.
- Develop growth areas across renewable energy, public safety, and scientific and academic communities.



CEO, STRATEGIC ROBOTIC SYSTEMS

With 22 years of vehicle design experience and countless hours' work in the field, SRS has a unique and privileged mission to develop the underwater vehicle systems and unmanned underwater vehicles (UUVs) of the future. In 2021, we merged into the General Oceans group of companies (along with Nortek and Blueprint Lab), accelerating our network capabilities and global reach. As partners, we can navigate the geopolitical challenge and global supply chain issues and chip shortages the whole industry is facing, while hiring and retaining the brightest and best of our industry through a cohesive approach.

I am pleased to report that our production operations continued throughout the pandemic despite global travel restrictions and the cancellation of trade shows and in-person events, which are the lifeblood of our business. The SRS team prioritised customer and colleague safety always and moved quickly to deliver virtual training enabling us to fulfil our commitments and orders while maintaining a growth position for the year.

We collaborate with the best minds in the industry to create exceptional technology solutions for our defence-industry customers, including the United States Navy (USN), Coast Guard (USCG) and Marine Corps (USMC), and internationally for the Royal Navies of Norway and the United Kingdom (UK). Due to the

nature of our business, our relationships are built on trust, and contracts are long-standing, but developments cannot always be publicly announced due to issues around national security.

We work with the Defence industry and accept no less than a 100% success-rate for all projects as we support them on their mission to make the allied nations' frontlines safer. This sense of purpose is embedded into every single action that we take, and it's my job to lead the team from the front with this mindset of perfection and a zero failure-rate.

We operate primarily in the area of defence, but are always on the lookout for ground-breaking software installations to enhance autonomy of the product across all areas. Artificial Intelligence (AI) is here to stay, and our focus will turn more and more to the exploitation of sensor data, and how we can orchestrate improvements around collecting, and using it - while making moves to innovate exceptional 3D solutions.

Under my stewardship, the team is uniquely focused on details - so the design and manufacturing process of our systems is flawless up to the point of delivery and beyond. This level of perfection stems from a culture where listening intently is critical to customer and operator experiences, ideas, and technology pain points - so we can acquire deeper insights

to drive market disruption through innovation and business growth. I am proud of the work of my SRS colleagues, including the thousands of hours of in-field experience which are critical to the development process.

We are a small and nimble organisation that provides lots of learning exposure, and the talent we hire will find us to be family-oriented and hands-on in our approach to training and development. New hires can expect to become involved in exciting initiatives such as robot testing from day one and will be mentored from the outset so we can keep their excitement alive with active participation in exciting developments and projects.

The FUSION incorporates a suite of high-end sensors that allow operators to succeed in a variety of complex missions. From our range of imaging sensors to navigational aids, the FUSION is a tightly integrated system which improves vehicle dynamics and eliminates the need for problematic cables and connectors. In addition, we offer optional instruments which augment performance on a mission-specific basis, and we work with our customers to achieve the best possible solution on a case-by-case basis.

2021 HIGHLIGHTS

- Working with Blueprint Lab to develop a tightly integrated, multi-function manipulator solution
- Updates include a range of mission payloads, diver propulsion and navigation, enhanced autonomy, and intelligence
- Ongoing battle-hardening of systems to improve operational effectiveness
- FUSION systems delivered in 2021 rose by more than 50% year-on-year



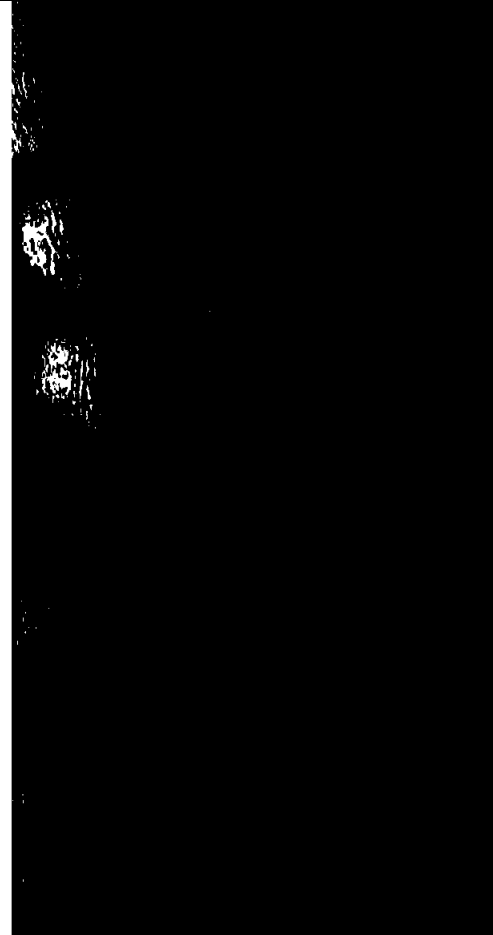
In 2021 we made six new additions to the team. I extend a warm SRS welcome to all new hires, and our ongoing commitment to provide support and cross-platform opportunities and secondments to projects they may not otherwise have been exposed to before joining SRS and the General Oceans group of companies.

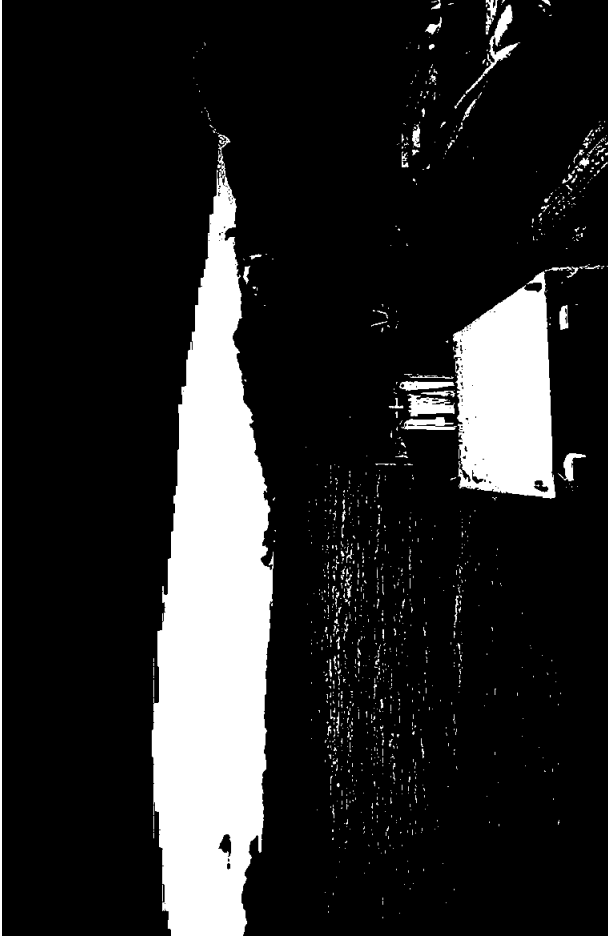
We possess an open and inclusive culture and will continue to adopt all the best hiring practices and policies while hiring employees that understand and recognise the privilege and responsibility of working in the defence sector. We aim for an equal gender split in our workforce, and are doing well in this area.

People and community engagement is important to us as we look to recruit and retain the very best talent into a long and rewarding career at SRS. We participate in several schemes ranging from hiring high school interns and graduates, or on-the-job mechanical mentoring projects for those who choose to enter our industry for graduate training or from different routes.

SRS will continue to thrive as part of the General Oceans group of companies, driving exceptional technology solutions in an environment that is open and diverse. We aim to reach the perfect tension point between collaboration and opportunity and will capitalise on the marketing and HR support of the wider Group as we pursue these technology advancements. As our order book continues to grow, so will our focus to reduce the rate of return merchandise authorisations (RMAs) and shorter turnaround times should occur through increased automation and optimisation of all processes.

The future is bright for SRS, and we must build on the success of the previous years. We must not take our growth for granted as it is not guaranteed. Its foundations depend on the continued hard work of a motivated and talented team – and the determination and innovation upon which we develop the product and customer experience.





CORPORATE GOVERNANCE REPORT

General Oceans AS (the "Company, the Group or "General Oceans") seeks to comply with the principles on corporate governance set out in the Norwegian Code of Practice for Corporate Governance (the "Code" or the "Code of Practice"). This report sets out General Oceans' main corporate governance policies and practices. The application of the Code is based on the "comply or explain" principle.

Good corporate governance is important for General Oceans, and the Company continuously works on its corporate governance principles and documents to ensure alignment of its practices with the Code. Like most companies General Oceans is dependent upon good relations with its contacts to succeed and this is a priority for the Company. A good reputation and solid financial development over time are important in order to build and maintain trust and confidence towards important contacts like customers, investors, suppliers, employees, partners, and public authorities. This requires good control of the business with an open and honest communication. Equal treatment of shareholders is also important to increase share value and achieve investor confidence. General Oceans is also aware of its responsibility in society towards anti-corruption, working environment, discrimination, environment, and human rights.

BUSINESS

General Oceans AS is a Holding and management company, and their business is related to the ownership in its subsidiaries. The subsidiaries all engage in the ocean technology business.

The Board of Directors sets the direction for the company by determining the objectives, strategy and risk profile of the business so that the company creates value for shareholders in a sustainable manner and takes into account financial, social, and environmental considerations. These objectives, strategies and risk profiles will be evaluated on an annual basis by the Board of Directors through a designated strategy process. Information concerning the objectives and principal strategies of the company and changes thereto, as well as business risks aspects will be disclosed to the market in the context of the company's annual report, marketing presentations and on the company's website.

NEUTRALITY & ARM'S LENGTH PRINCIPLE

The principle of independence, neutrality and arm's length principle applies towards all contact and business associates like customers, suppliers, banks, and other connections.

EQUAL TREATMENT OF SHAREHOLDERS & FREE TRADE OF SHARES

General Oceans strives to ensure that all shareholders shall be treated equally. There is one class of shares, and one share has one vote at the shareholders meeting. Shareholders are treated equally in relation to dividend.

There is a shareholder agreement in place that regulate the behaviour of all large shareholders. This agreement terminates when the shares are listed on a stock exchange or a Multilateral Trading Facility (MTF). All shares will then be freely negotiable with no form of restrictions. There will then be no restriction related to the ownership of shares and no other shareholder agreements that the company are aware of.

All existing shareholders have pre-emptive rights to subscribe for shares in the event of share capital increases. The general meeting may by a qualified majority set aside the pre-emptive rights of existing shareholders. Any deviations from such rights must be justified by the common interest of the company and the shareholders. Explanation of the justification by the Board of Directors shall be included in the agenda for the shareholders meeting.

The company will establish related party transaction procedures to ensure that all transactions with related parties are premised on commercial terms and structured in line with arm's length principles and further detail how the Board and executive management should handle agreements with related parties. Such procedures will supplement the procedures set out in applicable law and may amongst other things lead to arrangement of independent assessment of the related party transactions.

It is the Board members and key employees' responsibility to give notice to the Board of Directors, if they directly or indirectly have interests in any agreements the company is about to enter. Information on relevant related parties' transactions are included in the notes to the financial statements.

GENERAL ASSEMBLY

The General Assembly is open to all shareholders and the Board of Directors strive to ensure that as many as possible of the company's shareholders participate in the General Assembly. The company will send out a notice of the General Assembly within limits set by applicable law. An agenda, documents and information about the matters to be resolved will be included in the notice so that the shareholders can be prepared on the issues decided at the General Assembly. Shareholders are able to vote in each individual



matter, and shareholders who are unable to attend in the meeting in person may vote by proxy. A proxy form is included in the notice convening the General Assembly. Any deadline for shareholders to give notice of their intention to attend the meeting will be set as close to the date of the General Assembly as possible. The General Assembly will be able to elect an independent chairperson for the General Assembly. A shareholder may be represented through power of attorney.

EQUITY & DIVIDENDS

General Oceans will strive to have a solid balance sheet. The Board of Directors and the executive management regularly monitor that the company's capital structure including the levels of equity are appropriate for the company's objective, strategy, and risk profile. Authorisations to the Board of Directors to increase the company's share capital are granted with a defined purpose and limited to no later than 24 months from the date of granting. General Oceans has ambitious goals for future growth and the overall objective is to create long-term value for its owners. To reach the goals the company will endeavour to have an optimal capital structure.

The Board is committed to return excess capital to shareholders through annual cash distribution through dividends. Excess capital will be evaluated on a continuous basis, taking into consideration, among other market conditions, regulatory requirements, counterparty and market perceptions, as well as the Group risk profile. The Board of Directors recognise the positive perception among many authorisation of annual dividend payments but will also evaluate the opportunity to buy back its own shares when the Group is listed. This will require authorisation from the General Assembly.

RISK MANAGEMENT & INTERNAL CONTROL

The Board of Directors has a yearly meeting to set the strategy for the company and identify important risk factors. The Board of Directors receives updated financial information at every Board meeting. The financial position is analysed and compared against budgets, strategic plans and last year's performance. The Board of Directors reviews the quarterly reports and risk factors for the company are discussed and evaluated. The Board of Directors has an annual review together with the auditor before approving the annual report. Risk factors are also reviewed.

COMPENSATION TO MANAGEMENT

It is important for General Oceans to be an attractive employer. The company strives to attract competent employees with relevant experience and give the opportunity for

further development. The compensation to management will always be at market terms. The company will establish and implement guidelines for the remuneration of the executive management which will be presented to the Annual General Assembly. The principles presented in such guidelines provide the framework for the remuneration of key personnel in General Oceans and aim to support the company's business strategy and long-term interests.

The company has established financial incentives for key personnel. That includes a bonus arrangement, and some key personnel in the Group are also shareholders. Key personnel are included in the same pension and insurance plan as other employees. An option scheme may be established for key personnel as a part of a future listing of the Company.

BOARD OF DIRECTORS

The Norwegian companies act (Aksjeloven) stipulate that the Board of Directors shall be elected by the General Assembly, normally for a period of one year. The composition of the Board of Directors aims to ensure that the interests of all shareholders are attended, and meet the company's need for expertise, capacity and diversity, and at the same time function effectively as a collegiate body. A majority of the shareholder-elected Board members are independent of executive personnel, material business contacts and major shareholders. Members of the Board of Directors are encouraged to own shares in the company. The Board of Directors has a fixed yearly compensation decided by the General Assembly and reflecting the Board's responsibilities, competence, time use and the complexity of the company. The remuneration of the Board of Directors is not dependent on results, but Board members might be granted options for shares in the Company as part of their remuneration.

Non-Executive Board members or companies they are affiliated with do not normally assume tasks for the company in addition to the Board position. If such a commitment were to be established, the entire Board would be informed and the fee for the engagement will be approved by the Board. If remuneration is given to the members of the Board beyond the Board fee, this will be stated in the annual report. The shareholding and remuneration of the Board of Directors are set out in the notes to the financial statements of the company.

Non-Executive Board members or companies they are affiliated with do not normally assume tasks for the company in addition to the Board position. If such a commitment were to be established, the entire Board would be informed and the fee for the engagement will be approved by the Board. If remuneration is given to the members of the Board beyond the Board fee, this will be stated in the annual report. The shareholding and remuneration of the Board of Directors are set out in the notes to the financial statements of the company.

BOARD COMMITTEES

The Board does not have any sub-committees but will on a running basis evaluate the need for this.



COMPOSITION OF THE BOARD OF DIRECTORS & INDEPENDENCE

The proposed Board of Directors will consist of the following members:

Beatriz Malo de Molina
Chair

Beatriz Malo de Molina has been appointed Chair of the Board of General Oceans. She has held various management and advisory positions in Norway, Germany and the US.

[READ MORE ON PAGE 44]

Stein Dale
Board Member

Stein Dale is an independent Board member and executive advisor. Stein has more than 20 years' of leadership experience from Norwegian and international energy companies.

[READ MORE ON PAGE 44]

Ale Lohrmann
Board Member

Ale Lohrmann is a majority owner and president of General Oceans. He has served as Chair of the Board of Nortek AS since 2019 and serves on the boards of many of its international subsidiaries.

[READ MORE ON PAGE 44]

COMPANY TAKE-OVERS

The Board of Directors will implement guidelines for take-over situations and how it will act in the event of a take-over bid in accordance with applicable law and recommendations. In a potential offer where the effect of the transaction is a take-over, the Board of Directors will handle the matter in a professional manner and ensure equal information and treatment of all shareholders. The Board will not hinder or obstruct take-over bids for the company's activities or shares. The Board will consider to actively seek other offers upon the receipt of a take-over bid when it is considered to be in the best common interest of the company and its shareholders. Any agreements entered between the company and a bidder, or significant terms and conditions thereof, that are material to the market's evaluation of a bid shall be publicly disclosed no later than at the same time as the announcement that the bid will be made published. In the event of a take-over bid for the company's shares, the Board should not exercise mandates or pass any resolutions with the intention or effect of a disposal of the company's activities, or material parts thereof, or otherwise obstructing the take-over bid unless this is approved by the general meeting following announcement of the bid. Furthermore, the Board and management shall refrain from implementing any measures intended to protect their personal interests at the expense of the interest of shareholders following an intention to make a take-over bid or announcement of a bid.

If an offer is made for the company's shares, the Board shall consider issuing a statement making a recommendation as to whether shareholders should or should not accept the offer in accordance with applicable law. Furthermore, the Board shall consider arranging for a valuation of the company from an independent expert for publication together with its statement.

AUDITOR

In addition to serving as the company's auditor, the auditor firm is also used as an external consultant in accounting issues, tax calculations and tax issues. The auditor is not used when establishing the company strategy or in other operational matters. Only the CEO or the CFO hire services from the auditor.

The auditor is participating in the Board meeting approving the annual report. In this meeting, the auditor is describing its views on accounting matters and principles, risk areas and internal control. The auditor participates in other board meetings on request from the Board when the Board wants to get the auditors view on a specific matter.

Compensation to the auditor is set by the General Assembly and is described in the notes to the financial statement.

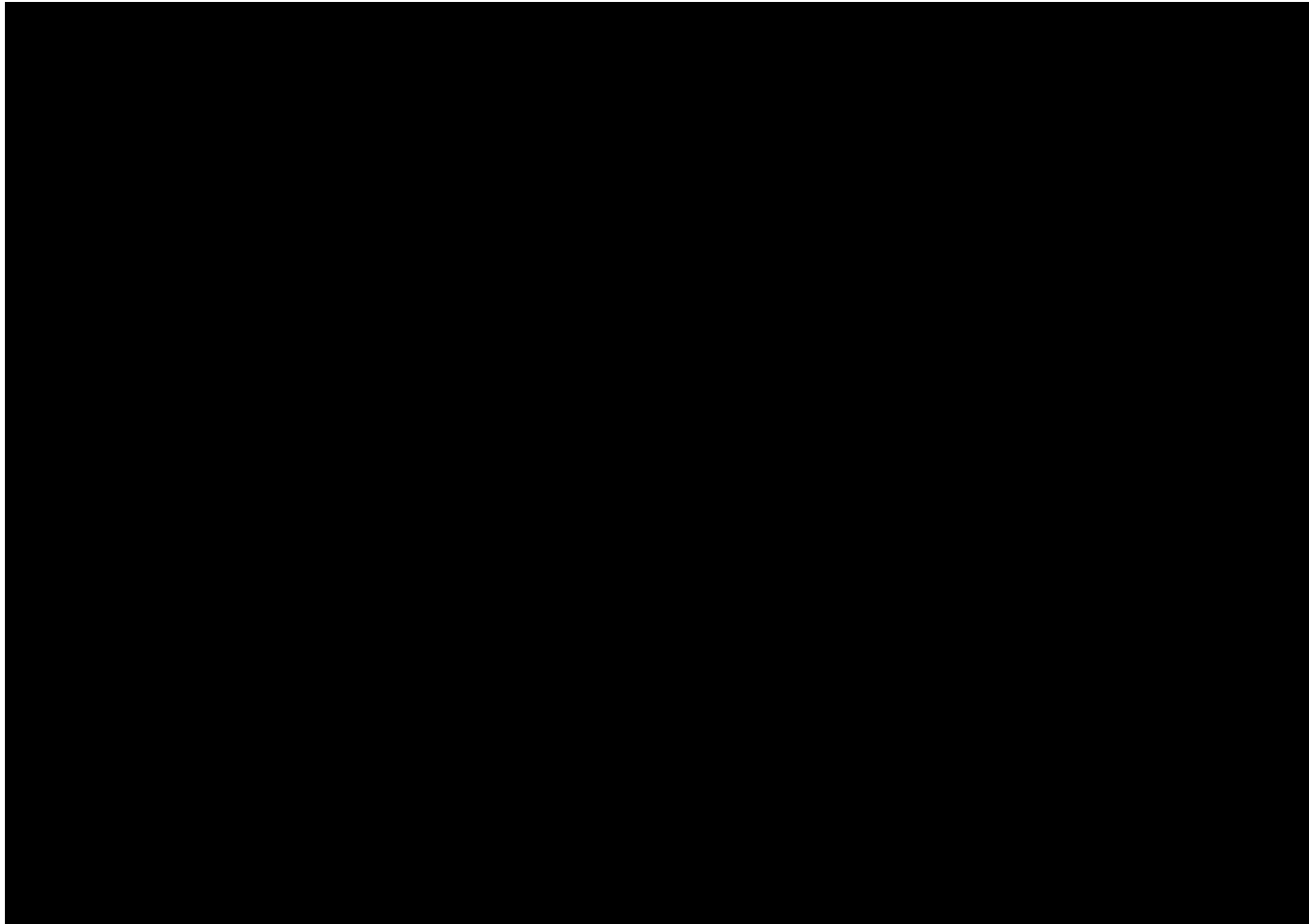
The Board of Directors set terms and conditions for the CEO. The CEO determines the remuneration of executive personnel on the basis of the guidelines laid down by the Board of Directors, reflecting the overall guidelines to be adopted by the General Assembly. Terms and conditions are set at market terms and evaluated on a yearly basis.

INFORMATION & COMMUNICATION

The company wishes to maintain an open dialog with shareholders, potential investors and other participants in the securities market. The company will before a listing establish principles for investor relations which includes guidelines for the company's contact with shareholders and the financial community.

General Oceans intends to seek a listing on the Euronext Growth Market in Oslo and will then be obliged to follow applicable rules for handling information. All relevant information will after the listing be published through the publishing system of Euronext in Oslo as well as on the company's web site www.generaloceans.com.





CORPORATE SOCIAL RESPONSIBILITY

The General Oceans Group provides a positive contribution to society through its activities.

General Oceans develops, manufactures, and sells technology for underwater measurements and tasks handling, which increases the knowledge about the underwater environment and perform remote lead operations in subsea environments. Increased knowledge gives the opportunity to improve resource utilisation and the remote handling of underwater tasks reduces risks to humans.

General Oceans performs R&D, production, marketing and distribution from the different subsidiary's headquarters in Norway, USA and Australia as well as through a global sales force and through key distributors in specific geographical markets. General Oceans' approach is to serve the customers in a collaborative and adaptable manner without compromising quality.

ETHICAL & PROFESSIONAL GUIDANCE

The operative companies in the General Oceans Group all have their own ethical and professional guidelines described in their "code of conduct" or staff instructions.

These guidelines set out the employee's approaches in doing business with our customers and what is expected when they act on behalf of a General Oceans company. All employees are introduced to this framework as a part of their initial training.

General Oceans' basic expectations for employees are:

- Each employee is familiar with the Group's values and use them as the basis for their work.
- Act professionally and with care, integrity, and objectivity.
- Abstain from actions that could undermine confidence in General Oceans.
- Treat everyone they meet through their work with courtesy and respect.

- Be aware of ethical issues in business, including human rights, anti-discrimination, labour rights, environmental protection, and anti-corruption.

ANTI-CORRUPTION POLICY

Corruption stands in the way of economic development, is anti-competitive and undermine both the rule and law and the democratic process. General Oceans worldwide operations are subject to national and international law prohibiting General Oceans and its employees to take part in corruption, such as bribery of public officials or employees in the private sector. The fact that many corruption rules also apply outside the territory of each country, shows that it is not sufficient to follow the local national law when operating abroad.

General Oceans has a strong commitment to operate according to ethical and sound business principles, and comply with all laws and regulations. General Oceans will not allow or tolerate involvement in any form of corruption.

There is a requirement for all General Oceans' employees that they always fully comply with General Oceans' anti-corruption policy, and no General Oceans' employee can give another General Oceans' employee authorisation to deviate from this. Any violation of applicable anti-corruption legislation will be considered a serious violation of the employee's duties to their employer and will most likely result in termination of employment or other appropriate sanctions.

General Oceans will also take necessary steps to the extent possible to ensure that General Oceans' independent business partners, including suppliers, customers, and joint ventures partners, does not take part in corruption or other illegal or unethical activities in connection with its business with General Oceans.



LEADERSHIP TEAM

GENERAL OCEANS
CENTRAL LEADERSHIP
TEAM'S MISSION IS
CLEAR. MAINTAIN
A LEAN GROUP
OF EXPERTS IN
THEIR FIELDS WHO
SUPPORT OPERATING
COMPANIES IN
SCALING FASTER,
DEVELOPING THE
BEST TALENT,
FUNDING AND
ORGANISING
COLLABORATIVE
PROJECTS, AND
INTEGRATING THE
KNOWLEDGE AND
BUSINESS ACUMEN
CONTAINED ACROSS
THE GROUP.



ATLE LOHRMANN
PRESIDENT

Atle founded multiple companies in the oceanographic sensor space and from 1999 onward, focused on growing the last one, Nortek, into a global technology leader.

Under his leadership, Nortek opened subsidiary offices in eight countries, launched technical expertise centres in Europe and the United States, and established a global network of representatives. Most recently, Atle founded Hefring Engineering, a subsea vehicle company, in the United States.

Atle received a Master of Science in Physical Oceanography and Applied Mathematics from the University of Oslo and holds several pivotal patents in the industry.



TORE GRØTTUM
CFO (INTERIM)

Tore has varied experience from CFO and CEO positions and currently works on interim assignments. He has worked for both privately owned companies and listed companies, both in growth and build phases, as well as in restructuring cases.

His experience includes among others, banking, investment banking, retail and wholesale trade, hotels and hospitality, offshore drilling, real estate and shipping investments, private equity, power production, and manufacturing industries.

His main tasks with General Oceans will be connected to preparing the Group for a possible stock exchange listing.

Tore holds a Master in Accounting and Auditing (state authorised public accountant) from the Norwegian School of Economics in Bergen, Norway.



LOUISE TROTMAN
DIRECTOR OF PEOPLE AND TALENT

With a bachelor's degree in Geography, Louise pivoted soon after university into the field of Human Resources. She has worked in the sector for over 15 years, invariably with engineers.

Her experience includes work with heavy industry multinationals, oil and gas, mining, and transport. Most recently, she worked in software development and analytics for Connexity and YouView.

Louise enjoys bringing the people perspective to a technical forum, collaborating on initiatives that develop and coach talented leaders to create inspiring work cultures. She is genuinely curious about the role of careers and individual motivation and personality.

Louise is working toward a Master in HR.



FREDA ZIFTEH
VICE PRESIDENT OF MARKETING (INTERIM)

Freda began her career with the United States Army Corps of Engineers as a coastal design engineer.

In 2008 she joined The Nortek Group to grow business and customer connections in the Southern United States. She went on to lead Nortek's North American business, based in Boston, Massachusetts. There she expanded the talent base, revenue, technical offerings, markets served, and office locations before moving on to lead Nortek's global marketing program. Freda co-founded Hefring Engineering in the United States, and has most recently taken responsibility for Business Development of the subsea vehicle start-up.

Freda holds a Master of Engineering in Coastal and Oceanographic Engineering from the University of Florida and a MBA from Boston University.



EXECUTIVE MANAGEMENT

GENERAL OCEANS IS SET UP AS A PARTNERSHIP STRUCTURE. PARTNERS ARE APPOINTED BASED ON LEADERSHIP IN THEIR RESPECTIVE OPERATING COMPANY. THEY ROUTINELY ENGAGE IN MEETINGS OF THE MINDS TO SET THE COURSE FOR THE GROUP, ALLOCATE RESOURCES, AND CONCEIVE COLLABORATIONS.

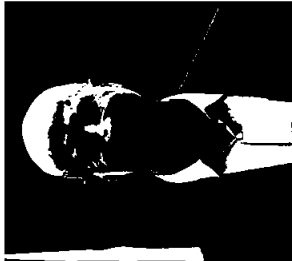


FINN IVAR MARUM
CEO, NORTEK GROUP

Finn Ivar was appointed CEO of Nortek in 2019 following over six years of service as the Chairman of the Board. He brought over 25 years' experience in corporate leadership and finance, including senior global positions in offshore energy, M&A and social impact investment.

Immediately prior to joining Nortek, Finn Ivar was EVP at Norfund, where he oversaw investments in developing nations to drive sustainability and improve quality of life. His successful track record of scaling global businesses is vital to Nortek's current strategic growth initiatives.

Finn Ivar holds a Bachelor of Business Administration and International Relations from Concordia College and a Master of International Affairs from Columbia University.

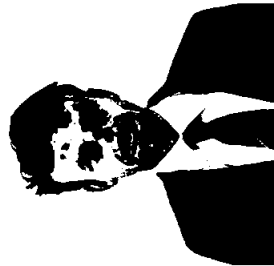


JESSE RODOCKER
CEO, STRATEGIC ROBOTIC SYSTEMS

Jesse Rodocker is the co-founder of multiple Unmanned Underwater Vehicle (UUV) companies including Strategic Robotic Systems, Inc (SRS) where Jesse holds position as CEO.

With more than 21 years experience in the UUV industry early career responsibilities revolved primarily around sales, marketing, and distribution, however, rapidly evolved into product development.

A hands-on approach, passion for detail and strategic alliances with key industry expertise resulted in a fresh approach to UUV product innovation and corporate success.



PAUL PHILLIPS
CEO, BLUEPRINT LAB

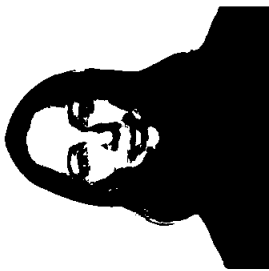
Paul Phillips has had a passion for engineering from a young age. After studying mechatronics at the University of Sydney he began his career in Aerospace designing camera systems for Unmanned Aerial Vehicles (UAVs).

Co-founding Blueprint Lab in 2016, he led the R&D team to develop a series of innovative products to which the company owes its success.



BOARD OF DIRECTORS

THE BOARD WAS ELECTED IN 2022 AND PROVIDES EFFECTIVE AND ENTREPRENEURIAL LEADERSHIP OF GENERAL OCEANS. IT IS COLLECTIVELY RESPONSIBLE FOR PROMOTING THE LONG-TERM SUCCESS OF THE GROUP, BY ENSURING THE CREATION AND DELIVERY OF SUSTAINABLE STAKEHOLDER VALUE UNDER ITS GUIDANCE.



BEATRIZ MALO DE MOLINA
CHAIR

Beatriz Malo de Molina has been appointed Chair of the Board of General Oceans. She has held various management and advisory positions in Norway, Germany and the U.S., including Head of M&A at Orkla ASA, Investment Director at Kistefos Private Equity, Associate Principal at McKinsey & Co., Executive Director and Business Unit Manager at Goldman, Sachs & Co. and Analyst at EY. Beatriz currently chairs the board of Crux AS a privately held investor relations company, and is a member of the board of Nel ASA, Horisont Energy AS and Electromagnetic Geoservices ASA, all publicly traded companies based in Norway. Ms. Malo de Molina is Founder and board member of the Oslo Philanthropic Exchange, a foundation promoting more efficiency in capital raising for charities and NGOs.

Ms. Malo de Molina graduated summa cum laude from Georgetown University in Washington, D.C., and holds a Master of Philosophy from the University of Oslo's Faculty of Law. She is a Spanish citizen and a long-time resident of Norway.



ATLE LOHRMANN
BOARD MEMBER

Atle Lohrmann is a majority owner and president of General Oceans. He has served as Chair of the Board of Nortek AS since 2019 and serves on the boards of many of its international subsidiaries.

Atle is an associate for the Creative Destruction Lab (CDL), a non-profit organisation for scalable, seed-stage, science- and technology-based companies. In the past, he served on the board of Metas AS and, also, has wide experience as a board member for sports clubs and sailing associations.

In addition to his work at General Oceans, Atle is the CTO of Hefving Inc., a US company working to develop and manufacture underwater autonomous gliders. Atle received a Master of Science in Physical Oceanography and Applied Mathematics from the University of Oslo and completed oceanographic graduate work at the Sorbonne in Paris.



STEIN DALE
BOARD MEMBER

Stein Dale is an independent board member and executive advisor.

Stein has more than 20 years of leadership experience from Norwegian and International energy companies as former-CEO of E.ON International Markets, SVP of Corporate Strategy in E.ON SE, CEO of Multiconsult and CFO in Statkraft. He is currently the Chair of Oslofjord Varme AS and Vice Chair at Gasum OY, board member of Netpartner AS and Wattif EVAS.

Stein has worked extensively with leadership, strategy and M&A issues, and has been a central figure in leading large-scale transformational projects.

Prior to entering the energy industry, he worked for more than ten years within telecom.

Stein holds a Master of Science in Business from the Norwegian School of Management, Executive Education from IMD, and completed the Advanced Management Program at Harvard Business School.





BOARD OF DIRECTORS REPORT 2021

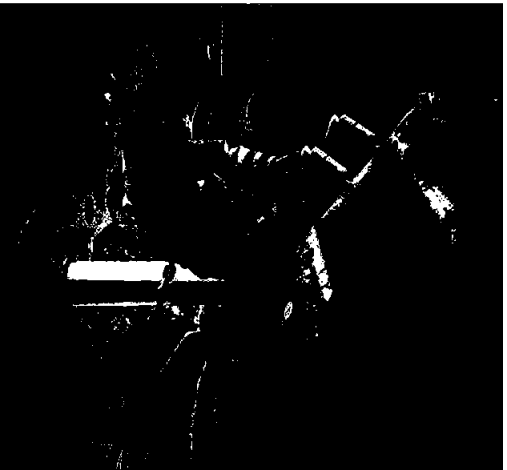
OVERVIEW

General Oceans is a group of companies focused on ocean technology. The holding company is incorporated in Norway and operates out of both Norway and London, UK. The operating companies are headquartered in Norway, Australia, and the US, serving an international customer base through a global sales network.

General Oceans' operating company founders have one thing in common. They each found a way to turn excitement into a career and recognised this at an early stage of their professional journey. As well-educated 'enthusiasts turned technology users' they had a vision of customers' needs, and saw opportunities to do things differently to glean better outcomes. As product developers they then went on to build companies and inspire brilliance.

General Oceans seeks to make a difference in the world of ocean technology, by leveraging the combined knowledge and collective business acumen of a group of innovative companies - each with a successful track record of bringing pioneering technologies to market. The Group is structured to enable both funding and rapid execution of greenfield projects to respond to market needs.

'Forward movement' is a fundamental aspect of General Oceans' corporate culture; and scientific integrity and sustainable business practices have been embedded in each of our operating companies from the outset. We understand that the ocean is more than just a resource that needs saving. Rather, we look to explore and grow our understanding of it, and the rich possibilities it can provide for generations to come.



FORMATION OF THE GROUP

General Oceans AS was formed through a de-merger and merger process of Nortek AS in 2021, and then became the holding company of the Nortek Group.

The Group expanded with the acquisition of Strategic Robot Systems Inc. (SRS) located in Seattle, USA, which was acquired in October 2021. Blueprint Lab (Blueprint), located in Sydney, Australia, was acquired in January 2022.

General Oceans Ltd. is incorporated in the UK, and provides headquarter services for General Oceans AS.

FINANCIAL RESULTS

The financial accounts are prepared in accordance with Norwegian GAAP.

The current legal structure of the Group was established through 2021, and is a continuation of previous business as conducted by Nortek AS and its subsidiaries. Any comparable figures for 2020 refer to Nortek's consolidated accounts.

Total revenues for the Group grew from NOK 314 million to NOK 364 million. Nortek serves a growing market, and the sales growth represents an organic growth in business and expanded use of Nortek's products.

The acquisition of SRS contributed NOK 30 million to the Group's revenue in 2021 for the period from 21 October when it became a member of the Group. The revenue from SRS relates mainly to ROV sales (Remote Operated Vehicles).

EBITDA grew from NOK 78 million to NOK 85 million as a result of higher sales volume and tight cost control.

The Group reinvested NOK 20 million into Research and Development (R&D) in 2021, and this cost has been expensed on the P&L.

COVID-19 gave rise to operational challenges throughout 2021, with travel restrictions and supply bottlenecks giving rise to a negative influence on regular operations, production and sales. General Oceans' operating companies were able to minimise these negative effects with robust and efficient management processes.

Net financial items for 2021 (mostly related to forex) was NOK 1 million (2020: NOK 12 million).

Profit before tax increased from NOK 58 million to NOK 73 million, mostly due to a less negative impact from disagio-related to foreign exchange.

Net profit after tax amounted to NOK 57 million (2020: NOK 47 million).

The development of the order reserve for Q1 2022 is positive.

Investments (exclusive of the acquisition of SRS) amounted to NOK 9 million for the year, and has been financed through available liquidity. Investment in SRS was partly financed through issuance of new shares, where the shareholders of SRS received General Oceans AS shares in exchange for their SRS shares. Some shareholders (c. 25% of the total acquisition) received a cash contribution which was financed through a bank loan.

The Group has strong cash flow from operations, and financed all investments in fixed assets from available liquidity. Equity amounts to 70% of total assets (2020: 53%) at Group level, and the liquidity situation is strong, with a cash balance of NOK 85 million (NOK 117 million).

The Board of Directors is of the opinion that the annual accounts, together with the Board of Directors' report for 2021, represent a fair and true picture of the Group's assets, liabilities, and profits for the year.

CONTINUED OPERATIONS

These statements have, in accordance with the Norwegian Accounting Act, been prepared on the assumption of continuity of operations. This assumption is derived from the financial solidity of the Group, its development so far in 2022 and the Group companies' plans for this accounting year, and into the future.

FINANCIAL RISK MANAGEMENT

The Group does use financial instruments (including futures) to hedge or partially-hedge expected operational revenue streams. Procedures for risk management are adopted by the boards of the operational subsidiaries. The Group is exposed to a variety of financial risks, whereby the foreign exchange risk has the highest exposure, with liquidity, credit, and interest rate risks having less impact on the Group.

FOREIGN EXCHANGE RISK

The company operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to sales in US dollars from the Norwegian Nortek Group. Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the entity's functional currency. The Nortek Group has established a framework where foreign exchange exposure, within certain limits and thresholds are hedged on a short to medium-term basis.

LIQUIDITY RISK

Liquidity risk is such that the Group will not be able to meet its financial obligations as they fall due. The Group has a good balance between the maturities of its receivables and payables, and this – in combination with the available liquidity, serves to minimise the liquidity risk.

CREDIT RISK

Credit risk is such that the customer's will not be able to settle any outstanding debt. General Oceans' customers are typically within the defence, public sector or public sector-sponsored institutions, and are generally considered to have a good rating and ability to pay, and are thereby considered low risk in credit terms. There have historically been modest credit losses related to customers.

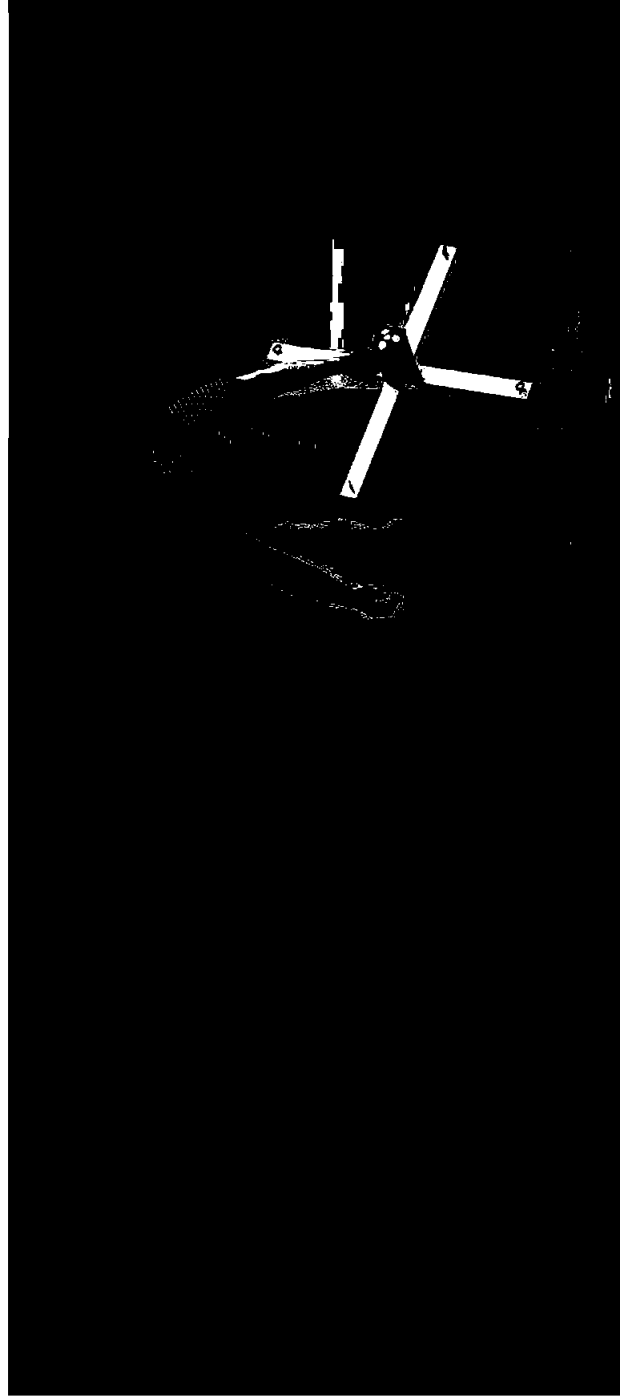
INTEREST RATE RISK

The Group's interest rate risk arises from long-term borrowings. The Group has borrowings issued at variable rates and is exposed to future changes to interest rates. This risk is relatively limited however, due to the modest debt levels of the Group.

WORKING ENVIRONMENT & SOCIAL RESPONSIBILITY

At the end of 2021, General Oceans AS had zero employees. The management team of the General Oceans Group consist of three men, as does the Board of General Oceans AS. A new Board, with external members, is due to be elected in April 2022.

General Oceans has a truly international operation, and we consider the international nature and diversity of our organisation as a competitive advantage. The Group therefore seeks to employ a diversified workforce of both sexes and different nationalities as a basis for positive development and sound decision making. General Oceans seeks to create an environment which attracts and retains highly qualified employees and in which employees feel valued for their own contribution to the company's performance. The Group companies focus on providing a safe working environment for its employees, and to ensure that the employees fully understand their own responsibilities regarding environment and health and safety matters. The General Oceans Group is encouraging equal rights and opportunities amongst its employees and does not tolerate harassment or discrimination in any form.





The working arrangements of the Group follows the different jobs or positions and is independent of gender. All wage adjustments will be conducted based on annual evaluation of the individual's performance and contribution to the Group achieving its goals.

REPORTING ON GENDER EQUALITY & ANTI-DISCRIMINATION WORK

The General Oceans Group was established in 2021. The Holding company General Oceans AS does currently not have any employees, but the Group plans to perform an evaluation of its work against discrimination of employees and report on this at least every second year with the year 2022 to be the first. This will include relevant material related to remuneration equality based on gender.

WORKING ENVIRONMENT

The Board considers the working environment in General Oceans Group to be good. The impact of COVID-19 has affected our operations worldwide in different ways, but the Group has done its utmost to maintain a good working environment in situations that have required improvisation and flexibility from all involved. No working accidents or injuries has occurred in 2021.

ENVIRONMENTAL IMPACT

General Oceans believes that the company's operation has, by its nature, minimal impact on the environment outside what is normal from office and small-scale production and assembly activities. We generate no harmful emissions either to water or to air from our production activity.

Waste from our production is not classified as harmful or requiring any special treatment and it is recycled or deposited in line with local regulations.

DIRECTORS & OFFICERS' LIABILITIES INSURANCE (D&O)

General Oceans has not established any Directors and Officers' Liabilities Insurance.

COVID-19

COVID-19 has impacted General Oceans in different ways, some of which are described below.

The Health and Safety of our employees, customers, and partners has and will remain our primary concern. This continues to be our focus as we manage the situation on an ongoing basis. The company has implemented contingency plans so daily operations could continue without significant interruptions. We follow all local and national health policies as we go about servicing our customers in all regions where we operate, as mandated by the relevant authorities and laws in each territory.

Negative impact of COVID-19 has been experienced by the Group, as customers delayed purchase decisions based on delays to projects and/or temporary close-down of some operations. This has led to some, but not too significant a reduction of our planned growth. The global supply chain bottlenecks for raw materials and industrial components pose a potential negative effect on our production and delivery, but we have so far been able to handle this situation without significant delays to our customers.

OUTLOOK

The purpose of forming the General Oceans Group is to provide the owners of dynamic and profitable companies operating within the ocean technology segment an opportunity to join forces, by giving access to a broader technological base, a stronger customer base and the ability to draw on the knowledge of the other members of the Group. Most business decisions are still taken locally, and the identity of each firm and their entrepreneurial spirit is well preserved.

The markets served by the General Oceans Group of companies are growing, and the Group is well positioned in an environment with increased focus on scientific studies, renewable energy developments within wind, waves, and tides, as well as in increased focus on naval defence. The products and solutions delivered today can be further developed and marketed – both with the purpose of expanding within the current customer segments and the use of our products and solutions to new and untapped markets both geographically and to new customer groups.

We work to enhance the growth of our current businesses through intra-group cooperation to reach new markets and customers at a faster speed than each company would have managed as a stand-alone entity. At the same time, we will look for other interesting candidates to join our group of successful entrepreneurs.

We see ongoing challenges related to the supply chain for components and raw materials which will affect the ability of subcontractors to deliver according to plan. We do however strive to maintain an adequate stock of supplies in order to reduce the risk of short-term interruptions to production. A strong balance sheet and good liquidity position means we are well positioned to weather the headwinds of this period of uncertainty.

General Oceans is working towards a goal of listing the company in the future, by creating access to additional equity capital as well as liquidity opportunities for current shareholders. A situation with listed shares gives additional opportunities both when it comes to acquiring or integrating with other interesting companies as well as solidifying relations with key employees through equity ownership.



EVENTS AFTER THE BALANCE SHEET DATE

Effective from 1 January 2022, General Oceans has acquired Australian company, Blueprint Lab – which develops, manufactures, and sells all-electric underwater robotic arms. The acquisition was financed by issuing 111,049 new shares in General Oceans AS. The former shareholders of Blueprint Lab currently hold approximately 8% of shares in General Oceans AS.

The violent conflict in Ukraine has created uncertainty in the world economy, and restrictions related to sale of products to Russia and Ukraine. The short-term effect for General Oceans is not expected to be material and the long-term effect could be positive as defence, offshore wind and offshore oil, and gas-related expenditures are expected to increase.


There have not been any other significant events after the date of the balance sheet.


ALLOCATION OF NET RESULT OF THE YEAR

General Oceans AS generated a net profit of NOK 502,000 after tax. The Board proposes the following allocation of the results for General Oceans AS for the year:

Transferred to other equity NOK 502,000.

Rud, 7 April 2022
General Oceans AS Board


ATLE LOHRMANN
Chairman


FINNIVAR MARLUM
Board Member


JESSE RODDØCKER
Board Member



CONSOLIDATED STATEMENT OF INCOME
GENERAL OCEANS GROUP

	NOTE	2021	2020
NOK 1,000			
Sales revenues	17	334,384	279,976
Other operating revenues		29,345	34,068
TOTAL REVENUES		363,728	314,044
Raw materials and change in inventories	8	-101,228	-76,898
Employee benefits	1	-127,423	-117,809
Depreciation and amortisation	4,5	-10,481	-7,312
Other operating expenses	1,2	-50,564	-41,729
TOTAL OPERATING EXPENSES		-289,695	-243,748
OPERATING PROFITS		74,033	70,297
Financial income	3	9,784	13,796
Financial expense	3	-10,781	-25,664
NET FINANCIAL ITEMS		-997	-11,868
PROFIT BEFORE TAX		73,036	58,429
Income tax expense	11	-16,061	-10,734
NET PROFIT		56,975	47,695
Minority interests		0	613
NET PROFIT		56,975	47,082

BALANCE SHEET
GENERAL OCEANS GROUP

(Year Ended 31 December 2021)

	NOTE	2021	2020
NOK 1,000			
ASSETS			
INTANGIBLE FIXED ASSETS			
Concessions and licenses	4	2,544	67
Goodwill	4	169,439	0
Deferred tax assets	11	1,581	373
TOTAL INTANGIBLE FIXED ASSETS		173,564	439
TANGIBLE FIXED ASSETS			
Machinery and plant	5	18,727	15,601
Fixtures and fittings, tools etc.	5	6,661	4,132
TOTAL TANGIBLE FIXED ASSETS		25,389	19,733
Investments in subsidiaries and associates	6	110	14
Other long-term assets		12,080	12,080
TOTAL FINANCIAL FIXED ASSETS		12,490	12,094
TOTAL FIXED ASSETS		211,442	32,266
CURRENT ASSETS			
Inventories	8	64,210	52,375
TOTAL INVENTORIES		64,210	52,375
Trade receivables	9	60,285	37,623
Other receivables	14	10,338	8,247
TOTAL RECEIVABLES		70,623	45,870
Other financial instruments		0	60
TOTAL INVESTMENTS		0	60
Cash and cash equivalents	10	84,783	117,464
CASH AND CASH EQUIVALENTS		84,783	117,464
TOTAL CURRENT ASSETS		219,616	215,769
TOTAL ASSETS		431,058	248,035



BALANCE SHEET
GENERAL OCEANS GROUP

(Year Ended 31 December 2021)

	NOTE	2021	2020
NOK 1,000			
EQUITY AND LIABILITIES			
EQUITY			
Share capital	12, 13	255	107
Own shares	12, 13	0	-4
Share premium	13	272,015	5,389
Other paid-in capital	13	0	11,220
TOTAL CONTRIBUTED EQUITY		272,271	16,712
Retained earnings	13	30,629	112,160
TOTAL RETAINED EARNINGS		30,629	112,160
Minority interest		0	2,523
TOTAL EQUITY		302,900	131,395
LIABILITIES			
NON-CURRENT LIABILITIES			
Long-term debt	15	40,931	365
TOTAL LONG-TERM LIABILITIES		40,931	365
CURRENT LIABILITIES			
Accounts payable		43,209	21,643
Payable tax	11	12,872	7,633
Public dues payable		13,331	12,323
Proposed dividends		0	60,000
Other current liabilities		17,816	14,676
TOTAL CURRENT LIABILITIES		87,227	116,275
TOTAL LIABILITIES		128,159	116,640
TOTAL EQUITY AND LIABILITIES		431,058	248,035

Rud, 7 April 2022
General Oceans AS Board

ATLE LOHRMANN
Chairman

JESSE RODDICKER
Board Member

STATEMENT OF CASH FLOWS
GENERAL OCEANS AS

	2021	2020
NOK 1,000		
CASH FLOW FROM OPERATIONAL ACTIVITIES		
Profit before tax	73,036	58,429
Taxes paid	-7,633	-9,090
Depreciation and amortisation	10,481	7,312
Net gain sale of non-current assets	-320	-2,028
Increase/(Decrease) in inventory	-11,835	-7,388
Increase/(Decrease) in trade receivables	-22,662	6,918
Increase/(Decrease) in trade payables	21,486	3,715
Increase/(Decrease) in other current assets and liabilities	-1,185	-2,582
Value adjustments financial instruments	129	632
NET CASH FLOW FROM OPERATIONAL ACTIVITIES	61,497	55,919
CASH FLOW FROM INVESTMENT ACTIVITIES		
Payments for non-current assets sold	927	1,262
Investments in machinery and equipment	-15,764	-11,162
Capitalised goodwill	-172,897	-
Net payments from other long-term assets	-1,541	36,118
NET CASH FLOW FROM INVESTMENT ACTIVITIES	-189,274	26,218
CASHFLOW FROM FINANCING ACTIVITIES		
Proceeds from borrowings	40,566	-
Payments long-term debt	-	-49
Demerger/merger effects	149,428	-2,776
Minority shares	4,354	-
Reconciliation differences	-4,138	-
Dividends paid	-95,115	-35,000
NET CASH FLOW FROM FINANCING ACTIVITIES	95,096	-37,825
Net change in cash and cash equivalents	-32,681	44,312
Cash and cash equivalents per 01.01.	117,464	73,152
CASH AND CASH EQUIVALENTS PER 31.12.	84,783	117,464



STATEMENT OF INCOME

GENERAL OCEANS AS (Year Ended 31 December 2021)

NOK 1,000	NOTE	2021
Sales revenues		0
Other operating revenues		0
TOTAL REVENUES		0
Raw materials and change in inventories		0
Employee benefits		0
Depreciation and amortisation		0
Other operating expenses	1	-835
TOTAL OPERATING EXPENSES		-835
OPERATING PROFITS		-835
Group contribution		645
Financial income	3	1,507
Financial expense	3	-673
NET FINANCIAL ITEMS		1,478
PROFIT BEFORE TAX		643
Income tax expense		-142
NET PROFIT		502
Allocated to:		
Dividends		35,115
To/from other equity		-34,613
TOTAL ALLOCATIONS		502

STATEMENT OF FINANCIAL POSITION

GENERAL OCEANS AS (Year Ended 31 December 2021)

NOK 1,000	NOTE	2021
ASSETS		
NON-CURRENT ASSETS		
Deferred tax assets	11	282
Investments in subsidiaries and associates	6	187,687
TOTAL NON-CURRENT ASSETS		187,969
CURRENT ASSETS		
Intra group receivables	7, 18	73,915
Other receivables		128
Cash and cash equivalents		3,719
TOTAL CURRENT ASSETS		77,762
TOTAL ASSETS		265,730
EQUITY AND LIABILITIES		
EQUITY		
Share capital	12, 13	255
Share premium	13	259,746
Retained earnings	13	-34,652
TOTAL EQUITY		225,350
LIABILITIES		
Long-term debt	15	40,246
TOTAL LONG-TERM LIABILITIES		40,246
CURRENT LIABILITIES		
Trade payables		35
Other current liabilities		100
TOTAL CURRENT LIABILITIES		135
TOTAL LIABILITIES		40,381
TOTAL EQUITY AND LIABILITIES		265,730

Rud, 7 April 2022
General Oceans AS Board

ATLE OHRIMANN
Chairman

PER NARMANN
Board Member

JESSE RODOCKER
Board Member



STATEMENT OF CASH FLOWS GENERAL OCEANS AS

	2021
NOK 1.000	
CASH FLOW FROM OPERATIONAL ACTIVITIES	
Profit before tax	643
Taxes paid	-
Depreciation and amortisation	-
Net gain sale of non-current assets	-
Increase/(Decrease) in inventory	-
Increase/(Decrease) in trade receivables	-
Increase/(Decrease) in trade payables	35
Increase/(Decrease) in other current assets and liabilities	-74,121
Value adjustments financial instruments	-
NET CASH FLOW FROM OPERATIONAL ACTIVITIES	-73,442
CASH FLOW FROM INVESTMENT ACTIVITIES	
Payments for non-current assets sold	-
Investments in non-current assets	-
Net payments from intragroup receivables/liabilities	-
Net payments to/from other long-term assets	-187,687
NET CASH FLOW FROM INVESTMENT ACTIVITIES	-187,687
CASHFLOW FROM FINANCING ACTIVITIES	
Proceeds from borrowings	40,000
New equity	189,733
Dividends paid	35,115
NET CASH FLOW FROM FINANCING ACTIVITIES	264,848
Net change in cash and cash equivalents	3,719
Cash and cash equivalents per 01.01.	-
CASH AND CASH EQUIVALENTS PER 31.12.	3,719



SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared on a historical cost basis, and in accordance with The Norwegian accounting law and in line with Norwegian Generally Accepted Accounting Policies (Norwegian GAAP).

Annual accounts from non-Norwegian subsidiaries have been prepared in accordance with local GAAP but have been adjusted as deemed required to reflect the Norwegian GAAP used for Group purpose. The principal accounting policies adopted in the preparation of the financial statements are set out below. The policies have been applied consistently, unless otherwise stated.

The financial statements have been prepared on a going concern basis.

GENERAL INFORMATION

General Oceans AS was incorporated on 7 April 2021, as a subsidiary of Nortek AS. General Oceans AS was then through a process of a demerger of Nortek AS and a subsequent group merger of Nortek AS with General Oceans AS, where Nortek AS continues as a subsidiary. General Oceans was then the Group's holding company, but all operational activity was conducted within Nortek AS and its subsidiaries. Strategic Robot Systems Inc (SRS) was acquired by General Oceans AS on 21 October 2021.

The Group accounts for 2021 reflect the full year's operations for The General Oceans holding company, the full year of operation for the Nortek group of companies and SRS as from 21 October 2021. The comparable figures for 2020 reflects the Nortek Group.

ACQUISITION OF STRATEGIC ROBOT SYSTEMS INC (SRS) – PRO FORMA REVENUES

SRS was acquired and has been consolidated in the Group accounts as from 21 October 2021. Had SRS been acquired effective 1 January 2020, the total revenues of the Group would have been as shown below:

	2021	2020
NOK 1,000		
Total revenues as shown	363,728	314,044
Total revenues proforma including SRS in full	428,129	395,319

FOREIGN CURRENCY TRANSLATION

The financial statements of the company are presented in Norwegian Kroner (NOK), which is the functional currency of the Group. Each legal unit have their own functional currency. All transactions and balances foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

Subsidiaries that operate with other functional currencies than NOK are, when consolidated into the Group measured against the average exchange rate for the period for Profit & Loss items and the Balance Sheet items are translated using the prevailing exchange rate at the end of the period. Exchange rate differences due to the difference between the average rate and the end of period rate are recorded directly towards the Group equity as specified in the Equity note.

All other foreign exchange gains and losses are presented in the income statement within 'Other (losses)/gains – net'.

SHARES & INTERESTS IN OTHER COMPANIES

Shares in subsidiaries and associated companies are valued at Cost in the accounts of the parent company. Subsidiaries are consolidated in the Group accounts and associated companies are consolidated using the equity method in the Group accounts.

Other shares and interests in other Companies are valued at cost or observed market value if relevant.

PROPERTY, PLANT, & EQUIPMENT

Tangible fixed assets primary consists of machinery and equipment. Tangible fixed assets are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. They are reflected in the balance sheet and depreciated to residual value over the asset's expected useful life on a straight-line basis. Direct maintenance of an asset is expensed under operating expenses as and when it is incurred. Additions or improvements are added to the asset's cost price and depreciated together with the asset. Fixed assets related to acquired subsidiaries are included based on the value attributed to the relevant assets at time of acquiring the subsidiary.

INTANGIBLE ASSETS

Research & Development/Research expenditure are expensed as incurred.

Minor start-up costs in subsidiaries are activated and expensed as depreciation over a 5-year period.

Cost related to acquired patents and goodwill arising from acquiring of other companies or businesses are activated and depreciated. An impairment test of the value of activated intangible assets is performed at least annually in order to determine any requirements for write downs.

TRADE RECEIVABLES

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within a short period of time and therefore, are all classified as current. The company holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at nominal value less provisions for expected credit losses, if any. Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the company, and a failure to make contractual payments for a significant period when the receivables are past due. Impairment losses on trade receivables are presented as net impairment losses within operating profit.



Subsequent recoveries of amounts previously written off are credited against the same line item.

Trade receivables in foreign currency are at the balance sheet date measured by using the exchange rate at the balance sheet date.

INVENTORY

Inventory comprises purchased raw materials, work in progress and finished goods. It is stated at the lower of acquisition cost and net realisable value. Cost is determined using the First in first out method. Acquisition costs for work in progress are direct material costs and direct payroll expenses.

CASH & CASH EQUIVALENTS

In the statement of cash flows, cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and positive balances in bank overdraft accounts. In the balance sheet, bank overdrafts are shown within borrowings in current liabilities.

SHARE CAPITAL

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Where the company purchase the company's own equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the company's equity holders until the shares are cancelled or reissued. Where such ordinary shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the company's equity holders.

TRADE PAYABLES

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as noncurrent liabilities. Trade payables are recognised initially at fair value and subsequently measured at the balance sheet date exchange rates.

BORROWINGS

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the straight-line method.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

BORROWING COSTS

Borrowing costs are recognised in profit or loss in the period in which they are incurred.

CURRENT & DEFERRED INCOME TAX

The tax expense for the period comprises current and deferred tax.

The current income tax charge is calculated based on the tax laws enacted or substantively enacted at the balance sheet date. The company establishes provisions on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised, or the deferred income tax liability is settled.

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

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities.

EMPLOYEE BENEFITS

PENSION PLAN

The Group has a defined contribution pension plan as required or customary in the countries that they operate. The pension plans apply to all employees eligible for the pension plans. For defined contribution plans, contributions are paid to pension insurance plans and charged to the income statement in the period to which the contributions relate. A defined contribution plan is a pension plan under which the Group or company pays fixed contributions into a separate entity. The Group or company has no legal or constructive obligations to pay any further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

PROFIT-SHARING & BONUS PLANS

The Group has various bonus or profit-sharing plans based on each company or legal unit. The liabilities and expenses related to bonuses and profit-sharing are recognised in the period they relate to.

SHARE-BASED PAYMENTS

The Group had not established any share-based incentive plans by year end 2021.

GOVERNMENT GRANTS

Government grants including non-monetary grants at fair value, will only be recognised when there is reasonable assurance that the company will comply with the conditions attaching to them, and the



grants will be received. The grants are recognised as cost reductions in the profit and loss statement and as other income if the grant has an element of payment for services to the project.

REVENUE RECOGNITION

The allocation of revenue is based on the stand-alone selling price for each separate performance obligation in the contract with the customer, and the revenue is recognised when the service/good is delivered. The company develop, manufactures, and sells various technical devices and supporting services to customers on a global scale.

Sale of goods and services: Income from sale of goods and services are recognised at fair value of the consideration, net after deduction of VAT, returns, discounts and reductions.

Sales of goods are taken to income when the company has delivered its products to the customer and there are no unsatisfied commitments which may influence the customer's acceptance of the product. Sales of services are taken to income when the service is rendered.

Delivery is not completed until the products have been sent to the agreed place, and control of the products have been accepted by and transferred to the customer. Contractual data is applied to estimate and recognise provisions for discounts and rebates at the sales date and historical data is applied to estimate and recognise any provisions for returns.

NOTE 1 – EMPLOYEE BENEFITS & AUDITORS REMUNERATION

GENERAL OCEANS AS

Fees paid for audit and other tax related services amounted to NOK 0.4 million.

GENERAL OCEANS GROUP

SPECIFICATION OF EMPLOYEE EXPENSES	2021	2020
Salaries	96,153	91,218
Social security	14,231	12,617
Pension expense	3,162	2,868
Other payroll expenses	13,876	11,105
TOTAL	127,423	117,809
Average number of full time employees	134	125

PAYMENTS & BENEFITS IN KIND FOR TOP MANAGEMENT

General Oceans was established in 2021, and employee contracts were established on 1 January 2022.

Board members are all employed by companies within the Group. Their salaries consist of the salaries they receive in their positions as CEOs of Group companies and no additional remuneration is due based on their Board membership.

PENSIONS

The different Group companies have defined contribution pension plans that is required or customary in the locations where they operate.

AUDITORS REMUNERATION

The table below summarises audit fees, as well as fees for audit related services, tax services, and other services incurred by the Group during 2021.

AUDITOR REMUNERATION	2021
Statutory audit	969
Other services	257
TOTAL	1,226

NOTE 2 – RESEARCH & DEVELOPMENT (R&D)

The Group performs R&D of products and services integrated with the regular operation of the Group. Cost associated with their activity amounted to NOK 9.9 million in 2021. NOK 2.1 million have been financed through public grants.

Cost associated with R&D are expensed when occurred.

NOTE 3 – FOREIGN EXCHANGE GAIN & LOSSES

A significant portion of the Group sales are determined in a currency that differ from the functional currency of each unit. The different Group companies enter into foreign exchange contracts in order to partially neutralise the effect of foreign exchange movements.

Realised gains or losses related to receivable, suppliers, other debt, and financial instruments are recorded when realised. Unrealised losses related to the same items are expensed base on a valuation by the end of each period and unrealised gains on such items are only recorded up to a maximum of the previously expensed loss.

Unrealised gains amounted to TNOK 8,114 by year end 2021 (TNOK 12,886 by year end 2020). Portfolio serves as hedging of currency cashflow in 2022 and 2023.



NOTE 4 – INTANGIBLE ASSETS

GENERAL OCEANS GROUP

	PATENTS, LICENSES, ETC	GOODWILL	TOTAL
Acquisition cost 1.1.2021	3,204	119	3,322
Investments	2,604	172,897	175,501
Divestment	-2,938	-	-2,938
ACQUISITION COST 31.12.2021	2,870	173,015	175,885
NET BOOK VALUE 31.12.2021	2,544	169,439	171,983
This year's depreciation	138	3,458	3,596
This year's write downs	-	-	-
Depreciation rates	5-20%	5-33%	-

NOTE 5 – MACHINERY, PLANT & EQUIPMENT

GENERAL OCEANS GROUP

	MACHINERY, PLANT AND EQUIPMENT	TOTAL
Acquisition cost 1.1.2021	51,529	51,529
Investments	13,160	13,160
Divestment	-	-
ACQUISITION COST 31.12.2021	61,469	61,469
NET BOOK VALUE 31.12.2021	25,389	25,389
This year's depreciation	6,885	6,885



NOTE 6 – INVESTMENTS IN ASSOCIATED COMPANIES

GENERAL OCEANS AS

COMPANY NAME	LOCATION	OWNERSHIP/ SHARE	BOOK VALUE	NET PROFIT	EQUITY
		31.12.2021	31.12.2021	2021	31.12.2021
Strategic Robotic Systems Inc	Seattle	100 %	187,626	12,685	25,287
Nortek AS	Oslo	100 %	61	47,401	47,436
TOTAL			187,687	60,086	72,723

OWNED BY NORTEK AS

COMPANY NAME	LOCATION	OWNERSHIP/ SHARE	BOOK VALUE	NET PROFIT	EQUITY
		31.12.2021	31.12.2021	2021	31.12.2021
Nortek Oceanografiske Instrumenten en Dienststen B.V.	Amsterdam	100 %	7,882	1,262	6,170
Nortek Instruments Ltd	Southampton	100 %	1,765	1,703	7,187
Nortek Qingdao Measuring Equipment Co Ltd	Qingdao	100 %	2,606	1,991	14,201
SAS Nortek Méditerranée	Toulon	100 %	8,411	3,640	15,535
Nortek Brasil Representações, Consultoria	Rio de Janeiro	99 %	1,114	-33	391
Nortek Japan G.K.	Tokyo	100 %	761	625	722
Nortek USA Inc.	Boston	100 %	7	1,239	5,749
Nortek Australia Pty Ltd.	Melbourne	100 %	6	549	1,138
TOTAL			22,551	10,976	51,093

ASSOCIATED COMPANIES

COMPANY NAME	OWNER	OWNERSHIP/ SHARE	BOOK VALUE	NET PROFIT	EQUITY
		31.12.2021	31.12.2021	2021	31.12.2021
Hefring LLC	Nortek USA	25,00 %	110	-4,552	439
TOTAL			110	-4,552	439

Hefring Engineering LLC, a company controlled by Aile Lohrmann and family and Nortek USA Inc., started in 2019 a development project where the Group through Nortek USA Inc., delivered development services. Nortek USA's ownership share in Hefring Engineering LLC was reduced from 45% to 25% in September 2020. The associated company has been consolidated in the Group accounts using the equity method.

NOTE 7 – INTRA GROUP RECEIVABLES

GENERAL OCEANS AS

SUBSIDIARY	31.12.2021
Nortek AS	73,915
TOTAL	73,915



NOTE 8 – INVENTORY

Inventory consists of purchased components and products in production as well as finished products.

NOTE 9 – TRADE & OTHER RECEIVABLES

Trade receivables are all short-term receivables. There has not been realised any loss on receivables in 2021. Trade receivable accruals has been increased by NOK 150,000 as per end 2021.

NOTE 10 – CASH & CASH EQUIVALENTS

Group bank deposits at 31 December 2021 included restricted deposits of NOK 7,312,874, mainly as security for employee tax withholding. Withhold employee taxes amounted to NOK 6,969,959 at the same time.

NOTE 11 – INCOME TAX & TEMPORARY DIFFERENCES

GENERAL OCEAN'S AS

The income tax expense is calculated using the domestic tax rate. The tax rate is 22% in Norway in 2021 (22% in 2020).

Deferred tax/deferred tax asset in the balance sheet is based on differences between accounting values and taxable values in accordance with Norwegian GAAP. Deferred tax related to positive and negative temporary differences that can be offset are presented net.

TEMPORARY DIFFERENCES RELATED TO:	01.01.2021	31.12.2021	CHANGE
Property plant and equipment	-	-	-
Receivables and liability in foreign currency	-1,925	-1,282	-643
Current assets	-	-	-
TOTAL TEMPORARY DIFFERENCES	-1,925	-1,282	-643
DEFERRED TAX BASED ON 22% TAX RATE	-424	-282	-142

BASIS FOR TAX EXPENSES

	2021	2020
Ordinary profit before tax	643	-
+/- Permanent differences	-	-
+/- Change in temporary differences	-643	-
TAXABLE INCOME	0	-
Taxes payable based on 22% tax rate	0	-
TOTAL	0	-
+/- Adjustment of prior years tax accruals	-	-
+/- Change in deferred tax	142	-
THIS YEAR'S TAX EXPENSES	142	-
CURRENT PAYABLE TAX	-	-

GENERAL OCEAN'S GROUP

TEMPORARY DIFFERENCES RELATED TO:	01.01.2021	31.12.2021	CHANGE
Non-current assets	-789	620	-1,409
Current assets	-966	-1,404	438
Other differences	0	-6,217	6,217
NET DIFFERENCES	-1,755	-7,001	5,245
DEFERRED TAX/DEFERRED TAX ASSET	-373	-1,581	-1,208

This year's tax expense and specification of the difference between profit before taxes and the tax base.

	2021	2020
Profit before tax	73,036	58,429
+/- Permanent differences	-5,170	-6,152
+/- Temporary differences	5,245	1,176
TAXABLE RESULT	73,110	53,453
Taxes payable	17,269	10,962
+/- Change in deferred tax	-1,208	-227
THIS YEAR'S TAX EXPENSES	16,061	10,734
CURRENT TAXES PAYABLE	12,872	7,633

NOTE 12 – SHARE CAPITAL & SHAREHOLDERS

The share capital by year end 2021 amounted to NOK 255,406, divided by 1,277,061 shares each with a nominal value of NOK 0,20 per share. All shares have equal rights to dividends and equal voting rights.

Target shareholders by year-ending 31 December 2021.

	2021	2020
Atle Lohrman, CEO	870,000 shares	68.1 %
Jessie Rodlocker	90,177 shares	7.1 %
Loco Holding AS	60,000 shares	4.7 %
Hungry Horse AS	50,000 shares	3.9 %
S. Nylund Holding	40,000 shares	3.1 %
Others	166,884 shares	13.1 %
TOTAL	1,277,061	100.0 %



NOTE 13 - CHANGE IN EQUITY

GENERAL OCEANS AS

	SHARE CAPITAL	SHARE PREMIUM	RETAINED EARNINGS	TOTAL EQUITY
Opening balance	104	0		104
Demerger	104	110,358	-39	110,424
Capital increase	47	149,388		149,435
This year's profit			502	502
Paid dividend			-35,115	-35,115
EQUITY 31.12.2021	255	259,746	-34,652	225,350

	SHARE CAPITAL	OWN SHARES	OTHER PAID IN CAPITAL	SHARE PREMIUM	RETAINED EARNINGS	SUB TOTAL	NON CONTROLLING INTERESTS	TOTAL EQUITY
Incorporation	107	-4	11,220	5,389	112,160	128,872	2,523	131,395
This year's profit					56,975	56,975		56,975
Purchase minority shares	-3	4		6,876		6,877	-2,523	4,354
Currency translation adjustment					-4,138	-4,138		-4,138
Merger and demerger	151		-11,220	110,362	-99,254	149,388		40
Capital increase				149,388		149,388		149,388
Paid dividend					-35,115	-35,115		-35,115
CLOSING BALANCE 31.12	255	0	0	272,015	30,628	302,900	0	302,900

GENERAL OCEANS GROUP

CONTINENT	2021	2020
Europe	122,805	121,187
Asia	91,855	100,148
North America	113,322	64,536
South America	11,426	11,416
Oceania	13,166	14,475
Africa	11,154	2,283
TOTAL REVENUE	363,728	314,044

NOTE 16 - CASH FLOW ANALYSIS

Exchange differences due to movements in foreign exchange rates has in the Cash flow analysis been included in the line "Changes in other current assets and liabilities".

NOTE 17 - SEGMENT INFORMATION

The Group does not have defined business segments as the products and services delivered from the different companies complement each other and partly are sold in combination to customers.

The Group does not split sales, profits or balance sheet by product or services as the operation of the different units are in a process of integration. Revenues are however split geographically as shown below.

NOTE 14 - GUARANTEES & MORTGAGES

The following Group assets was pledged as collateral for foreign exchange contracts at 31.12.2021:

GUARANTEE/MORTGAGE	AMOUNT	BOOK VALUE
Inventories	50,000	43,317
Receivables	50,000	34,123
Tangible assets	50,000	14,842
		31.12.2021

NOTE 15 - LONG-TERM DEBT

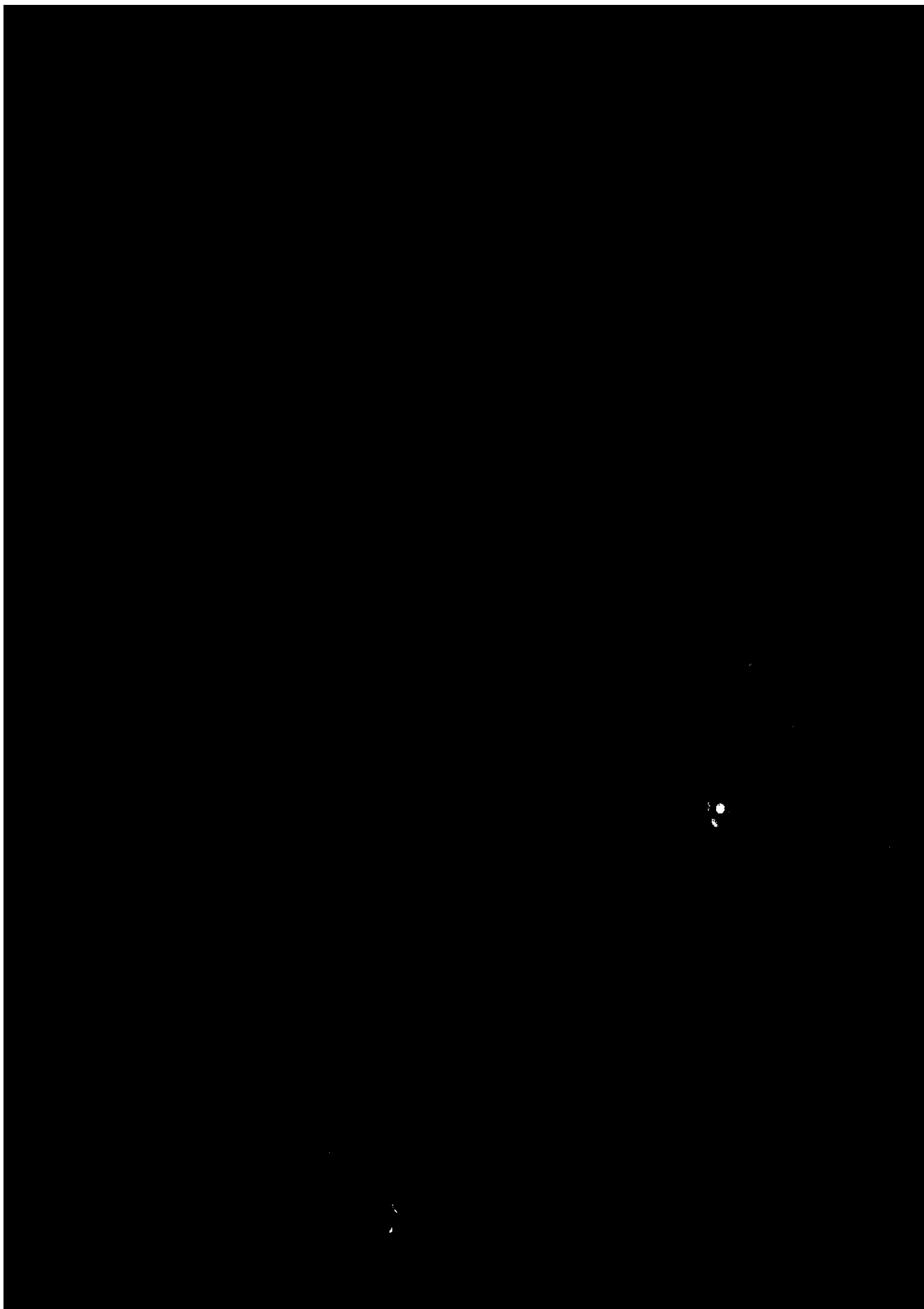
General Oceans AS has a revolving credit facility (RFC). The facility has a credit limit of NOK 50 million. General Oceans AS had drawn NOK 40 million on the RFC on 31 December 2021. The RFC is priced at 3M IBOR + 2.25 per cent margin p.a. The maturity date for the RFC is 30 June 2023, and consequently the facility has been classified as a non-current liability.

The Group has in addition an overdraft facility of NOK 10 million (Nortek AS), priced at NIBOR + 1.75 per cent margin p.a. The facility has not been drawn upon in 2021.

NOTE 18 - RELATED PARTY DISCLOSURE

INCOME STATEMENT	BUYING COMPANY	SELLING COMPANY	AMOUNT
Sales revenues	Nortek AS	Subsidiaries	120,266
Cost of goods sold	Subsidiaries	Nortek AS	550
Employee benefits	Subsidiaries	Nortek AS	4,510
Other operating expenses	Ocean Illumination (CA)	Nortek AS	642
Interest income	Nortek AS	Subsidiaries	79
Other interest income	Nortek AS	Hungry Horse AS	175
Group contribution	General Oceans AS	Nortek AS	645

BALANCE SHEET	CREDITOR	DEBTOR	AMOUNT
Loans to subsidiaries	Nortek AS	Subsidiaries	1,787
Other long-term assets	Nortek AS	Hungry Horse AS	11,690
Trade receivables	Nortek AS	Subsidiaries	12,526
Other receivables	Nortek AS	Nortek USA Inc.	3,528
Long-term receivables	General Oceans AS	Nortek AS	73,915





AUDITOR'S REPORT



Independent Auditor's Report
To the General Meeting in General Oceans AS

Opinion

We have audited the financial statements of General Oceans AS.

The financial statements comprise:

- The financial statements of the parent company, which comprise the balance sheet as at 31 December 2021, the income statement and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- The financial statements of the group, which comprise the balance sheet as at 31 December 2021, the income statement and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion:

- The financial statements comply with applicable statutory requirements.
- The accompanying financial statements give a true and fair view of the financial position of the company as at 31 December 2021, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.
- The accompanying financial statements give a true and fair view of the financial position of the group as at 31 December 2021, 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 International Standards on Auditing (ISAs). Our responsibilities under these standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are Independent of the Company and the Group as required by laws and regulations and International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 financial statements that give a true and fair view 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 and Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations.

Auditor's Responsibilities for the Audit of the Financial Statements

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

For further description of Auditor's Responsibilities for the Audit of the Financial Statements reference is made to:

<https://revisorsforeningen.no/revisjonsberetninger>

BDO AS

Norunn Byrjelleland
State Authorised Public Accountant
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