



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2020 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer: 911 400 332
Organisasjonsform: Aksjeselskap
Foretaksnavn: OCEANEERING ROTATOR AS
Forretningsadresse: Hagen 20
4645 NODELAND

Regnskapsår

Årsregnskapets periode: 01.01.2020 - 31.12.2020

Konsern

Morselskap i konsern: Nei

Regnskapsregler

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

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Arnstein Flå
Dato for fastsettelse av årsregnskapet: 29.06.2021

Grunnlag for avgivelse

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

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

Brønnøysundregistrene, 01.09.2022



Resultatregnskap

| Beløp i: NOK | Note | 2020 | 2019 |
|--|--------|--------------------|--------------------|
| RESULTATREGNSKAP | | | |
| Inntekter | | | |
| Salgsinntekter | 13, 18 | 305 115 772 | 325 370 221 |
| Sum inntekter | | 305 115 772 | 325 370 221 |
| Kostnader | | | |
| Varekostnader | 18 | 113 983 467 | 132 372 785 |
| Lønnskostnader | 10, 18 | 96 085 238 | 96 143 407 |
| Avskrivninger | 6, 10 | 6 869 433 | 6 223 128 |
| Andre driftskostnader | 16, 18 | 11 865 404 | 5 765 171 |
| Sum kostnader | | 228 803 542 | 240 504 491 |
| Driftsresultat | | 76 312 230 | 84 865 730 |
| Finansinntekter og finanskostnader | | | |
| Renteinntekt fra foretak i samme konsern | 18 | 2 026 486 | 6 928 133 |
| Andre finansinntekter | 18 | 1 069 668 | 17 568 |
| Sum finansinntekter | | 3 096 154 | 6 945 701 |
| Andre finanskostnader | 18 | 803 370 | 1 272 114 |
| Sum finanskostnader | | 803 370 | 1 272 114 |
| Netto finans | | 2 292 784 | 5 673 587 |
| Ordinært resultat før skattekostnad | | 78 605 014 | 90 539 317 |
| Skattekostnad på ordinært resultat | 5 | 16 940 413 | 19 873 394 |
| Ordinært resultat etter skattekostnad | | 61 664 601 | 70 665 923 |
| Årsresultat | | 61 664 601 | 70 665 923 |
| Andre resultatkomponenter for IFRS-foretak | | 0 | 0 |
| Totalresultat | | 61 664 601 | 70 665 923 |
| Overføringer og disponeringer | | | |
| Avgitt konsernbidrag | 9 | 58 876 113 | 73 170 518 |
| Overført til/fra annen egenkapital | | -2 788 488 | 2 504 595 |



Resultatregnskap

| Beløp i: NOK | Note | 2020 | 2019 |
|-----------------------------------|-------------|-------------|-------------|
| Sum overføringer og disponeringer | | -61 664 601 | -70 665 923 |



Balanse

| Beløp i: NOK | Note | 2020 | 2019 |
|--|------|--------------------|--------------------|
| BALANSE - EIENDELER | | | |
| Anleggsmidler | | | |
| Immaterielle eiendeler | | | |
| Utsatt skattefordel | 5 | 6 367 210 | 6 701 540 |
| Sum immaterielle eiendeler | | 6 367 210 | 6 701 540 |
| Varige driftsmidler | | | |
| Tomter, bygninger og annen fast eiendom | 6 | 22 617 666 | 24 860 168 |
| Maskiner og anlegg | 6 | 19 896 232 | 23 458 163 |
| Sum varige driftsmidler | | 42 513 898 | 48 318 331 |
| Finansielle anleggsmidler | | | |
| Investering i annet foretak i samme konsern | 17 | 2 535 | 2 535 |
| Sum finansielle anleggsmidler | | 2 535 | 2 535 |
| Sum anleggsmidler | | 48 883 643 | 55 022 406 |
| Omløpsmidler | | | |
| Varer | | | |
| Varelager | 12 | 75 023 254 | 85 970 418 |
| Sum varer | | 75 023 254 | 85 970 418 |
| Fordringer | | | |
| Kundefordringer | 3 | 60 502 319 | 74 675 507 |
| Andre fordringer | 4 | 1 891 444 | 443 373 |
| Konsernfordringer | 4 | 367 534 193 | 353 555 205 |
| Sum fordringer | | 429 927 956 | 428 674 085 |
| Bankinnskudd, kontanter og lignende | | | |
| Bankinnskudd, kontanter og lignende | 2 | 4 629 739 | 4 628 542 |
| Sum bankinnskudd, kontanter og lignende | | 4 629 739 | 4 628 542 |
| Sum omløpsmidler | | 509 580 949 | 519 273 045 |
| SUM EIENDELER | | 558 464 592 | 574 295 451 |



Balanse

| Beløp i: NOK | Note | 2020 | 2019 |
|--|-------|--------------------|--------------------|
| BALANSE - EGENKAPITAL OG GJELD | | | |
| Egenkapital | | | |
| Innskutt egenkapital | | | |
| Aksjekapital | 9, 11 | 42 000 000 | 42 000 000 |
| Sum innskutt egenkapital | | 42 000 000 | 42 000 000 |
| Opptjent egenkapital | | | |
| Annen egenkapital | 9 | 317 444 235 | 314 655 747 |
| Sum opptjent egenkapital | | 317 444 235 | 314 655 747 |
| Sum egenkapital | | 359 444 235 | 356 655 747 |
| Gjeld | | | |
| Langsiktig gjeld | | | |
| Andre avsetninger for forpliktelser | 7 | 5 387 000 | 4 825 000 |
| Sum avsetninger for forpliktelser | | 5 387 000 | 4 825 000 |
| Annen langsiktig gjeld | | | |
| Sum langsiktig gjeld | | 5 387 000 | 4 825 000 |
| Kortsiktig gjeld | | | |
| Leverandørgjeld | | 14 756 459 | 16 467 420 |
| Betalbar skatt | 5 | 0 | 0 |
| Skyldige offentlige avgifter | 2 | 8 238 851 | 9 749 262 |
| Kortsiktig konserngjeld | 4 | 154 577 079 | 171 768 007 |
| Annen kortsiktig gjeld | 4 | 16 060 968 | 14 830 015 |
| Sum kortsiktig gjeld | | 193 633 357 | 212 814 704 |
| Sum gjeld | | 199 020 357 | 217 639 704 |
| SUM EGENKAPITAL OG GJELD | | 558 464 592 | 574 295 451 |



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Statsautoriserte revisorer
Ernst & Young AS

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Medlemmer av Den norske revisorforening

INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of Oceaneering Rotator AS

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Oceaneering Rotator AS, which comprise the balance sheet as at 31 December 2020, the income statement and statements of cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements have been prepared in accordance with laws and regulations and present fairly, in all material respects, the financial position of the Company as at 31 December 2020 and its financial performance and cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Basis for opinion

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

Other information

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

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

Responsibilities of management for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that



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

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

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

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

Report on other legal and regulatory requirements

Opinion on the Board of Directors' report

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

Independent auditor's report - Oceaneering Rotator AS

A member firm of Ernst & Young Global Limited

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Opinion on registration and documentation

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

Kristiansand, 29 June 2021
ERNST & YOUNG AS

The auditor's report is signed electronically

Espen Fyllingen
State Authorised Public Accountant (Norway)

Pemco document key: 33FND-VJEGK-BM8U-4202K-LB12M-GXSCU

Independent auditor's report - Oceaneering Rotator AS

A member firm of Ernst & Young Global Limited



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"By my signature I confirm all dates and content in this document."

Espen Fyllingen

Oppdragsansvarlig partner

Serial number: 9578-5999-4-2137889

IP: 88.88.xxx.xxx

2021-06-29 15:25:11Z



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Oceaneering Rotator AS

Annual report 2020

Board of directors' report

Annual accounts

- **Income statement**
- **Balance sheet**
- **Cash flow statement**
- **Notes**

Auditors' report



ANNUAL REPORT

OCEANEERING ROTATOR AS

BUSINESS YEAR 2020

GENERAL

The Company's products comprise hydraulic directional control valves, control valves for injection of chemicals, valve actuators and control systems and are sold to global oil and gas Companies and offshore contractors. All company shares are owned by Oceaneering AS, which is wholly owned by Oceaneering International Inc., USA via Oceaneering Holdings Sarl Luxembourg.

The Company operates from its owned facilities in Nodeland, Kristiansand municipality, Norway.

2020 was marked by a strong start due to several CTV project deliveries that moved out of 2019. From March, the rest of the year was impacted by the global Covid19 pandemic and an oil price collapse with partial recovery. While the Company managed to avoid any impact on its operations in 2020, the most visible impact was a continuous order book depletion throughout the year leading to a weak year-end backlog figure compared to the two previous years.

The Company's revenue decreased from NOK 325.4 million in 2019 to NOK 305.1 million in 2020. Result before taxes in 2020 was 78.6 NOK million (25.8%) compared to the previous year NOK 90.5 million (27.8%).

ANNUAL ACCOUNTS

In accordance with the Norwegian Accounting Act §3-3a, it is confirmed that the financial statements are prepared on the assumption of a going concern.

The Operating Results in 2020 was NOK 76,312,230. The Result after financial income and costs was NOK 78,605,014.

The net profit for the year was NOK 61,664,601. The following appropriations are proposed:

| | |
|----------------------------------|-----------------------|
| Group contribution | NOK 58,876,113 |
| Transferred to retained earnings | <u>NOK 2,788,488</u> |
| Total allocated | <u>NOK 61,664,601</u> |

The total equity following above described appropriations is NOK 359,444,235 (64.4%).

The cash flow from operational activities was positive in 2020. Most of the liquidity is transferred to the group. The liquidity situation per 31.12.2020 is considered satisfactory by



the board of directors. The company's financial risks are limited as most of the transactions were effectuated in Norwegian Kroner with solid customers, see note 14 in the annual accounting report.

The Board regards the income statement and balance sheet with associated notes as providing accurate information about the operations during the years and the company's position at the end of the year.

INVESTMENTS

A total of NOK 1.1 million was invested by the Company in 2020. Two machining centers and a Flexible manufacturing system with a value of 23 NOK million were ordered to replace older machines and introducing new technology for more efficient production. One robot welding system with a value of 1.5 NOK million was ordered to support further optimization of our manufacturing line.

PRODUCT DEVELOPMENT

The Company sustained its efforts on new products development in 2020. One new product line was qualified 2020. All product development is expensed and not considered as investments. The total expenses for development activities in 2020 were: 20.9 NOK million.

EMPLOYEES AND WORKING ENVIRONMENT

The Company has a fully integrated quality system according to ISO 9001:2015 and is certified by DNV GL. The Company also carries out and documents internal audits on its quality system.

The Company has an agreement and cooperates with a third-party occupational health organization.

The Board and the General Manager are of the opinion that the Company's operations involve negligible impact on the environment.

The total sick leave in 2020 was 3,0% compared to 3,2% in 2019. We did not experience any Day Away From Work due to Safety in 2020. Despite a higher absence rate in March due Covid-19 government-imposed precautionary principle and the Company's even more stringent rules, we managed to maintain a satisfactory average for the year.

The Board considered the Company's working environment as good.

FUTURE DEVELOPMENT



We still believe that a strong focus on new product developments is important to the future of the Company, so those efforts are expected to continue in 2021 and beyond. Activities will be carried out to identify opportunities in onshore and non- oil and gas markets. Further two new product lines will pass the design and qualification phases in 2021.

The Company will continue to identify and execute opportunities to digitalize, automate and improve all processes in order to sustain our competitive advantage.

The COVID-19 pandemic is expected to continue to create uncertainty for a large portion of 2021, despite the ongoing worldwide vaccination program. Projects sanctioning is expected to pick-up from the end of 2021 and beyond.

EQUALITY AND DIVERSITY

The Board is not aware that there are any circumstances which are contrary to the law on gender equality and discrimination. Oceaneering Rotator AS aims to provide a workplace where there is full gender equality and the company possesses an international corporate culture with employees from different ethnic and national backgrounds.

Oceaneering Rotator AS had 106 employees at year-end, of which 13 were female. Of the 10 individuals in managing positions, 2 were female. The company operates in an industry where men represent the majority of the workforce.

The Oceaneering Group has several global policies including the Equality and Dignity at Work policy, which provides guidelines for this work.

Nodeland, June 17th, 2021



Bjørn Helliesen
Chairman of the board



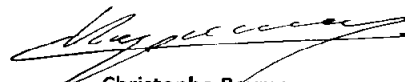
Erik H. Sæstad
Board member



Magne Liane
Board member



Kjetil Utsogn
Board member



Christophe Reymann
General Manager



Oceaneering Rotator AS

Income statement

| | Note | <u>2020</u> | <u>2019</u> |
|---|--------|--------------------------|--------------------------|
| Revenue | | | |
| Sales revenue | 13, 18 | <u>305 115 772</u> | <u>325 370 221</u> |
| Operating expenses | | | |
| Cost of goods sold | 18 | 113 983 467 | 132 372 785 |
| Payroll expenses | 10, 18 | 96 085 238 | 96 143 407 |
| Depreciation | 6 | 6 869 433 | 6 223 128 |
| | 10, | | |
| Other operating expenses | 16, 18 | 11 865 404 | 5 765 171 |
| Total operating expenses | | <u>228 803 542</u> | <u>240 504 491</u> |
| Operating result | | <u>76 312 230</u> | <u>84 865 730</u> |
| Financial income and expenses | | | |
| Interest income from group companies | 18 | 2 026 486 | 6 928 133 |
| Other financial income | 18 | 1 069 668 | 17 568 |
| Other financial expenses | 18 | 803 370 | 1 272 114 |
| Net financial items | | <u>2 292 784</u> | <u>5 673 587</u> |
| Ordinary result before tax | | <u>78 605 014</u> | <u>90 539 317</u> |
| Tax on ordinary result | 5 | <u>16 940 413</u> | <u>19 873 394</u> |
| Net profit or loss for the year | | <u>61 664 601</u> | <u>70 665 923</u> |
| Transferred to/from other equity | | | |
| Group contribution | 9 | 58 876 113 | 73 170 518 |
| Transferred to other equity | | 2 788 488 | -2 504 595 |
| Total Transferred to/from other equity | | <u>61 664 601</u> | <u>70 665 923</u> |



Oceaneering Rotator AS

Balance sheet as of December 31




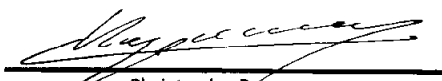
| | Note | <u>2020</u> | <u>2019</u> |
|---|------|--------------------|--------------------|
| Fixed assets | | | |
| <i>Intangible assets</i> | | | |
| Deferred tax asset | 5 | 6 367 210 | 6 701 540 |
| Total intangible assets | | <u>6 367 210</u> | <u>6 701 540</u> |
| <i>Tangible assets</i> | | | |
| Land, buildings and other real property | 6 | 22 617 666 | 24 860 168 |
| Machinery and plant | 6 | 19 896 232 | 23 458 163 |
| Total tangible assets | | <u>42 513 898</u> | <u>48 318 331</u> |
| <i>Financial assets</i> | | | |
| Investment in subsidiaries | 17 | 2 535 | 2 535 |
| Total financial assets | | <u>2 535</u> | <u>2 535</u> |
| Total fixed assets | | <u>48 883 643</u> | <u>55 022 406</u> |
| Current assets | | | |
| Inventories | 12 | <u>75 023 254</u> | <u>85 970 418</u> |
| <i>Receivables</i> | | | |
| Trade receivables | 3 | 60 502 319 | 74 675 507 |
| Other receivables | 4 | 369 425 637 | 353 998 578 |
| Total accounts receivable | | <u>429 927 956</u> | <u>428 674 085</u> |
| Cash and cash equivalents | 2 | <u>4 629 739</u> | <u>4 628 542</u> |
| Total current assets | | <u>509 580 949</u> | <u>519 273 045</u> |
| Total assets | | <u>558 464 592</u> | <u>574 295 451</u> |



Oceaneering Rotator AS

Balance sheet as of December 31

| | Note | <u>2020</u> | <u>2019</u> |
|------------------------------|-------|--------------------|--------------------|
| Equity | | | |
| <i>Paid-in capital</i> | | | |
| Share capital | 9, 11 | 42 000 000 | 42 000 000 |
| Total paid-in capital | | <u>42 000 000</u> | <u>42 000 000</u> |
| <i>Retained earnings</i> | | | |
| Other equity | 9 | 317 444 235 | 314 655 747 |
| Total retained earnings | | <u>317 444 235</u> | <u>314 655 747</u> |
| Total equity | | <u>359 444 235</u> | <u>356 655 747</u> |
| Liabilities | | | |
| <i>Provisions</i> | | | |
| Other provisions | 7 | 5 387 000 | 4 825 000 |
| Total provisions | | <u>5 387 000</u> | <u>4 825 000</u> |
| <i>Current liabilities</i> | | | |
| Trade creditors | | 14 756 459 | 16 467 420 |
| Tax payable | 5 | 0 | 0 |
| Public duties payable | 2 | 8 238 851 | 9 749 262 |
| Other short-term liabilities | 4 | 170 638 047 | 186 598 022 |
| Total current liabilities | | <u>193 633 357</u> | <u>212 814 704</u> |
| Total liabilities | | <u>199 020 357</u> | <u>217 639 704</u> |
| Total equity and liabilities | | <u>558 464 592</u> | <u>574 295 451</u> |

31. December 2020
Nodeland, 17. June 2021
Bjørn Helliesen
Chairman of the Board
Erik Hestnes Sæstad
Member of the Board
Magne Liane
Employee Representative
Kjetil Utsogn
Employee Representative
Christophe Reymann
General Manager



Oceaneering Rotator AS

Cash flow statement

| | <u>2020</u> | <u>2019</u> |
|--|--------------------|--------------------|
| Cash flow from operating activities | | |
| Profit/(loss) before tax | 78 605 014 | 90 539 317 |
| Taxes paid | 0 | 0 |
| Depreciation and amortization | 6 869 433 | 6 223 128 |
| Changes in inventories, trade receivables and trade payables | 23 409 391 | -49 626 391 |
| Changes in other current balance sheet items | -76 647 725 | -89 288 391 |
| Net cash flow from operating activities | <u>32 236 113</u> | <u>-42 152 337</u> |
| Cash flow from financing and investing activities | | |
| Purchase of tangible fixed assets | -1 065 000 | -8 834 275 |
| Investment in subsidiaries | 0 | -2 535 |
| Loan to group companies | -31 169 916 | 43 059 559 |
| Net cash flow from financing and investing activities | <u>-32 234 916</u> | <u>34 222 749</u> |
| Net change in cash and cash equivalents | 1 197 | -7 929 588 |
| Cash and cash equivalents at 01.01 | <u>4 628 542</u> | <u>12 558 130</u> |
| Cash and cash equivalents at 31.12 | <u>4 629 739</u> | <u>4 628 542</u> |



Oceaneering Rotator AS

Notes 2020

Note 1 - Accounting Principles

The annual report is prepared according to the Norwegian Accounting Act 1998 and generally accepted accounting principles.

Sales revenue

Revenue is recognized at the time of earning. For revenue from sale of service work, revenue is recognized at the time of delivery. For revenue from long-term manufacturing projects, revenue is recognized at the time of completion. For revenue from sale of goods, revenue is recognized at the time of delivery.

Balance sheet classification

Current assets and short term liabilities consist of receivables and payables due within one year, and items related to the inventory cycle. Other balance sheet items are classified as fixed assets / long term liabilities.

Current assets are valued at the lower of acquisition cost and fair value. Short term creditors are recognized at nominal value.

Fixed assets are valued by the cost of acquisition, in the case of non incidental reduction in value the asset will be written down to the fair value amount. Long term creditors are recognized at nominal value.

Trade and other receivables

Trade receivables and other current receivables are recorded in the balance sheet at nominal value less provisions for doubtful debts. Provisions for doubtful debts are calculated on the basis of individual assessments. In addition, for the remainder of accounts receivables outstanding balances, a general provision is carried out based on expected loss.

Inventories

Inventories, which comprise of own products and purchased goods, are valued at cost according to the FIFO method or anticipated net realizable value, whichever is lower. Work in progress are valued at calculated production cost.

A deduction has been made in respect of obsolete goods.

Foreign currency translation

Transactions in foreign currency are translated at the rate applicable on the transaction date. Balance sheet items in a foreign currency are translated into NOK using the exchange rate applicable on the balance sheet date. Effects from changes in foreign currency is presented as financial income and expenses.

Property, plant and equipment

Property, plant and equipment is capitalized and depreciated over the estimated useful economic life. Direct maintenance costs are expensed as incurred, whereas improvements and upgrading are assigned to the acquisition cost and depreciated along with the asset. If carrying value of a non-current asset exceeds the estimated recoverable amount, the asset is written down to the recoverable amount. The recoverable amount is the greater of the net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value.



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Research and development

In accordance with the Group's accounting policy, costs for development are expensed on an ongoing basis. Grants to cover development costs are allocated to the reduction of expensed development costs.

Pensions

The company has been included in the early retirement scheme (AFP), LO/NHO - plan. Provision is made for the remaining obligation related to employees in this old plan is per year end. See note 7 for further details. The net pension cost for the period is classified as salaries and personnel costs.

Income tax

Tax expenses in the profit and loss account comprise both tax payable for the accounting period and changes in deferred tax. Deferred tax is calculated at 22 percent on the basis of existing temporary differences between accounting profit and taxable profit together with tax deductible deficits at the year end. Temporary differences both positive and negative, are balance out within the same period. Deferred tax assets are recorded in the balance sheet to the extent it is more likely than not that the tax assets will be utilized.

Cash flow statement

The cash flow statement is presented using the indirect method.

Cash and cash equivalents includes cash, bank deposits and other short term highly liquid placement with original maturities of three months or less.

Use of estimates

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts in the profit and loss statement, the measurement of assets and liabilities and the disclosure of contingent assets and liabilities on the balance sheet date. Actual results can differ from these estimates.

Contingent losses that are probable and quantifiable is expensed as occurred.

Note 2 - Bank deposit

Bank deposits include employee's tax deductions of NOK 3 528 200 put on separate, restricted bank account for tax purpose.

Note 3 - Trade receivables

Accounts receivables consist of:

| | 2020 | 2019 |
|----------------------------------|-------------------|-------------------|
| Accounts receivables, face value | 60 552 152 | 75 430 507 |
| Provision for bad debt | -49 833 | -755 000 |
| Total | <u>60 502 319</u> | <u>74 675 507</u> |

All receivables are due within one year.



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Note 4 - Intercompany receivables and payables

| <i>Intercompany balance consist of:</i> | 2020 | 2019 |
|---|--------------------|--------------------|
| Inter Company receivables | 367 534 193 | 353 555 205 |
| Inter Company payables | -154 577 079 | -171 768 007 |
| Total | <u>212 957 114</u> | <u>181 787 198</u> |

Note 5 - Income taxes

| <i>Income tax expenses:</i> | 2020 | 2019 |
|-----------------------------|-------------------|-------------------|
| Tax payable | 16 606 083 | 20 637 838 |
| Change deferred tax | 334 330 | -764 444 |
| Total income tax expense | <u>16 940 413</u> | <u>19 873 394</u> |

| <i>Tax base estimation:</i> | 2020 | 2019 |
|---------------------------------|-------------------|-------------------|
| Ordinary result before tax | 78 605 014 | 90 539 317 |
| Permanent differences | -1 603 139 | -205 707 |
| Change in temporary differences | -1 519 679 | 3 474 746 |
| | <u>75 482 196</u> | <u>93 808 356</u> |
| Group contribution | -75 482 196 | -93 808 356 |
| Tax base | <u>0</u> | <u>0</u> |

| <i>Temporary differences outlined</i> | 2020 | 2019 |
|---------------------------------------|--------------------|--------------------|
| Fixed assets | -14 259 956 | -12 062 699 |
| Inventory | -9 150 000 | -12 700 000 |
| Receivables | -49 833 | -755 000 |
| Gain and loss accounts | -95 076 | -118 845 |
| Provision for liabilities | -5 387 000 | -4 825 000 |
| Total | <u>-28 941 865</u> | <u>-30 461 544</u> |

Deferred tax liability / Deffered tax asset (-) (22%) -6 367 210 -6 701 540

Explaining why total income tax expense not equal 22% of result before tax

| | 2020 |
|---|-------------------|
| Expected income taxes, statutory tax rate 22% | 17 293 103 |
| Permanent differences (22%) | -352 691 |
| Income tax expense | <u>16 940 413</u> |

Effective tax rate *) 21,55 %

*) Income tax expense in % of result before tax

| <i>Tax Payable on the balance sheet</i> | 2020 | 2019 |
|---|-------------|-------------|
| Tax Payable | 16 606 083 | 20 637 838 |
| Effect of group contribution | -16 606 083 | -20 637 838 |
| Total | <u>0</u> | <u>0</u> |



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Notes 2020

Note 6 - Tangible assets

| | Buildings and other fixed property | Machinery, office equipment and other equipment | Land | Total |
|--|---------------------------------------|---|------------------|--------------------|
| Acquisition cost 31.12.2019 | 51 904 760 | 84 400 033 | 5 378 178 | 141 682 970 |
| Acquisition 2020 | 0 | 1 065 000 | 0 | 1 065 000 |
| Acquisition cost 31.12.2020 | 51 904 760 | 85 465 033 | 5 378 178 | 142 747 970 |
| Acc.depreciation 31.12.2020 | -34 665 272 | -65 568 801 | 0 | -100 234 072 |
| Net carrying amount at 31.12.2020 | 17 239 488 | 19 896 232 | 5 378 178 | 42 513 898 |
| Depreciation for the year | 2 242 502 | 4 626 931 | 0 | 6 869 433 |
| Useful economic life | 10-20 years | 5-10 years | | |
| Amortization plan | Straight-line | Straight-line | | |

Note 7 - Guarantee liabilities

As of 31.12.20 the company has provided for a guarantee liability of kr 5 387 000 (2019: kr 4 825 000) to cover future potential claims.

Nodeland, 17. June 2021

The company is required to have an occupational pension scheme in accordance with the Norwegian law on required occupational pension ("lov om obligatorisk tjenstepensjon"). The company's pension scheme meets the requirements of that law.

The company participates in the LO / NHO scheme, which means that all employees can choose to retire early from the age of 62. The AFP scheme is not a disability pension scheme, but a scheme that provides a lifelong supplement to the ordinary pension. Employees can choose to take out the AFP scheme from the age of 62, also in addition to working, and it provides additional earnings for work up to 67 years. The AFP scheme is a defined benefit multi-company pension scheme, and is financed through premiums that are set as a percentage of salary. There is currently no reliable measurement and allocation of obligations and funds in the scheme. For accounting purposes, the scheme is treated as a defined contribution pension scheme where premium payments are expensed on an ongoing basis and no provisions are made in the accounts. There is no fund-raising in the scheme and it is expected that the premium level will increase for the coming years.

This year's expensed pension premium for defined contribution and AFP schemes amounts to NOK 5 643 974.



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Notes 2020

Note 9 - Equity

| | Share capital | Other equity | Total equity |
|---------------------|---------------|--------------|--------------|
| Equity 01.01.20 | 42 000 000 | 314 655 747 | 356 655 747 |
| Profit for the year | 0 | 61 664 601 | 61 664 601 |
| Group contribution | 0 | -58 876 113 | -58 876 113 |
| Equity 31.12.20 | 42 000 000 | 317 444 235 | 359 444 235 |

Note 10 - Wage costs, number of employees, remuneration, loans to employees and auditor's fee

| Wage costs | 2020 | 2019 |
|----------------|------------|------------|
| Salaries | 78 921 873 | 77 129 436 |
| Payroll tax | 11 923 469 | 11 815 744 |
| Pension costs | 5 643 974 | 5 376 577 |
| Other payments | -404 078 | 1 821 649 |
| Total | 96 085 238 | 96 143 407 |

Company employed average of 110 FTE in 2020.

General Manager has an agreement including profit sharing. There is no obligation to pay extraordinary remuneration in the event of termination of employment. There is no obligations pertaining to options and similar rights which entitle employees to subscribe for the company's shares.

No loan or security is granted in favor of employees or members of the board of directors.

Benefits to senior executives

| | General manager | Board of Directors |
|--------------------|-----------------|--------------------|
| Salary | 1 907 759 | |
| Other remuneration | 13 437 | 195 160 |

The company is required to have an occupational pension scheme in accordance with the Norwegian law on required occupational pension ("lov om obligatorisk tjenestepensjon"). The company's pension scheme meets the requirements of that law.

Remuneration to auditors 2020 (excl. VAT)

| | |
|--|---------|
| Fees to the company auditor (expensed group accounts in Houston) | 240 000 |
| Other related services | 13 000 |

Note 11 - Share capital and shareholder information

Share capital consist of:

| | Numbers of shares | Nominal value | Balance Value |
|---------------|-------------------|---------------|---------------|
| Share capital | 42 000 | 1 000 NOK | 42 000 000 |

Number of shares Voting 31.12:

| | Ordinary shares | Ownership | Voting rights |
|----------------|-----------------|-----------|---------------|
| Oceaneering AS | 42 000 | 100 % | 100 % |
| Total | 42 000 | 100 % | 100 % |



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Notes 2020

Note 12 - Inventories

| | 2020 | 2019 |
|---------------------------------------|-------------------|-------------------|
| Work in progress | 7 899 831 | 7 112 171 |
| Raw materials and semi-finished goods | 76 273 423 | 91 558 247 |
| Inventory obsolescence provision | -9 150 000 | -12 700 000 |
| Total | <u>75 023 254</u> | <u>85 970 418</u> |

Note 13 - Sales of goods

| <i>Geographical distribution</i> | 2020 | 2019 |
|----------------------------------|--------------------|--------------------|
| Norway | 136 048 731 | 151 951 153 |
| Export | 169 067 041 | 173 419 068 |
| | <u>305 115 772</u> | <u>325 370 221</u> |

The revenue from the company's operation is mainly from sale of valves.

Note 14 - Financial risks

In general the company do not use financial instruments and the company's need for funding and financial support is handled through the finance department in Oceaneering International Inc. in Houston, USA.

Interest rate risk

The interest on intercompany receivables and payables are related to floating rate of interest.

Currency risk

A significant part of the company's business is based on NOK. However the company have some contracts in foreign currencies – mainly in USD. If possible the company will try to do procurement in the same currency in order to reduce the risk for changes in the exchange rate.

Liquidity risk

The cash position is comfortable and the need for cash support is arranged inter company.

Credit risk

As the company mainly do business with large and reputable companies in the oil- and gas industry, the risk related to loss on receivables is considered to be low. For several years the company has only suffered insignificant losses. We see impact of COVID-19 to have little risk.

Note 15 - Long term debt

None of the debt items in the balance sheet have more than five years maturity.

Note 16 - Development costs

During the financial year, development work was carried out on electronic injection valves and other of the company's products. In accordance with the Group's policy, recognized development costs amount to MNOK 20.9.



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Notes 2020

Note 17 - Subsidiaries and associates

| Company | Location | Share ownership | Voting rights |
|--|-----------------|------------------------|----------------------|
| Oceaneering Grayloc Connection Systems Sdn Bhd | Malaysia | 1 % | 1 % |

Investments - cost method

| Name of company | Share capital | Number of shares | Face value | Book value |
|--|----------------------|-------------------------|-------------------|-------------------|
| Oceaneering Grayloc Connection Systems Sdn Bhd | MYR 100 | | 1 MYR | 2 535 |

Note 18 - Intercompany Transactions

| | 2020 | 2019 |
|--------------------------------------|-------------|-------------|
| Sales Revenue | 219 483 | 290 371 |
| Cost of goods sold | 887 277 | 549 580 |
| Payroll expenses | -575 696 | -6 766 |
| Other operating expenses | 1 454 241 | 705 799 |
| Interest income from group companies | 2 026 486 | 6 928 133 |
| Other financial income | 1 064 969 | 0 |
| Other financial expenses | 0 | 571 296 |

Note 19 Events after the reporting period

The COVID-19 pandemic is expected to continue to create uncertainty for a large portion of 2021, despite the started worldwide vaccination program. Increased uncertainty with new discovered mutations of the virus.

Oil prices has increased since year end, but due to long project cycle effect is not visible in short time.