



G R O W I N G

DEEPOCEAN

Annual Report 2023

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Key Figures

About DeepOcean

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

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

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

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

Financial Metrics

		2023	2022	2021
Revenue and other income	USD thousand	626 703	566 085	499 427
EBITDA ¹⁾	USD thousand	208 398	175 485	124 871
Adjusted EBITDA ¹⁾	USD thousand	61 428	82 859	65 451
Adjusted EBITDA margin ¹⁾	Percent	9.8%	14.6%	13.1%
Net cash flow from operations	USD thousand	169 592	138 673	98 282
Order intake ¹⁾	USD thousand	671 062	705 691	556 668
Order backlog ¹⁾	USD thousand	454 262	411 666	272 000



DeepOcean delivered over 10% revenue increase in 2023. This signifies our customers trust in DeepOcean to deliver.

Operational Metrics

		2023	2022	2021
Vessel days	Number	3 910	3 610	3 329
Employees	Number	1 403	1 225	1 019
Nationalities	Number	44	44	36
Total recordable injury rate – own employees ²⁾	Per million hours worked	2.27	1.29	0.92
Lost time injury rate – own employees ²⁾	Per million hours worked	0.83	0.52	0.31
CO ₂ intensity ³⁾	Kg per hour in operation	1 618	1 649	1 744

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

2) Refer to section 3.5 Safety for definitions and explanations.

3) Refer to section 3.4 Environment and Climate for definitions and explanations.

Vision, Values & Objectives

Vision

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

Values

We live by our guiding values of **Attitude**, **Courage** and **Teamwork**.

Strategic Objectives

- Growing DeepOcean's technology platform, benefitting our customers, stakeholders and the environment.
- Continue strong focus on ESG and drive tangible initiatives towards more sustainable operations for our customers.
- Defend leading position in core markets (O&G, Recycling) and derive growth from emerging markets (Renewables, Ocean Minerals and other Ocean Solutions).
- Generate profitable growth, through operational excellence as well as a continued cost focus.
- Emphasize development of DeepOcean's core resources, its employees and be an employer of choice.

A ttitude

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

C ourage

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

T eamwork

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



Letter from the CEO



Øyvind Mikaelsen
Chief Executive Officer
DeepOcean Group

Dear All,

The past year has been a year of significant progress along several dimensions for DeepOcean. I am writing this letter to reflect on the performance of the company during this period and discuss certain topics of significance that are affecting our industry.

2023 has presented us with numerous challenges and opportunities. From the intensification of geopolitical tensions to heightened energy security issues, alongside continued high inflation and high interest rates, it's been a period of significant flux. Additionally, the continued momentum towards sustainable energy transitions and the rapid advancements in artificial intelligence have showcased the remarkable pace at which our world is evolving. All of these topics have an impact on DeepOcean. For instance, energy security continues to be a topic of countries' national security agendas, and the subsea industry plays a vital role in securing the supply of energy. I can assure you that DeepOcean will continue to be a trusted provider of critical subsea IMR operations (inspection, maintenance, and repair) for the foreseeable future. Our services in this market are crucial for the energy security through our work on pipelines and other critical infrastructure. In addition, we see, along with the global energy transition, an increased focus in the renewables space, in

which I'm happy to say that DeepOcean has made significant progress on in 2023.

Growing the Company

We continue to grow our business thanks to the dedicated work from our 1 400 employees. It makes me personally very happy that in 2023 more than 200 talented individuals decided to join DeepOcean. As a group, we represent 44 nationalities which highlights that we have grown to become a global group in a global industry. DeepOcean's vision is to be a world-leading ocean services provider delivering superior results to all stakeholders, while supporting the energy transition and the sustainable use of ocean resources. This means promoting technological solutions and efficiency gains that make the oil and gas industry more sustainable, as well as playing a much bigger role in the offshore renewables industry. To succeed, we must continue to encourage an innovative corporate culture and be at the forefront of challenging industry norms.

In 2024, DeepOcean will be celebrating its 25-year anniversary. The group today is attractively positioned along several levers of growth. This is a consequence not only of our long experience in the subsea industry but also reflects our capacity for attracting relevant technical talent. During

these 25 years we have accumulated material experience and longstanding partner relations which forms the basis of a legacy that we are very proud to rely on day-to-day and which we will further nurture and cultivate.

The latest testament of quality was the landmark award by a global super-major for the provision of subsea construction and IMR services offshore Guyana, which expands DeepOcean's global footprint by entering into a new geographical market. The Stabroek Block in Guyana is one of the world's most promising oil and gas discoveries and we will play a pivotal role in supporting the locally emerging energy service industry.

Supporting the energy transition and the sustainable use of ocean resources also applies to our own operations. We are dedicated to reducing our environmental footprint from offshore operations evidenced by the charter of Island Ocean, which marks the seventh hybrid vessel in our fleet, a substantial growth from one vessel in 2020. This continues a journey of fleet hybridization as part of successful collaborations with various shipowners. The Island Ocean will be converted from a PSV to CSV, and I think this is a great example of how we as charterers can be creative to make more ship tonnage available and attractive. The Stril Server vessel is also undergoing a conversion to become a hybrid

vessel during Q1 2024. An outcome of all of these efforts is that DeepOcean once again reduced its carbon intensity indicator in 2023, measured as CO₂ emission per hours of operation.

Collaborative Efforts

During the year we successfully completed subsea trials with an Autonomous Inspection Drone (AID). The AID can perform pre-programmed inspections of all subsea assets. A key enabler for the ability to perform programmed, autonomous inspection work is the creation of digital twins of subsea infrastructure. The collected data used for post-processing of 3D models shows extraordinarily high quality. I believe it can transform how traditional ocean-based industries approach their offshore work.

Within offshore wind, a major German utilities company appointed DeepOcean as preferred supplier of subsea installation services in connection with the Nordseecluster A development off the German coast. We have also been active on the US East Coast in renewables by providing ROV and personnel services for a survey campaign as well as landing a contract with a major cable manufacturer for subsea construction support which will commence in the first quarter of 2024.



The Norwegian parliament has agreed to open parts of the Norwegian continental shelf for subsea mineral activity. This is an important milestone for Norway and DeepOcean majority owned Adepth Minerals. We look forward to supporting Adepth Mineral in this process, which not only promotes the green shift by providing needed metals, but also contributes to national industrial development. With clear and extremely strict framework conditions, Adepth Minerals will take part in ensuring that Norway's national resource utilization takes place in a sustainable and socially responsible manner.

Growth Amidst the Waves

Our turnover grew by 10% to USD 627 million in 2023 where all regions contributed to the growth. However, we are not satisfied with profitability as we had certain loss-making projects that significantly impacted our earnings. Accordingly, adjusted EBITDA was USD 61 million, down from USD 83 million in 2022. If we adjust for said project cost overruns as well as other one-off items, our result for 2023 would have been approximately on par with 2022. It is important to note that the loss-making projects all included unique challenges that are not present in our current backlog.

In the Americas region, we see that the Mexican trenching market turned active again towards

the end of the year and we are seeing positive movement into 2024. In 2023 we have also introduced our UT-1 jet trenching system to the US market by bringing the Volantis subsea construction vessel to US waters. Finally, the Americas region is a key region for future growth along all service lines and a very active renewables market.

Both of our key markets in Europe, UK and Norway, have been busy, and we are heading for another year of high activity in the region. During 2023, we completed a large recycling project in the central North Sea, reaching a 98% recycling rate for the removal of almost 9 000 tons of subsea infrastructure, an ambitious scope of work encompassing the removal of the infrastructure in three significant fields. Recycling continued to provide us with strong revenue streams, however, IMR remains the largest business line for the group – and a service offering that will for the foreseeable future continue to be crucial for us.

In our Africa region, we have successfully completed two major projects during the year in Ivory Coast. Furthermore, we are entering 2024 with significant backlog from a strategic client. While the region has operationally delivered very well in 2023, the economics of the projects have been somewhat disappointing compared to our expectations. The market activity in the spot market, outside major contracts, proved

to be somewhat constrained, impacting our overall performance for the Africa region. It remains a market I see great potential in, and we are committed to continue our presence and service offering in the region.

DeepOcean has had significant commercial success in 2023. This is clearly illustrated by ending 2023 with a record year-end order backlog of USD 454 millions. This is strong confirmation from our clients of our successful track record of prior deliveries and faith in our future growth.

Governance in Focus

The composition of the board of directors of DeepOcean is 43% female. This shows important progress from last year and comes together with progress on overall gender diversity KPI's. We consistently strive to enhance gender diversity, particularly in offshore roles where challenges persist. Despite the inherent challenges, 2023 has emerged as our most successful year to date. The share of female employees of the total employees is 16% (26% of onshore employees). Among the onshore employees, 31% of new employees hired in 2023 were female.

As part of DeepOcean's commitment to sustainability, we actively implement and embrace sustainable procurement practices. We maintain a transparent prequalification process that all

our suppliers must undertake. In addition to our pre-qualification process, we have during 2023 implemented an external platform that perform due diligence and engage our supply chain stakeholders in sustainability.

A Note of Appreciation

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

Best regards,

Øyvind Mikaelson
Chief Executive Officer
DeepOcean Group

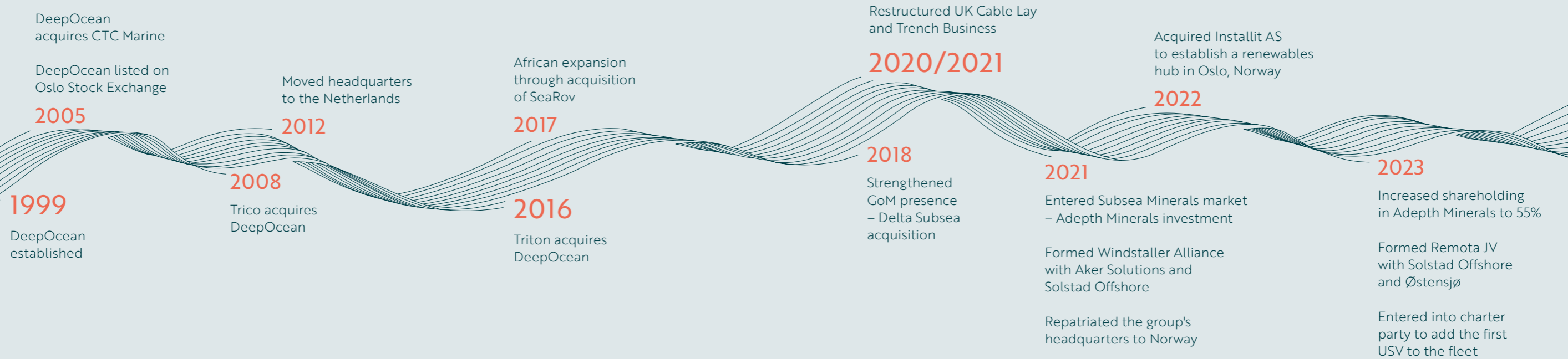
DeepOcean Around the World



Locations

- Corporate offices
- Operational sites

History



Our Services



Our Assets

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

Remotely Operated Vehicles

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

Flange Tie-in System

Through our exclusive partnership with Designbanken, DeepOcean designed a method for performing remote tie-in of diver flanges with our Flange Tie-in Tool ("FTT"). The FTT performs diverless tie-ins of diver flanges on spools and risers by use of a patented hydraulic bolting system. The FTT is the perfect tool for clients seeking an alternative solution to traditional

saturation diving methods. Through the use of the FTT we have seen significant cost savings and health and safety benefits that accompany unmanned operations. The FTT can be used for greenfield and brownfield projects in any water depth, and on all types of flanged connections – for example spools to subsea christmas trees or riser to pipelines. The FTT additionally removes the need for certain pipeline infrastructure such as pipeline end manifold, since the pipeline can be placed straight onto the seabed during pipelay activities.

Eureka!™

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



Remotely Operated Vehicles



T1000 Jet Trencher

T1000 Jet Trencher

T1000 is an advanced jet trenching ROV suitable for deployment in water depths up to 2 000 m. The 1 000 horsepower (750 kW) subsea power system is capable of 3.5 knots maneuvering performance and 3 m maximum burial capability, providing a leading solution for burial of cables, umbilicals and flexible pipes. The adjustable 3 m jet tool allows for varying diameter products and splice burial whilst downward facing nozzles provide capability for burial in all cohesive soils (up to 80 kPa) and all sand grades. The burial arm is fitted with sensors for accurate and controlled cable burial. This high specification ensures that T1000 is one of the most versatile and reliable jet trenching ROVs available. Equipped with a high sea state launch and recovery system, the T1000 can be deployed in harsh weather.

UT-1 Ultra Jet Trencher

UT-1 is a high-powered jet trenching ROV with 2.1 MW of total power. Equipped with sophisticated drive motors, that enable precise control of pressure and flow, giving a high degree of flexibility when undertaking work scopes in varied environmental conditions. With an extensive track record and class leading performance, UT-1 is configurable for a wide range of applications including trenching of pipelines through to the installation of submarine cables in varying seabed conditions. UT-1's cable capture tool can provide support for simultaneous installation of submarine cables, whilst its upgraded swords allow jetting performance exceeding any other jet trencher currently in the market.



UT-1 Ultra Jet Trencher

FlexiCore™

FlexiCore™ is a groundbreaking seabed coring technology developed by DeepOcean, Seabed Solutions, and Adepth Minerals, designed to meet the advanced geotechnical demands of the subsea industry. By integrating marine adaptability with proven terrestrial techniques, FlexiCore™ significantly enhances the efficiency of seabed geology sampling and analysis. This innovation enables the rapid collection of high quality cores at lower costs, having demonstrated effectiveness at depths exceeding 1 000 meters. With initial applications aimed at seabed mining and renewable energy projects, FlexiCore™ reflects our dedication to pioneering sustainable exploration methods.

Toolpool

Across the globe, DeepOcean has an impressive amount of tools and equipment available to our ocean services projects. All tools are carefully maintained and operated by our skilled toolpool technicians. On top of the most common subsea tools and rigging equipment, we also develop more sophisticated and bespoke tooling solutions based on our clients' needs. Having sustainability at the core of our operations, we continually develop solutions to reduce risk and the environmental impact of our operations, utilizing the latest technological advances. DeepOcean prioritizes its own toolpool and availability before exploring external supplier options.

Our Fleet

DeepOcean operates a modern and versatile fleet of vessels ranging from fit for purpose survey and IMR vessels to subsea construction class vessels. Through the establishment of longterm relationships and many years of collaboration with industry leading vessel owners, DeepOcean is well positioned to secure vessels to fulfil its contractual commitments. DeepOcean has a target to reduce its CO₂ emissions by 45% by 2030 and has taken action to install hybrid battery packs on five of its vessels, in order to drive down operating expenditure and harmful emissions to air.

Owned Vessels



Deep Vision

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



Arbol Grande

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

Long-term Leased Vessels



Dina Star

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



Edda Flora

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



Edda Fauna

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



Edda Freya

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

The vessel has 2 300 m² of deck space and is equipped with a 400 T AHC offshore crane that can lift 600 T in double-fall mode, a 70 T AHC offshore crane which is bolted, and can easily be moved to secondary position, a Huisman 15 T dual tensioner VLS located over the main moonpool, a system for quick mobilization of reels and reel drive systems, an integrated skidding system for modules, two moonpool launch and recovery system for WROVs and a 3000 T carousel is located below deck. In addition to the hybrid battery system Edda Freya's environmentally friendly credentials are enhanced by the adoption of Siemens' BlueDrive PlusC concept, which was implemented by Siemens in co-operation with Østensjø Rederi. By using variable rotational speed with optimal operation of the diesel generators in combination with the battery system, the system will significantly reduce fuel consumption and the emissions of nitrogen oxides (NOX) and greenhouse gases (CO₂ and methane). The use of selective catalytic reduction systems further reduces emissions.



Normand Jarstein

Normand Jarstein is a MT6022L Offshore Subsea Construction Vessel built in 2014. The MT6022L design provides excellent stability and station keeping. The selection and design of spread, equipment and workspaces, is all based on the objective of performing safe and efficient subsea operations. Normand Jarstein is a vessel equipped with a 250 t active heave compensated subsea crane, capable of delivering loads to depths up to 3 000 meters and is a versatile and cost-effective working platform for a broad range of demanding offshore projects, including pipe and cable laying, subsea construction, surveying and flotel/W2W.



HOS Bayou

The HOS Bayou is a U.S.-flagged Jones Act-compliant MPSV. Equipped with two DeepOcean Schilling HD 150 HP work-class remotely operated vehicles (ROVs). The HOS Bayou can perform inspection, maintenance and repair (IMR) of subsea oil installations and construction support in the Gulf of Mexico (GoM). In addition to IMR work, this vessel package is designed to perform a variety of deep-water services, such as SURF installation, decommissioning activities, drilling support and deep-water well intervention projects.



Normand Ocean

Normand Ocean is an MT6022 multipurpose construction vessel built and joined DeepOcean's fleet in 2014. The MT6022 design provides excellent stability and station keeping. The selection and design of spread, equipment and workspaces, are all based on the objective to perform safe and efficient subsea operations. Normand Ocean's large deck, combined with high weather limitations on MHS and ROV's together with the 150 t offshore crane and De-ice class, results in a vessel that is flexible and fit for offshore operations in harsh environments.



Olympic Ares

Olympic Ares is a dynamically positioned multi-role subsea construction vessel. Designed for operation in severe weather conditions, the vessel demonstrates high station keeping capability whilst remaining fuel efficient. The vessel incorporates two off Active heave compensated subsea cranes, 250 t and 50 t and is mobilized with two off work class ROVs and in addition to a jet trenching spread which can be launched and recovered in high sea states. Olympic Ares has an extensive track record in the renewables and O&G industry performing top side repair work and comprehensive subsea operations on a highly productive basis.



Stril Server

Stril Server is a dynamically positioned multi-role subsea, survey inspection and construction vessel. Designed for operation in severe weather conditions, the vessel demonstrates high station keeping capability whilst remaining fuel efficient. The vessel incorporates a 70 t Active Heave Compensated subsea crane and is mobilised with two off work class ROVs and can easily be mobilized with an Observation ROV, which can be launched and recovered in high Sea States.



Siem Day

The vessel is an Offshore Subsea Construction Vessel (OSCV) designed and equipped for subsea operation duties such as construction and installation work, inspection and maintenance. The design is of type OSCV III. The vessel is environmentally friendly with focus on low fuel consumption through its hull shape and diesel electric machinery. Siem Day is a vessel equipped with a 250 t active heave compensated subsea crane, capable of delivering loads to depths up to 3 000 meters and is a versatile and cost effective working platform for a broad range of demanding offshore projects.



Volantis

Volantis is a dynamically positioned multi-role subsea construction vessel. Designed for operation in severe weather conditions, the vessel demonstrates high station keeping capability whilst remaining environmentally efficient. The vessel incorporates a 150 t Active Heave Compensated subsea crane and is permanently mobilized with an Installer Work Class ROV and Seaeye Panther XT III A Work Class ROV, which can be launched and recovered in high Sea States. Volantis has an extensive global track record for performing comprehensive construction, installation and trenching projects on a highly productive basis. The spread also includes a 2 000 te rated carousel to facilitate the installation and/or simultaneous burial of flexible products.

In addition to the above vessels, DeepOcean has access to a wider fleet of vessels through charter parties with vessel owners on a call-off basis and will in 2024 welcome USV Ocean Challenger and Island Ocean into our fleet of long-term leased vessels.

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Governance Strategy

DeepOcean's corporate governance strategy consists of two primary objectives; to conduct business (a) responsibly and (b) with integrity and transparency. We achieve these objectives by:

- sound board and senior management oversight and governance
- effective risk assessment and management in accordance with corporate policies and governing procedures
- active promotion of a 'speak-up culture'
- sophisticated data privacy and cybersecurity mechanisms
- systematic due diligence assessments of supply chain ESG practices

DeepOcean won new orders worth USD 671 million in 2023, equivalent to 1.07x book-to-bill. This signifies DeepOcean's commercial success and delivering successful projects for our customers.

Key Risks	Key Opportunities
Corruption and bribery incidents in the value chain	Dedicated compliance resources using EcoVadis system for due diligence assessments and monitoring
Cyber security and privacy breaches	Robust cyber security department

Material Priority	Material Topics & 2025 Commitments	2023 Progress	2024 Next Steps
Be Responsible & Transparent Across the Value Chain  	Prevent any bribery and corruption infringements throughout DeepOcean's business areas	On track No infringements or incidents recorded pertaining to anti-bribery or corruption	COI Disclosure roll out
	Ensure 100% business partner compliance with applicable anti-bribery and corruption laws and regulations	On track There were no registered business partner incidents regarding anti-bribery and corruption	Contract/Code of Conduct w/onboarding and monitoring
	Maintain and strengthen digital and operational safeguards for Data Security & Privacy	On track No breaches to data security	Refinement of a robust data governance strategy encompassing the entire group
	Validate that all DeepOcean subcontracted activities are free from infringements on human and labor rights by 2025	On track Implemented EcoVadis in 2023 Training completed of procurement personnel and other relevant stakeholders	Complete ESG due diligence of all relevant suppliers in 2024 using EcoVadis platform Develop Supplier Code of Conduct based on existing CSR declaration

Governing Bodies

1

General Meeting of Shareholders

Approves DeepOcean's Articles of Association, elects members to and determines remuneration for the Board of Directors, elects external auditor and approves auditor remuneration. Approves annual accounts and the report of the Board of Directors, approves dividend proposals, and deals with other matters listed in the notice convening the meeting.

2

Board of Directors

Establishes and reviews the overall principles governing the company's operations, management, and control functions. Our governance principles are based on the Norwegian Corporate Governance Practice Code. The legal framework for our business activities is rooted in our Articles of Association and the Norwegian Private Limited Company Act (aksjeloven).

3

Audit Committee

The Audit Committee serves as an oversight body, supporting the Board of Directors in providing governance mechanisms for financial reporting, internal controls, audit and compliance activities, and risk management practices. The establishment of the Audit Committee aligns with the stipulations set forth for Audit Committees within the Norwegian Public Limited Company Act, ensuring compliance and effective oversight.

External Audit

Ernst & Young AS is DeepOcean's auditor and are tasked with independently obtaining reasonable assurance about whether the financial statements as a whole are free from material misstatement in accordance with Norwegian regulations and the International Ethics Standards Board of Accountants' International Code of Ethics for Professional Accountants.

HSEQ Committee

The HSEQ Committee is integral in maintaining high standards of health, safety, environmental stewardship, and quality within the company. It champions compliance with relevant laws and industry benchmarks, fostering a culture of safety and responsibility. This committee is pivotal in ensuring operational excellence and protecting the company's reputation for quality and integrity.

Remuneration Committee

The Remuneration Committee assists the Board in overseeing executive compensation, ensuring alignment with the company's strategic objectives. It focuses on developing transparent, fair remuneration practices for executives and senior management, aimed at supporting the company's long-term success and stakeholder interests.

4

Corporate Management

The Corporate Leadership Team is accountable for setting and executing the company's strategic objectives and enabling successful delivery of client projects on time, within budget, and without damaging our people, assets or the environment.

5

ESG Steering Committee

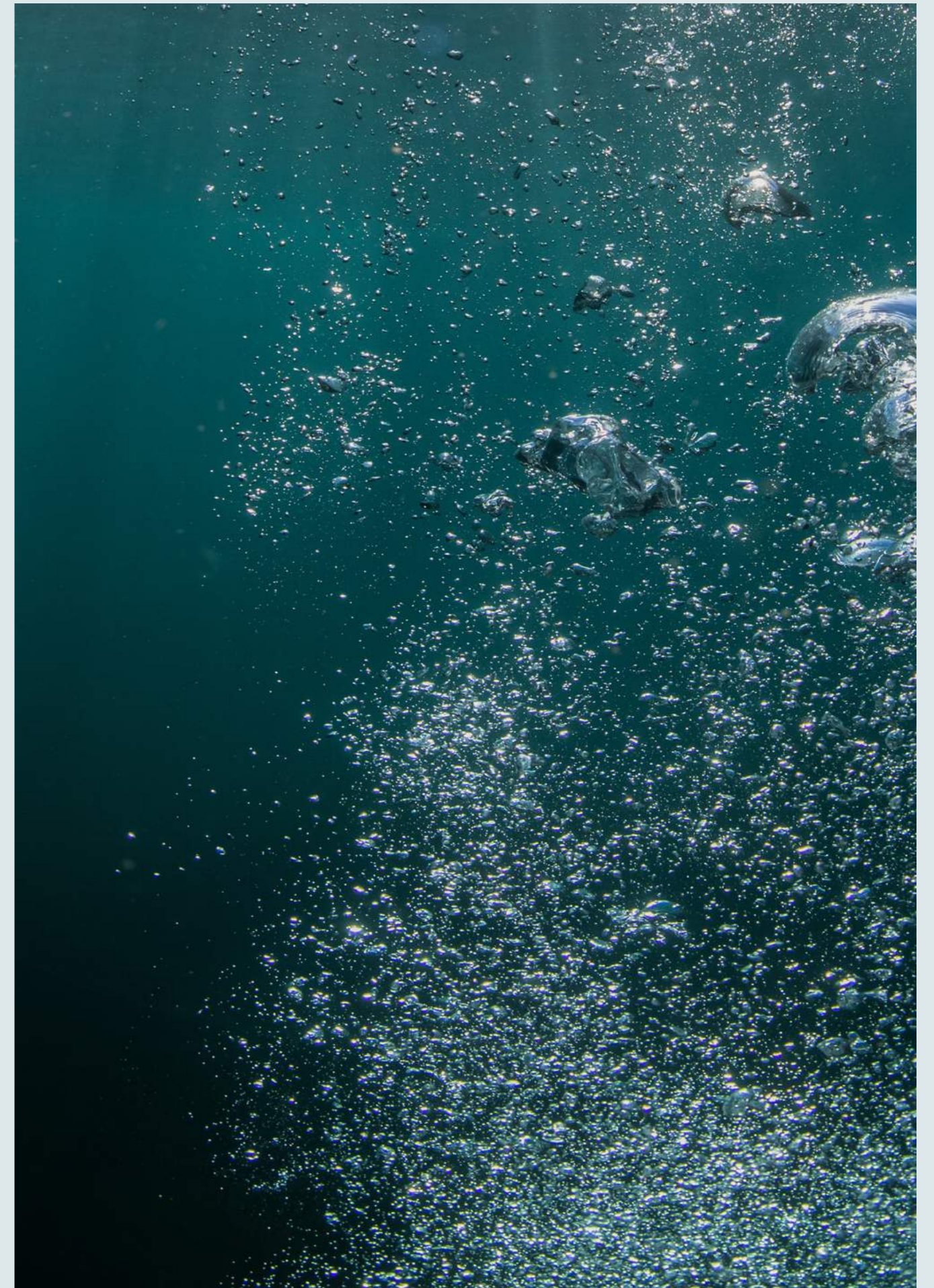
ESG strategy execution, monitoring and disclosure of material priorities and topics across all business areas and to key stakeholders.

Group Compliance

Development of strategy, surveillance and disclosure of compliance governance activities globally.

Internal Audit

Our internal audit program provides assurance to our management that we are in compliance with recognised international standards, stakeholder requirements and approved governing procedures in our Business Management System essential to meeting our company's strategic objectives.



Board of Directors



Jo Olav Lunder
Chairman of the Board

Mr. Lunder is an independent advisor, investor and chairman. Mr. Lunder has 30 years of experience in senior executive positions, mainly as Chairman and CEO of large public and private owned companies. He serves as the Chairman of Komplett ASA. His last position was CEO of the Fredriksen Group. Mr. Lunder served before that as Chairman and CEO of Vimpelcom (Veon). He has also held the position as President in Ferd Capital, while serving as Executive Chairman of Aibel. Mr. Lunder has also held the position as CEO of Ementor (Atea). Mr. Lunder holds an MBA from Henley Business School. Mr. Lunder is a Norwegian citizen.



Kristian Diesen
Director

Mr. Diesen is an Investment Advisory Professional at Triton where he focuses on the Industrial tech and Energy sectors. Mr. Diesen also sits on the board of Techouse Group AS. Prior to joining Triton in 2015, Mr. Diesen worked at Pareto Securities, as a senior partner in the equity research department. Previously, Kristian worked at Deloitte in the audit and assurance division. He holds an MSc in Business from the Norwegian School of Management. Mr. Diesen is a Norwegian citizen.



Anna Belfrage
Director

Ms. Belfrage has a 30-year tenure in finance, beginning her career at PWC as an auditor, followed by several CFO roles predominantly in industrial companies in Sweden. She was also interim CEO of Beijer Electronics Group AB. Most recently, she served as the CFO, at the forestry conglomerate, Södra until 2019. Ms. Belfrage currently has a number of non-executive roles including Mycronic, Elopak and Ellevio. She has a Master in Economics from Lund University. Ms. Belfrage is a Swedish citizen.



Hans Maret
Director

Mr. Maret is a Senior Industry Expert at Triton and sits on the Triton Debt Opportunities fund's Investment Advisory Committee, a position he has held since 2013. He has also been a member of the Triton Mid-Market fund's Investment Advisory Committees, serving from 1998 to 2021. Before his tenure at Triton, he held positions at Sal. Oppenheim and Arthur Andersen. He is an alumnus of the University of Cologne, where he earned a degree in Business Administration. Mr. Maret is a German citizen.



Mike Winkel
Director

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



Colette Cohen OBE
Director

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



Wenche Kjølås
Director

Ms. Kjølås currently holds the COO position at Grieg Maturitas. Beginning her career at Touche Ross in 1986, she subsequently was CFO of Kavli Holding and Grieg Logistics. In 2009, she became CEO of Grieg Maturitas, the holding company of Grieg Gruppen. Beyond her executive roles, Ms. Kjølås has had a range of board roles including chair of Keolis Norge AS and MagseisFairfield ASA, and is currently Chair of Alginor ASA and board member of Borgestad ASA. She has an MSc in Business Administration and Economics from Norwegian School of Economics. Ms. Kjølås is a Norwegian citizen.

Management



Øyvind Mikaelsen
Chief Executive Officer

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



Frode Garlid
Chief Financial Officer

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



Stephane Abergel
Chief Commercial Officer

Mr. Abergel joined DeepOcean in 2019, bringing with him extensive experience in the Oil & Gas Industry working in Africa, Far East, North America, Central Asia and the Middle East for major subsea contractors such as Saipem, Sonamet, Acergy, and latterly Subsea 7. He has broad management skills with original core discipline in Engineering, Project Management and Onshore/Offshore construction and brings a detailed understanding of mechanisms governing Win & Execute aspect of large turnkey projects. Mr. Abergel also brings vital skills and experience in setting strategic plans with strong experience in exploring new frontiers as VP of Strategy at Subsea 7. Mr. Abergel is a French citizen.



Hege Jarstø
Group HR Director

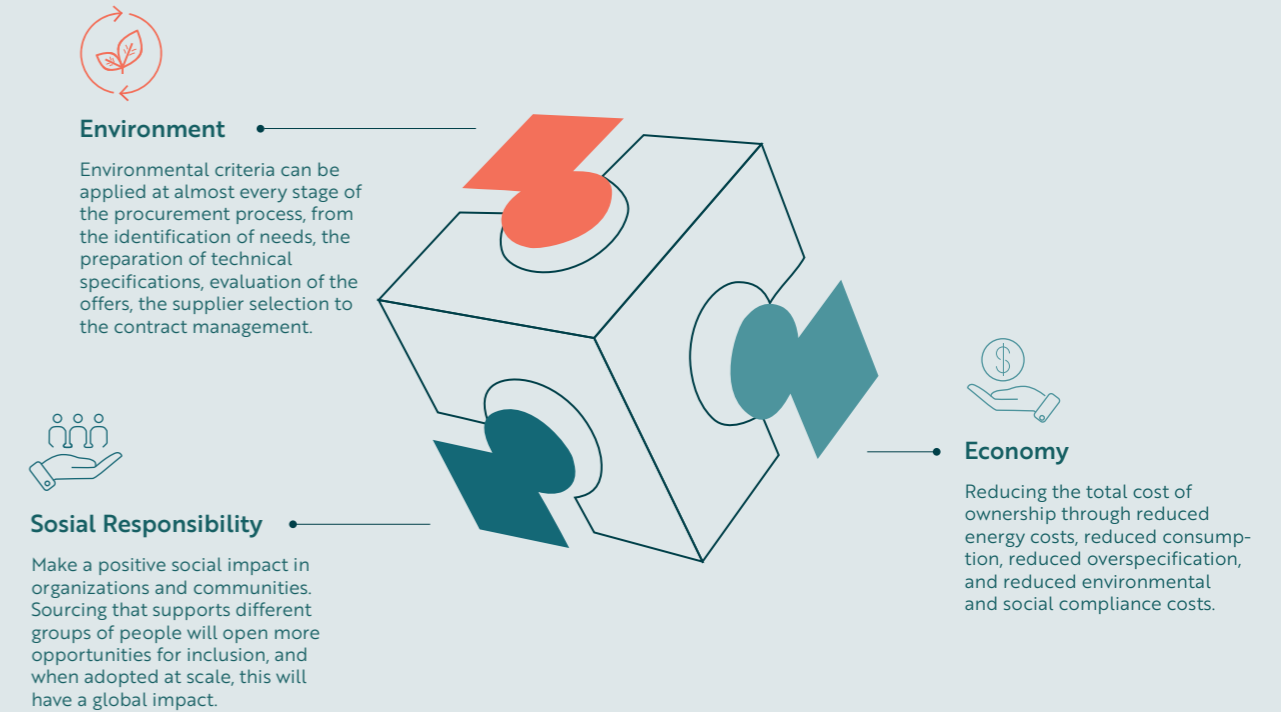
Ms. Jarstø joined DeepOcean in 2021 as Group HR Director. She has over 20 years of experience in the oil and gas industry, having previously worked in AkerBP, Det Norske Oljeselskap, Marathon Oil, Acergy, and Norsk Olje & Gass. She has substantial HR management expertise from a variety of positions.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



Ottar Kringen Mæland
Chief Operating Officer

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

Sustainable Procurement



DeepOcean's sustainable procurement vision focuses on enhancing ESG performance across our supply chain. We prioritize alternatives that minimize environmental and social impact, considering the entire life cycle of our services. As our business depends on our oceans, we place a strong emphasis on minimizing the impacts of our operations thereupon. This approach ensures the selection of suppliers who uphold our sustainability ethos through responsible policies and practices.

We are strongly committed to the transformation process that involves the entire organizations. We collaborate with our suppliers to strengthen our competitiveness through knowledge and cost optimization, innovation and adopting a proactive approach to risk management.

We embrace a culture of taking responsibility for the impact of our purchasing decisions. Changing traditional purchasing ways to be more forward thinking with sustainable solutions. Sustainable procurement is not just the buyers' responsibility,

it involves everyone, from project design to execution. Collaboration with our external stakeholders and suppliers to take advantage of advances in technology that have a positive impact on our ESG goals.

Supplier selection criteria

DeepOcean prioritizes sustainability in our supplier selection process, focusing on partners such as vessel owners who utilize innovative technologies to reduce emissions and suppliers who offer products made from recycled materials or optimize energy and water efficiency. We ensure all suppliers demonstrate compliance with fundamental human rights, the UK Modern Slavery Act, the Norwegian Transparency Act, and uphold a zero-tolerance policy towards bribery and corruption, in alignment with our policies, procedures, and applicable laws (both local and international). Our procurement decisions are steadfastly made without compromising safety and quality standards.

Supplier engagement

Our 2023 partnership with EcoVadis represents a pivotal advancement in sustainable supply chain initiatives. Through the EcoVadis platform, we assess and uplift our suppliers' sustainability practices, promoting a culture of sustainability via training, capacity building, and ongoing engagement. This collaboration aims to ensure our suppliers align with our stringent ESG criteria as we are progressively onboard our supply chain onto this platform.

Local sourcing initiatives

DeepOcean champions local sourcing to significantly reduce environmental impacts and bolster local economies. Committed to adhering to environmental laws and actively working to curtail GHG, we prioritize locally produced goods and services. This approach not only fosters community development but also fortifies the resilience of our supply chain. Particularly in our global offshore operations, the travel of specialized offshore crew and of transportation of offshore equipment poses a considerable environmental challenge.

Social responsibility in our supply chain

Fair labor practices and human rights are foundational to DeepOcean's supply chain operations, forming a critical criterion for supplier selection. By using NetSuite for supplier pre-qualification and the future integration of EcoVadis assessments, we are committed to ensuring our suppliers meet our stringent labor and human rights standards.

DeepOcean, alongside our vessel owners, operate local marine bases in strategic locations, including Haugesund, Aberdeen, Port Fourchon, and Ciudad del Carmen. Our expansion into the Guyanese market in 2023 underscores our dedication to boosting local economies, especially in the fields of subsea IMR and ROV operations, by forging partnerships with local entities. As we look towards Central and South America, our strategy focuses on opportunistic expansion with the aim of nurturing local expertise within our operational domains wherever feasible.

Whistleblowing Protection

Risk Management

As a matter of policy, we conduct a risk assessment of all third parties with whom we do business that are based in countries deemed as being 'high-risk'. This also applies to all agents and prospective business partners. In situations where an assessment reveals an unacceptable risk to our business, our policy is to refuse to participate in the activity in question. Our risk management approach supports compliance with prevailing legislation and regulations in all material respects.

Supply chain risk assessment

DeepOcean employs industry-standard processes to identify and manage supply chain risks, including environmental, social, and geopolitical factors. Previously managed in-house, we are now enhancing our risk monitoring capabilities through our partnership with EcoVadis. Combining our legacy supplier pre-qualification process in NetSuite with EcoVadis assessments ensures we partner with suppliers who present minimal or manageable risks to our operations. These partnerships are continually monitored by our project teams through follow-up of a procurement specialist dedicated to a project once a supplier has transitioned from the onboarding process into the project execution phase.

Response strategies

DeepOcean employs robust strategies to ensure the continuity of our sustainability practices during crises and maintaining the integrity of our supply chain regardless of external pressures. In response to the COVID-19 pandemic and the outbreak of armed conflict between Russia and Ukraine, DeepOcean, developed and implemented comprehensive measures, including adapting operational protocols to ensure safety and continuity, enhancing remote operation capabilities, and fostering resilience through

strategic diversification of supply chains. Our approach was informed by industry responses, emphasizing agility, safety, and sustainability in navigating global challenges. In the aftermath of the COVID-19 pandemic and stabilization of the armed conflict between Russia and Ukraine, we have continued to follow these operational protocols as a matter of best practice.

Looking forward

DeepOcean is steadfast in its commitment to strengthening supply chain sustainability through several strategic initiatives including:

- Developing a Supplier Code of Conduct to articulate clear sustainability expectations.
- Conducting EcoVadis assessments for a select number of suppliers in 2024 to ensure alignment with our sustainability commitments.
- Increasing our focus on local sourcing to diminish the need for long-distance transportation, enabling the use of eco-friendly transportation methods as needed.
- Developing and implementing specific KPIs to accurately measure and enhance our sustainability performance.
- Setting specific targets for supplier packaging to improve waste management and promote a circular economy.

Our journey towards a more sustainable and responsible supply chain continues to evolve. DeepOcean's unwavering commitment to sustainability drives us to set and pursue ambitious goals, undertaking decisive actions for the welfare of our planet and future generations.

Whistleblower protection is vital for strengthening regulatory compliance and safeguarding a culture of integrity, a principle DeepOcean upholds and actively promotes. In 2023, the company extended its commitment by making the whistleblowing channel accessible via our website. Employees and consultants at DeepOcean are encouraged to embrace this speak-up culture, in which they can freely voice concerns and seek guidance without

fear of reprisal. They have multiple avenues for reporting, including their line manager, senior management representatives, or the Compliance and Legal departments. Moreover, they can use our Ethics Hotline, available 24/7 for both internal stakeholders and external parties. Managed by an independent specialist third party, this channel ensures confidentiality, with each reporter receiving a unique "report key" for tracking feedback and inquiries.



Anti-bribery & Corruption

DeepOcean has a zero-tolerance policy against corruption. DeepOcean works against corruption in all its forms, and we have high expectations to our employees, our partners, and our suppliers regarding ethics. We work to make sure that our business partners also share our commitment. In 2023, work has been done leveraging technology to help promote transparency, automate processes, and create systems that reduces opportunities for corruption. DeepOcean will continue this work, implementing mechanisms in organizational activities to foster a culture of transparency and accountability making information accessible to stakeholders and employees.

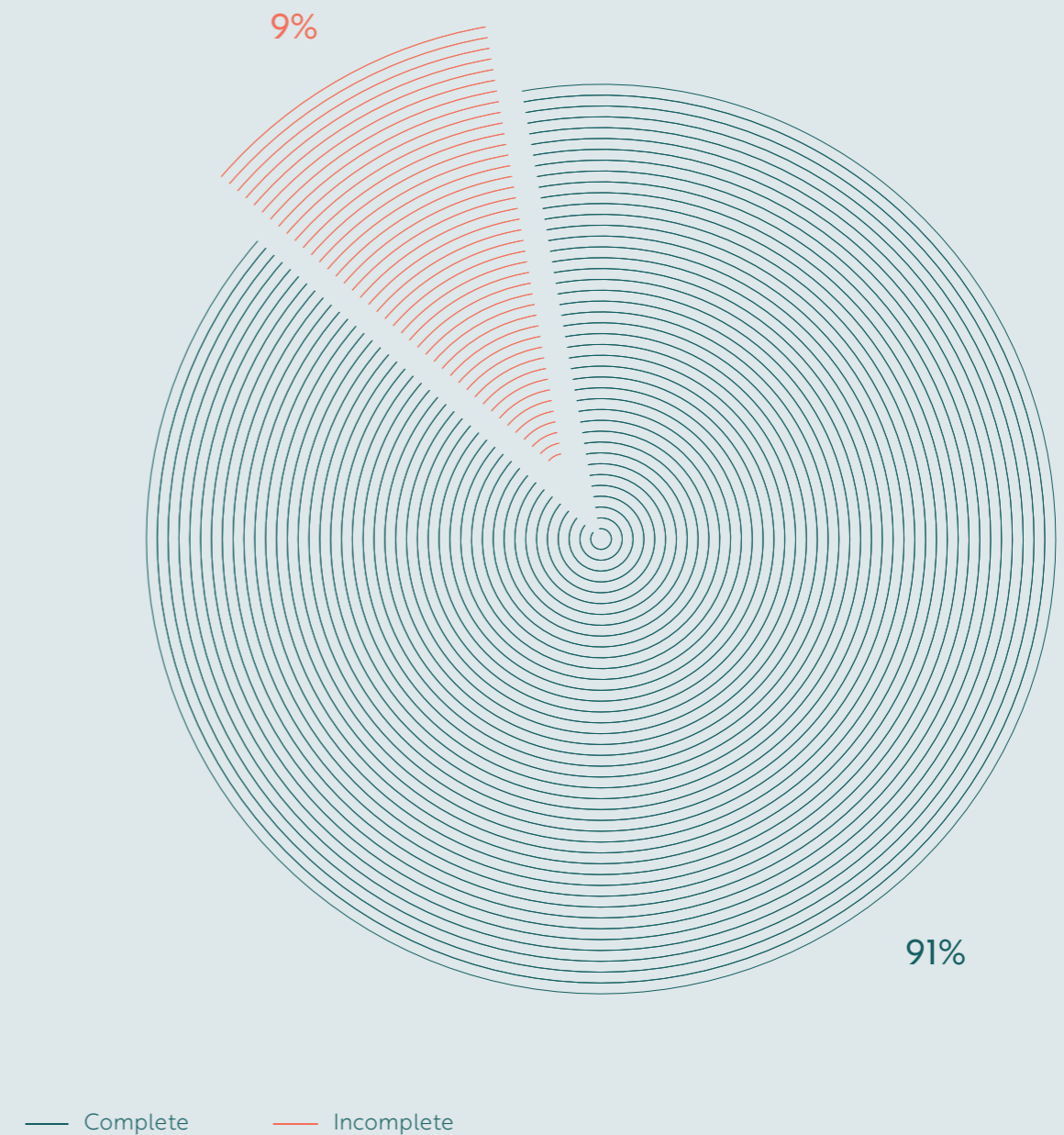
Policy

DeepOcean's compliance policies and procedures provide the framework for ethical decision making in the company. In 2023 work started to update governing documents, making sure that they set clear expectations for behavior defining acceptable and unacceptable conduct within the organization. DeepOcean will continue this work not only to reinforce DeepOcean's values and ethical culture but also to prepare and stay vigilant for regulatory changes facing the years to come.

Training Programs Offered

Compliance awareness training is essential to DeepOcean's compliance program. In 2023 we conducted mandatory compliance classroom trainings for all non-leadership personnel in all regions. Thirty classroom sessions were held with a 76% attendance. In 2023 DeepOcean implemented a new annual mandatory e-learning compliance certification. At the end of 2023 we reported a compliance e-learning completion rate of 91%, demonstrating that the work we set out to complete last year has been successful. DeepOcean will continue to monitor and develop the compliance training program and continue the work started to improve completion and attendance rate. Compliance awareness training is a proactive measure that aligns employees with organizational compliance objectives, contributing to legal adherence and fosters a sense of accountability among employees contributing to reinforce ethical behavior and values within the organization.

Compliance Learning Completion Rate



Cyber Security & Privacy

DeepOcean is committed to protecting its employees, partners and the company from illegal or damaging actions by individuals, either knowingly or unknowingly. DeepOcean recognizes the importance of safeguarding personal and sensitive information and ensures compliance with all applicable data protection and privacy laws and regulations. We are currently following the NIST Cyber Security Standard and the Norwegian National Security Authority's fundamental principles for Cyber Security. In 2023, we dedicated our focus on enhancing Cyber Security and safeguarding both our cloud and operational infrastructures. Employing a risk-based approach, we implemented numerous critical changes and security measures. Significant enhancements include the widespread adoption of Multi-Factor Authentication ("MFA") throughout the organization and the update of Endpoint Detection and Response ("EDR") systems for both onshore and offshore operations.

Our commitment extended to revising governing documents, ending in a new and updated IT systems usage procedure. Looking ahead to 2024, we remain persistent in our pursuit of excellence. Already, measures have been implemented to strengthen data protection, ensuring company data accessibility exclusively through compliant company devices. This initiative mitigates the risks of data loss and theft, preserving the integrity of our data and systems as part of our overarching Zero-Trust initiative.

To strengthen these efforts, the IT department is actively recruiting additional cyber security resources. Simultaneously, substantial investments are underway to upgrade the entire group's infrastructure. This includes the deployment of a cutting-edge network and the establishment of a strategic security partnership for continuous 24/7 monitoring and response to security incidents.

One of the main objectives for 2024 involves the development of an enhanced data governance strategy for the entire group. Recognizing the strategic advantages and improved cyber resilience that a robust data governance framework provides; we commit to leveraging the potential of our data through AI and machine learning applications.

Furthermore, we are intensifying our efforts to secure the supply chain by imposing stricter demands and audits on vendors, partners, and suppliers. In parallel, we anticipate increased cybersecurity requirements from our clients, reflecting our solid dedication to maintaining the highest standards of cybersecurity across our organization.

Cyber security awareness training was continued in 2023 where 1 202 of 1 374 relevant users completed the training, which is an 87% completion rate.

Governance Data Summary

Performance Indicator	2023	2022	2021	2020	2019
Speak up/ethics cases (count)	3	7	-	-	*
Suspicion of breach of data protection law cases (count)	-	3	*	*	*
Cyber security awareness training completion rate for relevant personnel (%)	87%	63%	*	*	*
Suspicion of financial misconduct cases (count)	-	-	-	-	-
Suspicion of harassment, discrimination, or breach of other labor-related policies (count)	-	-	-	-	-
Compliance & ethics completion rate for relevant personnel (%)	75%	76%	60%	*	*
Code of conduct e-learning completion rate (%)	91%	*	*	*	*

* Data not available

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Sustainability Strategy

Sustainability is at the very core of DeepOcean's strategy and operating practices. We consider ourselves strong enablers of the energy transition, moving our industry towards low carbon and commercially successful operations by applying new technology, prioritizing energy efficient practices, and investing in remote capabilities. We support the ocean industry in driving positive change, including transitioning to net-zero emissions. Our environmental, social and governance ("ESG") strategy sets out our target outcomes and the actions we will take to fulfill this commitment. Each commencing section of the sustainability reporting will elaborate on our material priorities, material topics, future targets, 2023 performance, and next actions dedicated to support the overall ESG strategy.

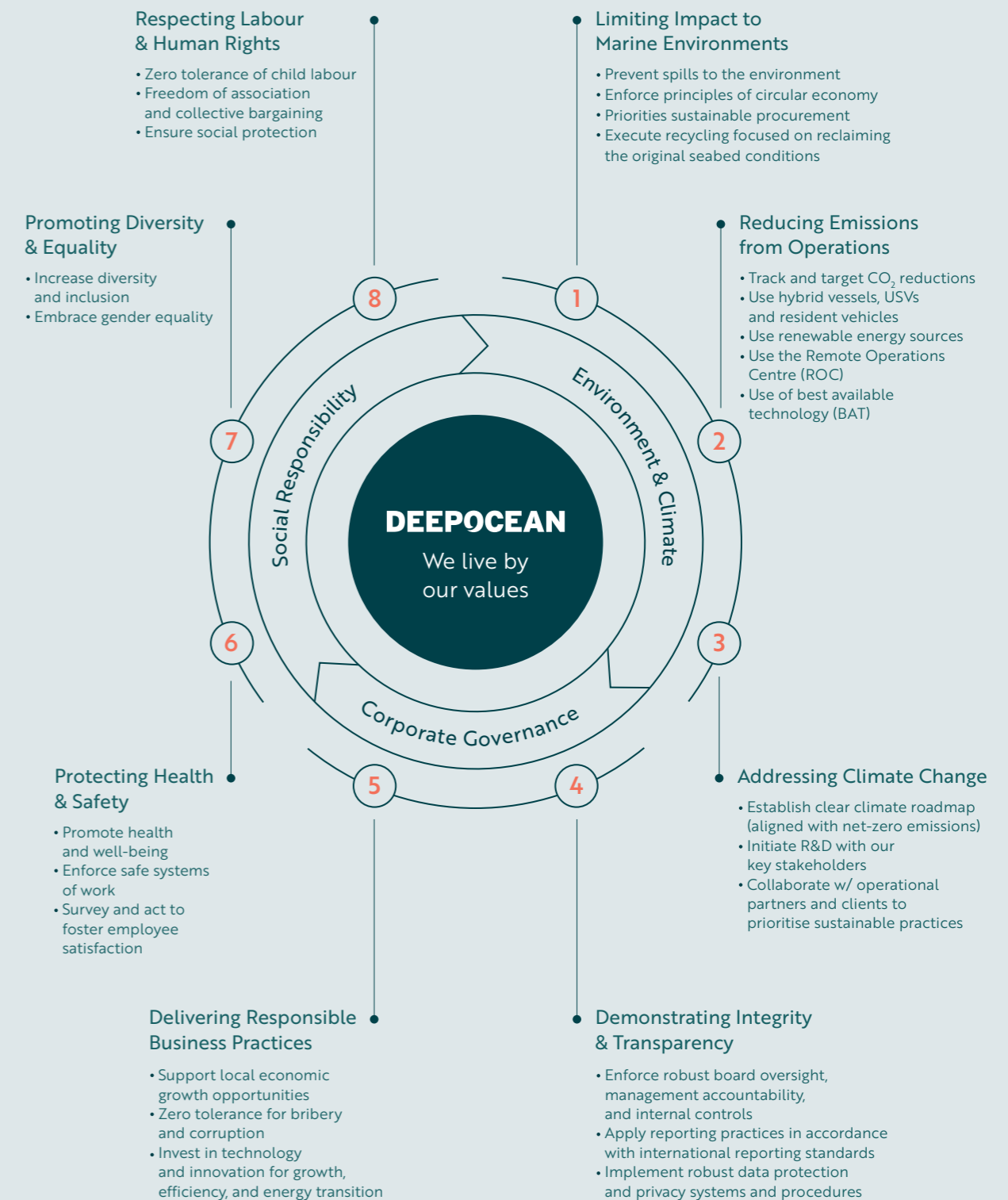
Stakeholder Management

DeepOcean is committed to stakeholder engagement to ensure that all parties are informed, involved, and invested in the success of our activities. We believe that transparent ESG disclosure elicits feedback and open dialogue, promotes trust, and helps to align interests in key material topics. Engagement and dialogue are essential components of sVustainability, as they empower stakeholders to work together to

identify solutions that address current and future challenges. By facilitating dialogue, stakeholders can share their insights and knowledge which, in turn, helps to inform our decision-making and create solutions that are both effective and sustainable. In our stakeholder engagement approach, we identify and manage relationships with individuals, groups, and organizations that could be affected by our activities or who may have an impact on our business.

DeepOcean have been actively involved in discussions and meetings hosted by the International Maritime Organisation (IMO), where we contributed with our insights and expertise to advance the dialogue on decarbonization. Our presence at COP28 in Dubai emphasizes our dedication to staying at the forefront of climate discussions and aligning our strategies with global efforts to address climate change.

DeepOcean played a direct role in contributing to the International Marine Contractors Association's (IMCA) new guidance document **Guidance on Mitigation of Marine Invasive Species: Biofouling and Ballast Water** (IMCA ES002), specifically designed to tackle the global threat of marine invasive species.



To increase the chance of bridging the looming supply gap for metals and minerals crucial to the green transition and energy independence, the opening of deep-sea mineral exploration on the Norwegian Continental Shelf has been of paramount importance. On the 9th of January 2024, the voting took place in Parliament, with 80% voting for an opening. Adepth Minerals, a majority DeepOcean owned company, has actively participated in the opening process

through meetings and hearings with government stakeholders. This ensures that the operator's perspective, encompassing knowledge of operations, technology, and geology remains fact-based and current.

Engaging with policymakers, industry stakeholders, and climate experts is a key aspect of our commitment to responsible business practices.

Stakeholder Management



Nadia Aarab
Group Environmental Sustainability Lead

Nadia's journey to DeepOcean began with a PhD in Oceanography, followed by marine environmental research and consultancy. Combined with over 22 years of experience in the Oil and Gas industry, Nadia's background gives her knowledge of both academic and operational aspects of working with environmental sustainability within DeepOcean.

Since joining DeepOcean in 2021, she has been instrumental in implementing the Sustainability Program framework with measurable targets, and the tracking of all environmental and Green House Gas data. She contributes actively to ensuring we maintain our ISO 14001 and ISO 50001 certifications and implementing digital solutions to collect and share environmental information across the company. She works with operations to ensure environmental legislation requirements through IMO and is involved in discussions regarding

the maritime sector achieving zero emissions by 2050, as well as reporting on our sustainability initiatives in the communication platform of the UNGC. In her role on IMCA's Environmental Sustainability Committee, she has contributed to the publication of the *Code of Practice for Environmental Sustainability* and their recently published *Guidance and mitigation on marine invasive species*.

She is currently leading the Environment work package in the Eminent project, to establish the basis for an integrated value chain for deep sea minerals with far smaller environmental footprint than current mining operations onshore and is writing the ESG handbook for deep-sea minerals together with DNV and other institutions. She is proud to be a part of the "3D culture of DeepOcean: Decarbonization, Digitalization and Diversity".

Double Materiality & UN Sustainable Development Goals

By actively involving our stakeholders, we strive to uphold an open approach to our significant issues. As part of our annual strategic planning, we have strengthened our reporting on ESG aspects, including the supply chain, human rights within our operations, climate change, circular economy, and security. Moving forward, DeepOcean is dedicated to aligning with the new Corporate Sustainability Reporting Directive (CSRD) requirements.

Embracing sustainability and implementing the United Nations' Sustainable Development Goals (SDGs) using the SDG Compass, a guide developed by the Global Reporting Initiative (GRI) and the United Nations Global Compact (UNGC), is essential to achieving our ambitions. Utilizing this systematic approach, DeepOcean has established a framework that promotes sustainability, fosters innovation, and provides guidance to our management team. In 2022, we completed a structured double materiality assessment to validate the material topics identified in 2021 and prioritize appropriate actions to address them. A broad range of stakeholders were involved in shaping the overall assessment including representatives from DeepOcean's majority owner, Triton, members of the senior leadership team, the regional managing directors and functional specialists, as well as desktop research on non-financial reporting frameworks, including

SASB (Sustainability Accounting Standards Board) and GRI (Global Reporting Initiative) Standards.

Materiality analysis is the guiding principle for finding the pertinent aspects to DeepOcean and our stakeholders that markedly influence the ability to generate value over time. This involved identifying material topics that encapsulate the organization's most substantial impacts on the economy, environment, and people, including effects on human rights and the supply chain. Fundamentally, materiality ensures the alignment of priority issues with the company's strategy and guarantees the incorporation of diverse stakeholder expectations.

The severity of an impact is assessed based on the following factors based on the GRI guidelines:

1. **Scale:** how grave the impact is;
2. **Scope:** how widespread the impact is, for example, the number of individuals affected or the extent of environmental damage; and
3. **Irremediable character:** how hard it is to counteract or make good the resulting harm? In 2024 the double materiality and ESG disclosures will be transitioned to harmonize with CSRD disclosure requirements.



Addressing the UN Sustainable Development Goals




<p>SDG 3: Good Health & Well-Being</p>  <p>Our goal is zero harm to our people, our assets, and the environment. In DeepOcean we are committed to maintaining a strong HSEQS culture, protecting the health and safety of our employees, while delivering sustainable and cost-effective operations. Our operating practices are certified to ISO 45001 Occupational Health & Safety Management.</p> <p>Our performance indicators addressing SDG 3 are: work-related recordable incidents (injuries and ill-health), high potential incidents, absenteeism, turnover, net promoter score, and performance and development reviews. Ref. sections on 'Safety', and 'Social Responsibility'.</p>	<p>SDG 7: Affordable & Clean Energy</p>  <p>Our vision to be a world-leading ocean services provider, enabling both the energy transition and the sustainable use of ocean resources. We invest in low emission technology and assets, enable remote operations in the ocean space, operationalise deep-sea mineral harvesting, and deliver projects in the renewable segment. Our operating practices are certified to ISO 50001 Energy Management.</p> <p>Our performance indicators addressing SDG 7 are: use of hybrid battery vessels, use of remote operating centres, deep-sea mineral expeditions/projects, energy consumption, and vessel connection to shore power. Ref. section on 'Environment & Climate'.</p>
<p>SDG 5: Gender Equality, SDG 8: Decent Work & Economic Growth, & SDG 10: Reduced Inequalities</p>    <p>Diversity and inclusion are of paramount importance to DeepOcean. We prioritise diversity across all company objectives. Line managers are responsible for fostering diversity within their departments, embedding it into our organisational culture. We heavily invest in training and career development of our employees to enhance job satisfaction, as reflected in our positive Net Promoter Score.</p> <p>Our performance indicators addressing SDG 5,8 and 10 are: gender balance, nationality representation, social protections, gender pay gap assessments, diversity training, and net promoter score. Ref. section on 'Social Responsibility'.</p>	<p>SDG 9: Industry, Innovation & Infrastructure</p>  <p>DeepOcean has been extensively developing and introducing new technology to improve operations. Our global team of experts are at the forefront of remote and uncrewed operations and digitally enabled services. Supported by an extensive tool and technology pool, we drive cost-efficient, safe, and sustainable operations.</p> <p>Our performance indicators addressing SDG 9 are: commercialisation of remote operations, operationalising deep-sea mining, and digitalisation of subsea services. Ref. sections on 'Energy Transition Partners'.</p>

<p>SDG 12: Responsible Consumption & Production, & SDG 13: Climate Action</p>   <p>Green House Gas (GHG) emissions from fuel consumption can contribute to climate change and have adverse effects on human health and the environment. DeepOcean invests in, and prioritises new and efficient technologies, operating practices, and contribute to R&D in alternative energy sources. Our operating practices are certified to ISO 14001 Environmental Management and ISO 50001 Energy Management.</p> <p>Our performance indicators addressing SDG 12 & 13 are: use of hybrid battery and green technology vessels, fuel consumption, scope 1-3 emissions, green operations (e.g. eco speed as default), and NOx & SOx emissions. Ref. section on 'Energy Transition Partners'.</p>	<p>SDG 16: Peace, Justice & Strong Institutions</p>  <p>We ensure project and operational continuity during crises, safeguarding our supply chain integrity despite external pressures. During the Russia-Ukraine conflict, DeepOcean strengthened remote operations and diversified supply chains for safety and continuity.</p> <p>Our approach is informed by industry responses, subject to internal risk assessments, and managed by our subject matter experts and operational leadership. Ref. section on 'Governance'.</p>
<p>SDG 14: Life Below Water</p>  <p>In DeepOcean we are committed to minimising our environmental and social impact while ensuring profitability. We acknowledge our responsibility to current and future generations. Our operations in the ocean space prioritise environmental management, employing a preventive approach to mitigate adverse impacts and promote positive outcomes. Our operations are ISO 14001 certified.</p> <p>Our performance indicator addressing SDG 14 are: spills to the environment, biodiversity mapping and analysis, biofouling management, and waste management. Ref. section on 'Environment & Climate'.</p>	<p>SDG 17: Partnerships for the Goals</p>  <p>Collaborating with businesses and organisations helps us solve complex problems, innovate, and support the energy transition. To effectively combat climate change in the ocean sector, all stakeholders must adopt new operating methods and collaborate across the value chain. DeepOcean partners with industry leaders and actively engages with key industry associations to drive meaningful changes.</p> <p>Ref. section on 'Energy Transition Partners', and 'Social Responsibility'.</p>

Energy Transition Partners

DeepOcean is taking successful steps on the journey to net zero by 2040.

Key Risks	Key Opportunities
Client hesitation to embrace USV/AID/Glider and other remote operational technology	USV assets scheduled for delivery by early 2025
Challenging risk profile in renewable market	Renewables accelerated by Repower EU in response to ongoing energy crisis

Material Priority	Material Topics & 2025 Commitments	2023 Progress	2024 Next Steps
Enable the Energy Transition   	Commercialize remote operations in all regions by 2025	On track <ul style="list-style-type: none"> Three remote operation control rooms running in Norway as of 2022 supporting ongoing projects Enhanced ROV operations' service quality, technical solutions, and flexibility at ROC 	<ul style="list-style-type: none"> Start operating the Aberdeen ROC and aim for 50 days Commercializing DP operation and engine control room activities from onshore ROC Aiming for 400 days ROC in Norway
	Renewables segment to constitute 20% of overall the backlog by 2025	On track Increased growth in offshore renewables	<ul style="list-style-type: none"> Execute cable installation work Double the renewable organization Increase renewables revenue by 50%

To enable, drive and support the transition to sustainable energy practices, DeepOcean emphasizes the importance of collaborative partnerships. Understanding the different constraints of clients that can hinder the adoption or acceptance of more sustainable practices is crucial to this transition. By working closely with various stakeholders, such as industry experts, governmental bodies, research institutions, and technology innovators, we aim to collectively address both the challenges and opportunities presented by the energy transition. By combining the strengths and insights of diverse partners, we can accelerate the adoption of cleaner and more

efficient energy sources, contributing to a more resilient and environmentally conscious future.

Decarbonization at DeepOcean is driven by digitalization, and the direct link between these two processes is transformative. A key achievement through digitalization was the establishment of the Remote Operation Centers, which enables the transfer of certain types of offshore operations to onshore. This leads to a direct reduction in emissions from vessels, as well as reducing the safety exposure of our employees. By embracing digital technologies, we have also implemented real time energy

monitoring, allowing us to optimize energy usage, reduce CO₂ emissions and implement smart solutions. Employee engagement is fostered through digital platforms, raising awareness, and encouraging sustainable practices. Continuous improvement is supported by feedback and lessons learned, allowing us to adapt and refine our decarbonization strategies based on real-time performance data. In essence, digitalization is a key catalyst in DeepOcean's journey towards a more sustainable and decarbonized future.

Remote First

Sustainability is the key driver for Remota and the development of our services. Throughout 2023 Remota has been committed to delivering Remote Operating Center ("ROC") services to DeepOcean. From March through December, a total of ~300 days of ROC operations have been performed. Activities spanned from inspection work, light intervention and pumping operations, utilizing several of DeepOcean's Supporter work class Remotely Operated Vehicles ("ROV") systems and the innovative Autonomous Inspection Drone ("AID"). The operations from the ROC have proven to be an effective and valuable steppingstone towards a more efficient and sustainable way of operating. The challenges experienced during extended periods of continuous, 24/7 operations are essential to improve technologies and solutions for the future of onshore control of offshore operations.

In addition to controlling ROVs from the ROC, Remota also delivered a solution which enabled a 3rd party to perform their tasks during a three day stay at the ROC instead of a 14-day offshore trip. This solution will evolve into the versatile Remota Access Service™, introducing a novel approach to working across various offshore disciplines. Numerous advantages are gained through this innovation, including minimized travel, enhanced resource utilization, reduced personnel exposure to operational risks, and an improved means for key personnel to participate

during critical phases of subsea operations. Our commitment to sustainability is also developing within public transportation as we will see the start of our project to demonstrate an autonomous electric city waterway shuttle. Together with our partners Hyke and Haugesund Municipality, this project is set to run for three years, gaining crucial insight in how to operate in a more sustainable way on urban waterways.

Renewables

Throughout 2023, we focused on strengthening our own offshore renewables capacity, strengthening our engineering capacity in Oslo and experiencing organic growth in Aberdeen. This expansion aligns with DeepOcean's goals, positioning us for greater involvement in offshore renewables.

During 2023, DeepOcean has strategically focused more on the medium-term, rather than the short-term opportunities. This has resulted in close dialogue with several renewable clients for potential wind farm work in the years ahead. Future renewable opportunities align well with DeepOcean's key service lines and will further build on our existing track record. The potential windfarm scopes that DeepOcean is tendering for and negotiating is capable of supplying millions of European homes with green energy in the years to come.

DeepOcean can proudly state that the vessels being proposed for future wind farm projects are among, if not the, greenest in the world within its segment. In all the proposals placed forward by DeepOcean there is a clear focus on being efficient in terms of fuel consumption, emissions, and cost during our offshore operations.

Windtaller Alliance

The main operational achievements in the offshore wind market in 2023 were achieved through our well established Windstaller Alliance.

Three offshore industry leaders - Aker Solutions, DeepOcean and Solstad Offshore - joined forces in 2021 to bring a new approach to renewable projects. Today the alliance offers wind-energy developers a complete range of products, fabrication, installation, and marine services. The partnership is built on decades of offshore and marine experience. It uses its expertise to drive and unlock value for the renewable energy sector.



During 2023, Windstaller positioned itself and is already being well received. There is a clear strategy from DeepOcean's Board of Directors to be a key player in the green transition. In 2023, Windstaller Alliance has submitted numerous tenders, successfully completed a demonstration project in Spain, and participated in several studies within the offshore wind sector.

Windstaller Alliance successfully completed the installation of the DemoSATH floating offshore wind turbine project located offshore Spain, including two, hook-up and dynamic cable installations for the turbine.

Windstaller Alliance effectively leveraged the expertise of all three alliance partners for the project. Aker Solutions played a crucial role by providing engineering and project management

support, while DeepOcean contributed its competence and resources for the cable installation, and the primary installation vessel, Solstad's Normand Sapphire, was mobilized from Norway and equipped with a cable installation spread, in addition to its regular towing, anchor handling, and ROV capabilities.

"The project was conducted safely and efficiently, facilitated by favorable weather conditions and outstanding support from Saitec. The methodology employed for the project is easily transferable to other floating offshore wind projects globally. We take pride in our contribution to realizing Saitec's innovative and highly competitive floating offshore wind turbine project," stated Guro H. Løken, managing director of the Windstaller Alliance.

FloWatt Tidal Pilot FEED – Hydroquest



Windstaller Alliance was in 2023 subcontracted to deliver the front-end engineering and design ("FEED") for the subsea installation scope of the FloWatt Tidal Pilot to be installed offshore Normandy, France. This study is financed by the European Union program "The Tidal Stream Industry Energiser Project", known as TIGER. The TIGER project will drive the growth of tidal-stream energy to become a greater part of the energy mix, with significant benefits for coastal communities.

The FloWatt project is developed by tidal power turbine technology and renewable energy developer HydroQuest and independent renewable energy producer Qair. Final investment decision for the FloWatt project is expected in 2024, with a potential EPCI contract award the same year. The FloWatt project is already approved by French authorities, and in fact moving faster than other prospects we see within offshore wind. There are concrete plans for several 250 MW and 500 MW tidal parks in the same area (total of 2–3.5 GW).

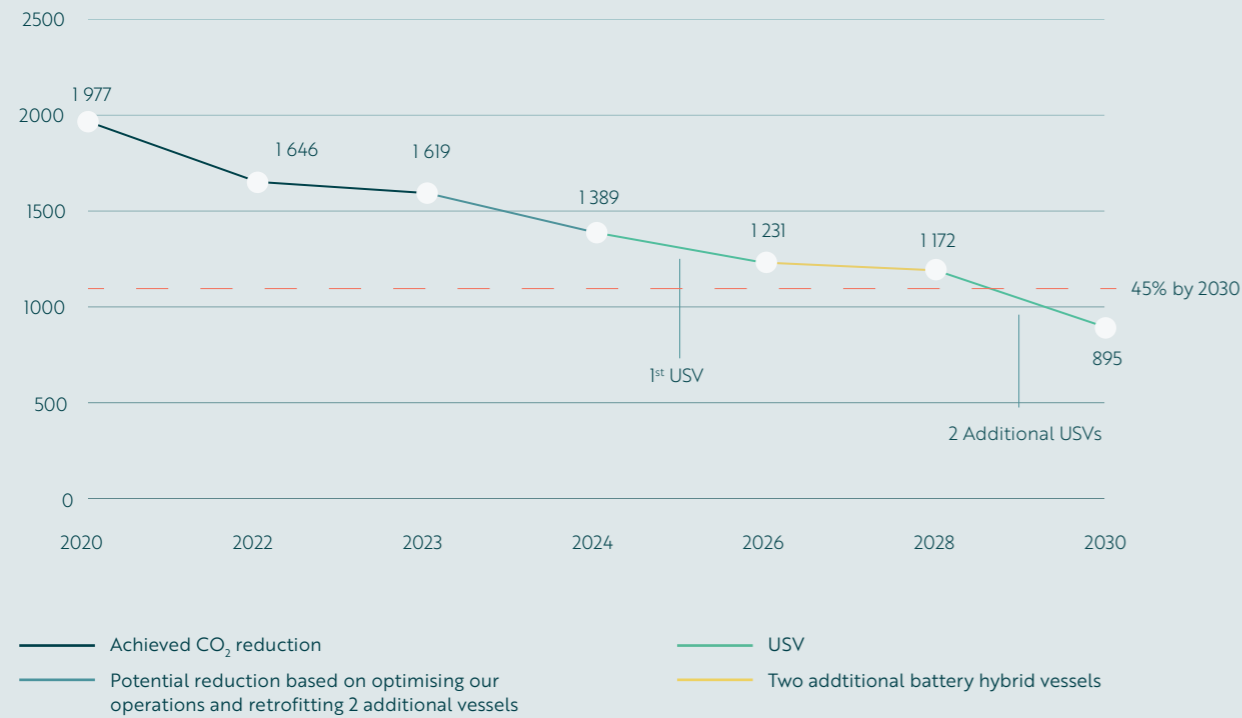
Environment & Climate

DeepOceans' strong year of recycling business line revenue proves our commitment to support the industry in delivering on the end of lifecycle targets.

Key Risks	Key Opportunities
Increased regulation and taxing of emissions	Sophisticated digital tracking and disclosure of GHG emissions in all projects
Client reluctance to embrace proposed and available green initiatives	Market leading fleet of hybrid battery vessels
High-cost impacts related to low carbon technologies and fuels	New low emission USV technology primed to be a "game changer" in the industry
Public skepticism regarding deep-sea mineral harvesting	Deep-sea mineral harvesting sanctioned by the Norwegian government in 2023

Material Priority	Material Topics & 2025 Commitments	2023 Progress	2024 Next Steps
Limit Environmental & Ecological Impacts  	Reduce fleet CO₂ emissions by 23% by 2025, 45% by 2030 and net-zero by 2040 (from 2020 baseline)	On track CO ₂ emissions from scope 1 reduced overall by approximately 18% at end of 2023 compared to 2020 baseline (2022: -16%)	<ul style="list-style-type: none"> • Stril Server is scheduled for battery pack retrofit in Q1 2024 • Complete the battery pack installation of Volantis Q1 2024 • Eco-speed as default on all vessel operations and increase use of Shore power connection • Island Ocean is scheduled for battery pack retrofit prior to entering the fleet
	Reduce annual spills to environment to <100 L. By 2025	Off track 208 liters in 2023 (2022: 144 liters)	<ul style="list-style-type: none"> • Launch preventive maintenance and inspection program focused on hose management • Digitalize pre-post dive to aid access & archive
	Commercialize biodiversity impact assessments as standard project offering to clients by 2024	On track Akvaplan Niva engaged in Eminent deep sea mineral expedition in 2023 and providing the plume simulation	<ul style="list-style-type: none"> • Providing data to the scientific community, collected by our ROVs and shared on a cloud based open-source platform, to form inputs to an ocean model
	Recycling segment to constitute 20% of overall backlog by 2025	On track DeepOcean has delivered an average of 19.8% recycling revenue for 2022 and 2023	<ul style="list-style-type: none"> • Further our recycling offering in order to secure a larger market share for the years to come
	Operationalize deep-sea mining by 2025	On track Joint consortium launched the 'Eminent' project in 2023 focused on commercialization of deep-sea mineral harvesting	<ul style="list-style-type: none"> • Develop scientific baseline for responsible extraction regulations • Enhance geophysical data collection for mineral exploration • Interpret and collect data from DeepInsight23 expedition instruments

Pathway 45% CO₂ Reduction



DeepOcean is a world-leading ocean services provider, enabling the energy transition and sustainable use of ocean resources. In pursuit of this vision, we are dedicated to decreasing our operational carbon emissions from our baseline level in 2020 by 45% within 2030, with the goal of achieving net-zero emissions in 2040. To achieve this goal, implementation of a range of sustainable practices and technologies are needed.

More than 90% of our emissions (Scope 1) come from our vessel operations. As such, we focus our attention on increasing energy efficiency and reducing GHG on our vessels by embracing sustainable operational practices. The implementation of ISO 50001 energy management practices has played a pivotal role in raising awareness of these issues internally, externally, and assisted greatly in achieving our current level of reductions.

Energy efficiency

Enhancing energy efficiency in our operations is crucial to reduce our CO₂ emissions from vessels. This can be achieved through the adoption of different initiatives such as prioritizing eco-speed, using energy-efficient engines, optimizing voyage planning, practicing regular maintenance and hull cleaning, which all contribute to reduced fuel consumption and emissions. Some of these actions are taken with our clients in the early

phase of project design, although time and budget constraints do not always allow for these practices to be utilized to their fullest potential.

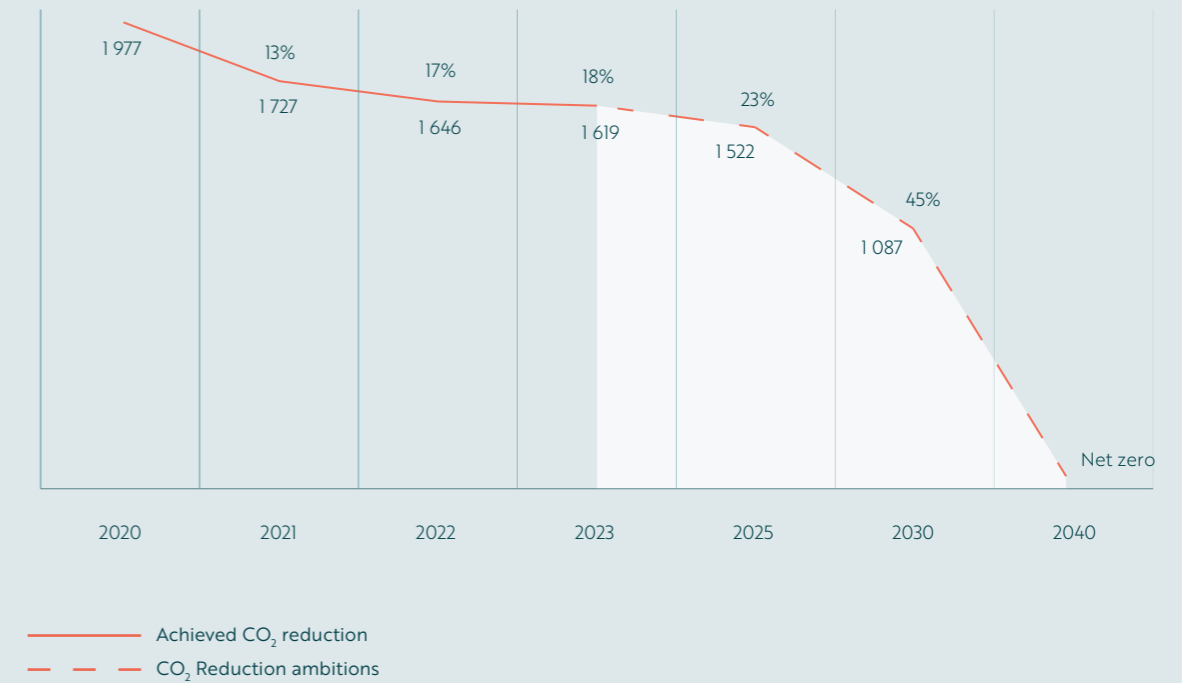
Green technology

Decarbonization is driven by digitalization and technology in DeepOcean. During 2023, a range of scenarios were evaluated to determine the best route to net-zero. These scenarios varied in complexity, method of implementation, and impact on our emissions. The different pathways evaluated included Uncrewed Surface Vessels ("USVs"), new-build vessels, hybrid battery retrofitting of existing assets, and switching to alternative fuels/biofuels. The conclusion from the evaluation showed that optimizing our current operational arrangements, retrofitting two additional vessels with battery packs, and adding two additional USV's to our fleet would be the most efficient pathway to arrive at the 45% reduction target by 2030. One USV has already been commissioned, and we are continually working on optimizing our existing operations.

Alternative fuels/energy sources

With the addition of three USV's, seven hybrid vessels, and full optimization of our current operations, we will be on track to reach 45% CO₂ reduction by 2030. To reach our net-zero target, a paradigm shift must occur in available energy sources such as making hydrogen fuel cells, ammonia or methanol-based fuels

Carbon Intensity Indicator



readily available and cost viable for subsea industry vessels. The current high cost and low availability of biofuels presents obvious barriers to acceptance from clients and suppliers alike. When the technologies for producing these fuels/energy sources mature, supply is more readily reliable, and costs decrease, then these options will be essential to arrive at net-zero.

CO₂ Reduction

Scope 1

Our scope 1 emissions are primarily from our vessel operations and tracked through the Maress platform supplied by VPS. We utilize the Carbon Intensity Indicator to evaluate improvements in our performance. Since our baseline in 2020 we have reduced this value by 18%, despite an increase in operational hours of 26%. We continued to decrease our Carbon Intensity Indicator ("CII") in 2023, however we did not manage to achieve our year-on-year target of -5% reduction. This is mainly attributed to technical issues in some of our hybrid battery installations, as well as several long transits and dry dock stays. The focus in 2024 will be to ensure that we complete the planned installation and commissioning of hybrid batteries, to enable those vessels to operate with lower emissions, and to increase use of shore power during port stays to reduce fuel consumption.

Scope 2

Our indirect (Scope 2) GHG emissions are calculated from the electricity used for heating and cooling in our offices. In Norway this energy comes primarily from renewable sources such as hydroelectric and wind power. Between 2019 and 2022 these sources accounted for between 94% and 98% of the energy physically provided (Source: NVE). While renewables do not yet account for as high a portion of the UK energy mix as in Norway, they contributed 41% in 2023 (Source: National Grid). In addition, our office location in the UK has been rated level B for Energy Performance.

Scope 3

Our Scope 3 emissions are primarily linked to our suppliers, an aspect we haven't previously monitored, highlighting a gap in our emissions reporting. Only business travel has been tracked so far for all DeepOcean regions. We are continually working to improve our scope 3 tracking and disclosure and have also initiated several measures to reduce emissions from our major suppliers by embracing sustainable procurement and implementing the EcoVadis platform in 2023. This platform assesses suppliers on various ESG (Environmental, Social, and Governance) factors, allowing us to start the process of closing this gap and enable our suppliers to work together on strategic levels to decrease the emissions.

Sustainable Technology & Innovations

DeepOcean has continued to push the boundaries of underwater technology and sustainability in operations throughout 2023. This pivotal year is marked by significant advancements and new projects that showcase our commitment to excellence.

Autonomous inspection drone

Throughout 2023, the AID has been operational in commercial settings, notably executing programmed inspections for AkerBP across multiple assets at the Alvheim oil field. These successful projects have showcased not only efficiency gains but also improvements in the quality of subsea inspections. The repeatability of these missions has led to higher quality data collection, paving the way for DeepOcean to develop machine learning and artificial intelligence ("AI") tools. These tools aim to further enhance the efficiency of inspection analysis and provide clients with deeper insights into asset integrity and future maintenance requirements.

Ocean challenger vessel:

DeepOcean has taken a significant step forward by entering into a lease of a newbuild for the Ocean Challenger vessel. The vessel, which is currently under construction at the Astilleros Gondán shipyard in Spain, is expected to be completed by the end of 2024, with subsequent transport to Norway for commissioning and certification. Anticipated to be commercially available in 2025, the Ocean Challenger is set to perform maintenance, repair, inspection, and survey work for our clients. This development emphasizes our commitment to sustainable and efficient offshore operations.

Ocean inspector project

DeepOcean has embarked on a groundbreaking project supported by the Ulla-Førre Fund. The Ocean Inspector initiative aims to revolutionize the inspection of offshore wind farms. Regular inspection of wind farms and associated power cables is crucial for identifying and addressing issues such as wear, corrosion, and damage due to external factors, which in turn helps to prevent unexpected power outages and economic losses.

Traditionally, large ships have been used for these inspections, incurring high costs and significant

environmental emissions. DeepOcean's proposed solution involves using an uncrewed surface vessel (USV) along with ROV/AID, offering services for both bottom-fixed and floating wind farms, with a particular focus on the local market of floating wind turbines. The project aims to establish Norwegian technology and services as the preferred solution for inspection and maintenance of power cables, export cables, and wind turbines in Europe.

Digital platform

DeepOcean is actively advancing its digital platform, a key element in planning, executing, and reporting our subsea operations. This ongoing improvement aligns with our 2024 strategic focus, aiming to boost value creation from the AID and enhance the efficiency and safety of our operations. The integration of advanced analytics, artificial intelligence, and machine learning will streamline our processes, elevating service delivery and operational safety standards.

Deep sea mineral exploration - Adepth Minerals

The energy transition requires vast amounts of metals and minerals. Recycling cannot keep up with the increasing demand as we see the accelerating need for wind, solar, batteries and not least the grid required for transportation of this renewable energy. As we navigate the challenges of a rapidly evolving world, the need for sustainable resources has never been more crucial. One avenue that holds tremendous potential is the exploration of minerals in the deep sea. Deep sea mining opens new frontiers for accessing valuable minerals that are pivotal in powering our modern society.

In 2024, the Norwegian parliament agreed to open the Norwegian Exclusive Economic Zone for mineral exploration and potential extraction, if it can be done responsibly with limited harm to the environment. Environmental considerations will be safeguarded throughout the value chain, and extraction will only be permitted if the industry can demonstrate sustainable and responsible practices.

DeepOcean is aware of the potential impacts associated with involvement in the deep-sea minerals project. It is imperative that we take

a step wise and data-based approach and apply caution and work diligently to ensure effective communication with both internal and external stakeholders. Fostering open communication about activities relating to this sector based on data and knowledge will improve understanding and lead to increased clarity about both the resource potential, the potential environmental impacts and risk mitigation technologies and activities related to this often-divisive topic.

Adepth Minerals aims to leverage its experience, technology, and capacity in exploring the potential development of deep-sea minerals, seeking to expand opportunities within the Norwegian offshore and subsea industry. Their vision and strategy remain unchanged: sustainable and responsible exploration and potential extraction of deep-sea minerals. To ensure exploration and extraction of sought after minerals in an environmentally responsible manner, Adepth will take a leading role by becoming an operator of exploration licenses on the Norwegian Continental Shelf. Ongoing work is focused on researching the deep ocean, evaluating the existing data both with respect to the resource potential, environmental and exploration challenges, developing the environmental and exploration toolbox and investigating how the deep-sea mineral value chain can contribute to a more responsible mineral extraction to support the energy transition.

A key project to resolve these challenges is the Green Platform project EMINENT – 'Energy MINERals for the Net-zero Transition' with the aim of contributing to the establishment of a complete value chain for deep sea minerals. In this project the partnership is developing and piloting key technologies, methods and concepts that demonstrate solutions along the entire value chain for responsible and sustainable exploration and extraction of deep-sea minerals. Subsequently, efforts will be made to accelerate the acquisition of knowledge of deep-sea resources and the environment to answer key questions related to establishing an industry that can supply much needed minerals in a sustainable manner.



Adepth Minerals - DeepInsight23 Expedition

The technological advancements through this project and the overall work that Adepth and DeepOcean are doing have showcased that we now have the tools to explore the depths of our oceans in ways previously unimaginable. The operation provided two proof of concepts that are of great value for the sustainability of marine mineral exploration activities:

1. The operation proved that core samples can be retrieved efficiently with the FlexiCore™ system; this allows advanced geotechnical work from a relatively small multipurpose vessels. This, compared to conventional drill-ship operations, affords substantial emission reductions during geotechnical campaigns.
2. The parallel operations proven during the DeepInsight23 operations, afforded by combining the best of scientific competence and subsea experience, produced a highly efficient data-collection operation. By having one ROV supporting the excavator / FlexiCore™ spread, and one running sampling, survey, and other data-collection operations simultaneously, the 30-days operation produced the equivalent of many years of scientific data-collection. This has obvious implications for overall sustainability as footprint and emissions are dramatically reduced – yielding the same level of data.

These concepts are of vast importance as they prove that private industry in mineral exploration will have less impact than existing research initiatives in the deep sea – and that this engagement will more effectively produce the scientific baseline for developing environmental guidelines and regulations for responsible extraction activities.

Traditional onshore mining practices often come with a significant environmental cost. Deep sea mining, when done responsibly, has the potential to minimize these impacts. By tapping into the vast resources beneath the ocean floor, Adepth can alleviate the strain on terrestrial ecosystems. A key parameter for future mining to be sustainable is to reduce environmental impacts, and a significant contribution to this is to mine in areas where the ore grade is the highest.

Current research results from in-active deposits indicate a high ore grade compared to the average mine on land, meaning that we reduce the overall impact, both physically and in terms of tailings and emissions.

Adepth Minerals is also developing a concept with the working title “Digital Exploration”. Digital exploration is in essence a data driven approach to combining and analyzing swaths of existing data to facilitate a better targeted and lean exploration process intelligently and efficiently. In doing this, Adepth is reducing its greenhouse gas (“GHG”) footprint significantly, by migrating substantial portions of the mineral exploration onto desktops – and thereby reducing vessel activity offshore.

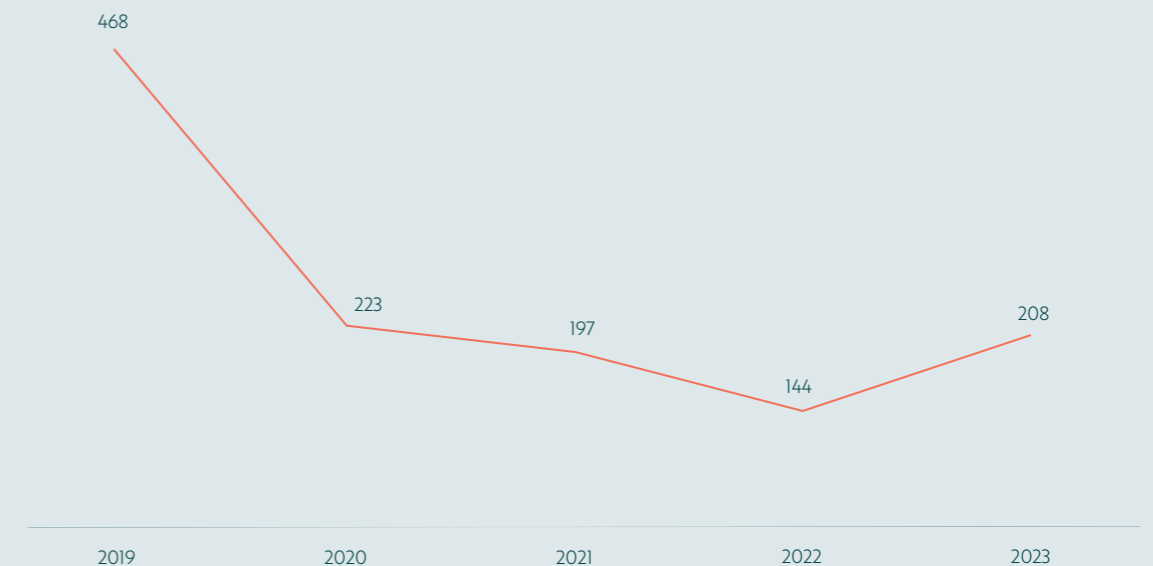
We also work closely with industry and research partners to improve the geophysical data collection for targeted mineral exploration. Geophysical methods will increase efficiency of offshore operations and thereby reduce emissions. Expanding beyond traditional geophysical methods, Adepth is actively advancing innovative approaches by involving remotely operated surface vessels and autonomous underwater platforms for marine mineral exploration. This strategic shift not only minimizes dependence on large multipurpose vessels but also contributes to a significant reduction in emissions.

As we venture into this uncharted territory, collaboration between governments, industries, and environmental advocates is key. Together, we can develop frameworks that ensure responsible mining practices and safeguard the health of our oceans. The learning curve and experience harnessed during DeepInsight23 have a pivotal role in this development.

Limiting Pollution

Working in the ocean space, DeepOcean acknowledges the environmental impact of its activities and strives to systematically manage environmental aspects as an integral part of our governance, risk, and performance framework. Emphasizing the preventive approach and mitigation hierarchy, we focus on implementing measures to prevent, reduce, or mitigate adverse direct impacts and promote positive outcomes.

Spill Volume



Our commitment to continuous improvement is reflected in our certification to ISO 14001 for environmental management and ISO 50001 for energy management and applying these principles to enhance the robustness of our management system and performance.

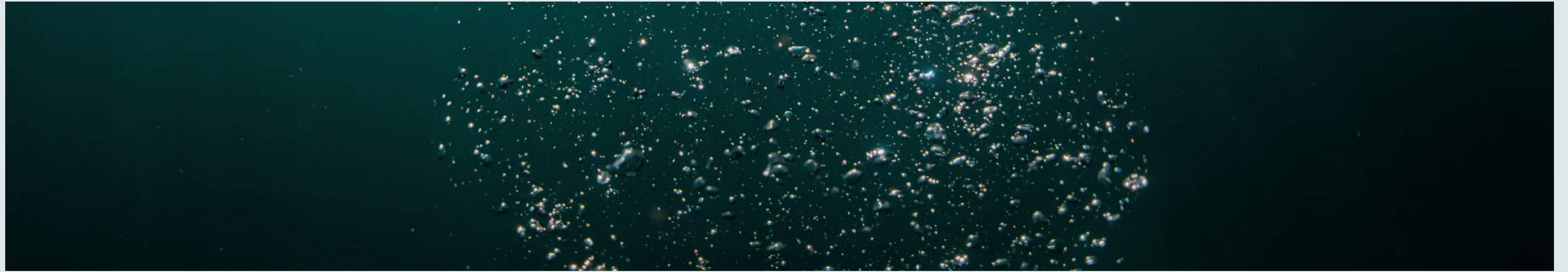
DeepOcean actively registers and tracks any discharges to the environment that occur as part of our operations, irrespective of type or volume. While in 2023 we unfortunately saw an increase in spills or leakages, over 50% were less than 1 L in volume, typically very small leakages from equipment (e.g. hoses or fittings). We work proactively with our operational teams to improve this performance, with a high focus on maintenance and ensuring that adequate time is given to pre and post ROV dive checks. At the other end of the scale, we registered only 3 spills that were over 10 L.

Waste management

The 2009 report from the UN Environment Program underscored the growing incidence

of electrical and electronic waste (EE waste), a category of waste that has experienced rapid expansion in recent years. This type of waste often contains hazardous substances, posing potential risks to both human health and the environment. Moreover, improper handling of EE waste can lead to the wasting of valuable materials, particularly metals, in the recycling process.

In-line with DeepOcean's commitment to waste reduction and recycling, we are proud to announce our partnership with Dustin, a leading online based IT partner in the Nordics, to focus on the re-use and recycling of our IT equipment. This collaborative effort aligns with our dedication to responsible environmental practices, contributing to the sustainable management of electronic waste and promoting the circular economy. Our reused and recycled items in 2023 contributed to an emission saving of 15 268 kgCO₂e, of which 14 260 kg was from reuse*, and 1 008 kg was from recycling**. (* Source IVL, ** Source Stena recycling).



Biodiversity

The European Union's biodiversity strategy for 2030 represents a forward-looking and comprehensive initiative designed to protect nature and respond to the ongoing degradation of ecosystems. With the overarching goal of achieving a significant recovery in Europe's biodiversity by 2030, the strategy covers a set of specific actions and commitments to address the various challenges faced by the region's ecosystems. Acknowledging the impact that the oil and gas industry has on marine ecosystems, DeepOcean is committed to actively contribute to the objectives outlined in the EU's biodiversity strategy. Leveraging our extensive expertise and knowledge of the marine space, we are dedicated to supporting ecosystem restoration efforts through the provision of sustainable decommissioning and recycling services to our clients. Our focus on decommissioning and recycling demonstrates our dedication to seeking innovative solutions that reduce the industry's ecological footprint and support the goals of the EU's biodiversity strategy.

Other initiatives addressing our biodiversity strategy include works planned as part of a collaboration between DeepOcean and Akvaplan Niva, a non-profit research and development organization, to acquire and liberate ocean datasets, enabling better monitoring and modelling of the global oceans. As part of this collaboration, we are progressing data collection projects using a range of uncrewed technologies. Akvaplan Niva operate many underwater and surface drones and we are devising joint projects to deploy these drones from DeepOcean vessels operating in offshore projects. In this way we can monitor ecosystems and further our understanding of the impact of human activities in these areas.

We are also considering their deployment in sites planned for future developments, such as sites selected for installation of floating wind turbines. Data collected by these drones are transferred to Akvaplan Niva's remote operation center and are then processed and modelled. The resulting information outputs can then be widely distributed.

Our two organizations are also pioneering the co-use of uncrewed surface vehicles (USV) for collection of seabed and subsea datasets, and for biomass and biodiversity monitoring. USV's present a cost effective, low carbon option for collection of such datasets, and improvements in satellite communication infrastructure make it possible to operate these USVs far from shore, whilst still being able to transfer datasets back to land-based control centers immediately. Similar to the option detailed above, for deployment of drones from vessels already operating within offshore energy developments, this USV solution could also be deployed from DeepOcean's vessels engaged on existing projects (or directly from a port), thus providing an additional means of acquiring high quality ocean datasets (both seabed and water column) without the need to commission a separate research or survey vessel and crew, specifically for this purpose. During 2023 we have jointly evaluated USV platforms and selected appropriate vehicles to host the required payloads to source the biodiversity data needed. This idea is not entirely novel, and the main platform under consideration is a tried and tested solution, which has been successfully utilized by organizations such as NOAA, for biomass and biodiversity monitoring.



Marie Wold
Geologist

What truly captured my interest in joining DeepOcean was not just the opportunity to work offshore but also the company's commitment to pursuing the global Sustainable Development Goals (SDGs). Addressing these critical goals is highly significant in today's global society, emphasizing the importance of safeguarding the planet and promoting prosperity. DeepOcean's dedication to achieving these objectives is inspiring, and I am delighted to be part of a team contributing to such meaningful initiatives.

I believe that when a growing company like DeepOcean prioritizes hiring of women, this reflects a dedication to equality and fairness. This proactive approach is commendable, particularly

for women aspiring to enter the offshore business. It really is creating an inclusive and collaborative work environment, and I believe strongly contributes to women feeling both secure and empowered in the workplace.

I see my future being very bright in DeepOcean. Coming from a background related to Deep Sea Minerals, and associated future mining, DeepOcean is a company that allows me to further my interest within this field, giving me plenty of opportunities to pursue and reach for. Although it may take years for deep sea mining to fully establish, the job I'm currently doing within the Survey department is very rewarding and I hope to acquire as much experience as possible in this new industry frontier.

Recycling & Reclaiming the Seabed

The decommissioning and recycling market has an important role to play during the phasing out of fossil fuels. DeepOcean's established expertise in this market allows us to offer innovative solutions to our clients for end-of-life oil and gas fields and contribute to restoring the original seabed. These services are a key element to reduce the industry's ecological footprint and support the goals of the EU's biodiversity

strategy 2030. Recovery of material from the seabed in a responsible manner, allows seabed conditions to re-establish, and recycling of the materials ensures that waste from this process is kept to a minimum. We are in continual dialogue with our vendors to ensure that we are providing an efficient service for re-use and recycling and to minimize the CO₂ footprint of the recycling process.



4 650 m

of products (pipelines, spools, umbilicals)



0 m³

oil, oily water and chemicals



557

concrete mattresses



3 597 tons

other subsea infrastructure and debris

Environment & Climate Data Summary

Environment & Climate Performance Indicators	2023	2022	2021	2020	2019
Hybrid (battery) vessels (count)	5	4	3	1	1
Remote operating control rooms (count)	4	3	2	1	-
Deep sea mineral expeditions/projects (count)	1	1	*	*	*
Direct energy consumption (scope 1) - (TJ)	1 639	1 421	1 544	1 494	*
Indirect energy consumption (scope 2) - (TJ)	9	8	9	*	*
Energy intensity per net turnover (MWh/MUSD)	0.73	0.70	0.88	1.12	*
Direct GHG emissions (Scope 1) - CO ₂ intensity indicator (CII**)	1 619	1 649	1 744	1 977	*
GHG intensity per net turnover (Total tCO ₂ e/MUSD)	0.18	0.23	0.28	0.30	*
Indirect GHG emissions (Scope 2) - (CO ₂ tn)	128	116	168	209	*
Indirect GHG emissions (Scope 3) - (CO ₂ tn)	2 571	2 788	2 202	*	*
Spill volume (Liters)	208	144	197	223	468
Spill frequency (Rate***)	16.31	14.96	15.67	13.72	*
Recycling of decommissioned materials	97%	97%	96%	*	*
NOx (tn)	880	788	899	938	*
SOx (tn)	52.7	45.1	41.1	52	*
Connection to shore power (hrs)	638	308	*	*	*
Connection to shore power (MWh)	327.3	170	*	*	*
Waste generated: hazardous (tn)	123	7	35	*	*
Waste generated: non-hazardous (tn)	466	151	429	*	*
Water consumption (m ³)	8 285	6 502	13 155	*	*

* Data not available

** Carbon Intensity Indicator calculated based on Total kg CO₂ emitted

*** Frequency rate calculated based on number of injuries/incidents X 1 000 000 hours/exposure hours

Safety

Our goal is zero harm to our people, our assets and the environment. In DeepOcean we are committed to maintaining a strong HSEQS culture, protecting the health and safety of our employees, while delivering sustainable and cost-effective operations. We have embedded guidelines, targets and incentives to secure a safe and efficient working environment that we can truly be proud of. All personnel have the right, authority and obligation to stop unsafe conditions.

DeepOcean regards individual responsibility as being critical throughout all levels of our business. This 'can-do' attitude is essential to our culture, and we live by our values. DeepOcean expects an absolute commitment from everyone involved in our work activities to be accountable for ensuring compliance with the company HSEQS policy, our safe systems of work and any applicable legislation. This is our safety net!

Our HSEQS Policy and our company values apply to all who work in connection with DeepOcean activities and set the standards for how we operate.

A

Attitude

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

C

Courage



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

T

Teamwork

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

Key Risks	Key Opportunities
Lack of hazard awareness at worksites	Targeted safety training and awareness programs
Line of fire injuries to hands	Supervision and robust safe systems of work
Non-compliance to approved ways of working	Digitalized compliance and self-verification checks

Material Priority	Material Topics & 2025 Commitments	2023 Progress	2024 Next Steps
 	Sustained performance below company injury targets for lost time incidents (<0.55) and total recordable injuries (<1.48)	Off track LTIF 0.83 (0.52 in 2022) TRIF 2.27 (0.77 in 2022)	<ul style="list-style-type: none"> Roll out worksite hazard awareness, safety coaching and supervisory program Continue high focus on compliance
	Limit annual frequency of high potential incidents to <1.14 by 2025	On track HiPoF 1.03 (0.26 in 2022)	<ul style="list-style-type: none"> Continue strong focus on barrier management and dropped object prevention
	Fully monitor and disclose results of work-related ill health in accordance with CSRD requirements by 2025	On track Ongoing development of occupational health risk assessment, monitoring, and disclosure	<ul style="list-style-type: none"> Implement digital platform to risk assess, monitor and disclose work related ill-health

DeepOcean is a technology-driven company delivering profitable results that does not compromise on HSEQ targets.



Olav Magne Molde
Offshore Manager

I became an Offshore Manager in 2013, a position I currently hold and am planning to keep until I retire sometime in the future. Our days offshore vary in challenges and experiences from day to day. Rarely are two days the same. As a leader, I find it very fulfilling to build a team while promoting our safe work practices, thereby generating positive results. So despite knowing I will miss my family, I always look forward to my next offshore trip.

I like to promote a "flat organization" where everyone has a right to voice their opinions. The best decisions are often taken based on input from the team on board. One of the best and most important of DeepOcean's principles, in my opinion, is the "No blame reporting" principle.

Being able to report any issue without any fear of this being used against you, is very important for our crew and for

DeepOcean. As I have earlier said to my colleagues, I have only one regret after I joined DeepOcean; "I should have started in DeepOcean earlier".

Over the years I think there has been a major change in the way we operate and how we plan and conduct our operation with focus on sustainability and our environment in general. Today we focus on operating in eco-transit mode, our clients must ask for increased transit speed backed up with a reasonable reason for doing so. We are using shore power connections during our port calls when this is available. Unfortunately, this is not yet widely available, but we are working to influence decision makers in this regard. We are using environmentally friendly consumables that may be left behind, bio-degradable lubrications etc. Our focus on the environment is with us during all the phases of our operations.

Safety Training & Competence

DeepOcean is a strong believer in investing in and prioritizing behavioral safety training for all who work in connection with our operations. Our global HSEQ Qualification program is designed for anyone planning to access a DeepOcean controlled worksite and was created to raise awareness around current safety trends, our expectations to working in an operational setting, and how everyone must play their part in ensuring a safe working environment. In 2023, 1 554 employees and contractors completed the HSEQ qualification program prior to joining a DeepOcean worksite.

Our training schemes focus on high-risk project activities. The annual focus for the Norwegian Maritime Authority in 2023 was to 'avoid falls from height'. With 37% of all fatalities at sea across the last 5 years being due to falls from height, the focus is justified and well in-line with the extensive working at height training rolled out across DeepOcean worksites in 2022 and 2023. Almost 900 working at height training courses were completed by personnel working in connection with DeepOcean operations to plan, execute or inspect working at height activities. This initiative was planned with our offshore leadership teams and further reinforced our existing safe working practices in this activity. This focus will continue in 2024.

An exciting highlight of DeepOcean led safety training in 2023 was providing our Minimum Awareness Safety Training (MAST) to the film crew of the latest Mission Impossible sequel 'Dead Reckoning'. Approximately 60 people from the film crew were hosted on our vessel Dina Star and provided safety training while they were filming on location in Svalbard. This was definitely one for the history books!

In 2023 we continued our focus on safety leadership and leading people, embracing sustainability, and influencing our HSEQS culture through the Safety Leadership Program which is heavily influenced by the Human & Organizational Performance (HOP) approach. The program completed its roll-out across all DeepOcean locations in 2023 with over 450 leaders in participation across 2022 and 2023. The aim of the program is to understand how we can do safety differently, reflect on trends in current practices, and reinforce safety expectations between onshore and offshore leadership teams.

Safety Compliance

Our management system contains approved ways of working that help us foster a strong safety culture, avoid costly mistakes and prevent workplace accidents. Our approved ways of working is our "safety net" and one which has been created and maintained by our people, for our people, for almost 25 years.

DeepOcean's international activities are conducted in accordance with accredited management systems; ISO 9001, ISO 14001, ISO 45001, ISO 50001, ISPS, ISM Code and all relevant legislation in the regions we operate. Our governing documentation is thoroughly and independently assessed by 3rd parties on an ongoing basis with excellent results. This is important, as it validates our governance efforts and helps us to spot further opportunities for improvement.

To ensure we thoroughly verify our own compliance to approved ways of working, we have developed several in-house digitalized mechanisms to efficiently and transparently verify ongoing conformance during projects and operations. One such digital solution is our self-verification app which was created to allow end-users at our operational worksites improve efficiency, breadth and depth of our field verification activities in relation to the IOGP nine life-saving rules. As the compliance platform has been embraced by our worksites, the content has been further developed and expanded to include other important compliance checks such as dropped object inspections. By using the digital interface to monitor worksite activities, leadership can quickly and efficiently verify planned work scopes against approved and safe working practices on available digital devices such as smart phones and tablets.

Safety Performance

2023 was a challenging year safety-wise as both of our injury KPIs doubled from 2022 to 2023. Our lost time injury frequency ("LTIF") rose from 0.52 (2 injuries) in 2022 to 0.83 (4 injuries) in 2023. Similarly, our total recordable injury frequency ("TRIF") rose from 1.29 (5 injuries) in 2022 to 2.27 (11 injuries) in 2023. Although none of the injuries sustained were critical, this is a disappointing development. We always strive to return all employees home as safe and sound as when they first arrived at a DeepOcean controlled worksite, but in 2023 we fell short of reaching this goal. A great deal of effort has been dedicated to understanding why we experienced an escalation of injury rates in 2023 and what initiatives are required to turn the trend around.

Historically, hand injuries have accounted for 50% of all our injuries, which is not uncommon for our industry. These injuries tend to be line of fire incidents where our employees pinch, cut or have their hands struck by objects. Injuries sustained during routine tasks accounted for 82% of our

recordable injuries in 2023, involving both staff and contracted personnel. Interestingly, most of our recordable injuries were on unique worksites (i.e. no worksite trend identified), indicating that we have a general challenge with hazard identification across our worksites, especially regarding line of fire hazards that can impact our hands and fingers.

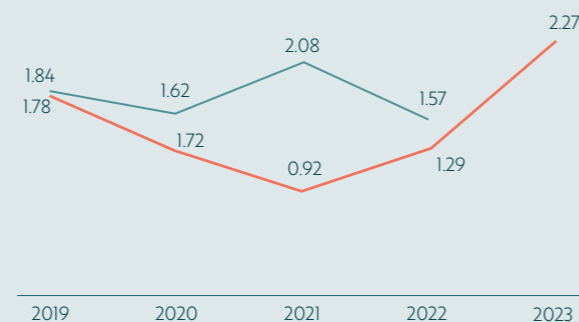
In 2023 we also had five high-potential near misses ("HiPos"). All five incidents were potential line of fire incidents and our primary concern when analyzing the HiPos was the few instances where lack of supervision, lack of compliance to approved ways of working, or lack of proper barrier management contributed to the seriousness of the incidents. Our safe systems of work play an essential role in safeguarding against such serious incidents and our safety strategy in 2024 will focus extensively on raising hazard awareness at the operational worksites and applying our existing safe systems of work.

Lost Time Incident Frequency (LTIF)

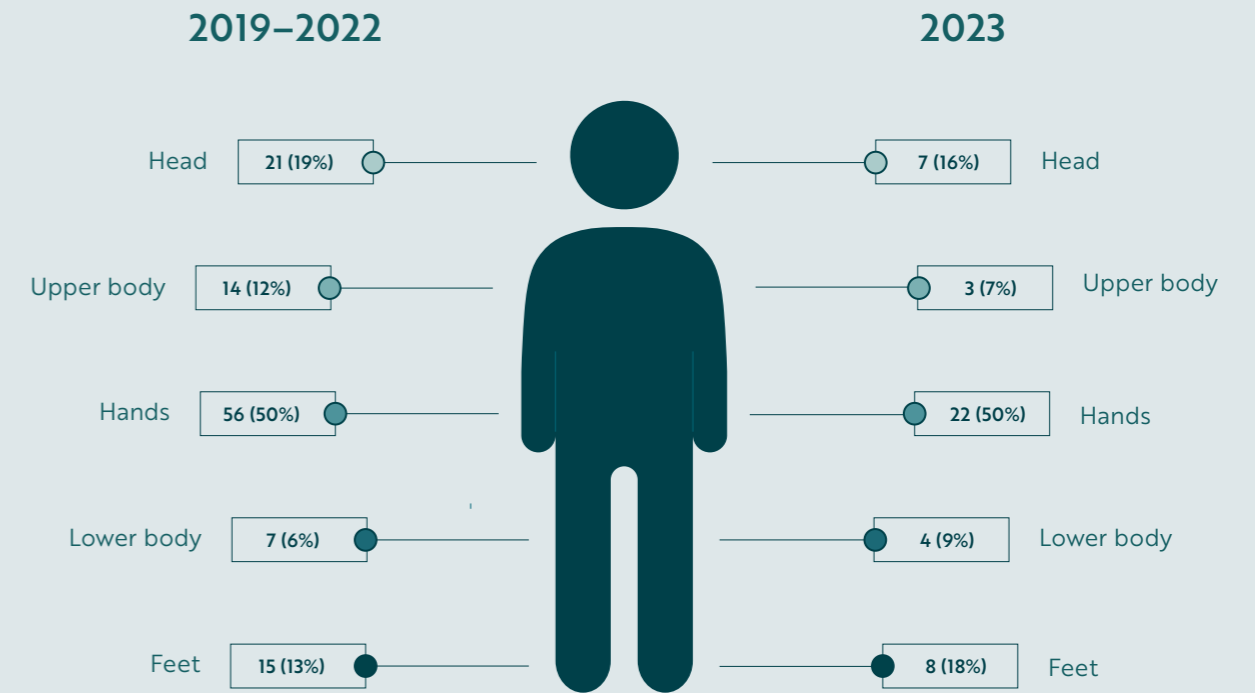


— Industry Benchmark LTIF (IMCA Band B)
— DeepOcean LTIF

Total Recordable Incident Frequency (TRIF)



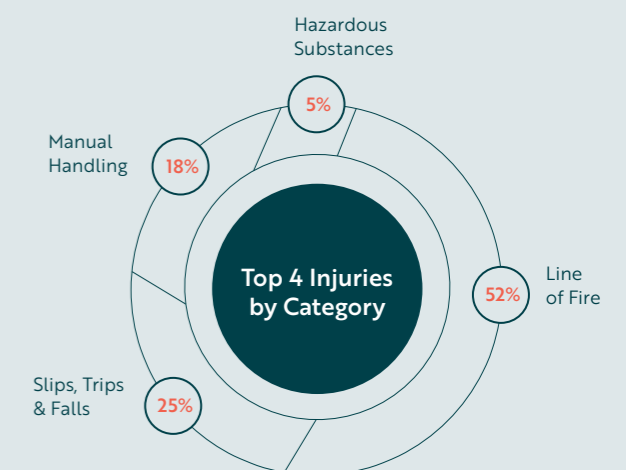
— Industry Benchmark TRIF (IMCA Band B)
— DeepOcean TRIF



The key safety question to resolve when looking back upon the 2023 safety performance has been: what changed from 2021 when we achieved a five-year low in injury rates, to recording a five-year high in injury rates in 2023? In 2021 when the COVID-19 pandemic was at its peak, only critical personnel were granted access to operational worksites, quarantine durations provided extended time to plan and prepare for upcoming operations, and there was a constant heightened sense of alertness amongst operational personnel due to risk of pandemic impacts. In 2023 business had started to return to pre-pandemic normal routines, but our activity levels had increased significantly with a 26% escalation in manhours, our organization grew by 178 employees, three new vessels were added to the fleet, and a comprehensive re-structure of the offshore leadership teams was completed to onboard and manage our new assets. We acknowledge that more could have been done to support our worksite leadership teams in coaching and re-embedding our safe systems of work with the rotating crew during this growth and transition period.

Historically we have observed that the majority of our injuries occur during routine tasks when the safety mindset may have momentarily lapsed, and inattention sets in. The challenge across all worksites is thus to individually commit to routinely taking a pause, consider hazards in the immediate work environment, and cooperate to reduce the potential risk of any hazards that may exist.

There are two key initiatives that will be focused on in 2024 to bring injury rates back into control: improve hazard awareness and identification (especially hand safety) at the "sharp end" and strengthen governance and compliance to approved safe systems of work (task plan reviews, risk assessments, permit to work, management of change, and toolbox talks). To support our operational worksites in embedding and taking ownership of these initiatives, a safety coach deployment program will be initiated in 2024 across our fleet. The deployed safety coaches will work with our regional HSEQ resources and vessel management teams to strengthen safety leadership and compliance to safe systems of work during planned project activities and routine work tasks.



Occupational Health

The company now has a workforce of over 1 400 individuals, with approximately 48% of them stationed at remote offshore locations. This growth has brought with it increased responsibilities and complexities, particularly regarding the health and safety of the offshore workforce. Occupational health services play a crucial role in this landscape by not only addressing the present health needs of employees but also proactively identifying and mitigating potential future risks.

Despite the advancements in safety technology and protocols, the offshore environment still poses inherent risks. In addition to the conventional physical, chemical, biological, ergonomic, and psychological risks, offshore workers face unique challenges such as remote locations, extreme weather conditions, and demanding and unusual work schedules, including 12-hour workdays for several consecutive days. Furthermore, prolonged absences from family and friends can lead to emotional and psychological strain.

These combined factors create a high-risk work environment that necessitates stringent health and safety measures. To effectively mitigate these risks, workers must maintain optimal physical, mental, and emotional well-being. Comprehensive, integrated, people-centric, and culturally sensitive occupational health structures serve as a robust foundation for ensuring ongoing health, safety, and welfare.

DeepOcean currently employs a team of 14 Staff Medic/Health & Safety Coordinators (MHSEC) who are deployed across global operating locations. They have vast operational experience and come from a variety of backgrounds. All are highly qualified as nurses, paramedics, military medics and doctors. Alongside the team of staff MHSEC, 10–12 regular additional agency medics are contracted to DeepOcean to ensure all vessels have continuity in on-board health provision. Together the team works to provide top-class health care for all offshore personnel. The medical team is always on stand-by to provide advanced emergency care and routine medical care.

Our offshore medics run health promotion campaigns on-board DeepOcean vessels in conjunction with Remote Medical International (RMI), our 3rd party medical provider, to cover a variety of topics including improving mental health, smoking cessation, diet and exercise,

dental health and much more. The medics have sophisticated equipment on-board to run 'Know Your Numbers' campaigns when needed. Offshore personnel can visit the medic for cholesterol, blood glucose, blood pressure and weight checks which may identify issues needing follow-up by their own onshore Doctor.

In 2023, a well-being campaign was launched across DeepOcean in support of World Mental Health Day. This campaign focused on inclusivity in the workplace and promoted a better understanding of mental health issues surrounding this topic.

"Know Your Numbers!" is an award-winning flagship campaign by Blood Pressure UK that raises awareness of high blood pressure. The highlight of the campaign is "Know Your Numbers! Week," which takes place every September and is the UK's biggest blood pressure testing and awareness event. During this week, blood pressure checks are taken by thousands of people to prevent heart attacks and strokes. The campaign aims to reach those who have high blood pressure and don't know it, so they can get the treatment and support they need to bring it under control. A "Know Your Numbers!" campaign was held at our Aberdeen office which enlisted the services of RMI. They attended the office and personnel were invited to have blood pressure, cholesterol, blood sugar, weight, height and BMI measured and discuss the findings with the attending nurse.

Next steps

DeepOcean is enhancing its occupational health program to further improve identification and management of health risks to personnel and prevent work-related ill-health. This will include assessment of current provisions to improve occupational health systems. The current occupational risk assessments will be digitalized, reviewed, and analyzed to preventatively identify any work-related risks to personnel.

Recording occupational health data can help improve the provision of health and safety measures in the workplace. The data can be used to demonstrate the impact of occupational health and wellbeing campaigns, help identify areas that need improvement and provide insights into the effectiveness of existing measures. Going forward DeepOcean will track work-related ill health days away from work in-line with CSRD requirements and IMCA guidelines.

Building a Safer Workplace: DeepOcean's dedication to reducing Lost Time Injury Rate reflects our core value of safety first.



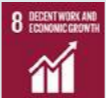

Safety Data Summary

Safety Related Performance Indicators	2023	2022	2021	2020	2019
Work-related fatal accidents (count)	-	-	-	-	-
Work-related lost time injuries – employees (count)	1	2	1	1	1
Work-related lost time injuries - other workers (count)	3	-	-	2	1
Work-related lost time injuries - employees (frequency per million manhours)	0.21	0.52	0.31	0.25	0.25
Work-related lost time injuries - other Workers (frequency per million manhours)	0.62	-	-	0.51	0.25
Total recordable injuries – employees (count)	6	3	3	2	3
Total recordable injuries – other workers (count)	5	4	-	3	3
Total recordable injuries – employees (frequency per million manhours)	1.24	0.77	0.92	0.51	0.76
Total recordable injuries – other workers (frequency per million manhours)	1.03	0.52	-	0.76	0.76
High potential incident (count)	5	1	6	5	6
High potential incident (frequency)	1.03	0.26	1.84	2.03	1.53

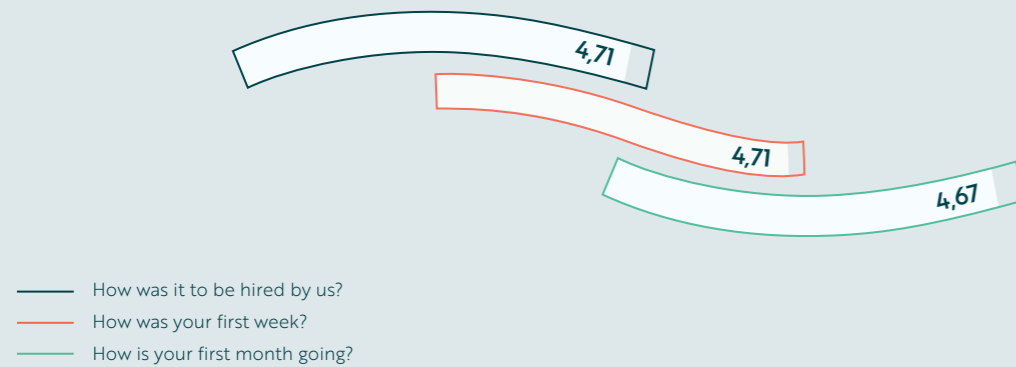
Social Responsibility

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

Key Risks	Key Opportunities
Not reaching diversity and inclusion targets	Attractive workplace and conditions, as well as securing fair and unbiased recruitment processes
Challenges in attracting and retaining employees with the right experience and competency to meet our 5-year plan	Best-in-class workplace that is safe and inclusive
Not sufficiently leveraging existing competencies and services to support the green transition in the offshore segment	New programs to re-skill/upskill our employees based on structured competence mapping being introduced in 2024

Material Priority	Material Topics & 2025 Commitments	2023 Progress	2024 Next Steps
   	Protect Employee Rights & Well-being		
	New hires onshore to include 20% improvement YoY female candidates by 2025	On track 31.2% of new hires onshore were women, (2022: 24.2%)	<ul style="list-style-type: none"> Continue prioritizing new hires onshore to include 20% female candidates in 2024
	Achieve 25% women in leadership roles for onshore by 2025	On track 21.3% women onshore are in leadership roles (2022: 17.7%)	<ul style="list-style-type: none"> Achieve >22% women in leadership roles onshore in 2024
	Maintain staff retention >90% by 2025	On track 92.5% retention of staff (2022: 90.2%)	<ul style="list-style-type: none"> Maintain staff retention >90% in 2024
	Achieve Net Promoter Score >35–40% for NPS by 2025	On track 42 Net Promoter Score (2022: 37)	<ul style="list-style-type: none"> Maintain Net Promoter Score in 2024
	Competence mapping for onshore organizations: >80% completion rate by 2025	Off track Competence mapping has not started	<ul style="list-style-type: none"> Progress competence mapping for onshore organization with aim of >50% completion rate in 2024

Talmundo Onboarding Survey Score (1–5)



Attracting & Developing Our Employees

Onboarding for new employees

From 2021 to 2023, our organization experienced a substantial 40% increase in our workforce. Recognizing the pivotal role of effective onboarding in retaining our new talent, we have prioritized and refined our onboarding strategies.

DeepOcean has made significant strides in ensuring its employee onboarding process is equipped to meet the demands of consecutive years of remarkable growth. The need for increased efficiency has led us to intensify the automation of our new integration process of new employees, with the implementation of the Talmundo onboarding platform. This tool enables new hires to familiarize themselves with the DeepOcean environment well before their official start date. Talmundo not only facilitates a proactive introduction to our organization but also plays a crucial role in gathering valuable feedback from new employees. Through three strategically timed surveys during different onboarding stages, we gain insights into their experiences and can identify strengths and areas for improvement. This feedback loop is instrumental in refining our onboarding practices.

Moreover, our onboarding process has undergone a digital transformation as HR, in collaboration with IT, has developed internal solutions to streamline information flow seamlessly into the systems we use. This digitalization enhances the efficiency and effectiveness of our onboarding, ensuring a smoother integration for our expanding workforce.

Training and development

People are our most important assets. By employing the best talents, we ensure the best possible outcomes for our company and stakeholders. However, we understand that even the most skilled experts need continuous development and opportunities. As we believe our people can truly make a difference, we invest in developing our talent and championing our leaders. Over the past years we have implemented several initiatives focused on continuous learning and development.

Engaging Our Workforce

Annual development dialogue

Our most important tool for the continuous development of our organization is our Annual Development Dialogue. This is a process between line manager and employee, to set their development plan for the upcoming year, both in terms of personal objectives and future career plans. Strategies are flowed down and linked to objectives at company level, to regions, to departments and finally to the individual employee. This creates alignment throughout all levels and understanding of how everyone contributes to the purpose and success of DeepOcean.

Leadership development program and principles

For the last two years we have been running an extensive leadership development program targeted at all line managers and employees in managerial roles. We believe that a clear leadership philosophy and principles are crucial for

the overall success and engagement of our organization. Once stepping into a managerial role, the employee is offered leadership development training, giving them the necessary skills and tools to succeed in their position. In 2023, we had 73 employees participating in our leadership development program. This program improves bottom line results and creates more effective leaders. Improvement in leadership performance is reflected in our employee engagement survey (PULSE), which is measured twice annually.

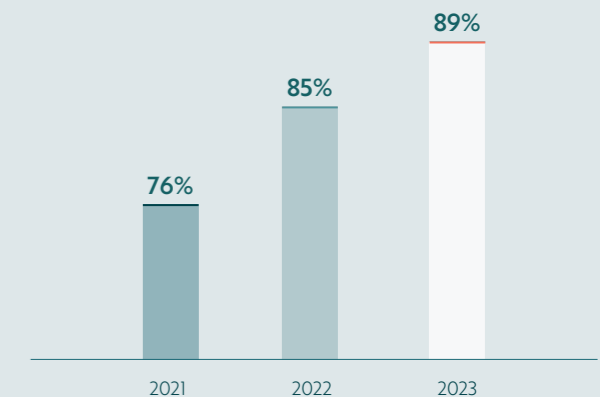
Employee engagement trends from 2021–2023 – leadership in DeepOcean

A key area of emphasis has been to further develop our offshore organization. We aim to secure visibility, support and recognition for every member of DeepOcean, whether located onshore or offshore. An example of organizational adjustments made in this regard, is assigning line management responsibility directly to ROV Senior Supervisors working on our operational worksites. This strategic move aims to enhance accessibility and proximity of support for all ROV personnel, ensuring a more integrated and supportive environment at our operational worksites.

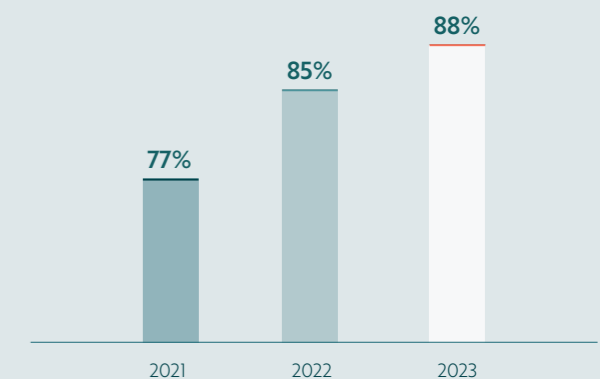
Offshore competence assurance scheme introduced in 2023

We introduced our competence and assurance scheme for the offshore organization in 2023. DeepOcean created and utilized this scheme for all offshore assets and personnel involved in training and competence assurance and assessment to ensure that personnel working on-board can carry out their work safely and correctly applying our company values. Offshore employees will demonstrate their technical knowledge and skills to carry out their specific role safely and consistently to the standards required, reducing the risk of an incident/accident occurring and to limit the effects should it occur. Personnel working on safety critical tasks, on equipment or systems, shall be trained and assessed as competent

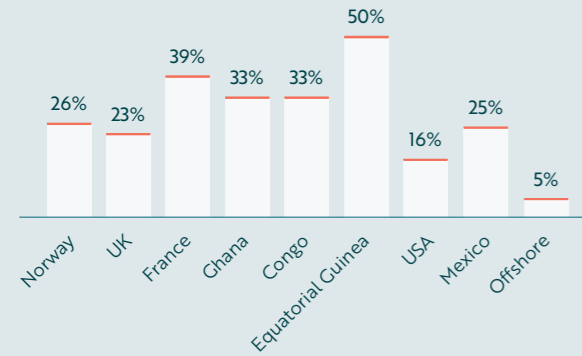
My Immediate Manager Motivates Me



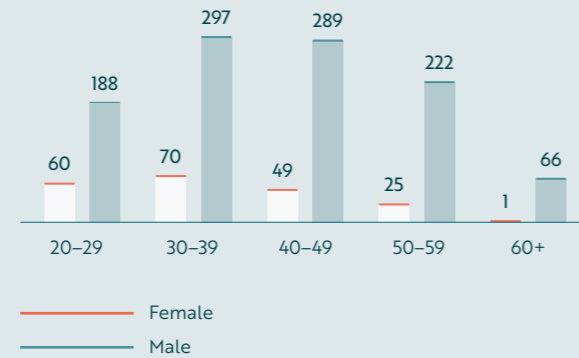
My Immediate Manager Provides me with Clear Direction & Expectations



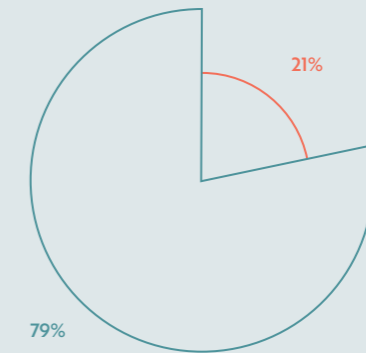
Female Ratio per Location



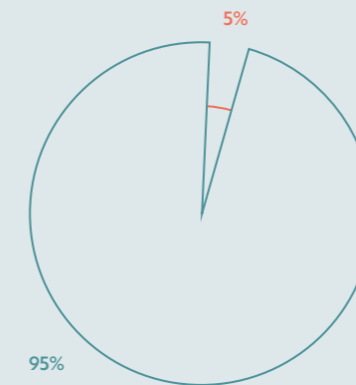
Age Distribution



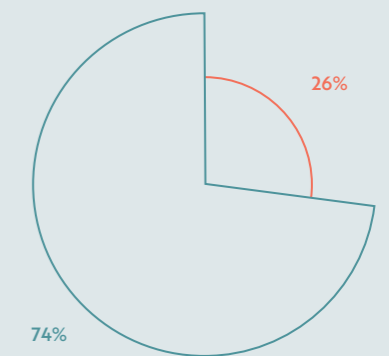
Gender Ratio Within Management (Offshore)



Gender Split Offshore



Gender Split Onshore



against a competence profile. All permanent offshore employees engaged in this process will complete their competence standards within a 12-15-month period.

LinkedIn Learning – available for all employees

As part of our ongoing training and development, all employees have access to continuous training and self-growth through the LinkedIn Learning training platform. With access to thousands of courses and training paths, the platform covers a wide range of topics, from technical skills to leadership development.

Diversity & Inclusion

Diversity and inclusion are of paramount importance to DeepOcean, and we made them a top priority in our group objectives for 2023: “Increase Diversity and Inclusion across

the organization”. As part of this commitment, we have assigned all line managers the responsibility to actively enhance diversity within their respective departments and embed this integral aspect of our organizational culture at every level.

At DeepOcean, we believe that everyone should be treated equally. Therefore, we continually strive for cultural, academic, and geographic diversity and keep it at the forefront of our recruitment strategy. As an employer of equal opportunities, we encourage all qualified candidates to apply regardless of their race, color, ancestry, religion, sexual orientation, age, marital status or gender identity.

Our workforce is currently composed of 44 different nationalities, bringing forth a diverse array of educational and experiential

backgrounds. These characteristics contribute significantly to our varied problem-solving approaches and innovative thinking, forming an integral part of our continuous improvement ethos.

While we consistently strive to enhance gender diversity, particularly in offshore roles where historical challenges persist, we have dedicated ourselves to finding new and effective strategies each year. We're proud to state that 2023 has emerged as our most successful diversity growth year to date, reflecting our positive momentum in recruiting more women and fostering a more inclusive workplace.

Empower Women's Day

We place a strong emphasis on equality in DeepOcean, aiming to create a level playing field with equal access to resources and opportunities

for everyone. On the 20 March 2023, DeepOcean had its first empower ‘women at work’ day, attended by women from across the company. The purpose of this initiative was to uplift and inspire women to pursue their goals without encountering bias or barriers. The day was filled with engaging speeches from women representing all regions in the company, active group work and inspired discussions. However, the impact of this day extended beyond this single event. It is a positive step towards building a workplace where everyone can reach their full potential. The discussions and conversations identified areas for improvement and development of existing practices. Furthermore, the day fostered a sense of belonging across departments and geographical areas.



Marianne Bø
Team Leader Deck

I started in DeepOcean 2003. Since then, I worked as both a Rigger and a Deck Supervisor. I have worked for the company for so many years that I don't know of anything else. The company has provided me with opportunities and challenges, which I appreciate.

I have often been the only woman in the team but have enjoyed myself immensely. In 2022, I became the Team Leader Deck combined with Personnel Coordinator. By taking on the challenge to be a female leader for mostly male

employees offshore, I am contributing to demonstrating DeepOcean's diversity and inclusion.

As a woman with a lesbian orientation, I feel that in DeepOcean, there is room for diversity and differences. Changing the title of my current role from Deck Foreman to Deck Supervisor (gender-neutral) is something really positive. I haven't thought much about it over the years, but still, these are important changes.

We recognize the positive reception of this initiative among our female employees, evidenced by a significant improvement in our Net Promoter Score ("NPS") from 34 in 2022 to 57 in week 18 of 2023. This notable progress builds upon the trajectory seen in the initial surveys of 2021, where we started at a score of 22.

Throughout 2023 we have made significant efforts to raise awareness of, and promote diversity equity and inclusion in DeepOcean and here are a few key initiatives:

- Recognizing the significance of gender neutrality in position titles, we have made a deliberate adjustment to ensure gender-neutral designation for positions.

- DeepOcean proudly sponsored and presented the Woman in Technology at the Athena Awards in Aberdeen.
- DeepOcean became a proud member of WISTA in 2023 (Women's International Shipping & Trading Association).
- We commissioned our first **gender pay gap report** for all our organizations in 2023 and have a target of being in gender pay balance within 2026 across the group.

World Mental Health Day and International Men's Day

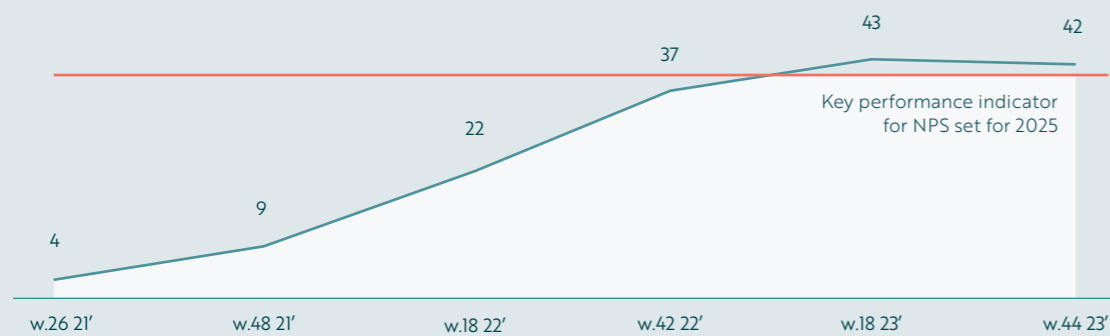
To raise awareness of and mobilize efforts in support of mental health, we ran a global campaign across all our offices and vessels,

on the World Mental Health Day. We had a special focus in 2023 on how to create a more supportive, inclusive, and healthy workplace for all. Information about available support within the organization and regional services was distributed and all line managers were encouraged to set aside time to discuss the topic within their team. The main purpose of this day was to create meaningful and de-stigmatizing conversations about mental health and well-being; encouraging employees to share thoughts and experiences. In regards of International Men's Day, we once again wanted to initiate conversations about mental health and well-being. Two of our offshore employees bravely shared their experiences, which was highlighted in an article on our intranet.

DeepOcean will further work on:

- Organizing informative sessions and workshops on topics related to mental health.
- Provide more resources and information on local health services and hotlines.
- Provide training/support for managers on how to recognize the signs of mental health issues, communicate and support their team members effectively.

Would you recommend DeepOcean as an employer to a friend?
Net Promoter Score



Employee engagement and satisfaction

At DeepOcean, we conduct bi-annual employee engagement surveys, which serve as a cornerstone for our continuous improvement efforts and the establishment of a psychologically safe and positive work environment.

The survey encompasses data from 2021 to 2023 and we are delighted to witness a consistent uptrend in our numbers. Remarkably, our key performance indicator for NPS set for 2025 to be above 40, has not only been met but exceeded this target in 2023. This achievement underscores our commitment to cultivating a workplace where our employees are not only satisfied but actively engaged and motivated. As we set our sights on the future, our primary focus for the period leading up to 2025 is to sustain this exceptionally

high level of employee satisfaction. Our goal is not only to maintain but to further enhance the positive work environment, ensuring the continued happiness and engagement of our valuable team members.

Human & Labor

All human beings deserve to be treated with dignity and respect. We have a zero-tolerance policy against any form of forced labor and fully support the right to freedom of association and collective bargaining. Our Group HR Policy addresses collective bargaining, freedom of association, and discrimination. Our policy on Equality and Diversity also supports the principle of non-discrimination. Our Anti-Slavery and



Aurelien Kimfoko
 ROV Pilot

Aurelien's path to success began with two years of intensive study in industrial systems maintenance at UCAC/ICAM in Pointe Noire, Congo. Following this, he honed his skills as a technician over four years, gaining invaluable experience in various locations, including offshore platforms. In early 2021, Aurelien embarked on a new chapter with DeepOcean in Pointe-Noire, initially joining as a ROV maintenance technician.

Through his unwavering dedication and expertise, Aurelien steadily progressed from his maintenance role onshore to providing crucial support for ROV mobilization offshore. His journey continued as he ventured into piloting

light class ROVs in shallow water environments, and by 2023, he had ascended to piloting work class ROVs, and exploring deep-water structures. Aurelien credits his colleagues for their invaluable assistance in rapidly acquiring the necessary knowledge and mastering the intricacies of ROV operations.

Aurelien is thrilled with the career opportunities afforded to him at DeepOcean thus far and expresses gratitude to his supportive managers who believed in him. His passion for learning is evident in his commitment to continuous self-improvement: 'Each available moment is an opportunity for me to expand my knowledge.'

Anti-Human Trafficking policies address child and forced labor.

DeepOcean supports employees' rights to join trade unions, while also respecting their choice to remain non-unionized. When onboarding, employees are briefed on their trade union rights, and unions are allowed to freely promote themselves within the organization. DeepOcean actively engages in communication, consultation, and negotiation with both employees and their trade unions on pertinent matters such as re-organizations, work-time flexibility, career development and annual salary reviews. Around 46% of DeepOcean employees are affiliated with one of the following unions: Tekna, Safe and NITO. Even employees who choose not to join a union are still covered by collective bargaining

agreements. This is 73% when considering Norwegian employees exclusively.

In DeepOcean, we hire employees on local contracts where they live and where we operate. For us it is important to be involved and responsible for every aspect of our employee's contractual terms and conditions, and not outsource this vital aspect to external entities. Employees are our most important asset, and we ensure that all employees, both onshore and offshore, have the rights and benefits that they normally would be entitled to. We care deeply for our employees and offer contracts securing eligibility for national insurance schemes and offer competitive pension programs to secure the future for our colleagues for years to come. When using manning agencies, we select and

DeepOcean is a world-leading ocean services provider, supporting the energy security needs of society.

closely follow-up their employee arrangements to ensure proper care is provided to all who work in connection with DeepOcean.

Memberships and associations

DeepOcean is a member of several organizations, including the Norwegian Shipowners' Association (Rederiforbundet), IMCA (International Marine Contractors Association), and the Nordic Defence Club (Nordisk Skibsrederforening). Our membership in these organizations enables us to influence the direction, debate and focus of ESG initiatives and regulations.

In 2021, DeepOcean became party to the UN Global Compact (UNGC). By signing the UNGC, the company is committed to supporting and respecting the protection of internationally proclaimed human rights and to ensuring that we are in no way complicit in human rights abuses.

Our Anti-Slavery and Anti-Human Trafficking policy commits DeepOcean and its third-party associates to uphold the provisions of the UK Modern Day Slavery Act (2015) and any other applicable human rights legislation, as may be amended in the future. We require all our suppliers and partners to sign a supplier declaration that confirms their compliance with our Anti-Slavery and Anti-Human Trafficking policy.

Social protections

All DeepOcean employees are covered by the public social protection in the regions they are employed. Additionally, DeepOcean

provides insurance covering health, travel, death/serious injury.

All DeepOcean employees are entitled to take parental leave. DeepOcean offers enhanced benefits during parental leave, in addition to what is covered by the local governmental support. Employees are also guaranteed to come back to the same position after parental leave.

Parental Leave	2023
Men	39
Women	18
Total number of employees that took parental leave	57

Local communities

We actively promote employee engagement in activities that have positive outcomes for people, the planet, and society at large. Our employees from various locations contributed again to the yearly international beach cleaning event in September. Altogether, 150 dedicated individuals joined forces, demonstrating our collective commitment. Between them they collected 4 170 kilograms of waste and committed a total of 300 hours to the cause effectively enhancing the cleanliness and sustainability of our beaches.

DeepOcean is proud to sponsor local football teams and schools, as well as donating to the Red Cross. Combined, these donations totaled close to USD 200 thousand in 2023.

Social Responsibility Data Summary

Social Responsibility Performance Indicators	2023	2022	2021
Nationalities	44	44	36
Total number of employees	1 403	1 225	1 019
Number of permanent employees	1 268	1 040	905
Number of temporary employees (apprentices, temporary, contractors, third party agency)	135	185	114
Offshore contractors (FTE) used during the year	309	248	235
Total number of male employees	1 061	895	781
Total number of female employees	207	145	124
Onshore employee male percentage	73.6%	74.6%	76.1%
Offshore employee male percentage	94.8%	95%	96.1%
Onshore employee female percentage	26.4%	25.4%	23.9%
Offshore employee female percentage	5.2%	5%	3.9%
Male ratio within offshore management	100%	100%	100%
Female ratio within offshore management	0%	0%	0%
Male ratio within onshore management	78.7%	85%	83.3%
Female ratio within onshore management	21.3%	17.7%	16.7%
Male ratio of new onshore hires	68.8%	71.2%	63%
Female ratio of new onshore hires	31.2%	28.8%	37%
Employee turnover male ratio	6.4%	6.5%	8.9%
Employee turnover female ratio	6.9%	8.3%	18.2%
Sick leave percentage	3.32%	4.89%	5.03%
Employees completing annual performance and career development reviews	55.2%	44.8%	*
Employees covered by collective bargaining agreements	46%	38.8%	40.8%
Net promoter score	42	37	9

* Data not available

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Board of Directors' Report

Building on nearly 25 years of operational excellence, DeepOcean Group Holding AS and its subsidiaries (hereinafter referred to as 'DeepOcean' or 'the group') is a world-leading ocean services provider, committed to enabling the energy transition and the sustainable use of ocean resources.

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

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

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

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

The group offers a comprehensive portfolio of services, performed using a fleet of 16 owned and chartered vessels, combined with an extensive mission equipment portfolio comprising more than 50 subsea assets, such as ROVs, trenchers and module handling systems, all supported by an extensive toolpool. These enable DeepOcean to package its subsea services into cost-effective and tailored solutions that meet our individual clients' needs.

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

DeepOcean employs approximately 1 400 people in ten countries. The corporate headquarters is located in Oslo, Norway.

"In 2023, DeepOcean forged ahead in the second year of its ambitious 5-year plan, achieving significant revenue growth and a deepened commitment to our expanding renewables initiatives. DeepOcean proudly grew our order backlog from USD 412 million to USD 454 million in 2023, a testament to market confidence in the company."

Market Outlook

In 2023, global energy markets witnessed stabilization, contrasting with the previous two years that were marked by significant disturbances in demand and supply dynamics. The annual average price for Brent crude oil was recorded at USD 83 per barrel, a decrease from the preceding year's average of approximately USD 100 per barrel. The markets for gas and electricity also experienced notable declines in prices, albeit with considerably less volatility than observed in the preceding period. Amid escalating geopolitical tensions, the impact on global energy markets has been profound, with energy security concerns prompting nations to prioritize energy independence. In this landscape, DeepOcean, as an asset-light service provider, has reaped benefits from increased investments aimed at bolstering energy security, offering essential services to support these endeavors.

The sanctioning of offshore oil and gas projects saw a marginal decrease in 2023 compared to 2022, yet remained significantly higher than the levels observed in 2020 and 2021. An uptick in offshore project sanctioning is anticipated in 2024. Moreover, capital and operational expenditures in the global offshore oil and gas sector experienced growth in 2023, a trend expected to persist in the forthcoming years. DeepOcean recorded heightened activity levels in 2023, with projections indicating continued growth into 2024.

The conclusion of the COP28 negotiations in Dubai marked a historic moment, as it was the first instance in nearly three decades of climate talks that the final communique explicitly called for a transition away from fossil fuels. The discussions focused on reducing methane emissions, expanding renewable energy capacities, and enhancing energy efficiency.

However, offshore wind capacity additions in 2023 fell short of the previous year's achievements, primarily due to a decrease in lease auction activity in the US. Since 2015, the leveled cost of energy (LCOE) for bottom-fixed offshore

wind farms has been on a downward trajectory, attributed to factors such as larger wind farm sizes, the introduction of larger turbines, and competitive auction processes. Recent challenges, including surging material costs, rising interest rates, and inflation, have halted further reductions in LCOEs.

In Europe, the most established region for offshore wind, there was a slight dip in capital expenditures in 2023 compared to 2022. Despite expectations of a record-breaking year, project delays led to a decline in annual capacity additions. Nevertheless, both capacity additions and capital expenditures are projected to witness substantial growth starting from 2024. Globally, 2023 set a new record for the closing of offshore wind investments, in terms of Final Investment Decisions (FID), despite prevailing challenges. Early indicators suggest that 2024 may surpass this record.

The Norwegian Government's support package for new petroleum activities has led to several significant contract awards, with tax relief support covering projects sanctioned up until the end of 2022. This initiative has positively impacted the Subsea Construction and IMR sectors. As a prominent service provider, DeepOcean benefits significantly from this trend, with a considerable portion of its revenue derived from these markets. Additionally, DeepOcean has observed growth in recycling activities within the UK sector, positioning the company to capture a significant market share as more mature oil and gas fields approach decommissioning.

In North America, DeepOcean achieved high activity levels in 2023, capitalizing on a shortage of Jones Act vessels to increase its market share. Trenching activities in Mexico are on the rise, with further projects anticipated in 2024. Guyana is emerging as a key hydrocarbon region, with DeepOcean securing a contract from ExxonMobil for subsea construction and IMR services, marking the company's entry into this growing market.

In the ocean minerals sector, DeepOcean's investment in Adepth Minerals has facilitated preparatory work for future projects, following the Norwegian Parliament's decision to open parts of the continental shelf for mineral activity. This development paves the way for a cautious and phased approach to seabed mineral exploration.

While oil and gas are projected to remain the primary revenue drivers for DeepOcean in the near term, the company is well-positioned to actively participate in the energy transition through diversification into various energy segments. According to its five-year plan, DeepOcean aims for non-oil and gas activities to constitute 50% of its revenue by 2026.

Organization

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

Furthermore, DeepOcean reports its revenues according to business line. We refer to Note 3 for a breakdown of revenue on reporting segments by business line. The group's business lines are Inspection, Maintenance & Repair (IMR), Recycling, Survey and Seabed Intervention, Subsea Construction and Other Services.

Group Financial Performance

DeepOcean presents its consolidated financial statements in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union. Unless otherwise stated, all amounts below refer to the consolidated financial statements for the group. The financial statements cover the period from 1 January 2023 to 31 December 2023.

<i>Amounts in USD thousand</i>	2023	2022
External revenue and other income	626 703	566 085
EBITDA	208 398	175 485
EBIT	56 122	65 827
Order intake	671 062	705 691
Order backlog	454 262	411 666
Book-to-bill	1.07	1.25
Employees	1 403	1 225

Income statement

During the period, the group's revenue increased to USD 626 703 thousand in 2023 (2022: USD 566 085 thousand), showcasing sustained growth across all segments with a particular emphasis on the Europe and Africa regions. This growth was primarily driven by increased activity in our IMR & Subsea Construction business lines. Operating profit reached USD 56 122 thousand (2022: USD 65 827 thousand), with the reduction attributed to non-recurring project adjustments and strategic project investments in the Europe segment.

Profit from continuing operations for the period was USD 26 152 thousand (2022: USD 32 050 thousand). The Board of Directors has resolved to propose to the annual general meeting that no dividend is distributed for 2023.

Order intake and backlog

In 2023, the full-year order intake was robust at USD 671 062 thousand (2022: USD 705 691 thousand), representing a book-to-bill ratio of 1.07. The high level of tender activity continued, with DeepOcean submitting bids for a significant volume of contracts.

Our accounting order backlog, a critical measure of our future revenue potential, grew impressively by 10% during 2023 to USD 454 262 thousand at year-end (2022: USD 411 994 thousand). DeepOcean is poised to recognize a substantial portion of this secured order backlog in the upcoming year, underscoring our operational readiness and strategic positioning. The group's framework agreements with clients, which transform into projects throughout the year, continue to be a significant contributor to our operational stability and growth trajectory.

Cashflow and financial position

The group had a positive cash flow from operating activities of USD 169 592 thousand (2022: USD 138 673 thousand). This consisted mainly of an EBITDA of USD 208 398 thousand, adjusted for changes in current assets and other operating items. Net cash flow from investing activities in 2023 amounted to negative USD 30 077 thousand (2022: negative USD 17 241 thousand). This increased spend is mainly due to higher capital expenditure in 2023. Net cash flow from financing activities amounted to negative USD 183 352 thousand (2022: negative USD 142 308 thousand). The group repaid paid-in capital and redeemed shares during

2023 amounting to USD 50 000 thousand, as well as lease liabilities of USD 133 352 thousand.

As of 31 December 2023, total assets for the group amounted to USD 566 504 thousand (2022: USD 485 860 thousand). The group had a cash position of USD 39 734 thousand (2022: USD 86 253 thousand) and total interest-bearing debt of USD 85 887 thousand (2022: USD 85 313 thousand). The group has the option to draw a further USD 2 427 thousand on its credit facility. For more information about credit facility terms, we refer to Note 17.

Management continuously monitors cash levels to ensure appropriate levels and the development related to financial covenants. Management does not foresee any breaches of said covenants.

Europe

The Europe region is based in Haugesund and Stavanger in Norway, and in Aberdeen in the UK. As of 31 December 2023, the segment had 1 119 employees. It delivers the full range of DeepOcean services to our clients and represents a resource pool for other regions in connection with commercial initiatives, vessel management, procurement, and other operational activities.

During the period, the region's external revenue increased to USD 477 183 thousand in 2023 (2022: USD 445 954 thousand). This was driven primarily by an increase in project awards related to IMR projects from new clients in the Norwegian sector combined with stable year over year Recycling projects in the UK sector.

EBITDA was USD 169 334 thousand in 2023 (2022: USD 153 058 thousand). The higher EBITDA was primarily the result of increased vessel charter lease reversal (IFRS 16) and not due to

operational performance. However, operating profit fell to USD 39 139 thousand (2022: USD 70 074 thousand) due to non-recurring project adjustments. The non-recurring project losses primarily stem from lump-sum projects awarded in the volatile period of COVID-19 and the fluctuating oil price environment of early 2020, challenging our financial outcomes due to unforeseen complexities and market conditions. All losses associated with these non-recurring projects have been fully incurred to date, and we anticipate the closure and completion of these projects in early 2024.

The full-year order intake was USD 443 494 thousand in 2023 (2022: USD 578 094 thousand) representing a book-to-bill ratio of 0.93. The order backlog was USD 331 092 thousand at year-end 2023 (2022: USD 361 704 thousand).

<i>Amounts in USD thousand</i>	2023	2022
External revenue and other income	477 183	445 954
EBITDA	169 334	153 058
EBIT	39 139	70 074
Order intake	443 494	578 094
Order backlog	331 092	361 376
Book-to-bill	0.93	1.30
Employees	1 119	977

Americas

The Americas region is based in Houston in the USA and Ciudad del Carmen in Mexico. As of 31 December 2023, the region had 161 employees. It has developed by means of both internal growth and the group's acquisition of Delta Subsea in 2018. The segment offers a full range of DeepOcean's services in the Gulf of Mexico, east coast USA and Guyana and works with some of the most prominent clients in the region.

During the period, the region's external revenue was USD 91 934 thousand in 2023 (2022: USD 100 892 thousand). The reduction reflects the delayed project awards in Mexico during 2023.

EBITDA ended at USD 35 769 thousand in 2023 (2022: USD 28 294 thousand). The higher EBITDA was driven by increasingly strong margins on trenching projects in US territory. Operating profit for the period was USD 14 698 thousand in 2023 (2022: USD 2 850 thousand). The increased operating profit is driven by improved EBITDA year over year and reduced depreciation burden.

The full-year order intake was USD 164 639 thousand in 2023 (2022: USD 79 202 thousand) representing a book-to-bill ratio of 1.79. The order backlog was USD 86 695 thousand at year-end 2023 (2022: USD 21 135 thousand). The Americas region has demonstrated remarkable performance in 2023, underscored by a significant increase in its order backlog, which surged to a fourfold increase. The substantial rise in the order backlog not only reflects the successful award of new projects, but also the move into new countries and increased renewables backlog. ExxonMobil awarded DeepOcean a contract for the provision of subsea construction and IMR services offshore Guyana.

<i>Amounts in USD thousand</i>	2023	2022
External revenue and other income	91 934	100 892
EBITDA	35 769	28 294
EBIT	14 698	2 850
Order intake	164 639	79 202
Order backlog	86 695	21 135
Book-to-bill	1.79	0.79
Employees	161	152

Africa

The Africa region is based in Sète in France and in Accra in Ghana. As of 31 December 2023, the segment had 73 employees. It offers the full range of DeepOcean services primarily to clients in West Africa, working with large, international clients in the region.

Historically, most of the region's business has been concentrated in Ghana. However, the acquisition by DeepOcean of SeaRov in 2017 has opened up for further geographical expansion.

During the period, the group's external revenue in the Africa region increased to USD 50 272 thousand in 2023 (2022: USD 19 099 thousand). This change reflects a strategic shift and recovery from the previous year's challenges, including the loss of a major frame agreement in Ghana.

EBITDA was negative USD 724 thousand in 2023 (2022: negative USD 80 thousand), as projects executed in the period were not as profitable as expected. The region was also impacted by high cost for vessel transits. Operating profit was negative USD 1 214 thousand in 2023 (2022: negative USD 417 thousand), reflecting the ongoing realignment and strategic planning within the region.

The full-year order intake improved to USD 57 663 thousand in 2023 (2022: USD 48 254 thousand), with a book-to-bill ratio of 1.15. The order backlog increased to USD 36 475 thousand at the end of 2023 (2022: USD 29 155 thousand), signaling the effective strategic reset and improvement efforts in the region.

<i>Amounts in USD thousand</i>	2023	2022
External revenue and other income	50 272	19 099
EBITDA	-724	-80
EBIT	-1 214	-417
Order intake	57 663	48 254
Order backlog	36 475	29 155
Book-to-bill	1.15	2.53
Employees	73	55

Corporate

The main aim of the Corporate segment is to hold other group assets and liabilities, such as corporate functions, legacy entities, and our investments in Windstaller Alliance AS. The Corporate segment has 50 employees who are employed in other DeepOcean segments.

<i>Amounts in USD thousand</i>	2023	2022
External revenue and other income	7 314	140
EBITDA	5 283	-3 284
EBIT	4 173	-4 288
Order intake	5 266	140
Order backlog	-	-
Book-to-bill	1.00	1.00
Employees	50	41

Parent Company Financial Statements

DeepOcean Group Holding AS is the parent company of the DeepOcean group, owns and manages the group's subsidiaries.

DeepOcean Group Holding AS has outsourced all corporate functions to other companies within the group, mainly to DeepOcean Management AS. Assets and liabilities related to the corporate treasury function remain the responsibility of DeepOcean Group Holding AS.

DeepOcean Group Holding AS had a net profit of NOK 561 081 thousand in 2023 (2022: net profit of NOK 2 339 203 thousand), primarily derived from group contributions from subsidiaries in 2023, and reversal of impairment of investment in subsidiaries in 2022.

More information on the allocation of profits can be found in the income statement of the parent company.

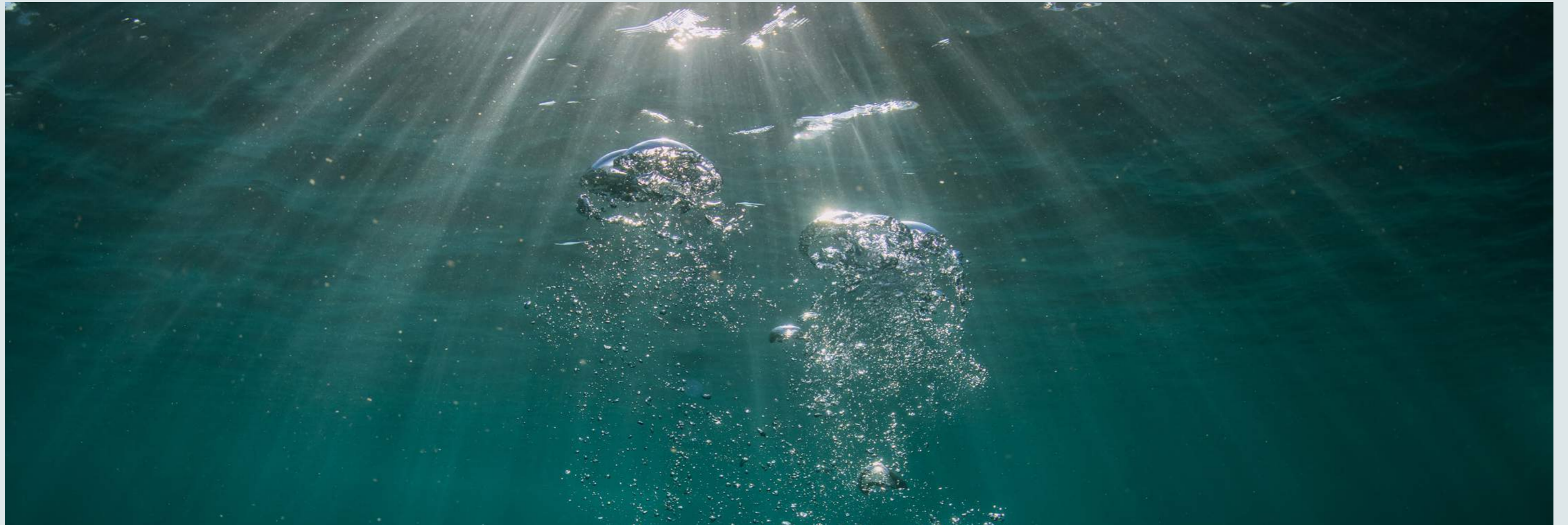
Risk

DeepOcean's operations and global footprint, as well as its exposure to energy markets and its implied cyclicality, all combine to present opportunities and risks that may affect the group's operations, performance, finances, reputation and future prospects.

External risk factors related to pandemics, climate change, market risk, supply chains, cybercrime, compliance and integrity, as well as political

risks and risks related to civil or political unrest, including wars, may all have adverse impacts on the group.

Primarily short-term risks are related to global and regional market volatility. Longer term risks are influenced also by megatrends such as the energy transition and relative competition strengths linked to the various countries and regions in which DeepOcean operates.



DeepOcean's 10% revenue growth driven by all corners of the DeepOcean business. Delivering strong growth and supporting the energy transition.

These risk factors are described in the following.

Market risk

The fluctuating commodity price environment, combined with the impacts of the current macro-economic instabilities, create uncertainty for activity levels and financial performance of the group. The main market risk factors that impact on our overall market outlook are as follows:

- Instability in the world economy and increasing rates of inflation and interest, combined with risks related to civil or political unrest, including wars, leading to supply chain disruption.
- A fluctuating oil and gas market, as well as changes in supply, demand and storage, all have an adverse impact on energy prices, which is also likely to impact activity levels.
- Uncertainty linked to future contract awards and their impact on future revenue and profitability.
- Climate change and the speed of the energy transition to renewables and a lower carbon economy, including environmental requirements, impact on oil and gas related activities and overall market development.

Such factors will influence oil price, gas prices and the oil and gas companies' exploration, development, energy transition, production, investment, inspection, maintenance and repair activities.

The main uncertainties for the group are related to its delivery of the five-year plan which includes

clear ambitions for growth in the global market, including entry into new energy segments.

DeepOcean is committed to an active policy of risk management that includes the continuous assessment of market risk. The group has thus initiated a process of scenario planning to take account of major fluctuations in the market. This will enable it rapidly to adjust cost levels in situations where market outlook indicates signs of deterioration.

Financial risks

The objective of financial risk management is to manage exposure to financial risks in such a way that increases the predictability of earnings and minimizes potential adverse effects on financial performance.

Currency risk

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

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

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

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

Liquidity risk

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

However, the group's financial performance in 2023, combined with steady operational cash generation, has contributed to liquidity risk being stable year over year. The development of financial covenants is being closely monitored, and management does not anticipate any breaches of covenants.

Credit risk

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

Financing by the group is completed using reputable and highly rated banks and financial institutions, where the credit risk is regarded as

low. However, banks are becoming more reluctant to provide funding to the oil and gas sector due to the increased ESG requirements. It is therefore incumbent on DeepOcean to continue its journey towards diversifying into a wider range of energy segments.

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

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

Price risk

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

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

Environmental, Social & Governance Focus

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

As part of our annual strategic planning, we have strengthened our reporting on ESG aspects, including the supply chain, human rights within our operations, climate change, circular economy, and security. Moving forward, DeepOcean is dedicated to aligning with the new Corporate Sustainability Reporting Directive (CSRD) requirements. It is essential to achieving our ambitions that the group embraces sustainability and implements the United Nations' Sustainable Development Goals (SDGs) by use of the SDG Compass. This systematic approach has enabled DeepOcean to establish a framework that promotes sustainability, fosters innovation and provides guidance to our management team.

In 2023, DeepOcean revalidated the Double Materiality Assessment (DMA) to be in line with CSRD requirements and prioritizing appropriate actions to address them.

The results of the DMA enabled DeepOcean to confirm and further refine the sustainability priorities reported in the 2022 sustainability report. The following five priorities have since been used to structure the sections of the 2023 sustainability report:

- Enabling the energy transition
- Limiting environmental and ecological impacts
- Safeguarding occupational health and safety

- Protecting employee rights and well-being
- Exercising responsibility and transparency across the value chain

These priorities are described in more detail in the ESG section of the Annual Report, together with associated tangible actions and measurable key performance indicators that will ensure that DeepOcean's progress is results-based and transparent to all its stakeholders.

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

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

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

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

DeepOcean will publish its statement on the Norwegian Transparency Act on our website www.deeppoceangroup.com by 30 June 2024.

Corporate governance

DeepOcean is a private company organized with a governance structure based on Norwegian corporate law. DeepOcean's corporate governance provides a foundation for value creation and good control mechanisms in the form of global directives that describe mandatory requirements for all parts of our organization.

DeepOcean's governance structure is based on applicable laws and regulations, and DeepOcean's corporate directives, with delegation of responsibility to the business areas and to corporate functions whose duties include finance, tax and accounting, social responsibility, environment, governance, legal and compliance. To maintain uniformly high standards, DeepOcean sets common requirements in the form of constituting documents and global directives. Constituting documents are approved by DeepOcean's Board of Directors, while global directives are approved by the CEO. This information is made available to all employees.

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

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

every region in which we operate. DeepOcean's corporate governance strategy consists of two broad primary objectives; to conduct business (a) responsibly and (b) with integrity and transparency.

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

- Effective Board of Directors and senior management oversight and governance
- Effective risk assessment and management in accordance with corporate policies and governing procedures
- Active promotion of a "speak up culture"
- Sophisticated data privacy and cybersecurity mechanisms
- Systematic due diligence assessments of supply chain ESG practices

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

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

Partnerships & Collaborations

The formation of partnerships and collaborations with prospective customers and technology/system suppliers are a key element of DeepOcean's five-year plan. In 2023, DeepOcean continued to mature its alliances and collaborative partnerships. It entered into additional collaboration agreements with the aim of delivering on its commitments to reduce CO₂ emissions from its operations by 45% by 2030, and to achieve net-zero by 2040.

Decarbonization at DeepOcean is driven by digitalization, and the direct link between these two processes is transformative. A key achievement through digitalization was the establishment of the Remote Operation Centers (ROC), which enables the transfer of certain types of offshore operations to shore. This leads to a direct reduction in emissions from vessels, as well as reducing the safety exposure of our employees.

Remota AS is a joint venture between the group and vessel owners and partners Solstad Offshore and Østensjø Rederi, with whom DeepOcean has formed a long-term relationship and maintained strong collaboration over the years. Remota AS operates the ROCs.

Throughout 2023 Remota has been committed to delivering Remote Operating Center ("ROC") services to DeepOcean. From March through December, a total of ~300 days of ROC operations have been performed. Activities spanned from inspection work, light intervention and pumping operations, utilizing several of DeepOcean's Supporter work class ROV systems. The operations from the ROC have proven to be an effective and valuable stepping stone

towards a more efficient and sustainable way of operating.

Remota has also assumed responsibility for development of the Unmanned Surface Vessel (USV) project. The USV will be owned and operated by USV AS and Remota Holding AS. The deployment of the USV is a cornerstone of DeepOcean's strategy to redefine the landscape of subsea inspection, maintenance, repair (IMR), and survey operations. The USV, equipped with advanced autonomous features and a hybrid propulsion system, is designed to endure extended offshore missions, significantly reducing the carbon footprint associated with traditional subsea operations. Aker BP's commitment to pioneer the use of this vessel upon its launch in 2025 underlines the industry's recognition of its potential to drive cost savings and operational efficiency at an unparalleled scale.

DeepOcean is committed to utilizing Remota's services, which aim to deliver significant cost optimization while also reducing the group's carbon footprint.

The main operational achievements in the offshore wind market in 2023 were achieved through the well-established Windstaller Alliance. Three offshore industry leaders - Aker Solutions, DeepOcean and Solstad Offshore - joined forces in 2021 to bring a new approach to renewable projects. The partnership is built on decades of offshore and marine experience. It uses its expertise to drive and unlock value for the renewable energy sector.

There is a clear strategy from DeepOcean's Board of Directors to be a key player in the green transition. In 2023, Windstaller Alliance

has submitted numerous tenders, successfully completing a demonstration project in Spain, and participated in several studies within the offshore wind sector.

Windstaller Alliance successfully completed the installation of the DemoSATH floating offshore wind turbine project located offshore Spain, including two, hook-up and dynamic cable installations for the turbine.

Windstaller Alliance effectively leveraged the expertise of all three alliance partners for the project. Aker Solutions played a crucial role by providing engineering and project management support, while DeepOcean contributed its competence and resources for the cable installation, and the primary installation vessel, Solstad's Normand Sapphire, was mobilized from Norway and equipped with a cable installation spread, in addition to its regular towing, anchor handling, and ROV capabilities.

The FlowHeat project, a collaborative innovation endeavor with Total Energies, Shawcor, and Plumettaz, showcases DeepOcean's leadership in introducing subsea pipeline heating solutions. DeepOcean's role in deploying the heating cable and integrating the system is critical to the project's success, demonstrating our expertise in translating complex technological concepts into commercially viable, real-world applications. This initiative aims to revolutionize pipeline heating by providing an efficient, cost-effective alternative to traditional methods, underscoring our commitment to advancing technological solutions that meet the industry's evolving needs while significantly reducing installation costs and environmental impacts.





Investing in Research, Innovation & technology

DeepOcean continues to redefine the frontier of oceanic services through our unwavering commitment to technological innovation, research, and development. Our strategic emphasis on pioneering new technologies and innovative solutions directly addresses the evolving needs of the energy industry, ensuring lower project costs, minimized environmental impact, enhanced efficiency, and elevated safety standards.

Technology is at the core of everything we do at DeepOcean, and 2023 has seen significant progress in the following key areas:

- Autonomous Inspection Drone (AID)
- Digital Subsea
- Ocean Inspector
- Deep Sea Mineral Exploration - Adepth Minerals

In collaboration with industry leaders, such as Aker BP, DeepOcean has made significant strides in subsea inspection innovation through our Autonomous Inspection Drone (AID) project. The AID system, a testament to our dedication to operational efficiency, accuracy, and safety, integrates with a digital twin of the field layout, allowing for inspection missions that are up to 50% faster than traditional methods. In 2023, the AID achieved a remarkable milestone

of approximately 1 500 hours of operation, demonstrating unparalleled capabilities both onsite and remotely. Furthermore, the AID can be remotely operated from a dedicated ROC operated by Remota AS.

DeepOcean's commitment to a digital subsea offering evolution is a key pillar of the overall strategy. The focus is on developing and deploying digital twins, animations of subsea operations, and autonomous inspection drones, which are integral to our vision of a digitally empowered subsea industry. These digital solutions are not just about operational efficiency; they embody DeepOcean's commitment to reducing environmental impact and operational costs.

The Ocean Inspector project epitomizes DeepOcean's forward-thinking approach to addressing the challenges in the offshore renewables sector. By investigating and developing unmanned vessel technologies for the inspection and survey of offshore renewable assets, we are not only expanding our service portfolio but also reinforcing our commitment to innovation and sustainability.

This project aligns with our strategic goal to become a major player in the offshore renewables market, leveraging cutting-edge technology to enhance the efficiency and safety of renewable energy infrastructure inspections.

Adepth Minerals, majority owned by DeepOcean, is a key partner in project EMINENT – 'Energy MINERals for the Net-zero Transition' with the aim of contributing to the establishment of a complete value chain for deep sea minerals. In this project the group are developing and piloting key technologies, methods and concepts that demonstrate solutions along the entire value chain for responsible and sustainable exploration and extraction of deep-sea minerals.

Adepth Minerals executed an offshore research expedition in 2023 with key partners. The operation provided two proof of concepts that are of great value for the sustainability of marine mineral exploration activities:

- Proved that core samples can be retrieved efficiently with the FlexiCore™ system; this allows advanced geotechnical work from a relatively small multipurpose vessels.
- The parallel operations proven during the DeepInsight23 operations, afforded by combining the best of scientific competence and subsea experience, produced a highly efficient data-collection operation.

In 2024, the Norwegian parliament agreed to open the Norwegian Exclusive Economic Zone for mineral exploration and potential extraction if it can be done responsibly with limited harm to the environment. Environmental

considerations will be safeguarded throughout the value chain, and extraction will only be permitted if the industry can demonstrate sustainable and responsible practices.

DeepOcean is aware of the potential impacts associated with involvement in the deep-sea minerals project. It is imperative that DeepOcean applies caution and work diligently to ensure effective communication with both internal and external stakeholders.

In essence, DeepOcean's 2023 strategic initiatives reflect a profound commitment to innovation, sustainability, and operational excellence. By advancing projects such as the AID, Ocean Inspector, and the ongoing research expeditions with Adepth Minerals, DeepOcean are establishing new industry standards, and affirming our leadership in evolving ocean services technology for a sustainable future.

The fact that funding for these research and technology projects has been secured demonstrates that the group is trusted as a technology partner by clients and public sector organizations. DeepOcean spent USD 4 462 thousand on development projects in 2023 (USD 2 407 thousand in 2022) related to physical assets.

Health & Working Environment

*Unity in Diversity:
Empowering 1 403 employees
across 44 nationalities, DeepOcean
celebrates a world of talent.*

DeepOcean is committed to be the employer of choice within our sector. This can only be achieved by safeguarding our employees' physical and mental health and by ensuring that they come to no harm. In 2023, the group's HSEQ team carried out site-specific assessments as part of its continued focus on reducing employee exposure to health hazards.

A further priority in 2023 was the safeguarding of our employees' mental health and provision of the resources necessary to ensure employee well-being.

Globally, DeepOcean's sickness absence figure for 2023 was 3.32%, compared with 4.89% in 2022. This decrease reflects the diminishing impact of the Covid-19 pandemic, combined with DeepOcean's focus on employee well-being and work life balance.

Safety

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

- Lost time incident frequency rate
- Total recordable incident frequency rate
- HiPo count and frequency rate
- Occupational health risk assessment, monitoring, and disclosure

The lost time injury (LTI) metric is limited to the number of fatalities and lost time injuries per million employees and does not include other types of injuries. The group's LTI was slightly higher in 2023 (0.83) when compared to 0.52, recorded in 2022. DeepOcean incurred four lost time injuries in 2023, all of which were related to routine, low-risk activities. The figure for 2022 was two lost time incidents.

The total recordable injury frequency (TRIF) metric records the number of fatalities, lost time injuries, alternate work, and other injuries requiring medical treatment per million hours worked. The group incurred eleven recordable injuries in 2023 and recorded a TRIF of 2.27. This may be compared with the five recordable injuries noted in 2022, with a TRIF of 1.29.

A HiPo is defined as an unplanned HSE incident or near-miss that has the potential to cause permanent disability or death. As of 31 December 2023, the group's current HiPo frequency rate, based on 12-month rolling average, is 1.03. This can be compared with the rate as of 31 December 2022, which was 0.26.

The Board and executive management team are not satisfied with the declining safety performance in 2023 and have instigated a thorough review to understand why DeepOcean experienced an escalation of injury rates in 2023 and what initiatives are required to turn the trend around. This identified that DeepOcean has a general challenge with hazard identification across worksites, especially regarding line of fire hazards that can impact hands and fingers. Injuries sustained during routine tasks accounted for 82% of our recordable injuries in 2023, involving both staff and contracted personnel.

Two key initiatives were implemented following the reviews to arrest the decline in safety performance:

- Improve hazard awareness and identification (especially hand safety)
- Strengthen governance and compliance to approved safe systems of work

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

Cyber security and privacy

DeepOcean is committed to protecting its employees, partners and the company from illegal or damaging actions by individuals, either knowingly or unknowingly. DeepOcean recognizes the importance of safeguarding personal and sensitive information and ensures compliance with all applicable data protection and privacy laws and regulations. DeepOcean are currently following the NIST Cyber Security Standard and the Norwegian National Security Authority's fundamental principles for Cyber Security.

In 2023, DeepOcean dedicated our focus on enhancing Cyber Security and safeguarding both our cloud and operational infrastructures. Employing a risk-based approach, DeepOcean implemented numerous critical changes and security measures. Significant enhancements include the widespread adoption of Multi-Factor Authentication ("MFA") throughout the organization and the update of Endpoint Detection and Response ("EDR") systems for both onshore and offshore operations.

DeepOcean's commitment extended to revising governing documents, resulted in a new and updated IT systems usage procedure. In 2024, measures will be implemented to strengthen data protection, ensuring company data accessibility exclusively through compliant company devices. This initiative mitigates the risks of data loss and theft, preserving the integrity of our data and systems as part of our overarching Zero-Trust initiative.

Emissions related to working environment

More than 90% of DeepOcean's emissions (Scope 1) are generated by our offshore operations. As a result, our focus is on increasing energy efficiency and reducing the carbon footprint of our vessels. We are achieving this by enforcing sustainable operational practices,

embracing digitalization and disruptive technologies, and using low-carbon fuels and alternative energy sources as soon as these become available.

In 2023, to consolidate these actions, DeepOcean has taken further action in collaboration with one of our vessel owner partners to retrofit the Volantis vessel with a hybrid battery pack. This has enabled DeepOcean to reduce its CO₂ emissions by 18% at the end of 2023, compared to our 2020 baseline, despite an increase in operational hours of 26%.

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

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

Another key element of DeepOcean's role in society is to limit the damage it causes to the environment because of its operations. A key metric in this context is the environmental spill volume to the sea. DeepOcean increased its overall global spill volume in 2023 to 208 liters, compared with 144 liters in 2022. This negative trend in 2023 is not acceptable to the Board and executive management of DeepOcean, however it is noted that over 50% were leakages of less than 1 liter in volume. DeepOcean has launched a preventive maintenance and inspection

program focused on hose management to minimize all leakages.

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

Safeguarding diversity and equal opportunity

At year-end 2023, DeepOcean had 1 403 employees (2022: 1 225 employees). The group is strongly committed to the principles of non-discrimination and equal opportunity, regardless of gender, nationality and other factors.

The recruitment of women has traditionally been a challenge in the oil and gas industry. This continues to remain an issue at DeepOcean, where approximately only 16% of employees are female, almost the same figure as at year-end 2022 (14%). The percentage of women in management positions in 2023 was 18%, an increase from 15% in 2022.

In 2023, DeepOcean intensified its focus on greater diversity by recruiting more female candidates and promoting more women to management positions. The Board and executive management team are not content with progress on this issue, and increasing the proportion of female employees will remain a key priority in 2024.

DeepOcean's workforce represents 44 nationalities, offering a wide range of capabilities and expertise that benefits both our partners and the business. The figure for 2022 was 44 nationalities.

DeepOcean seeks to promote inclusion and diversity in its workforce by stipulating clear recruitment requirements, combined with individual development programs designed to promote equal opportunity in accordance with its personnel policy and recruitment procedures.

Going Concern

In accordance with the Norwegian Accounting Act, the Board of Directors confirms that the consolidated financial statements and parent company financial statements have been prepared based on the going concern assumption.

The Board of Directors confirms that the Annual Report for 2023 gives a true and fair overview of development during the year, the impact on the financial statements, as well as most significant risks and uncertainties facing the group.

Oslo, 9 April 2024

Board of Directors of DeepOcean Group Holding AS

Jo Olav Lunder
Chairman

Kristian Diesen
Director

Mike Winkel
Director

Colette Cohen
Director

Anna Belfrage
Director

Hans Maret
Director

Wenche Kjøllås
Director

Øyvind Mikaelson
Chief Executive Officer

Consolidated Financial Statements

DeepOcean Group 31 December 2023

Declaration

by the Board of Directors and Chief Executive Officer

The Board and Chief Executive Officer have today considered and approved the Annual Report and financial statements for the DeepOcean group and its parent company DeepOcean Holding AS for the calendar year ended on 31 December 2023.

This declaration is based on reports and statements from the Chief Executive Officer, Chief Financial Officer and on the results of the group's business as well as other essential information provided to the Board to assess the position of the parent company and the group.

To the best of our knowledge:

- The 2023 financial statements for the parent company and the group have been prepared in accordance with the applicable accounting standards.
- The information provided in the financial statements gives a true and fair view of the parent company's and the group's assets, liabilities, financial position and results as of 31 December 2023.
- The Board of Directors' Report of the parent company and the group provides a true and fair view of the development, performance and financial position of the parent company and the group taken as a whole, and the most significant risks and uncertainties facing the parent company and the group.

Oslo, 9 April 2024

Board of Directors of DeepOcean Group Holding AS

Jo Olav Lunder
Chairman

Kristian Diesen
Director

Mike Winkel
Director

Colette Cohen
Director

Anna Belfrage
Director

Hans Maret
Director

Wenche Kjelås
Director

Øyvind Mikaelson
Chief Executive Officer

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Consolidated Income Statement

For the year ended 31 December

<i>Amounts in USD thousand</i>	Note	2023	2022 Restated ¹
Revenue from contracts with customers	3, 4	617 983	556 095
Other income	3	8 719	9 990
Revenue and other income		626 703	566 085
Materials, goods and services		-260 463	-256 579
Personnel expenses	5	-153 328	-127 380
Other operating expenses	6	-4 513	-6 641
Operating expenses		-418 304	-390 601
Operating profit before depreciation, amortization and impairment		208 398	175 485
Depreciation and amortization	9, 10, 25	-152 276	-109 650
Impairment	10, 11	-	-8
Operating profit		56 122	65 827
Finance income	7	795	723
Finance expenses	7	-21 780	-20 726
Profit (loss) from equity-accounted investees	7, 12	1 232	1 268
Net financial expenses		-19 752	-18 736
Profit before tax		36 369	47 091
Income tax expense	8	-10 218	-15 041
Profit from continuing operations		26 152	32 050
Loss from discontinued operations		-475	-899
Profit for the period		25 676	31 151
<i>Profit for the period attributable to</i>			
Equity holders of the parent company		24 069	31 678
Non-controlling interests		1 608	-527
Profit for the period		25 676	31 151

1) Refer to Note 31 Changes to accounting policies

Consolidated Statement of Comprehensive Income

For the year ended 31 December

<i>Amounts in USD thousand</i>	Note	2023	2022
Profit (loss) for the period		25 676	31 151
Other comprehensive income			
Currency translation differences - foreign operations		-1 598	14 954
Total items that may be reclassified subsequently to profit or loss, net of tax		-1 598	14 954
Remeasurement gain (loss) net defined benefit obligations	18	-2 472	208
Remeasurements of defined pension obligations, deferred tax effect		540	-41
Total items that will not be reclassified to profit or loss, net of tax		-1 932	167
Total other comprehensive income, net of tax		-3 530	15 121
Total comprehensive income for the period, net of tax		22 146	46 272
<i>Total comprehensive income attributable to:</i>			
Shareholders of the parent		20 538	46 799
Non-controlling interests		1 608	-527
Total comprehensive income for the period, net of tax		22 146	46 272

Consolidated Statement of Financial Position

For the year ended 31 December

Amounts in USD thousand	Note	2023	2022 Restated ¹
Property, plant and equipment	9	74 995	60 435
Intangible assets	10	11 913	5 226
Right-of-use assets	25	273 486	187 701
Equity accounted investees	12	6 421	3 616
Deferred tax assets	8	9 250	9 161
Pension assets	18	5	310
Other non-current assets		629	577
Total non-current assets		376 698	267 028
Current income tax receivable		2 229	621
Inventories	13	11 864	7 792
Contract assets	3	58 502	54 424
Trade and other receivables	14	77 438	69 433
Cash and cash equivalents	15	39 734	86 253
Assets classified as held for sale		39	310
Total current assets		189 806	218 832
Total assets		566 504	485 860
Share capital	16	3 216	3 718
Share premium	16	-	44 833
Other paid-in capital	16	501	-
Reserves		11 657	15 187
Retained earnings		9 539	-9 362
Equity attributable to equity holders of the parent company		24 913	54 375
Non-controlling interests		-1 856	-7 579
Total equity		23 057	46 796

Amounts in USD thousand	Note	2023	2022 Restated ¹
Non-current borrowings	17	85 887	85 313
Non-current lease liabilities	25	160 231	100 479
Pension liabilities	18	853	186
Deferred tax liabilities	8	578	270
Non-current provisions	19	113	62
Total non-current liabilities		247 663	186 310
Current lease liabilities	25	133 744	106 937
Current tax liabilities	8	9 305	16 005
Current provisions	19	5 691	2 098
Contract liabilities	3	13 501	11 828
Trade and other payables	20	133 057	115 626
Liabilities classified as held for sale		486	261
Total current liabilities		295 784	252 754
Total liabilities		543 447	439 064
Total equity and liabilities		566 504	485 860

Oslo, 9 April 2024

Board of Directors of DeepOcean Group Holding AS

Jo Olav Lunder
Chairman

Kristian Diesen
Director

Mike Winkel
Director

Colette Cohen
Director

Anna Belfrage
Director

Hans Maret
Director

Wenche Kjølås
Director

Øyvind Mikaelson
Chief Executive Officer

1) Refer to Note 31 Changes to accounting policies

Consolidated Statement of Changes in Equity

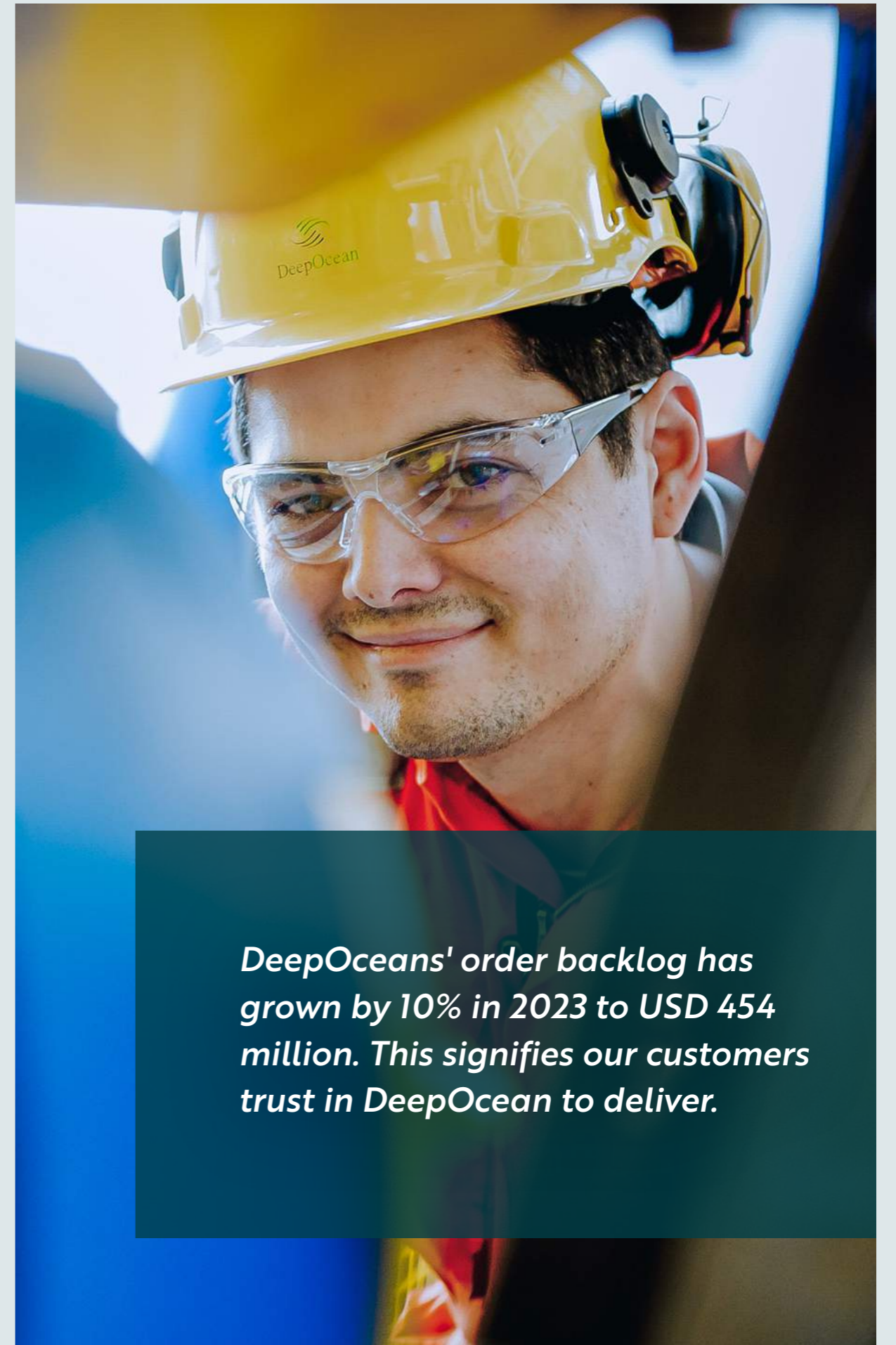
For the year ended 31 December

Amounts in USD thousand	Share Capital ¹	Share Premium	Other Paid-in Capital	Currency Translation Reserve ¹	Other Reserves ²	Retained Earnings	Equity Attributable to Equity Holders of the Parent Company	Non-controlling Interest	Total Equity
Equity as of 31 December 2021	8 108	80 416	-	892	-799	-42 993	45 623	-7 052	38 571
Accounting policy change - IAS 12 ³	-	-	-	-	-	1 954	1 954	-	1 954
Equity as of 1 January 2022	8 108	80 416	-	892	-799	-41 039	47 577	-7 052	40 524
Profit (loss) for the period	-	-	-	-	-	31 677	31 677	-527	31 151
Other comprehensive income (loss) for period	-	-	-	14 954	167	-	15 121	-	15 121
Total comprehensive income for the period	-	-	-	14 954	167	31 677	46 799	-527	46 272
Payment of share redemption	-4 390	-35 583	-	-27	-	-	-40 000	-	-40 000
Equity as of 31 December 2022	3 718	44 832	-	15 820	-633	-9 362	54 375	-7 579	46 796
Profit (loss) for the period	-	-	-	-	-	24 069	24 069	1 608	25 676
Other comprehensive income (loss) for period	-	-	-	-1 598	-1 932	-	-3 530	-	-3 530
Total comprehensive income for the period	-	-	-	-1 598	-1 932	24 069	20 538	1 608	22 146
Payment of share redemption	-501	-	501	-	-	-	-	-	-
Dividend	-	-44 832	-	-	-	-5 168	-50 000	-	-50 000
Acquisition of NCI	-	-	-	-	-	-	-	4 115	4 115
Equity as of 31 December 2023	3 216	-	501	14 222	-2 565	9 539	24 913	-1 856	23 057

1) Refer to Note 16 Equity

2) Refer to Note 18 Pension obligations

3) Refer to Note 31 Changes to accounting policies



DeepOceans' order backlog has grown by 10% in 2023 to USD 454 million. This signifies our customers trust in DeepOcean to deliver.

Consolidated Statement of Cash Flows

For the year ended 31 December

<i>Amounts in USD thousand</i>	Note	2023	2022
Cash Flows from Operating Activities			
Profit (loss) for the period		25 676	31 151
Income tax expense (benefit)	8	10 218	15 041
Net interest cost, other financial income and unrealized currency (gain) loss		19 627	17 257
Depreciation, amortization and impairment	9, 10, 25	152 276	109 658
(Profit) loss from discontinued operations		475	899
(Profit) loss from equity-accounted investees	12	-1 232	-1 268
(Gain) loss on sale of fixed assets	3	-80	-388
(Gain) loss on disposal of subsidiaries	3	-2 053	-
Other items related to operating activities		-7 615	-
Other non-cash effects		-1 372	806
Profit for the period after adjustments		195 921	173 157
Changes in operating assets and liabilities		6 542	-20 203
Cash generated from operating activities		202 463	152 954
Interest paid		-19 531	-7 870
Interest received		750	474
Income taxes paid		-14 090	-6 885
Net cash from operating activities		169 592	138 673

<i>Amounts in USD thousand</i>	Note	2023	2022
Cash Flows from Investing Activities			
Acquisition of property, plant and equipment	9	-31 001	-15 757
Acquisition of capitalized development	10	-136	-
Proceeds from sale of property, plant and equipment	3	42	981
Acquisition of subsidiaries, net of cash acquired	24	550	-2 190
Disposal of subsidiaries, net of cash disposed		-14	-
Investments in equity accounted investees	12	-	-1 062
Dividends from equity accounted investees	12	481	787
Net cash flow from investing activities		-30 077	-17 241
Cash Flows from Financing Activities			
Repayment of borrowings	17	-	-12 978
Payment of share redemption to shareholders		-	-40 000
Payment of dividend		-50 000	-
Payment of lease liabilities	25	-133 352	-89 330
Net cash flow from financing activities		-183 352	-142 308
Effect of exchange rate changes on cash and cash equivalents		-2 683	4 265
Net increase (decrease) in cash and cash equivalents		-46 519	-16 611
Cash and cash equivalents at 1 January		86 253	102 864
Cash and cash equivalents at 31 December	15	39 734	86 253

Notes to the Consolidated Financial Statements

Note 1 – General Information

DeepOcean Group Holding AS is a limited liability company incorporated and domiciled in Norway and privately owned. The group's principal office is located at Ruseløkkveien 26, Oslo, Norway. The largest shareholder is Tricer Lux BidCo 1 S.a r.l., a company owned 100% by Tricer Holdco S.C.A., an entity controlled by Triton Fund IV, a private equity fund.

The consolidated financial statements of DeepOcean Group Holding AS and its subsidiaries (collectively referred as DeepOcean or the group, and separately as group companies) for the year ended 31 December 2023 were approved by Board of Directors and CEO on 9 April 2024. The consolidated financial statements will be authorized by the Annual General Meeting on 12 April 2024.

The group is a world-leading ocean services provider, enabling the energy transition and sustainable use of ocean resources. Information on the group's structure is provided in Note 26 Group companies. Information on other related party relationships of the group is provided in Note 27 Related parties.

Note 2 – Basis of Preparation

Basis of Accounting

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union® (IFRS), their interpretations adopted by the International Accounting Standards Board (IASB) and the additional requirements of the Norwegian Accounting Act as of 31 December 2023. References to IFRS hereinafter should be construed as references to IFRS as adopted by the EU.

Going Concern

The consolidated financial statements have been prepared on a going concern basis, which assumes that the group will be able to meet the mandatory terms and conditions of its lending facilities as disclosed in Note 22 Capital management.

Basis of Measurement

The consolidated financial statements have been prepared on the historical cost basis except for the following material items, which are measured on an alternative basis on each reporting date:

- Non-derivative financial instruments at Fair Value through Profit or Loss (FVTPL) are measured at fair value.
- Net defined benefit (asset) liability is recognized at fair value of plan assets less the present value of the defined benefit obligation.

Currency

The consolidated financial statements are presented in USD. All financial information presented in USD has been rounded to the nearest thousand (USD thousand), unless stated otherwise. As a result of rounding adjustments, amounts and percentages may not add up to the subtotal or total. When the functional currency of a reporting unit is changed, the effect of the change is accounted for prospectively.

Assets and liabilities of subsidiaries that have a different functional currency are translated to USD using the exchange rate on the balance

sheet date. Income and expenses are translated using the average exchange rate for the year, calculated on the basis of 12 monthly rates. Foreign exchange differences arising from these translations are recognized in other comprehensive income, and presented as a separate component in equity (translation reserve). The translation differences are reclassified to the income statement upon disposal or liquidation of the related operations. Exchange differences arising from non-current monetary receivable or payable by a foreign operation where settlement is neither planned nor likely in the foreseeable future, forms part of the net investment in that entity and are also recognized in other comprehensive income.

Transactions in foreign currencies are translated at the exchange rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into the functional currency at the exchange rate on that date. Foreign exchange differences arising from translation are recognized in the income statement. Non-monetary assets and liabilities measured in terms of historical cost in a foreign currency are translated using the exchange rate on the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rates on the date the fair value is determined.

Use of Estimates & Judgements

The preparation of financial statements in compliance with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts in the income statement and financial position, and accompanying notes. Although management believes these assumptions to be reasonable, historical experience indicates that actual amounts and results could differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period

in which the estimate is revised and in any future periods affected. The main areas where estimates and judgements have been made are described in each of the following notes:

- Note 8 Income tax
- Note 9 Property, plant & equipment
- Note 14 Trade & other receivables
- Note 18 Pension obligations
- Note 19 Provisions & contingent liabilities
- Note 24 Business combinations

The main area where significant estimation and judgement has been made is described in:

- Note 3 Revenue & other income
- Note 11 Impairment

Note 3 – Revenue & Other Income

Accounting Policy

DeepOcean is an integrated provider of ocean services. The group provides subsea and marine support vessels and services, for operations such as inspection, maintenance and repair of subsea infrastructures, survey seabed mapping, seabed intervention, including subsea trenching and protection services, and subsea installation and recycling services.

Revenue from contracts with customers is recognized when control of the services is transferred to the customer at an amount that reflects the consideration to which the group expects to be entitled in exchange for services.

In general, the group's revenue streams can be divided into day-rate projects and lump-sum projects.

Under IFRS 15, day-rate projects and lump-sum projects are assessed under the IFRS 15 model. In addition to this, the group has revenue from lease contracts accounted for under IFRS 16.

Day-rate contracts

Day-rate contracts relate to the activity in which the group and its customer have agreed on a daily fee for the services to be provided by the group in relation to the contract. The performance obligation of day-rate contracts is considered to be the day-to-day delivery of the required service to the customer. Promises made in the contract with the customer are assessed according to whether such promises are capable of being distinct, in other words distinct in the context

of the contract, and the transaction price is allocated accordingly. The group recognizes revenue from day-rate contracts at point in time, as the revenue is recognized linearly on a day-by-day basis over the contract period, and the transaction price is estimated at the contract inception, including any variable considerations.

Lump-sum contracts

Lump-sum projects are projects where the group has agreed on a fixed fee for the services to be provided.

The performance obligation of the group's lump-sum contracts is assessed on a contract-by-contract basis, and based on an evaluation of whether any commitments made in the contract are capable of being distinct in the context of the contract. If the promised goods or services are not distinct, the group combines the goods or services with other promised goods or services until it identifies a bundle of goods or services that is distinct. In some cases, that would result in the entity accounting for all the goods or services promised in a contract as a single performance obligation. Hence, the group assesses that the bundle of services provided on lump-sum contracts to be one performance obligation.

The group recognizes revenue from lump-sum contracts over time because the customer simultaneously receives and consumes the benefits provided. The transaction price is estimated at contract inception, including any variable consideration.

The revenue is recognized in accordance with the percentage of completion of a contract using a cost-to-cost input model to measure the percentage of completion. The method relies on the group's ability to estimate future costs in an accurate manner. The forecast cost is based on the schedule of the remaining work and its value and is updated on a monthly basis. The review entails monitoring the cost incurred to date, an estimate of forecast cost to complete and the total estimated cost at completion of performance obligation. This enables a reliable estimate for the likely outcome in terms of profitability of each performance obligation.

Variation consideration

If the consideration in a contract includes a variable amount, the group estimates the amount of consideration to which it will be entitled in exchange for transferring the services to the customer.

The variable consideration is estimated at contract inception and is constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognized will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

Contract modifications

A contract modification occurs when the group and the customer approve a change in the contract scope, price, or both. The accounting for a contract modification depends on whether distinct goods or services are added to the performance obligation, and on the price of the modified performance obligation.

The group recognizes revenue from contracts with customers arising from variation orders in the case the group concludes that rights and obligations created or changed by a modification are enforceable, considering all relevant facts and circumstances including the terms of the contract.

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognized for the earned consideration that is conditional.

Trade receivables

A receivable represents the group's right to an amount of consideration that is unconditional.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the group transfers goods or services to the customer, a contract liability is recognized when the payment is made. Contract liabilities are recognized as revenue when the group fulfils the performance obligation under the contract.

Estimates & Judgments

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

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

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

Revenue in DeepOcean consists of various contracts within the oil and gas sector and renewable energy sector.

Revenue from Customer Contracts by Business Line & Contract Type

<i>Amounts in USD thousand</i>	2023	2022
Inspection, maintenance and repair	237 007	251 798
Recycling	111 056	120 706
Survey & Seabed intervention	119 886	84 627
Subsea construction	87 897	82 842
Other services	62 137	16 121
Total revenue from contracts with customers	617 983	556 095
Gain from sale of fixed assets	80	388
Operating lease income	6 459	9 602
Gain (loss) on disposal of subsidiaries	2 053	-
Other	127	-
Total other income	8 719	9 990
Total revenue and other income	626 703	566 085

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

<i>Amounts in USD thousand</i>	Europe		Americas		Africa		Corporate		DeepOcean	
Business Line	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Inspection, maintenance and repair	196 539	170 896	37 122	77 948	3 347	2 954	-	-	237 007	251 798
Recycling	107 077	120 310	3 998	-75	-20	472	-	-	111 056	120 706
Survey & Seabed intervention	68 199	78 157	22 452	5 572	29 234	898	-	-	119 886	84 627
Subsea construction	75 909	66 569	4 855	2 857	7 133	13 417	-	-	87 897	82 842
Other services	29 271	9 413	17 023	5 238	10 578	1 331	5 266	140	62 137	16 121
Total revenue from contracts with customers	476 996	445 344	85 449	91 539	50 272	19 071	5 266	140	617 983	556 095

<i>Amounts in USD thousand</i>	Europe		Americas		Africa		Corporate		DeepOcean	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Timing of Revenue										
Products and services transferred at a point in time	327 630	264 168	80 360	91 539	46 671	18 442	5 266	140	459 927	374 290
Products and services transferred over time	149 366	181 176	5 090	-	3 601	629	-	-	158 057	181 805
Total revenue from contracts with customers	476 996	445 344	85 449	91 539	50 272	19 071	5 266	140	617 983	556 095
Other Income	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Gain from sale of fixed assets	60	388	26	-	-	-	-6	-	80	388
Operating lease income	-	222	6 459	9 352	-	28	-	-	6 459	9 602
Gain (loss) on disposal of subsidiaries	-	-	-	-	-	-	2 053	-	2 053	-
Other	127	-	-	-	-	-	-	-	127	-
Total other income	187	610	6 485	9 352	-	28	2 047	-	8 719	9 990
Total revenue and other income	477 183	445 954	91 934	100 891	50 272	19 099	7 314	140	626 703	566 085

Unsatisfied Performance Obligations

The satisfaction of performance obligations in customer contracts vary for each contract. The order backlog as of 31 December 2023 was USD 445 345 thousand, compared to USD 393 833 thousand the year before. The table below shows the expected timing of future revenue for unsatisfied performance obligations and future operating income at year-end.

<i>Amounts in USD thousand</i>	2023	2022
Less than 1 year	320 776	244 014
1–2 years	96 116	89 985
2–3 years	28 453	49 834
3–4 years	-	10 000
Unsatisfied performance obligations as of 31 December	445 345	393 833

Contract Balances

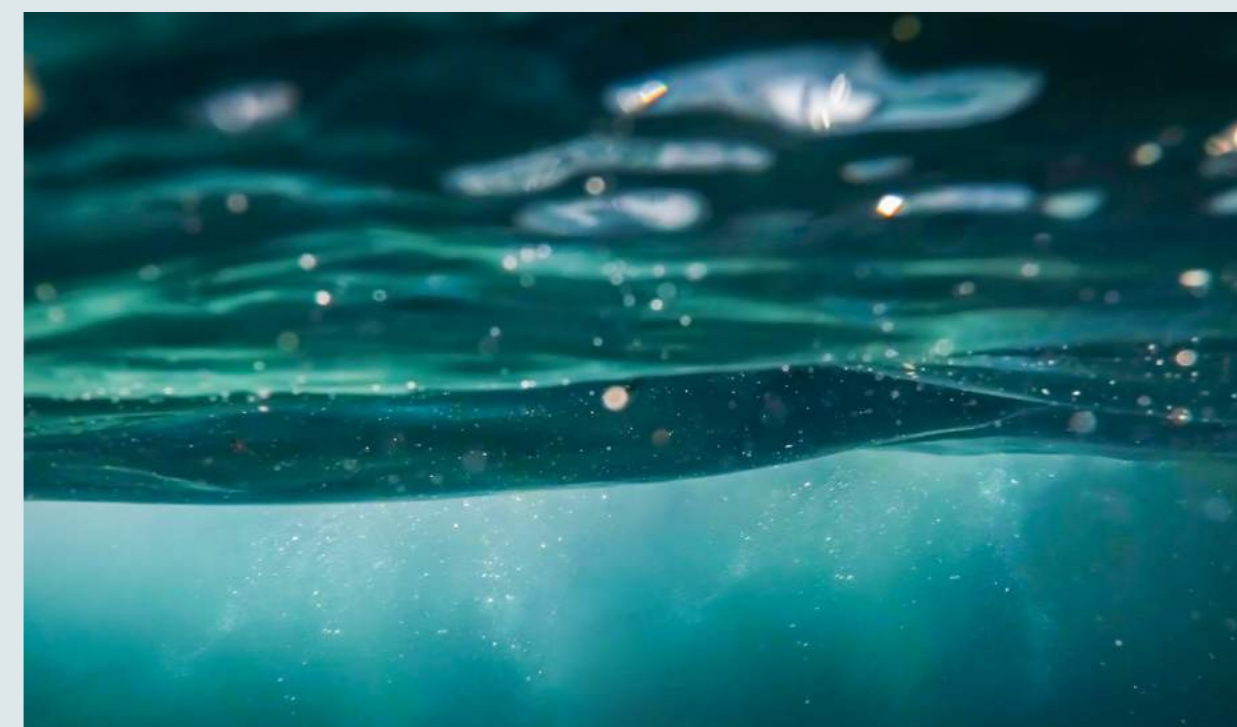
<i>Amounts in USD thousand</i>	2023	2022
Trade receivables	68 993	61 117
Contract assets	58 502	54 424
Contract liabilities	-13 501	-11 828
Net receivables from contracts with customers as of 31 December	113 994	103 713

Contract assets relate to the group's rights to consideration for performance obligations that have been fulfilled, but not yet invoiced at the reporting date. The contract assets are transferred to receivables when the rights to payment become unconditional, which usually occurs when invoices are issued to the customers. No impairment has been recognized on contract assets in 2023 or 2022.

Contract liabilities relate to advance consideration received from customer for work not yet performed. Revenue recognized in 2023 that was included in contract liabilities in the beginning of the year is USD 11 828 thousand (2022: USD 5 882 thousand).

Seasonality of Operations

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



Note 4 – Segments

Accounting Principles

DeepOcean as a global ocean services provider has three reporting segments and a Corporate segment. DeepOcean's reporting segments are regional operating segments. The Chief Executive Officer fulfil the role of Chief Operating Decision Maker (CODM) in the group and monitor

the operating results of its business units separately for the purpose of decision making and performance assessment. The regions all have similar characteristics in terms of economic, nature of service, type of customer, methods of distribution and regulatory environment. Transactions between the segments

are based on negotiations between the parties, and management believes that the agreed prices are a fair approximation to arm's length prices. Transactions between segments are eliminated upon consolidation. DeepOcean has a central treasury function. Financing of the various segments does not necessarily reflect

the financial strength of the individual segments, consequently financial items are presented only for the group as a whole.

Segments

<i>Amounts in USD thousand</i>	Note	Europe	Americas	Africa	Corporate	Total Operating Segments	Eliminations	DeepOcean
2023								
<i>Income statement</i>								
External revenue and other income	3	477 183	91 934	50 272	7 314	626 703	-	626 703
Inter-segment revenue		53 901	4 148	2 662	17 801	78 513	-78 513	-
Total revenue and other income		531 084	96 082	52 934	25 114	705 215	-78 513	626 703
Operating profit before depreciation, amortization and impairment (EBITDA)		169 334	35 769	-724	5 283	209 662	-1 264	208 398
Depreciation and amortization	9, 10, 25	-130 195	-21 070	-490	-1 110	-152 865	589	-152 276
Impairment	9, 10	-	-	-	-	-	-	-
Operating profit (loss) (EBIT)		39 139	14 698	-1 214	4 173	56 797	-675	56 122
<i>Assets</i>								
Non-current operating assets		328 942	38 473	908	5 263	373 586	-3 308	370 277
Current operating assets		104 199	25 030	14 804	6 000	150 033	-	150 033
Segment assets		433 141	63 503	15 712	11 263	523 618	-3 308	520 310
<i>Liabilities</i>								
Non-current operating liabilities		159 940	1 360	76	399	161 773	-	161 773
Current operating liabilities		265 164	16 121	4 355	9 659	295 300	-	295 300
Segment liabilities		425 104	17 481	4 431	10 058	457 073	-	457 073

<i>Amounts in USD thousand</i>	Note	Europe	Americas	Africa	Corporate	Total Operating Segments	Eliminations	DeepOcean
2022 Restated¹⁾								
<i>Income statement</i>								
External revenue and other income	3	445 954	100 892	19 099	140	566 085	-	566 085
Inter-segment revenue		22 162	-775	4 612	17 115	43 113	-43 113	-
Total revenue and other income		468 116	100 116	23 710	17 255	609 197	-43 113	566 085
Operating profit before depreciation, amortization and impairment (EBITDA)		153 058	28 294	-80	-3 284	177 988	-2 503	175 485
Depreciation and amortization	9, 10, 25	-82 976	-25 444	-337	-1 005	-109 762	111	-109 650
Impairment	9, 10	-8	-	-	-	-8	-	-8
Operating profit (loss) (EBIT)		70 074	2 850	-417	-4 288	68 219	-2 392	65 827
<i>Assets</i>								
Non-current operating assets		202 036	53 999	973	8 794	265 803	-2 392	263 411
Current operating assets		92 825	22 718	15 648	1 078	132 269	-	132 269
Segment assets		294 862	76 717	16 621	9 872	398 073	-2 392	395 681
<i>Liabilities</i>								
Non-current operating liabilities		99 438	1 376	120	-	100 935	-	100 935
Current operating liabilities		187 150	39 163	5 952	20 291	252 555	-	252 555
Segment liabilities		286 588	40 539	6 072	20 291	353 490	-	353 490

1) Refer to Note 31 Changes to accounting policies

Reconciliations of Information on Reportable Segments to IFRS Measures

<i>Amounts in USD thousand</i>	Note	2023	2022 Restated ¹
<i>Assets</i>			
Total segment assets		520 310	395 681
Cash and cash equivalents	15	39 734	86 253
Assets held for sale		39	310
Equity accounted investees	12	6 421	3 616
Consolidated assets		566 504	485 860
<i>Liabilities</i>			
Total segment liabilities		457 073	353 490
Liabilities held for sale		486	261
Non-current borrowings	17	85 887	85 313
Consolidated Liabilities		543 447	439 064

Geographic Information

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

<i>Amounts in USD thousand</i>	Revenue		Non-current Operating Assets	
	2023	2022	2023	2022
Norway	338 516	338 894	323 472	200 148
United Kingdom	136 180	106 450	5 470	1 889
US	65 264	80 743	17 513	39 858
Mexico	20 186	8 933	20 960	14 128
Other countries	57 838	21 074	2 863	7 388
Total	617 983	556 095	370 277	263 411

1) Refer to Note 31 Changes to accounting policies

Major Customers

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

<i>Amounts in USD thousand</i>	2023	2022
Customer 1	115 202	88 488
Customer 2	72 058	Less than 10% of revenue
Customer 3	Less than 10% of revenue	87 570

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

Note 5 – Personnel Expenses

Accounting Policy

Personnel expenses include wages, salaries, social security contributions, sick leave, parental leave and other employee benefits. The benefits are recognized in the year in which the associated services are rendered by the employees.

Personnel Expenses

<i>Amounts in USD thousand</i>	Note	2023	2022
Salaries and wages including holiday allowance		117 552	105 277
Social security taxes		18 826	14 666
Pension cost	18	6 711	5 690
Other employee costs		10 240	1 746
Personnel expenses		153 328	127 380
Total number of employees as of 31 December		1 403	1 225

Note 6 – Other Operating Expenses

<i>Amounts in USD thousand</i>	2023	2022
Premises	2 001	313
IT and office supplies	7 955	6 420
Travel expenses	2 519	1 757
Professional fees including audit fees	10 636	8 892
Insurance	1 200	1 175
Bad debt expense	745	81
Capitalization of expenses	-22 021	-14 331
Other expenses	1 478	2 334
Other operating expenses	4 513	6 641

Audit Fees

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

<i>Amounts in USD thousand</i>	DeepOcean Group		Subsidiaries		Total	
	2023	2022	2023	2022	2023	2022
Audit	165	176	605	643	769	818
Other assurance services	-	-	-	12	-	12
Tax services	45	241	70	-	115	241
Other non-audit services	222	957	-	-	222	957
Total fees EY expensed during the year	431	1 374	675	655	1 106	2 029

Note 7 – Financial Income & Expenses

Accounting Policy

Interest income and expenses include effects from using the effective interest rate method where fees, interest paid, transaction costs and other premiums are deferred and amortized over the life of the instrument. Interest income from lease receivables and interest expense from lease liabilities are included.

Foreign exchange gains and losses arise upon settlement of monetary assets and liabilities that are not hedged. Translation of monetary assets and liabilities denominated in foreign currencies related to operating activities such as trade receivables and payables are included in operating expenses before depreciation, amortization and impairment. However,

the currency gains and losses are offset by the effects from hedging derivatives. Translation of operational monetary assets and liabilities in countries with hyperinflationary or non-convertible currencies are presented as financial items. Translation of assets and liabilities related to general financing of the entity are included as financial income and expenses. Foreign exchange gains and losses also include effects from translating monetary assets and liabilities denominated in foreign currencies at the balance sheet date. The profit or loss on foreign exchange forward contracts include effects from derivatives that do not qualify for hedge accounting, embedded derivatives and the ineffective portion of qualifying hedges.

Financial Income & Expenses

<i>Amounts in USD thousand</i>	Note	2023	2022
Finance Income			
Interest income on bank deposits measured at amortized cost		750	474
Net changes in fair value of financial assets at FVTPL		-2	-
Other finance income		47	249
Finance income		795	723
Finance Expense			
Interest expense on financial liabilities measured at amortized cost	17	-6 837	-3 387
Interest expense on lease liabilities	25	-12 982	-4 808
Net foreign exchange loss		-606	-11 257
Other finance expense		-1 355	-1 274
Finance expenses		-21 780	-20 726
Profit (loss) from equity-accounted investees	12	1 232	1 268
Net financial income (expenses)		-19 752	-18 736

Note 8 – Income Tax

Accounting Policy

Income tax recognized in the income statement comprises current and deferred tax. Income tax is recognized in the income statement except to the extent that it relates to items recognized directly in equity or other comprehensive income.

Current tax

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantially enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Current tax payable also includes any tax liability arising from the declaration of dividends, recognized at the same time as the liability to pay the related dividend.

Deferred tax

Deferred tax is recognized in relation to temporary differences between the carrying amounts of assets and liabilities for financial reporting and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they are reversed, based on the tax rates that have been enacted or substantively enacted at the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realize the tax assets and settle the liabilities simultaneously. Deferred tax assets are recognized for unused tax losses, tax credits and deductible temporary differences, to the extent

that it is probable that future taxable profits will be available against which they can be utilized. Measurement of deferred tax assets are reviewed at each reporting date.

Estimates & Judgments

The group is subject to taxation in numerous jurisdictions and different taxation regimes, including those covered by production sharing contracts of our customers and deemed profit regimes. Significant judgement is required in arriving at the tax provision.

There are transactions for which the ultimate tax determination is uncertain and for which the group makes provisions based on an assessment of internal estimates and/or appropriate external advice, including decisions regarding whether to recognize deferred tax assets in respect of tax losses. Each year the group completes a detailed review of uncertain tax positions across the Group and makes provisions based on the probability of the liability arising. Where the final tax outcome of these matters differs from the amounts that were initially recorded, the difference will impact the tax charge in the period in which the outcome is determined.

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

Income Tax

Income tax expense

<i>Amounts in USD thousand</i>	2023	2022 Restated ¹
Current year	-10 455	-15 681
Prior year adjustments	1 038	-3 085
Total current tax benefit (expense)	-9 416	-18 766
Origination and reversal of temporary differences	1 284	4 365
Write down of tax loss and deferred tax assets	-2 085	-3 424
Recognition of previously unrecognized deferred tax assets	-	2 784
Total deferred tax benefit (expense)	-801	3 725
Income tax expense	-10 218	-15 041

1) Refer to Note 31 Changes to accounting policies

Recoverability of deferred tax assets has been subject to assessment following market volatility and outlook in the jurisdictions where we operate. As a result deferred tax assets related to net operating losses and tax credits has been written down by USD 2 085 thousands in 2023.

Effective Tax Rate

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

<i>Amounts in USD thousand</i>	2023		2022 Restated ¹	
Profit before tax, continuing operations	36 369		47 091	
Tax income (expense) using the company's domestic tax rate	-8 001	22%	-10 360	22%
<i>Tax effects of:</i>				
Effect of different income tax rates in other jurisdictions	147	0%	496	-1%
Non-taxable income	191	-1%	401	-1%
Withholding taxes	-717	2%	-445	1%
Recognition of previously unrecognized deferred tax assets	-	0%	2 784	-6%
Write down of deferred tax assets	-2 085	6%	-3 424	7%
Prior year adjustments	1 038	-3%	-3 085	7%
Other	-791	2%	-1 409	3%
Income tax expense	-10 218	28%	-15 041	32%

Recognized Deferred Tax Assets & Liabilities

<i>Amounts in USD thousand</i>	Assets		Liabilities		Net	
	2023	2022 Restated ¹	2023	2022 Restated ¹	2023	2022 Restated ¹
Property, plant and equipment	2 725	2 136	-4 047	-3 299	-1 322	-1 163
Right-of-use assets	-	-	-59 877	-40 451	-59 877	-40 451
Receivables	528	514	-	-	528	514
Post-employment benefits	130	-	-1	-68	129	-68
Lease liabilities	64 288	44 518	-	-	64 288	44 518
Provisions	452	439	-480	-	-28	439
Tax losses carried forward	2 836	3 732	-	-	2 836	3 732
Other	2 475	1 424	-358	-54	2 117	1 370
Set-off of tax components	-64 185	-43 602	64 185	43 602	-	-
Total	9 250	9 161	-578	-270	8 672	8 891

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

1) Refer to Note 31 Changes to accounting policies

Change in Net Recognized Deferred Tax Assets (Liabilities)

<i>Amounts in USD thousand</i>	Balance 1 January 2022 Restated¹	Additions Through Business Combinations	Disposal of Subsidiaries	Recognized in Profit or Loss	Recognised in Other Comprehensive Income	Currency Translation Differences	Balance 31 December 2022 Restated¹
Property, plant and equipment	1 066	4	-	-2 249	-	16	-1 163
Right-of-use assets	-10 245	-	-	-30 206	-	-	-40 451
Receivables	1 357	-	-	-748	-	-96	514
Post employment benefits	156	-	-	-183	-31	-10	-68
Lease liabilities	12 199	-	-	32 319	-	-	44 518
Provisions	133	-	-	301	-	5	439
Tax losses carried forward	-	49	-	3 683	-	-	3 732
Other	948	-28	-	808	-	-358	1 370
Total	5 614	26	-	3 725	-31	-443	8 891

<i>Amounts in USD thousand</i>	Balance 1 January 2023	Additions Through Business Combinations	Disposal of Subsidiaries	Recognized in Profit or Loss	Recognised in Other Comprehensive Income	Currency Translation Differences	Balance 31 December 2023
Property, plant and equipment	-1 163	-	43	-350	-	147	-1 322
Right-of-use assets	-40 451	-	-	-19 933	-	508	-59 877
Receivables	514	-	-	13	-	2	529
Post employment benefits	-68	-	-	-343	540	-	129
Lease liabilities	44 518	-	-	20 295	-	-525	64 288
Provisions	439	-	-	-469	-	2	-28
Tax losses carried forward	3 732	-	-	-896	-	-	2 836
Other	1 370	-	-	881	-	-134	2 117
Total	8 891	-	43	-801	540	-	8 672

1) Refer to Note 31 Changes to accounting policies

Unrecognized Deferred Tax Assets (Net Amounts)

<i>Amounts in USD thousand</i>	2023	2022
Deductible temporary differences	-	-
Tax loss carry-forwards	7 062	4 978
Interest limitation	-	434
Total	7 062	5 412

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

Tax Contingencies

Group companies receive enquiries from tax authorities and tax audits are performed by tax authorities with group companies, which may result in disputes in respect of filed tax returns.

Tax liabilities are recognized when it is considered probable that there will be a future outflow of funds to a tax authority. In such cases, a provision is made for the amount that is expected to be settled, where this can be reasonably estimated. This requires the application of judgement as to the ultimate outcome, which can change over time depending on facts and circumstances. A change in estimate of the likelihood of a future outflow and/or in the expected amount to be settled would be recognized in income in the period in which the change occurs.



Note 9 – Property, Plant & Equipment

Accounting Policy

Recognition and measurement

Property, plant, and equipment is measured at historical cost less accumulated depreciation and impairment losses. The cost of assets includes the costs of materials and direct labor, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, as well as capitalized borrowing costs. If the components of property, plant and equipment have different useful lives, they are accounted for as separate components.

Property, plant and equipment that are being constructed or developed for future use are classified as assets under construction. Assets under construction are carried at cost, less impairment losses. Assets under construction are reclassified to the relevant asset category upon completion.

Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment.

Subsequent costs

The group capitalizes the cost of a replacement part or a component of property, plant and equipment when that cost is incurred, provided that it is probable that the future economic benefits embodied with the item will flow to the group and the cost of the item can be measured reliably. All other costs are expensed as incurred.

Depreciation

Depreciation is normally recognized on a straight-line basis over the estimated useful lives of property, plant, and equipment.

Property, Plant & Equipment

<i>Amounts in USD thousand</i>	Vessels - Own Use	Vessels - Operating Lease	Mission Equipment	Other	Assets Under Construction	Total
Historical Cost						
Balance as of 1 January 2022	27 387	17 286	127 546	10 773	3 231	186 223
Additions	4 035	-	6 555	603	4 564	15 757
Additions through business combinations	-	-	-	56	-	56
Reclassification	-	-	1 544	345	-1 889	-
Disposals and scrapping	-494	-	-2 724	-1 508	-	-4 725
Currency translation differences	-2 524	980	-8 473	-737	-332	-11 085
Balance as of 31 December 2022	28 404	18 266	124 448	9 533	5 575	186 226
Balance as of 1 January 2023	28 404	18 266	124 448	9 533	5 575	186 226
Additions	4 721	7 341	4 635	1 920	12 384	31 001
Additions through business combinations	-	-	-	-	2 520	2 520
Disposal of subsidiaries	-	-	-	-515	-3 036	-3 551
Reclassification	4 008	-	5 293	145	-9 445	-
Disposals and scrapping	-1 616	-4 569	-4 199	-644	-	-11 027
Currency translation differences	-693	2 819	-9 173	-120	-778	-7 945
Balance as of 31 December 2023	34 825	23 858	121 003	10 317	7 220	197 223

<i>Amounts in USD thousand</i>	Vessels - Own Use	Vessels - Operating Lease	Mission Equipment	Other	Assets Under Construction	Total
Accumulated Depreciation & Impairment						
Balance as of 1 January 2022	-22 070	-3 255	-91 049	-10 190	-	-126 564
Depreciation for the year	-2 837	-2 810	-7 429	-726	-	-13 802
Disposals and scrapping	494	-	2 724	1 508	-	4 725
Currency translation differences	2 261	-280	5 668	2 200	-	9 850
Balance as of 31 December 2022	-22 152	-6 344	-90 086	-7 209	-	-125 791
Balance as of 1 January 2023	-22 152	-6 344	-90 086	-7 209	-	-125 791
Depreciation for the year	-4 877	-3 184	-8 034	-927	-	-17 023
Impairment	-	-	-	-	-	-
Disposal of subsidiaries	-	-	-	146	-	146
Disposals and scrapping	1 616	4 569	4 199	554	-	10 937
Currency translation differences	657	-830	9 282	393	-	9 503
Balance as of 31 December 2023	-24 756	-5 789	-84 640	-7 043	-	-122 228
Carrying Amount						
As of 31 December 2022	6 252	11 923	34 361	2 324	5 575	60 435
As of 31 December 2023	10 068	18 069	36 364	3 275	7 220	74 995

Depreciation

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

Category	Asset Type/Component	Years
Vessels	Vessel hull	30
Vessels	Other vessel components	15–20
Vessels	Dry docking	2.5–5
Mission equipment	Equipment (ROV, trenchers, etc.)	5–10
Other	Furniture and fittings, office equipment and vehicles	3–10

The group has not identified any material assets that are expected to have a shorter useful life nor changes to residual values due to climate-related risks.

Impairment

No impairment of property, plant and equipment has been identified during 2023 (2022: nil).

Note 10 – Intangible Assets

Accounting Policy

Goodwill

Goodwill from acquisitions of subsidiaries is recognized as intangible assets and measured at historical cost less accumulated impairment losses.

Research and development

Expenditure on research activities is recognized in profit or loss as incurred. Development expenditure is capitalized only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the group intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognized in profit or loss as incurred.

Other intangible assets

Other intangible assets, including customer relationships, backlog, patents, cloud computing assets and trademarks that are acquired by

the group and have finite useful lives, are measured at historical cost less accumulated amortization and any accumulated impairment losses.

Subsequent expenditure

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

Amortization

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

Intangible Assets

<i>Amounts in USD thousand</i>	Goodwill	Other Intangible Assets	Assets Under Construction	Total
Historical Cost				
Balance as of 1 January 2022	-	5 084	-	5 084
Additions through business combinations	1 906	8	-	1 914
Currency translation differences	-193	-422	-	-614
Balance at 31 December 2022	1 713	4 670	-	6 384
Balance as of 1 January 2023	1 713	4 670	-	6 384
Additions through business combinations	6 867	-	126	6 993
Additions	-	-	136	136
Currency translation differences	295	-154	11	152
Balance at 31 December 2023	8 876	4 516	274	13 665

<i>Amounts in USD thousand</i>	Goodwill	Other Intangible Assets	Assets Under Construction	Total
Accumulated Amortisation & Impairment				
Balance as of 1 January 2022	-	-572	-	-572
Amortization for the year	-	-643	-	-643
Impairment	-	-8	-	-8
Currency translation differences	-	65	-	65
Balance as of 31 December 2022	-	-1 158	-	-1 158
Balance at 1 January 2023	-	-1 158	-	-1 158
Amortization for the year	-	-611	-	-611
Impairment	-	-	-	-
Currency translation differences	-	17	-	17
Balance as of 31 December 2023	-	-1 752	-	-1 752
Carrying Amount				
As of 31 December 2022	1 713	3 513	-	5 226
As of 31 December 2023	8 876	2 764	274	11 913

Other Intangible Assets

During 2021, USD 5 084 thousand was capitalized for a software asset which is to be amortized over seven years.

No research and development costs were expensed during the year (2022: Nil).

Goodwill

On 29 September 2023 the Group converted a receivable on Adepth Minerals AS to obtain a majority shareholding in the entity. The acquisition is accounted for under the acquisition method and an excess value of USD 6 867 thousand was identified and allocated to goodwill.

On the 7 April 2022 the Group entered into an agreement to acquire the shares in Installit AS and its subsidiaries. The acquisition is accounted for under the acquisition method and an excess value of USD 1 906 thousand was identified and allocated to goodwill.

Refer to Note 24 for further information on the business combinations.

Note 11 – Impairment

Accounting Policy

Individual assets

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units).

Each property, plant, equipment and right-of-use asset is assessed for impairment triggers to identify assets that are damaged, no longer in use or will be disposed. Intangible assets are assessed for impairment triggers to identify whether the technological development or commercial outlook for that specific technology no longer justify the book value. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. The assets are written down to recoverable amount, if book value exceeds the recoverable amount. Reversal of impairment is assessed for assets previously impaired.

Assets in a cash generating unit (CGU)

Impairment indicators are assessed quarterly for all assets (including right-of-use assets) that are part of a cash generating unit (CGU). A CGU represents the lowest level of independent revenue generated by the assets. This is usually the lowest level where a separate external market exists for the output from the CGU. Impairment indicators are reviewed for all assets with assessment of market conditions, technological development, change in order backlog, change in discount rate and other elements that may impact the value of the assets in the CGU. Assets are usually tested using the value-in-use approach determined by discounting expected future cash flows. Various sensitivity analysis for change in future cash flows, growth rate and WACC is performed for CGUs with limited headroom in the impairment testing. Impairment losses are recognized for assets in CGUs where the book value exceeds the recoverable amount.

Goodwill

The groups of CGUs that include goodwill are tested for impairment annually or when impairment triggers have been identified. The group does not have other assets than goodwill with indefinite useful lives.

Estimates & Judgments

The group has significant non-current assets recognized in the consolidated statement of

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

The valuations, often determined by value in use calculations, will often be performed based on estimates of future cash flows discounted by an appropriate discount rate. Significant estimates and judgments are made by management, including determining appropriate cash-generating units and discount rates, projections for future cash flows and assumptions of future market conditions. This also includes physical climate risk such as changes to weather patterns and severity of rain, wind, flooding, and other events impact our assessment. DeepOcean has not identified material assets expected to have a significantly shorter useful life due nor residual value to climate related risks. References are made to Note 9 Property, plant and equipment, Note 10 Intangible assets and Note 25 Leases.

Cash Flow Assumptions

When estimating future cash flows, five years of cash flows for the period 2024 to 2028 have been used as basis. The forecasted cash flows are based on firm orders in the backlog and an expected share of new contracts. Right-of-use assets are included in the impairment test. Management has defined the growth rate, post-tax discount rate and estimated future cash flows as the most sensitive assessment in the value-in-use calculation. The forecasted cash flows used in the impairment tests reflect organic growth only. Other parameters in the assessment are the long-term market conditions, mix of projects and services, level of operating expenses and capital expenditure.

Discount Rate & Growth Rate

Estimated future cash flows are discounted to their present value using the weighted average cost of capital (WACC), which is a post-tax discount rate. The WACC is based on a risk-free interest rate, a risk premium and average beta

values of peers within each market. A separate WACC has been calculated for each of the CGUs taken into consideration country specific risk premiums and tax rates. A growth rate has been applied to calculate terminal value after the five-year period.

Impairment Testing of Individual Assets & CGUs

The table below summarizes the impairments recognized per group of assets and per segment.

Amounts in USD thousand	Europe		Americas		Africa		Corporate		Total	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Impairment of intangible assets	-	-	-	-	-	-	-	-	-	-
Impairment of property, plant and equipment	-	-8	-	-	-	-	-	-	-	-8
Impairment of right-of-use assets	-	-	-	-	-	-	-	-	-	-
Total impairment	-	-8	-	-	-	-	-	-	-	-8

The company has not had significant impairments in during 2023. Impairment in the previous year mainly related to property, plant and equipment where the equipment was no longer in use.

goodwill related to this entity in the Europe segment. During 2024, Adepth Minerals AS will report into the Corporate segment, thus, moving that goodwill related to Adepth Minerals to the Corporate segment from the Europe segment in 2024.

Impairment Testing of Goodwill

The book value of goodwill for the groups of CGUs that include goodwill is shown below. In 2023, DeepOcean acquired Adepth Minerals AS and recognized

Amounts in USD thousand	2023	2022
Europe	1 652	1 713
Adepth Minerals AS (Europe)	7 224	-
Total goodwill as of 31 December	8 876	1 713

The WACC used in the impairment testing of goodwill is shown below.

WACC	2023	2022
Pre-tax	13.1%	12.8%
Post-tax	10.2%	10%

Assumptions

A post-tax value-in-use method was used, with pre-tax rates calculated using an iterative method for illustration purposes only. The forecasted cash flows are based on firm orders and an expected share of new contracts. When determining the terminal value, a growth rate of 2% has been used for the CGUs. The annual impairment testing of goodwill did not result in any impairment losses.

Sensitivities

The impairment testing is affected by changes in the long-term oil price as it will impact the expected order intake. The testing is also affected by changes in WACC, growth rates, product mix, cost levels and the ability of DeepOcean to secure projects as forecasted in the cash flow. Multiple sensitivity tests have been run on the key assumptions in the value-in-use calculation. Sensitivity testing of goodwill includes changing various assumptions to consider other potential alternative market conditions.

This includes changing the discount rate and growth rate in addition to reducing the expected cash flows in the future. No reasonable changes to the key assumptions would lead to an impairment for 2023 (2022: nil).

DeepOcean acknowledge that our business will be affected by climate risks. The growth rate embedded in impairment testing is takes into account a shift in our services from a predominantly oil and gas to a more balanced service mix between oil and gas and other ocean services such as recycling and renewables. Climate risks are assessed and reported in Note 30 Climate Risk and in the sustainability section of this report.

The recoverable amounts exceed book value for all scenarios and for all the CGUs in the goodwill impairment testing both in 2023 and 2022.

Note 12 – Equity-accounted Investees

Accounting Policy

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

Associates

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

Joint arrangements

Joint arrangements are classified as either joint operations or joint ventures, depending on the contractual rights and obligations of each investor. The group recognizes its direct right to the assets, liabilities, revenues and expenses of joint operations and its share of any jointly

held or incurred assets, liabilities, revenues and expenses. These have been incorporated in the financial statements under the appropriate headings. The group does not currently have any joint operations.

Joint ventures

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

The group determines at each reporting date whether there is any objective evidence that the investment, using the equity method, needs to

be impaired. If this is the case, the group calculates the amount of impairment as the difference between the recoverable amount of the investments and its carrying value and recognizes the amount adjacent to share of profit/(loss) of an investee in the statement of profit or loss.

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

Equity-accounted Investees

Equity-accounted investees include joint ventures and associates. Such investments are defined as related parties to DeepOcean. See Note 27 Related parties for overview of transactions and balances with joint ventures and associates.

<i>Amounts in USD thousand</i>	Technip-DeepOcean PRS JV DA	Level Offshore AS	Remota Holding AS	Adepth Minerals AS	Other	Total
Business office	Haugesund, Norway	Haugesund, Norway	Haugesund, Norway	Bergen, Norway		
Percentage of voting rights and ownership	50%	50%	33%	55%		
2022						
Equity accounted investees as of 1 January	437	208	-	1 602	-	2 247
Acquisition	-	-	-	1 011	51	1 062
Additions through business combinations	-	-	-	-	37	37
Share of profits included in Net financial income (expenses)	267	1 184	-	-188	5	1 268
Dividends received	-379	-408	-	-	-	-787
Currency translation differences	-27	-18	-	-165	-	-209
Equity accounted investees as of 31 December	297	967	-	2 260	93	3 616
2023						
Equity accounted investees as of 1 January	297	967	-	2 260	93	3 616
Acquisition	-	-	4 523	-	-	4 523
Divestment	-	-	-	-2 419	-35	-2 455
Additions through business combinations	-	-	-	-	-	-
Share of profits included in Net financial income (expenses)	542	962	-511	229	10	1 232
Dividends received	-235	-246	-	-	-	-481
Currency translation differences	20	11	-	-69	24	-14
Equity accounted investees as of 31 December	623	1 694	4 011	-	93	6 421



Technip-DeepOcean PRS JV DA

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

Level Offshore AS

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

Remota Holding AS

Remota Holding AS is a joint venture with Solstad and Østensjø, two Norwegian vessel owning groups. The joint venture consists primarily of two businesses. Remota AS offers remote operations and semi-autonomous maritime services to the offshore and marine industries, through the use of Remote Operating Centers, and USV AS is a ship-owning entity which currently has an unmanned surface vessel under construction which is expected to be delivered during 2024. The vessel will be on a long-term lease with DeepOcean.

Adepth Minerals AS

In 2021, DeepOcean invested in Adepth Minerals AS. Adepth Minerals AS is an exploration company for deepsea minerals that is currently working obtaining licenses for exploration

campaigns on the Norwegian Continental Shelf. During 2023, DeepOcean acquired a further 19.3% share of the shares outstanding in the entity, and the entity ceased to be an associate. Refer to Note 24 Business Combinations for further details.

Other

In addition to the above investments, the group has minor investments in Forssea Robotics SAS and Windstaller Alliance AS. The shares in the joint venture Toolpool AS were sold during 2023.

During the year ended 31 December 2023, the group received dividend from its equity-accounted investments amounting USD 481 thousand (2022: USD 787 thousand). None of these companies are publicly listed and consequently do not have published price quotations. There are no contingent liabilities relating to the group's interest in the investments accounted for using the equity method.

Summary of Financial Information for Significant Equity-accounted Investees (100% Basis)

	Technip-DeepOcean PRS JV DA		Level Offshore AS		Remota Holding AS
<i>Amounts in USD thousand</i>	2023	2022	2023	2022	2023
Current assets	5 603	5 166	6 827	8 143	894
– Cash and cash equivalents	1 124	2 021	1 066	3 307	350
Non-current assets	-	-	79	43	13 559
Current liabilities	-4 356	-4 572	-3 403	-6 252	-2 444
– Current financial liabilities (excluding trade and other payables and provisions)	-	-	-	-3 217	-413
Non-current liabilities	-	-	-	-	-
– Non-current financial liabilities (excluding trade and other payables and provisions)	-	-	-	-	-
Net assets (100%)	1 247	593	3 503	1 933	12 010
DeepOcean's share of net assets	623	297	1 752	967	4 003
Elimination	-	-	-58	-	8
DeepOcean's carrying amount of the investment	623	297	1 694	967	4 011
Revenue	19 853	12 441	18 546	18 033	778
Depreciation, amortization and impairment	-	-1	-	-453	-479
Interest income	41	10	34	42	1
Interest expense	-	-	-43	-44	-
Income tax expense ¹⁾	-	-	-535	-283	43
Profit (loss) for the year	1 085	533	1 923	2 368	-1 534
Other comprehensive income (loss)	39	-55	23	-36	-
Total comprehensive income (loss) (100%)	1 124	479	1 946	2 332	-1 534
DeepOcean's share of total comprehensive income (loss)	562	239	973	1 166	-511

Note 13 – Inventories

Accounting Policy

Inventories consist of fuel, spare parts and other supplies to be consumed in the rendering of services. These supplies are measured at the lower of cost and net realizable value. The cost of inventories is based on weighted average cost,

and includes expenditure incurred in acquiring the inventories and other costs incurred in bringing them to their existing location and condition.

Inventories

<i>Amounts in USD thousand</i>	2023	2022
Raw materials	10 348	7 057
Finished goods	1 516	736
Total inventories	11 864	7 792
Balance as of 1 January	7 792	4 349
Purchase of inventory	46 948	48 449
Recognized as expense	-39 156	-44 100
Currency translation differences	-3 721	-906
Total inventories as of 31 December	11 864	7 792

As of 31 December 2023, there was no obsolescence provision for inventories (2022: nil). The inventories are for internal use only and consists of fuel, oil, and lubricants, which is considered to be raw materials, and spare parts which is presented as finished goods. There are no securities pledged over inventories.

Note 14 – Trade & Other Receivables

Accounting Policy

Trade and other receivables are classified as financial assets measured at amortized costs. They are recognized at the original invoiced amount, less impairment losses. The interest rate element is disregarded if insignificant, which is the case for the majority of the group's trade receivables. Impairment losses are estimated based on the expected credit loss method (ECL) for trade receivables and other receivables.

Estimates & Judgments

Judgment is involved when determining the impairment losses on receivables. The impairment is based on individual assessments of each customer's credit rating and liquidity, as well as days outstanding and default risk in the industry and the country in which the customer operates. The customers of DeepOcean are mainly large, international energy companies with low credit risk.

Trade & Other Receivables

<i>Amounts in USD thousand</i>	Note	2023	2022
Trade receivables		69 484	60 635
Trade receivables, related parties	27	931	1 212
Allowance for expected credit losses		-1 422	-730
Trade receivables, net		68 993	61 117
Prepaid expenses		3 103	2 257
Public duties and tax refunds		4 768	5 656
Other receivables		573	402
Total trade and other receivables		77 438	69 433

Aging of Trade Receivables

<i>Amounts in USD thousand</i>	2023	2022
Not due	49 152	48 506
Past due 0–30 days	13 213	2 711
Past due 30–60 days	5 612	8 135
Past due 60–90 days	57	538
Past due more than 90 days	2 381	1 957
Trade receivables, gross	70 415	61 847
Allowance for expected credit losses	-1 422	-730
Trade receivables, net	68 993	61 117

Allowance for Expected Credit Losses on Trade Receivables & Contract Assets

<i>Amounts in USD thousand</i>	2023	2022
Balance as of 1 January	-730	-2 345
Provision made	-761	-61
Provision reversed	70	968
Provision utilized	5	690
Currency translation differences	-7	18
Balance as of 31 December	-1 422	-730

Note 15 – Cash & Cash Equivalents

Accounting Policy

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

Cash & Cash Equivalents

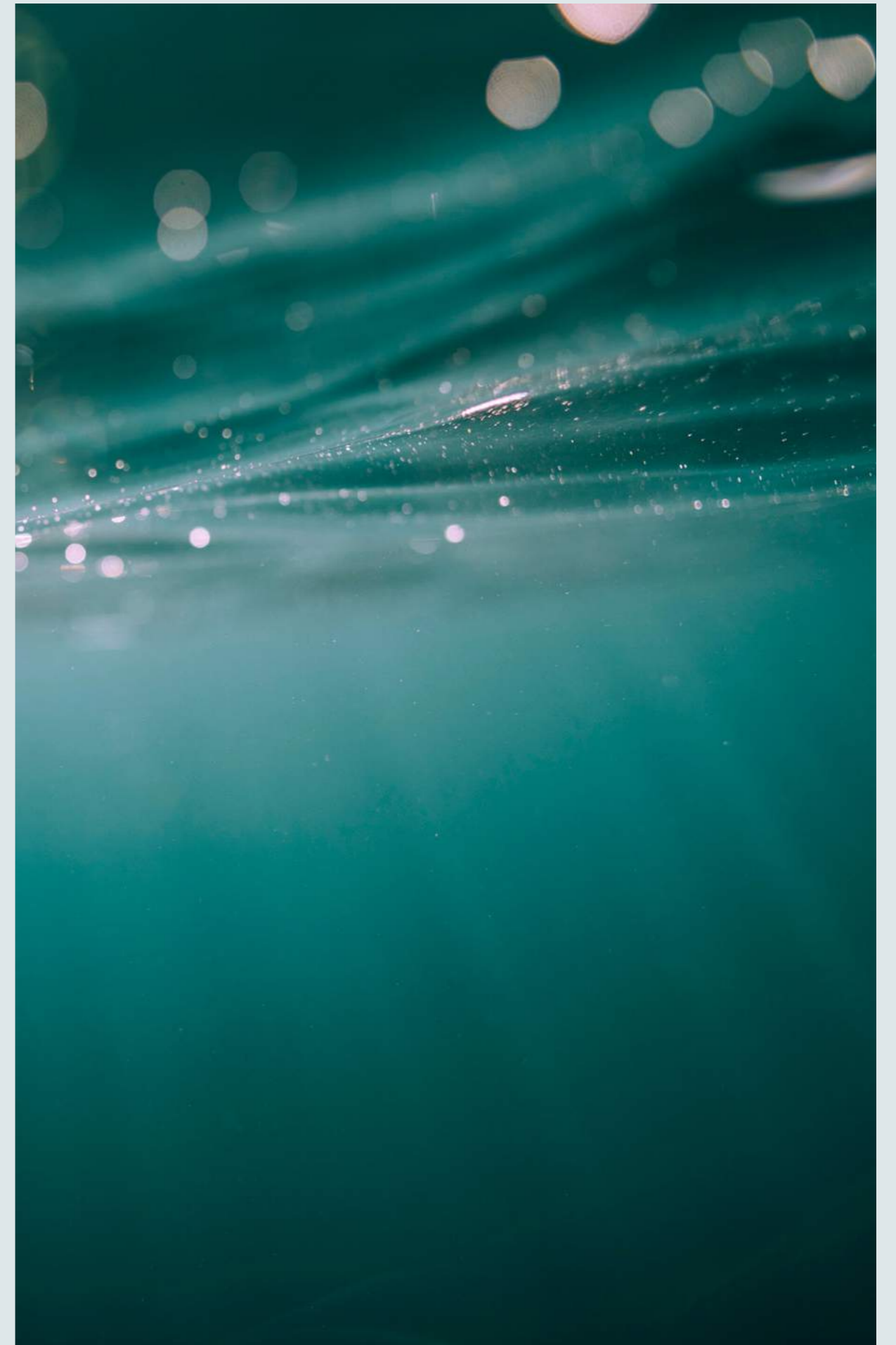
<i>Amounts in USD thousand</i>	2023	2022
Interest-bearing deposits	35 346	82 792
Restricted cash	4 388	3 461
Total cash and cash equivalents	39 734	86 253
Cash and cash equivalents	39 734	86 253
Available credit facilities	2 427	300
Available liquidity reserve	42 161	86 553

Restricted Cash

Restricted cash mainly relates interest-bearing deposits in Norway that are paid into specific bank accounts for the purpose of paying taxes deducted from employees' salaries to the government. The use of such of accounts are mandated by law in Norway

Available Liquidity Reserve

Available credit facilities consist of additional undrawn committed revolving credit facilities, refer to Note 17 Borrowings for further details.



Note 16 – Equity

Share classes	A Shares Issued	B Shares Issued	C Shares Issued	D Shares Issued	Total Shares Issued
As of 1 January 2022	10 000 000	10 000 000	30 000 000	15 000 000	65 000 000
Share redemption	-	-	-25 224 354	-15 000 000	-40 224 354
As of 31 December 2022	10 000 000	10 000 000	4 775 646	-	24 775 646
As of 1 January 2023	10 000 000	10 000 000	4 775 646	-	24 775 646
Share redemption	-	-	-4 775 646	-	-4 775 646
As of 31 December 2023	10 000 000	10 000 000	-	-	20 000 000
Nominal value per share (NOK)	1.10	1.10	-	-	
Total share capital (NOK thousand) as of 31 December 2023	11 000	11 000	-	-	22 000
Total share capital (USD thousand) as of 31 December 2023	1 608	1 608	-	-	3 216

As of 31 December 2023, DeepOcean Group Holding AS does not hold treasury shares in any share class. The shares are all authorized, issued and fully paid.

Share Capital Structure

Voting rights

All shares issued are entitled to one vote per share at General Meetings.

Economic rights

For the preference shares, dividends accrue at an amount equal to the effective preference dividend per year multiplied by the sum of a base amount and unpaid dividend from previous periods. The calculation period for each preference share class is annual and is determined by the initial investment date. We refer to the table below. The company is only permitted to pay a dividend if it has sufficient distributable reserves, determined in accordance with Chapter 8 of the Norwegian Private Limited

Companies Act. The company has no obligation to distribute dividends even if such distributable reserves are available.

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

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

No dividend may be declared or paid in respect of the A shares unless and until the amounts due to C and B shares have been paid in full.

Dividend

The Board of Directors has proposed no allocation of dividends for 2023 or 2022.

Preference dividend	B Shares Issued
Investment date	17.09.2021
Base amount	13 870 821 885
Unpaid dividend from previous periods as of 31 December 2023	2 308 104 762
Effective preference dividend per year	8%
Total earned, unpaid preference dividend as of 31 December 2023	2 680 441 704

Currency Translation Reserve

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



Note 17 – Borrowings

Accounting Policy

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

Revolving Credit Facility

The group has a multicurrency revolving credit facility agreement of EUR 80 000 thousand with maturity in February 2025. The facility is provided by a syndicate of high-quality international banks.

The terms and conditions include restrictions which are customary for these kind of facilities, including inter alia negative pledge provisions,

financial covenants and restrictions related to acquisitions, disposals and mergers. There are also certain provisions of change of control included in the agreement. There are restrictions for dividend payments and the facility is secured by DeepOcean's assets. A term-loan associated with the facility agreement was repaid in full during 2022.

2023

Amounts in USD thousand	Currency	Facility Commitment (Nominal Currency)	Undrawn Commitment (Nominal Currency)	Drawn Facility (Nominal Currency)	Carrying Amount	Base Interest	Interest Margin	Interest	Maturity	Interest Terms
Facility A - Credit Facility (EUR 80 000 thousand commitment)	USD	-	-	67 120	67 120	5.38%	2.50%	7.88%	Feb 2025	US 3M LIBOR + 2.50% fixed margin
Facility A - Credit Facility (EUR 80 000 thousand commitment)	EUR	EUR 80 000	2 427	17 000	18 767	3.78%	2.50%	6.28%	Feb 2025	EURIBOR 3M + 2.50% fixed margin
Total borrowings					85 887					
Current borrowings					-					
Non-current borrowings					85 887					
Total borrowings					85 887					

Borrowings

Below are contractual terms of the group's interest-bearing loans and borrowings, which are measured at amortized cost. For more information about the group's exposure to currency risk, interest rate risk, liquidity risk and operational risk, reference is made to Note 21 Financial risk management and exposures.

Ongoing Refinancing

DeepOcean is currently in negotiations with external parties to refinance its external borrowings which mature in February 2025. The refinancing process is expected to be completed in Q2 2024.

2022

Amounts in USD thousand	Currency	Facility Commitment (Nominal Currency)	Undrawn Commitment (Nominal Currency)	Nominal Currency Value	Carrying Amount	Base Interest	Interest Margin	Interest	Maturity	Interest Terms
Facility A - Credit Facility (EUR 80 000 thousand commitment)	USD	-	-	67 120	67 120	3.07%	2%	5.07%	Feb 2025	US 3M LIBOR + 2% fixed margin
Facility A - Credit Facility (EUR 80 000 thousand commitment)	EUR	EUR 80 000	300	17 000	18 193	0.58%	2%	2.58%	Feb 2025	EURIBOR 3M + 2% fixed margin
Total borrowings					85 313					
Current borrowings					-					
Non-current borrowings					85 313					
Total borrowings					85 313					

Maturity of Borrowings

2023							
<i>Amounts in USD thousand</i>	Carrying Amount	Total Cashflow ¹⁾	6 Months & Less	6–12 Months	1–2 Years	2–5 Years	More than 5 Years
Facility A - Credit Facility (EUR 80 000 thousand commitment) ²⁾	67 120	73 292	2 645	2 645	67 973	-	-
Facility A - Credit Facility (EUR 80 000 thousand commitment) ²⁾	18 767	20 142	590	590	18 962	-	-
Total borrowings	85 887	93 434	3 234	3 234	86 934	-	-

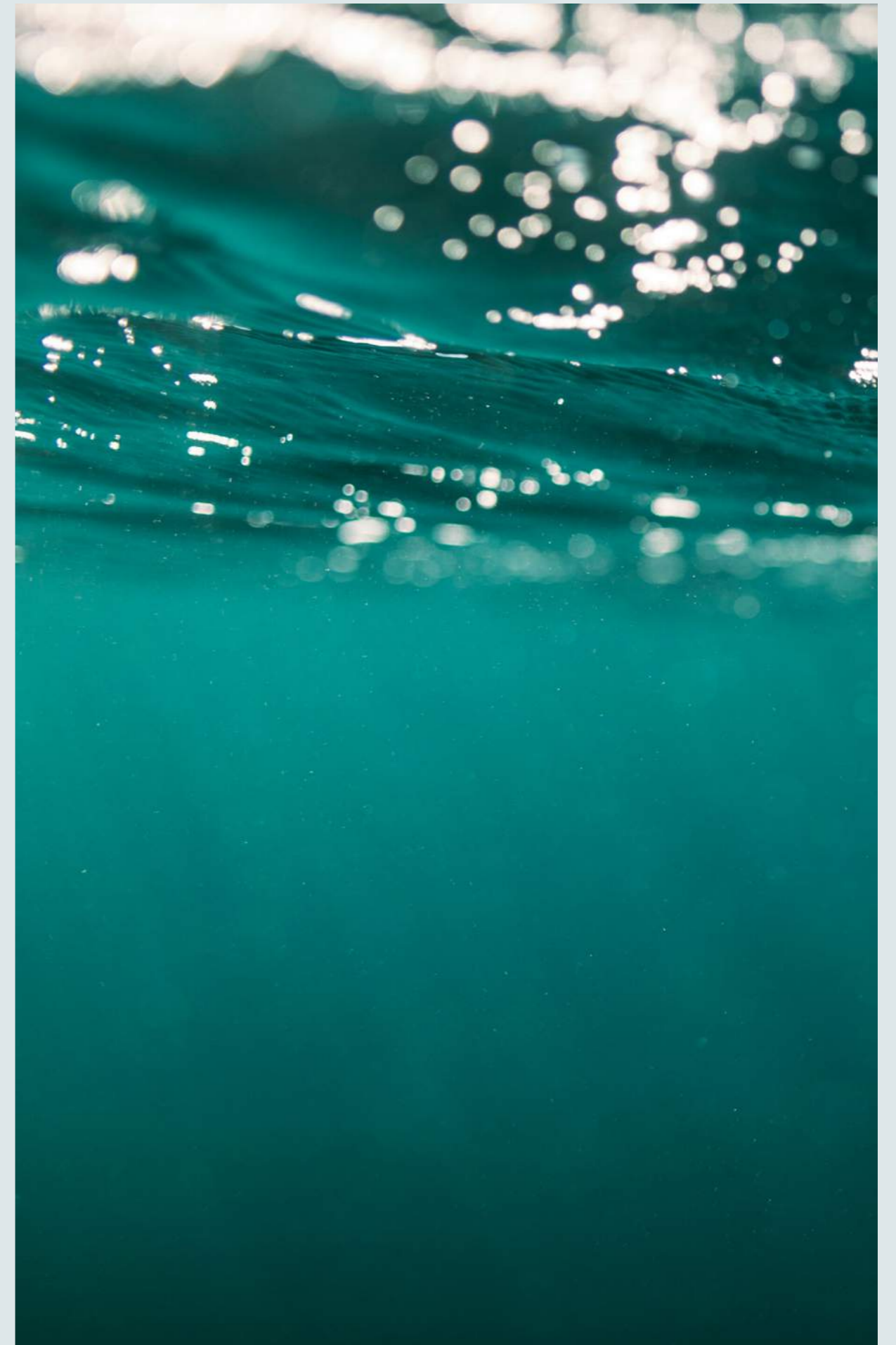
2022							
<i>Amounts in USD thousand</i>	Carrying Amount	Total Cashflow ¹⁾	6 Months & Less	6–12 Months	1–2 Years	2–5 Years	More than 5 Years
Facility A - Credit Facility (EUR 80 000 thousand commitment) ²⁾	67 120	77 877	1 701	1 701	3 403	71 071	-
Facility A - Credit Facility (EUR 80 000 thousand commitment) ²⁾	18 193	19 678	235	235	470	18 738	-
Total borrowings	85 313	97 555	1 936	1 936	3 872	89 810	-

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

- 1) The interest costs are calculated using either the last fixing rate known by year end (plus applicable margin) or the contractual fixed rate (when fixed rate debt).
- 2) The cashflow is based on the assumption that the nominal drawn amount will remain constant until the maturity of the revolving credit facility.

Reconciliation of Borrowings

<i>Amounts in USD thousand</i>	Revolving Credit Facilities	Term Loan	Total
Balance as of 1 January 2022	86 181	12 927	99 108
Repayment of borrowings	-	-12 978	-12 978
Currency translation differences	-868	51	-817
Balance as of 31 December 2022	85 313	-	85 313
Balance as of 1 January 2023	85 313	-	85 313
Currency translation differences	574	-	574
Balance as of 31 December 2023	85 887	-	85 887



Note 18 – Pension Obligations

Accounting Policy

Defined contribution plans

Obligations for contributions to defined contribution pension plans are recognized as an expense in the income statement as incurred.

Defined benefit plans

The group's net obligation in respect of defined benefit pension plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods; discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. The discount rate is the yield at the reporting date on government bonds or high-quality corporate bonds with maturities consistent with the terms of the obligations.

Remeasurement of the net defined benefit liability, which comprises actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in other comprehensive income. The group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognized in the income statement.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in the income statement. The group recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Estimates & Judgments

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

Pension Obligations

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

Pension plans in Norway

The main pension arrangement in Norway is a general pension plan organized by the Norwegian Government. This arrangement provides the main general pension entitlement of all Norwegians. All pension arrangements by employers consequently represent limited additional pension entitlements. Norwegian employers are obliged to provide an employment pension plan, which can be organized as a defined benefit plan or as a defined contribution plan.

Pension plans outside Norway

Pension plans outside Norway are predominately defined contribution plans.

Pension Cost

<i>Amounts in USD thousand</i>	2023	2022
Defined benefit plans	790	725
Defined contribution plans	5 916	4 965
Total pension cost	6 706	5 690

Net Defined Pension Obligations

<i>Amounts in USD thousand</i>	2023	2022
Defined benefit plans - Norway	585	-310
Defined benefit plans - Mexico	264	186
Net defined benefit obligations (assets) at 31 December	849	-124

Net Defined Pension Obligations in the Balance Sheet

<i>Amounts in USD thousand</i>	2023	2022
Pension assets	5	310
Pension liabilities	853	186
Net defined benefit obligations (assets) at 31 December	849	-124

Movement in Net Defined Benefit (Asset) Obligation

<i>Amounts in USD thousand</i>	Present Value of Obligation		Fair Value of Plan Assets		Net Defined Benefit Liability	
	2023	2022	2023	2022	2023	2022
Balance as of 1 January	11 672	11 967	-11 796	-11 095	-124	872
Current service and administration cost	672	703	118	21	790	724
Interest expense (income)	343	217	-348	-207	-5	10
Included in income statement	1 015	920	-230	-186	785	734
<i>Actuarial loss (gain) arising from:</i>						
- demographic assumptions	-	-	-	-	-	-
- financial assumptions	-56	-167	-	-	-56	-167
- experience adjustments	497	313	-	-	497	313
Return on plan assets	-	-	1 958	-315	1 958	-315
Currency translation differences	-334	-1 228	406	1 190	72	-38
Remeasurement loss (gain) included in OCI	108	-1 082	2 364	875	2 472	-207
Contributions paid into the plan	-	-	-2 284	-1 522	-2 284	-1 522
Benefits paid by the plan	-26	-133	26	133	-	-
Other movements	-26	-133	-2 259	-1 389	-2 284	-1 522
Balance as of 31 December	12 769	11 672	-11 921	-11 796	849	-124

Plan Assets

<i>Amounts in USD thousand</i>	2023	2022
Equity instruments	1 383	1 311
Bonds	9 132	8 749
Property	1 395	1 618
Other	11	130
Total plan assets at fair value	11 921	11 807

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

**Defined benefit obligation
– actuarial assumptions**

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

<i>Actuarial assumptions</i>	2023	2022
Discount rate	3.1%	3%
Asset return	3.1%	3%
Salary progression	3.5%	3.5%
Pension indexation	1.8%	1.5%
Mortality table	K2013BE	K2013BE

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

The discount rates and other assumptions in 2023 and 2022 are based on the Norwegian high quality corporate bond rate and recommendations from the Norwegian Accounting Standards Board. It should be expected that fluctuations in the discount rates would also lead to fluctuations in the pension indexations. The total effect of fluctuations in economic assumptions is consequently unlikely to be very significant.

Assumptions regarding future mortality have been based on published statistics and mortality tables. The current life expectancy underlying the values of the defined benefit obligation at the reporting date is shown below, along with mortality table and number of employees in the defined benefit plan and their average age.

<i>Actuarial assumptions</i>	2023	2022
Life expectancy of male pensioners	20.9	20.1
Life expectancy of female pensioners	24.2	23.2

<i>Plan statistics</i>	2023		2022	
	Active	Pensioners	Active	Pensioners
Number of participants	311	8	278	19
Average age	44	54	43	66

As of 31 December 2023, the weighted-average duration of the defined benefit obligation was 11.3 years (2022: 13.5 years).

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation as of 31 December 2023 by the amounts shown below.

<i>Amounts in USD thousand</i>	Increase	Decrease
Discount rate (1% change)	-1 223	1 535
Future salary growth (1% change)	2 574	-2 228
Future pension growth (1% change)	448	-420
Future mortality growth (1 year change)	47	-58

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

Note 19 – Provisions & Contingent Liabilities

Accounting Policy

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

Onerous contracts

Provisions for onerous contracts are recognized when the expected benefits to be received under a contract are lower than the unavoidable costs of meeting the obligations under the contract. The provision is measured at the lower of the expected cost of terminating the contract and the expected cost of fulfilling the contract.

Costs to fulfil a contract consists both of incremental costs of fulfilling a contract and an allocation of other costs that relate directly to fulfilling a contract. Before a provision is recognized, the group recognizes any impairment loss on the assets associated with the contract.

Estimates & Judgments

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

Onerous contracts

Onerous contract provisions consists of loss-making customer contracts where the forecasted cost exceeds the forecasted revenue upon completion of the customer contract. The provisions made in 2023 are related to complex offshore deliverables that are expected to be materially completed in the first quarter of 2024. The contracts are related to Construction and Recycling projects in the Europe region and there is estimation uncertainty still prevalent at year-end which is mainly related to risk of waiting on weather conditions in the North Sea.

Dilapidations

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

Other

Other provisions relate to liabilities with uncertain timing or amount where the group assess that it is probable that a cash outflow will arise based on past events. This includes provisions for claims from third-parties.

Contingent liabilities

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

Provisions

<i>Amounts in USD thousand</i>	Onerous Contracts	Dilapidations	Other	Total
Balance as of 1 January 2022	507	-	-	507
Reclassification from held for sale	-	-	1 282	1 282
Provisions made during the year	-	62	815	877
Provisions utilized during the year	-25	-	-	-25
Provisions reversed during the year	-453	-	-	-453
Currency translation differences	-29	-	-	-29
Balance as of 31 December 2022	-	62	2 098	2 159
Provisions made during the year	7 787	46	48	7 881
Provisions utilized during the year	-2 242	-	-	-2 242
Provisions reversed during the year	-2 086	-	-	-2 086
Currency translation differences	-	5	86	92
Balance as of 31 December 2023	3 459	113	2 232	5 804

Expected timing of payments

Due within twelve months	-	-	2 098	2 098
Due after twelve months	-	62	-	62
Total as of 31 December 2022	-	62	2 098	2 159
Due within twelve months	3 459	-	2 232	5 691
Due after twelve months	-	113	-	113
Total as of 31 December 2023	3 459	113	2 232	5 804

Note 20 – Trade & Other Payables

Accounting Policy

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

<i>Amounts in USD thousand</i>	Note	2023	2022
Trade payables		54 336	50 004
Trade payables, related parties	27	6 226	4 978
Total trade payables		60 562	54 982
Accrued expenses		50 173	42 160
Accrued interest expenses		684	456
Public duties and tax payables		12 587	10 807
Other current liabilities		9 051	7 220
Total trade and other payables		133 057	115 626

Note 21 – Financial Risk Management & Exposures

Overview

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

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

	NOK		GBP		EUR	
	closing	average	closing	average	closing	average
2022	0.10198	0.10469	1.20928	1.23744	1.07017	1.05504
2023	0.09832	0.09492	1.27318	1.24540	1.10392	1.08083

Sensitivity analysis

A strengthening of NOK, GBP, and EUR against USD as of 31 December would have affected the measurement of financial instruments denominated in a foreign currency and increased (decreased) equity and income statement by the amounts shown below. The analysis assumes that all other variables, in particular interest rates, remain constant. Figures in the table below only include the effect in profit and loss before tax and equity for the listed currencies.

Currency Risk

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

Amounts in USD thousand	Equity		Profit (Loss) Before Tax	
	strengthening 10%	weakening -10%	strengthening 10%	weakening -10%
31 December 2022				
EUR	-544	544	-730	730
GBP	1 359	-1 359	-260	260
NOK	5 417	-5 417	4 417	-4 417
31 December 2023				
EUR	-651	651	-224	224
GBP	1 222	-1 222	934	-934
NOK	1 919	-1 919	1 970	-1 970

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

Interest Rate Risk

The group is exposed to interest-rate risk to borrowings issued at variable rates and cash deposits. In particular, floating rate borrowings under the group's credit facility involve exposure

for the group's cash flow. The terms of the group's borrowings are described in Note 17 Borrowings.

An increase of 100 basis points in interest rates during 2023 would have increased (decreased) equity and profit and loss by the amounts shown on the table below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis as for 2022.

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

Amounts in USD thousand	2023	2022
Cash and cash equivalents	-630	-474
Borrowings	-954	-885
Net sensitivity	-1 584	-1 360

A decrease of 100 basis points in interest rates during 2023 would have had the equal but opposite effect on the above amounts, on the basis that all other variables remain constant.

There are no direct effects on equity as the group does not have interest swaps.

Credit Risk

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

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

Based on estimates of incurred losses in respect of trade receivables and contract assets, the group establishes a provision for impairment losses. Provisions for loss on debtors are based on individual assessments. Provisions for loss on receivables were USD 1 422 thousand in 2023 (USD 730 thousand in 2022). Refer to Note 14 Trade and other receivables for further information.

The group evaluates that significant credit risk concentrations are related to trade receivables from major corporate customers. The maximum exposure to credit risk at the reporting date equals the carrying amounts of financial assets and contract assets (see Note 3 Revenue and other income). The group does not hold collateral as security.

Price Risk

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

Liquidity Risk

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

Financial Liabilities & the Period in Which They Mature

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

Amounts in USD thousand	Note	Book Value	Total Cash Flow	6 Months & Less	6-12 Months	1-2 Years	2-5 Years	More than 5 Years
2023								
Borrowings	17	85 887	93 436	3 251	3 251	86 934	-	-
Lease liabilities	25	293 976	318 617	74 405	74 405	104 358	64 071	1 378
Trade and other payables	20	133 057	133 057	133 057	-	-	-	-
Total		512 919	545 109	210 712	77 655	191 292	64 071	1 378
2022								
Borrowings	17	85 313	97 555	1 936	1 936	3 872	89 810	-
Lease liabilities	25	208 021	213 847	55 648	55 648	59 472	42 365	714
Trade and other payables	20	114 557	114 557	114 557	-	-	-	-
Total		407 892	425 959	172 141	57 584	63 344	132 174	714

The interest included in the above table is based on the current amounts borrowed with current interest rates and interest rate swaps.

No assumptions are included for potential future changes in borrowings or interest payments.



Note 22 – Capital Management

Capital Risk

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

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

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

Amounts in USD thousand	2023	2022
Borrowings	85 887	85 313
Plus: Finance lease liabilities	2 266	4 021
Less: Cash and cash equivalents	-39 734	-86 253
Plus: Restricted cash per the facilities agreement	10 357	6 234
Adjusted Net debt	58 777	9 316

Amounts in USD thousand	2023	2022
Operating profit before depreciation, amortization and impairment	208 398	175 485
Less: IFRS 16 effects	-144 917	-92 626
Less: (Gain) loss on disposal of subsidiaries	-2 053	-
Adjusted EBITDA	61 428	82 859

Capital Commitments

At period end the group had no contractual obligations related to capital commitments. At the end of 2022 the group had contractual obligations related to docking cost of the Arbol Grande vessel:

Amounts in USD thousand	2023	2022
Within one year	-	5 344
Total	-	5 344

Bank Guarantee Commitments

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

Bank guarantees

Amounts in USD thousand	Total	6 Months & Less	6–12 Months	1–2 Years	2–5 Years	More than 5 Years
Bank guarantees as of 31 December 2023	20 831	9 884	5 111	2 192	3 644	-
Bank guarantees as of 31 December 2022	17 694	963	3 584	7 093	6 054	-

Funding Policy & External Covenants

Liquidity monitoring

DeepOcean has a strong focus on liquidity management in order to meet its short-term working capital needs and to ensure solvency for its financial obligations. DeepOcean had a liquidity reserve as of 31 December 2023 of USD 42 161 thousand (2022: USD 86 553 thousand), consisting of an undrawn committed credit facility of USD 2 427 thousand and cash and cash equivalents of USD 39 734 thousand. Management reviews the current liquidity situation and short-term liquidity forecasts are reviewed on a weekly basis to ensure that short-term capital is managed as efficiently as possible.

Funding of operations

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

Covenants

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

<p>Liquidity:</p> <ul style="list-style-type: none"> Liquidity shall at all times exceed USD 7 500 thousand until 31 December 2023 Liquidity shall at all times exceed USD 10 000 thousand from 1 January 2024 until maturity 	<p>Adjusted EBITDA shall exceed the following amount for the periods stated below:</p> <ul style="list-style-type: none"> Twelve months ending on 31 December 2023 USD 18 307 thousand Twelve months ending on 31 March 2024 USD 18 384 thousand Twelve months ending on 30 June 2024 USD 19 461 thousand Twelve months ending on 30 September 2024 USD 20 538 thousand Twelve months ending on 31 December 2024 USD 21 615 thousand Any twelve-month period thereafter USD 21 700 thousand
<p>Liquidity is defined in the same manner cash and cash equivalents plus undrawn committed credit facility less restricted cash. Restricted cash is defined cash not held in investment grade banks or cash held in a different currency than USD, NOK, GBP or EUR</p>	<p>Adjusted EBITDA is defined as operating profit (loss) before amortization, depreciation and impairment excluding the impact from lease contracts accounted for under IFRS 16</p>

Note 23 – Financial Instruments

Accounting Policy

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

- A financial asset is measured at amortized costs if the business model is to hold the asset to collect contractual cash flows, and the contractual cash flows are solely payments of principal and interests (SPPI criterion).

- A debt instrument is classified at FVOCI if the business model is both collecting contractual cash flows and selling the financial asset, and it meets the SPPI criterion.
- All financial assets not classified as measured at amortized cost or FVOCI are measured at FVTPL.

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

2023		Carrying Amount		
<i>Amounts in USD thousand</i>	Note	Financial Assets Measured at Amortized Cost	Financial Liabilities Measured at Amortized Cost	Total
Trade and other receivables	14	77 438	-	77 438
Cash and cash equivalents	15	39 734	-	39 734
Financial assets		117 172	-	117 172
Borrowings	17	-	85 887	85 887
Lease liabilities	25	-	293 976	293 976
Trade and other payables	20	-	133 057	133 057
Financial liabilities		-	512 919	512 919

		Fair Value			
<i>Amounts in USD thousand</i>	Note	Level 1	Level 2	Level 3	Total
Trade and other receivables	14	-	-	-	-
Cash and cash equivalents	15	-	-	-	-
Financial assets		-	-	-	-
Borrowings	17	-	-	-	-
Lease liabilities	25	-	-	-	-
Trade and other payables	20	-	-	-	-
Financial liabilities		-	-	-	-

Accounting Classifications & Fair Value Hierarchy

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

Level 1 - fair values are based on prices quoted in an active market for identical assets or liabilities.

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

Level 3 - Fair values are based on unobservable inputs, mainly based on internal assumptions used in the absence of quoted prices from an active market or other observable price inputs.

2022		Carrying Amount		
<i>Amounts in USD thousand</i>	Note	Financial Assets Measured at Amortized Cost	Financial Liabilities Measured at Amortized Cost	Total
Trade and other receivables	14	69 433	-	69 433
Cash and cash equivalents	15	86 253	-	86 253
Financial assets		155 686	-	155 686
Borrowings	17	-	85 313	85 313
Lease liabilities	25	-	207 415	207 415
Trade and other payables	20	-	115 626	115 626
Financial liabilities		-	408 354	408 354

		Fair Value			
<i>Amounts in USD thousand</i>	Note	Level 1	Level 2	Level 3	Total
Trade and other receivables	14	-	-	-	-
Cash and cash equivalents	15	-	-	-	-
Financial assets		-	-	-	-
Borrowings	17	-	-	-	-
Lease liabilities	25	-	-	-	-
Trade and other payables	20	-	-	-	-
Financial liabilities		-	-	-	-

Note 24 – Business Combinations

Accounting Policy

The group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred to the former owners of the acquired business, equity interests issued by the group, fair value of any asset or liability resulting from a contingent consideration arrangement, and fair value of any pre-existing equity interest in the subsidiary. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value at the acquisition date. The group recognizes any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognized amounts of acquiree's identifiable net assets.

Estimates & Judgments

Judgment has been applied when assessing the fair value of the acquired assets and liabilities, specifically related to the acquiree's business plan going forward in an immature market, as well as assessing its assets and liabilities and whether there are elements that have a higher fair value than book value.

Business Combinations

Acquisition of Adepth Minerals

On 29 September 2023, DeepOcean through its subsidiary, DeepOcean Investco 1 AS, acquired approximately 19% of Adepth

Minerals AS, bringing DeepOcean's ownership to 55%. The company aims to sustainably extract deep sea minerals using innovative, low-carbon marine technology and advanced data analytics for prospect analysis and risk assessment. Adepth Minerals is consolidated as part of Europe region.

The group expects that Adepth Minerals will be an essential part of expanding DeepOcean's ocean services offering in the exciting new market of deep-sea minerals. The acquired Adepth Minerals business contributed revenues of USD 580 thousand and net loss of USD 143 thousand for the period from the acquisition date to 31 December 2023. If the acquisition of Adepth Minerals had occurred on 1 January 2023, the group estimates that consolidated revenue and loss after tax for the year ended 31 December 2023 would have been USD 3 224 thousand and USD 2 116 thousand respectively. In determining these amounts, management has assumed that the fair value adjustments, determined provisionally, that arose on the date of acquisition would have been the same if the acquisition had occurred on 1 January 2023.

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

The group measured the acquired lease liabilities using the present value of the remaining lease payments at the date of acquisition. The right-of-use assets were measured at an amount equal to the lease liabilities.

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

Consideration transferred and goodwill

<i>Amounts in USD thousand</i>	Adepth Minerals
Cash consideration	-
Fair value of non-cash consideration	5 063
Settlement of acquired loan	-
Total consideration transferred	5 063
Non-controlling interests (NCI) measured at fair value	4 115
Fair value of net identifiable assets	-2 311
Goodwill	6 867

The goodwill resulting from the acquisition is mainly attributable to the value of the assembled workforce and its skills, as well as future value creation in the industry. The fair value of the trade and other receivables as of the acquisition date is equal to the gross contractual amounts receivable

and is the best estimate at the acquisition date of the contractual cash flows expected to be collected. The goodwill is not deductible for tax purposes. No fair value has been allocated to other net identifiable assets.

Identifiable assets and liabilities acquired

<i>Amounts in USD thousand</i>	Adepth Minerals
Property, plant and equipment	2 520
Intangible assets	126
Trade and other receivables	199
Cash and cash equivalents	558
Trade and other payables	-1 091
Total net identifiable assets acquired	2 311



Note 25 – Leases

Accounting Policy

Lease contracts as a lessee

At the inception of a contract, the group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Right-of-use assets

The group recognizes a right-of-use asset at the lease commencement date. The group measures the right-of-use asset at cost, less any accumulated depreciation and impairment losses, adjusted for any remeasurement of lease liabilities. The cost of the right-of-use asset comprises:

- The amount of the initial measurement of the lease liability recognized.
- Any lease payments made at or before the commencement date, less any incentives received.
- Any initial direct costs incurred by the group. An estimate of the costs to be incurred by the group in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.

Subsequently, the right-of-use asset is depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

The group applies IAS 36 Impairment of Assets to determine whether the right-of-use asset is impaired and to account for any impairment loss identified.

Lease liabilities

The lease liability is recognized at the commencement date of the lease. The group measures the lease liability at the present value of the lease payments for the right to use the underlying asset during the lease term that are not paid at the commencement date. The lease term represents the non-cancellable period of the lease, together with periods covered by an option either to extend or to terminate the lease when the group is reasonably certain to exercise this option.

The lease payments included in the measurement comprise the following:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable.
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date.
- The amount expected to be payable by the group under residual value guarantees.
- The exercise price of a purchase option, if the group is reasonably certain to exercise that option.
- Payments of penalties for terminating the lease, if the lease term reflects the group exercising an option to terminate the lease.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications, or to reflect adjustments in lease payments due to an adjustment in an index or rate.

The group does not include variable lease payments in the lease liability. Instead, it recognizes these variable lease expenses in profit or loss.

Lease term

The group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any period covered by an option to terminate the lease if it is reasonably certain not to be exercised. The group applies judgment in evaluating whether it is reasonably certain to exercise an extension option, considering all relevant factors that create an economic incentive to exercise the extension option.

Short-term leases and leases of low-value assets

The group applies the recognition exemption to its leases that have a lease term of 12 months or less from the commencement date and which do not contain a purchase option (short-term leases). The group also applies recognition exemption to leases that are considered related to

low-value assets, mainly IT equipment and office equipment. Lease payments associated with the short-term leases and leases of low-value assets are recognized as expenses on a straight-line basis over the lease term.

Lease contracts as a lessor

When the group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, the contract is classified as an operating lease. As part of this assessment, the group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

The group recognizes lease payments received under operating leases as income

on a straight-line basis over the lease term as part of "Lease revenue".

The group's current lease contracts, where the group is a lessor, are all classified as operating leases.

Group as Lessee

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

Contracts that contain a lease are recognized on the balance sheet as a right-of-use asset and lease liability. The group applies the short-term lease recognition exemptions for leases with lease term shorter than twelve months or low-value assets. Consequently, right-of-use assets ("RoU") and lease liabilities are not recognized for short-term leases or leases of low-value assets. The lease agreements do not impose any covenants or restrictions.

Right-of-use Assets

<i>Amounts in USD thousand</i>	Vessels	Mission Equipment	Land & Buildings	Other	Total
Historical Cost					
Balance as of 1 January 2022	141 926	16 148	16 852	307	175 232
Additions and remeasurement	229 025	-	3 207	149	232 382
Disposals and scrapping	-20 405	-3 094	-1 413	-159	-25 071
Currency translation differences	-10 391	-1 580	-1 608	-2	-13 582
Balance as of 31 December 2022	340 156	11 473	17 037	295	368 961
Balance as of 1 January 2023	340 156	11 473	17 037	295	368 961
Additions and remeasurement	218 573	-	4 674	69	223 317
Disposals and scrapping	-59 998	-	-499	-103	-60 601
Currency translation differences	-5 990	-412	-293	30	-6 665
Balance as of 31 December 2023	492 740	11 061	20 919	292	525 012

<i>Amounts in USD thousand</i>	Vessels	Mission Equipment	Land & Buildings	Other	Total
Accumulated Depreciation & Impairment					
Balance as of 1 January 2022	-103 079	-10 530	-8 699	-240	-122 549
Depreciation for the year	-91 170	-1 382	-2 578	-76	-95 206
Disposals and scrapping	20 405	3 094	1 413	159	25 071
Currency translation differences	10 144	495	779	6	11 424
Balance as of 31 December 2022	-163 700	-8 323	-9 084	-152	-181 260
Balance at 1 January 2023	-163 700	-8 323	-9 084	-152	-181 260
Depreciation for the year	-129 493	-1 151	-2 736	-89	-134 642
Disposals and scrapping	59 998	-	499	103	60 601
Currency translation differences	2 259	236	124	-16	3 775
Balance as of 31 December 2023	-230 936	-9 239	-11 197	-154	-251 526
Carrying Amount					
As of 31 December 2022	176 455	3 150	7 953	144	187 701
As of 31 December 2023	261 805	1 822	9 722	137	273 486

Movement of lease liabilities

The movement in lease liabilities is presented below.

<i>Amounts in USD thousand</i>	2023	2022
Balance as of 1 January	207 415	63 046
Additions and remeasurement	221 999	232 725
Lease payments	-146 334	-94 138
Interest expense	12 982	4 808
Currency translation differences	-2 087	974
Balance as of 31 December	293 976	207 415
Current lease liabilities	133 744	106 937
Non-current lease liabilities	160 231	100 479
Balance as of 31 December	293 976	207 415

Maturity of lease liabilities

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

<i>Amounts in USD thousand</i>	2023	2022
Less than 1 year	148 809	111 296
1–2 years	104 358	59 472
2–3 years	39 935	40 772
3–4 years	22 962	883
4–5 years	1 174	710
More than 5 years	1 378	714
Total undiscounted lease liabilities as of 31 December	318 617	213 847
Discounting effect	-24 641	-6 431
Lease liabilities as of 31 December	293 976	207 415

Group as Lessor

The group charters an owned vessel to an external party on a long-term lease. The lease contract is classified as an operating lease contract, and the related assets are presented as a separate category in Note 9 Property, plant & equipment.

Maturity of undiscounted lease payments

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

<i>Amounts in USD thousand</i>	2023	2022
Less than 1 year	8 917	8 917
1–2 years	-	8 917
2–3 years	-	-
3–4 years	-	-
4–5 years	-	-
More than 5 years	-	-
Total future undiscounted operating lease income	8 917	17 833

Amounts Recognised in the Income Statement

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

<i>Amounts in USD thousand</i>	2023	2022
Revenue from operating leases	6 459	9 602
Expenses relating to short-term leases presented as operating costs	-2 331	-26 692
Expenses relating to low-value leases presented as operating costs	-16 823	-7 535
Depreciation of RoU assets	-134 642	-95 206
Impairment of RoU assets	-	-
Interest on lease liabilities presented as financial expense	-12 982	-4 808
Total effect on profit (loss) before tax	-160 320	-124 640

Short-term leases primarily relate to vessel charter costs and equipment rent for periods of less than twelve months. Total cash outflow for leases was USD 165 488 thousand (2022: USD 128 366 thousand).



Note 26 – Group Companies

Accounting Policy

Subsidiaries

Subsidiaries are entities controlled by the group. The group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Loss of control

On the loss of control, the group derecognizes the assets and liabilities of the subsidiary, any non-controlling interest and the other components of equity related to the subsidiary. Any surplus or deficit arising from the loss of control is recognized in profit or loss. If the group retains any interest in the previous subsidiary, it is accounted for as investments accounted for using the equity method or as financial asset at fair value through profit and loss depending on the level of influence retained.

Non-controlling interests

Non-controlling interests are measured initially at their fair value at the date of acquisition. Changes in the group's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

Transactions eliminated on consolidation Intra-group balances and transactions, and any unrealized gains and losses or income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealized gains arising from transactions with associates and joint ventures are eliminated to the extent of the group's interest in the entity. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

Group Companies

DeepOcean has 32 subsidiaries in 15 countries at the reporting date. The number of countries where DeepOcean has employees was 10, not counting branches of the subsidiaries listed below. The group holds the majority of the shares in all subsidiaries except four. Unless otherwise, ownership corresponds to the share of voting rights.

For information about other investments in the group, refer to Note 12 Equity-accounted investees.

<i>Company</i>	<i>Country</i>	2023	2022
Parent			
DeepOcean Group Holding AS	Norway	100%	100%
Europe			
Adepth Minerals AS ¹⁾	Norway	55%	36%
DeepOcean AS	Norway	100%	100%
DeepOcean Management AS	Norway	100%	100%
DeepOcean Maritime AS	Norway	100%	100%
DeepOcean Shipping AS	Norway	100%	100%
DeepOcean Shipping III AS	Norway	100%	100%
Installit AS ²⁾	Norway	-	100%
DeepOcean Subsea Services Ltd	UK	100%	100%

Company	Country	2023	2022
Americas			
DeepOcean (Guyana) Inc.	Guyana	100%	100%
DeepOcean (Guyana) Subsea Services Inc. ³⁾	Guyana	49%	-
DeepOcean de Mexico, S de RL de CV	Mexico	100%	100%
DOMX Maritima, S de RL de CV	Mexico	49%	49%
Subsea Trinidad and Tobago Limited	Trinidad & Tobago	100%	100%
DeepOcean US LLC ⁴⁾	US	100%	100%
Delta Subsea International LLC	US	100%	100%
Africa			
SeaRov Offshore SAS	France	100%	100%
SeaRov Offshore EG, S.L.	Equatorial Guinea	65%	65%
SeaRov Offshore Group, S.A.	Gabon	100%	100%
DeepOcean Ghana Ltd	Ghana	49%	49%
SeaRov Offshore Co Ltd ⁵⁾	Myanmar	99%	99%
DeepOcean BV	The Netherlands	100%	100%
DeepOcean Ghana BV	The Netherlands	49%	49%
SeaRov Offshore Ltd	UK	100%	100%
Corporate			
AXA Enghenaria Submarina Ltda	Brazil	60%	60%
CTC Marine Projects (Guernsey) Ltd ⁵⁾	Guernsey	100%	100%
DeepOcean Guernsey Ltd ⁵⁾	Guernsey	100%	100%
DeepOcean Corporate AS ³⁾	Norway	100%	-
DeepOcean Investco 1 AS	Norway	100%	100%
DeepOcean New Energy AS	Norway	100%	100%
Remota AS ⁶⁾	Norway	33%	100%
Remota Holding AS ⁶⁾	Norway	33%	100%
USV AS ³⁾	Norway	33%	100%
DeepOcean Middle East DMCC	UAE	100%	100%
DeepOcean 1 UK Ltd	UK	100%	100%
DeepOcean 2 UK Ltd ⁵⁾	UK	100%	100%
DeepOcean 3 UK Ltd ⁷⁾	UK	-	100%
DeepOcean Subsea Cables Ltd ⁷⁾	UK	-	100%
DeepOcean 5 UK Ltd ⁷⁾	UK	-	100%

1) Equity-accounted investee in 2022. Refer to Note 24 Business Combinations for further information

2) Merged with DeepOcean AS during 2023

3) Newly created entity

4) Renamed from Delta Subsea LLC

5) Currently undergoing liquidation

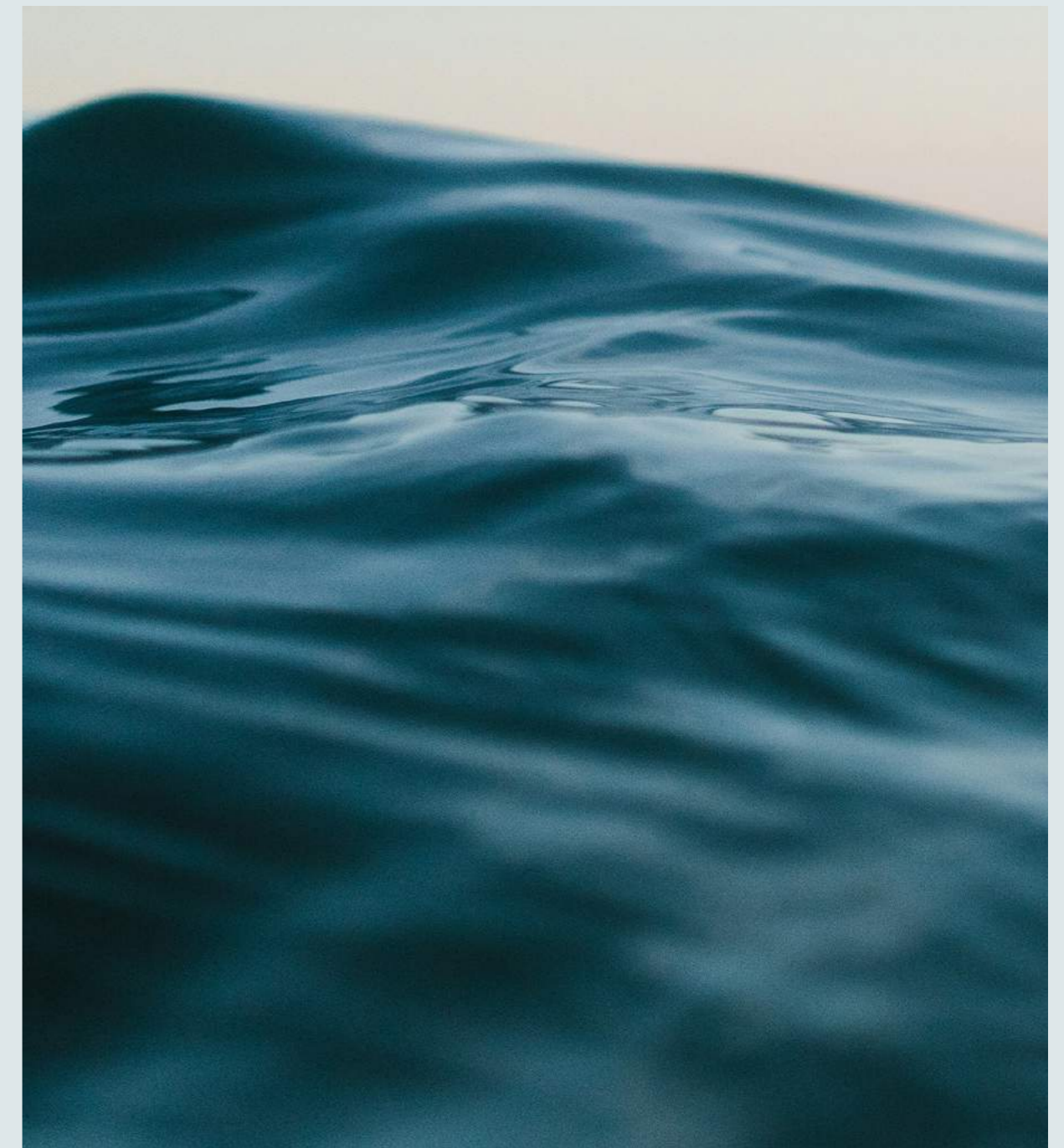
6) Loss of control during 2023 where the entities have become equity accounted investees. Refer to Note 12 Equity-accounted investees for further information

7) Liquidated during 2023

Subsidiaries in Which DeepOcean Does Not Hold the Majority of Shares

DeepOcean holds less than 50% of the shares in four of the subsidiaries shown in the table above. DeepOcean has control over relevant activities through shareholders agreements.

These subsidiaries are fully consolidated, and the non-controlling interest's share of profit (loss) is presented in the income statement and in the balance sheet.



Note 27 – Related Parties

Accounting Policy

Related party relationships are defined to be entities under joint control or significant influence by DeepOcean, and companies outside of DeepOcean that are under control (either directly or indirectly) or joint control by the owners having significant influence over DeepOcean. The management and the Board of Directors of DeepOcean are also related parties, refer to Note 28 Management remunerations for further information of management and Board of Directors.

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

Related Parties

Significant transactions

Transactions with related parties	Triton Companies	Joint Ventures & Associates	Total	Triton Companies	Joint Ventures & Associates	Total
<i>Amounts in USD thousand</i>	2023	2023	2023	2022	2022	2022
Revenue	4 966	9 378	14 344	-	4 292	4 292
Operating expenses	-619	-12 551	-13 170	-376	-9 903	-10 279
Net financial items	-	-	-	-	-37	-37
Profit (loss) before tax	4 348	-3 174	1 174	-376	-5 648	-6 024

Balances with related parties	Triton Companies	Joint Ventures & Associates	Total	Triton Companies	Joint Ventures & Associates	Total
<i>Amounts in USD thousand</i>	2023	2023	2023	2022	2022	2022
Trade and other receivables	-	931	931	-	1 212	1 212
Contract assets	5 139	1 653	6 792	-	802	-
Assets - related parties	5 139	2 584	7 723	-	2 013	1 212
Trade and other payables	3 050	3 176	6 226	2 751	2 227	4 978
Liabilities - related parties	3 050	3 176	6 226	2 751	2 227	4 978

Revenue from related parties

The group provides project and management services to its joint venture, Technip-DeepOcean PRS JV DA, Remota Holding AS and Windstaller Alliance AS. The group has procured and recharged Triton for services during the year.

as a vendor for hire-in of offshore personnel. In 2023, DeepOcean purchased services from Level Offshore AS for USD 12 279 thousand (2022: 8 663 thousand). In addition, the group procures certain professional services from Triton.

Operating expenses from related parties

DeepOcean procures services from Level Offshore AS, a joint venture of DeepOcean,

Note 28 – Management Remunerations

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

Remuneration of the Chief Executive Officer

<i>Amounts in USD thousand</i>	2023	2022
Salaries and other short term employee benefits	1 146	1 235
Post-employment benefits	12	13
Other benefits	38	31
Total	1 159	1 248

Remuneration of the Board of Directors

<i>Amounts in USD thousand</i>	2023	2022
Jo O. Lunder, Chairman	100	101
Other members of the board	289	261
Total	389	362

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

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

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

Note 29 – Events After the Reporting Date

Investments

On 10 January 2024, DeepOcean Investco 1 AS acquired 100% of the shares outstanding in BTWN AS, a Norwegian digital transformation company, for an enterprise value of approximately USD 1 200 thousand. BTWN AS will further strengthen DeepOcean's highly skilled digital team, and provide a competitive edge on our client deliverables. DeepOcean will account for the company as a consolidated subsidiary.

Challenger vessels which are both expected to commence in 2024. The expected future cash outflows that the group is committed to for the Island Ocean lease is USD 73 408 thousand. This does not include future lease payments for options available to DeepOcean for extensions of the charter parties. The lease commitment of USV Ocean Challenger is dependent on final build cost, and will be determined at a subsequent to signing of these financial statements.

Significant Lease Contracts

DeepOcean has entered into long-term charter parties (lease contracts) for the Island Ocean (previously Island Condor) and USV Ocean

Note 30 – Climate Risk

Effects on DeepOcean's Financial Statements

Sustainability is at the very core of DeepOcean's strategy and operating practices. We consider ourselves strong enablers of the energy transition, moving our industry towards low carbon and commercially successful operations by applying new technology, prioritizing energy efficient practices, and investing in remote capabilities.

The energy transition may curtail the expected useful lives of assets specifically tailored to oil and gas, such as property, plant and equipment directly related to pipeline services, thereby accelerating depreciation. However, DeepOcean's property, plant and equipment related to oil and gas are will more likely be fully depreciated within the next 10 years, and projects related to oil and gas will be a part of DeepOcean's project portfolio over this period. Residual values are not considered to be a material judgement in this respect. Right-of-use assets related to leased vessels are on short to medium term lease contracts, and are thus not assessed expected to be impacted by climate risk for impairment assessments or useful life considerations. Therefore, DeepOcean does not expect any changes to the useful lives of our property, plant, and equipment as a consequence of climate risk. Assessment of effect on useful lives is not considered to be a significant

accounting judgment or estimate. DeepOcean notes that assessment of useful lives of future capital expenditure may be different. However, equipment such as ROVs will have alternative uses for services such as subsea inspection of fixed installations and recycling of oil and gas related subsea equipment. No risks have been identified in the short to medium term related to climate-change that will lead to material reductions in recoverable amounts of assets.

DeepOcean works continuously to reduce its carbon-emissions through leasing a green fleet of vessels and utilizing remote services, which over time also supports the recoverable amount of its assets, through having a relevant asset portfolio in the market place.

There has not been identified any material impacts on judgments and estimates in the 2023 financial report. While there are no identified immediate or short-term impacts from climate change on DeepOcean's financial statements, DeepOcean is aware of the ever-changing risks and opportunities related to climate change. The group will on a regular basis assess these risks against estimates and judgements made in preparation of the group's financial statements.

Note 31 – Changes to Accounting Policies

Adoption of New & Revised Standards & Interpretation

The accounting policies adopted are consistent with those of the previous financial year. The following standards and interpretations were adopted with effect from 1 January 2023, with no implementation impact on the group's consolidated financial statements:

- IFRS 17 – Insurance Contracts
- Definition of Accounting Estimates – Amendments to IAS 8
- International Tax Reform – Pillar Two Model Rules – Amendments to IAS 12
- Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2

The following standards and interpretations were adopted with effect from 1 January 2023, which had an implementation impact on the group's consolidated financial statements:

- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)

The Group has adopted Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12) from 1 January 2023.

<i>Amounts in USD thousand</i>	1 January 2021	31 December 2022
Deferred tax assets	1 954	4 067
Total assets	1 954	4 067
Total equity	1 954	4 067
Deferred tax liabilities	-	-
Total equity and liabilities	1 954	4 067
Tax expense (income)	-	-2 113
Loss for the period	-	-2 113

DeepOcean is in a net deferred tax asset position in all jurisdictions for both 1 January 2022 and 31 December 2022. Refer to Note 8 Income Tax for a specification of gross deferred tax positions for right-of-use assets and lease liabilities.

Standards Issued but Not yet Effective

The following amended standards and interpretations are not expected to have a significant impact on the group's consolidated financial statements:

The amendments narrow the scope of the initial recognition exemption to exclude transactions that give rise to equal and offsetting temporary differences – e.g. leases and decommissioning liabilities. For leases and decommissioning liabilities, an entity is required to recognize the associated deferred tax assets and liabilities from the beginning of the earliest comparative period presented, with any cumulative effect recognized as an adjustment to retained earnings or other components of equity at that date. For all other transactions, an entity applies the amendments to transactions that occur on or after the beginning of the earliest period presented.

The adoption of the amendments changes how the group previously accounted for deferred tax on leases. Following the amendments, the Group has recognised a separate deferred tax asset in relation to its lease liabilities and a deferred tax liability in relation to its right-of-use assets which are offset per jurisdiction. The standard is applied retrospectively. The impact to retained earnings and deferred tax as of 1 January 2022 and 31 December 2022 is summarized below.

- Non-current Liabilities with Covenants – Amendments to IAS 7
- Classification of Liabilities as Current or Non-current Amendments to IAS 7
- Lease Liability in a Sale and Leaseback – Amendments to IFRS 16
- Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7
- Lack of Exchangeability – Amendments to IAS 21
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to IFRS 10 and IAS 28

DeepOcean Group Holding AS

Parent Company Financial Statements for the Year 2023

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Parent Company Income Statement

For the year ended 31 December

<i>Amounts in NOK thousand</i>	Note	2023	2022
Operating revenue	2	230 946	170 091
Operating expenses	2	-207 982	-162 556
Operating profit before depreciation, amortization and impairment		22 964	7 534
Depreciation and amortization	3,4	-6 659	-6 527
Operating profit		16 305	1 008
Finance income	5	792 655	2 714 810
Finance expenses	5	-235 412	-266 129
Net financial income		557 243	2 448 681
Profit before tax		573 548	2 449 689
Income tax expense	6	-12 467	-110 486
Profit for the period		561 081	2 339 203
<i>Profit for the period distributed as follows:</i>			
Retained earnings	7	561 081	2 339 203
Profit for the period		561 081	2 339 203



DeepOcean is a technology-driven company delivering profitable results while taking successful steps on the journey to net zero by 2040.

Parent Company Statement of Financial Position

For the year ended 31 December

Amounts in NOK thousand	Note	2023	2022
Property, plant and equipment	3	1 005	894
Intangible assets	4	26 785	33 086
Investments in subsidiaries	8	3 535 266	3 843 618
Non-current interest-bearing receivables on group companies	9	107 989	157 036
Deferred tax assets	6	15 255	-
Total non-current assets		3 686 300	4 034 634
Trade receivables on group companies	9	42 554	24 331
Other receivables		63 539	10 082
Other receivables on group companies	9	1 163 716	651 140
Cash and cash equivalents		6 576	42 954
Total current assets		1 276 385	728 508
Total assets		4 962 686	4 763 142
Share capital	7	22 000	27 253
Share premium	7	-	321 532
Other paid-in capital	7	5 253	-
Retained earnings	7	3 078 497	2 716 789
Total equity		3 105 750	3 065 575

Amounts in NOK thousand	Note	2023	2022
Non-current borrowings, external	10	873 564	836 542
Non-current borrowings to group companies	9	825 717	480 848
Deferred tax liabilities	6	-	10
Total non-current liabilities		1 699 281	1 317 400
Current tax liabilities	6	23 642	102 711
Trade payables		36 360	37 685
Trade payables to group companies	9	26 105	104 458
Other current liabilities		19 423	42 024
Other current liabilities to group companies	9	52 125	93 290
Total current liabilities		157 655	380 167
Total liabilities		1 856 936	1 697 567
Total equity and liabilities		4 962 686	4 763 142

Oslo, 9 April 2024

Board of Directors of DeepOcean Group Holding AS

Jo Olav Lunder
Chairman

Kristian Diesen
Director

Mike Winkel
Director

Colette Cohen
Director

Anna Belfrage
Director

Hans Maret
Director

Wenche Kjølås
Director

Øyvind Mikaelson
Chief Executive Officer

Parent Company Statement of Cash Flows

For the year ended 31 December

<i>Amounts in NOK thousand</i>	Note	2023	2022
Cash Flows from Operating Activities			
Profit for the period		561 081	2 339 203
Income tax expense (benefit)	6	12 467	110 486
Depreciation, amortization and impairment	3,4	6 659	6 527
Non-cash financial items, net interest cost and unrealized currency (gain) loss	5	-569 668	-2 458 264
Other non-cash effects		-1 996	3 626
Profit (loss) for the period after adjustments		8 543	1 578
Changes in operating assets and liabilities		-158 205	83 528
Cash (used in)/generated from operating activities		-149 662	85 106
Tax paid		-106 800	-6 605
Interest paid		-157 601	-57 426
Interest received		18 767	14 204
Net cash flow from operating activities		-395 296	35 279
Cash Flows from Investing Activities			
Acquisition of fixed assets		-579	-736
Acquisition of subsidiaries, net of cash acquired	8	-80	-
Proceeds from sale of subsidiaries	8	-	60
Net cash flow from investing activities		-659	-676

<i>Amounts in NOK thousand</i>	Note	2023	2022
Cash Flows from Financing Activities			
Proceeds from group contribution		335 616	236 195
Payment of group contribution		-80 000	-11 195
Dividend paid	7	-520 906	-
Payment of share redemption	7	-	-425 528
Repayment of borrowings, external	10	-	-129 495
Changes in borrowings from group companies	9	573 459	367 080
Changes in borrowings to group companies	9	52 637	-71 660
Other financing activities		-2 541	-
Net cash flow from financing activities		358 265	-34 603
Effect of exchange rate changes on cash and cash equivalents		1 311	-11 486
Net increase (decrease) in cash and cash equivalents		-36 379	-11 486
Cash and cash equivalents at the beginning of the period		42 954	54 441
Cash and cash equivalents at the end of the period		6 576	42 954

Notes to the Parent Company Financial Statements

Note 1 – Company Information

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

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

Note 2 – Operating Revenue & Operating Expenses

Operating revenue mainly comprises of management fee from subsidiaries, referring to Note 9 Related parties.

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

Fees to the Auditors

Refer to Note 6 Operating expenses in DeepOcean's consolidated financial statements.



Note 3 – Property, Plant & Equipment

<i>Amounts in NOK thousand</i>	Furniture & Fixtures	Total
Historical Cost		
Balance as of 1 January 2022	803	803
Additions	736	736
Disposals and scrapping	-	-
Balance as of 31 December 2022	1 539	1 539
Accumulated Depreciation & Impairment		
Balance as of 1 January 2022	-418	-418
Depreciation for the year	-226	-226
Balance as of 31 December 2022	-644	-644
Balance as of 1 January 2023	-644	-644
Depreciation for the year	-359	-359
Disposals and scrapping	693	693
Balance as of 31 December 2023	-310	-310
Carrying Amount		
As of 31 December 2022	894	894
As of 31 December 2023	1 005	1 005

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

Note 4 – Intangible Assets

Accounting Policy

Intangible assets that are acquired by the company and have finite useful lives, are measured at cost, less accumulated amortization and any accumulated impairment losses. Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure

on internally generated goodwill and brands, is recognized in profit or loss as incurred. Amortization is calculated to write off the cost of intangible assets, less their estimated residual values, using the straight-line method, over their estimated useful lives, and is recognized in profit or loss.

<i>Amounts in NOK thousand</i>	Software Assets	Total
Historical Cost		
Balance as of 1 January 2022	44 103	44 103
Additions	-	-
Balance as of 31 December 2022	44 103	44 103
Balance as of 1 January 2023	44 103	44 103
Additions	-	-
Balance as of 31 December 2023	44 103	44 103
Accumulated Amortisation & Impairment		
Balance as of 1 January 2022	-4 717	-4 717
Amortization for the year	-6 300	-6 300
Balance as of 31 December 2022	-11 017	-11 017
Balance as of 1 January 2023	-11 017	-11 017
Amortization for the year	-6 300	-6 300
Balance as of 31 December 2023	-17 318	-17 318
Carrying Amounts		
As of 31 December 2022	33 086	33 086
As of 31 December 2023	26 785	26 785

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

Note 5 – Net Financial Items

Accounting Policy

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

<i>Amounts in NOK thousand</i>	Note	2023	2022
Finance Income			
Interest income on bank deposits measured at amortized cost		354	234
Interest income from group companies	9	37 355	73 345
Income on investment in subsidiary	9	752 123	575 636
Reversal of impairment of investment in subsidiaries	8	-	2 063 420
Other financial income		2 823	2 176
Finance income		792 655	2 714 810
Finance Expense			
Interest expense on financial liabilities measured at amortized cost	10	-67 568	-31 182
Interest expense to group companies	9	-111 111	-44 030
Impairment of interest-bearing receivables on group companies	9	-	-97 352
Net foreign exchange loss		-44 308	-81 805
Other financial expense		-12 426	-11 759
Finance expenses		-235 412	-266 129
Net financial income (expenses)		557 243	2 448 681

Note 6 – Tax

Accounting Policy

The tax income (expense) in the income statement consists of payable taxes for the period, withholding taxes and changes in deferred tax. Deferred tax is calculated as 22% of temporary differences between accounting and tax values, as well as any tax losses carry-forward at the year end. Net deferred tax assets are recognized only to the extent that it is probable that they will be utilized against future taxable profits.

<i>Amounts in NOK thousand</i>	2023	2022
Calculation of Taxable Income		
Profit before tax	573 548	2 449 689
Permanent differences	-750 504	-2 502 309
Group contribution with tax effect	312 589	575 636
Change in temporary differences	163	-32 814
Basis for payable taxes in the income statement	135 796	490 201
Generated (utilized) interest deduction carry forward	69 224	-23 334
Generated (utilized) tax losses carry forward	-	-
Taxable income	205 020	466 867
Payable tax on taxable income	45 104	102 711
Current tax adjustments related to prior years	-21 462	-
Current tax liabilities	23 642	102 711
Taxable Temporary Differences		
Fixed assets	102	-64
Profit and loss account	14	17
Receivables	-	-
Net temporary differences	116	-47
Interest deduction carried forward	69 224	-
Tax losses carried forward	-	-
Basis for deferred tax	69 339	-47
Tax rate	22%	22%
Tax effects of temporary differences	15 255	-10
Unrecognized deferred tax assets	-	-
Deferred tax assets (liabilities)	15 255	-10

<i>Amounts in NOK thousand</i>	2023	2022
Components of the Income Tax Expense		
Payable tax on taxable income	-45 104	-102 711
Change in deferred tax	15 265	-7 219
Current tax adjustments related to prior years	17 373	-
Withholding taxes paid	-	-556
Income tax benefit (expense)	-12 467	-110 486

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

Note 7 – Shareholders' Equity

<i>Amounts in NOK thousand</i>	Share Capital	Share Premium	Other Paid-in Capital	Other Equity	Total Equity
Equity as of 1 January 2022	71 500	680 177	-	377 586	1 129 264
Share redemption	-44 247	-358 645	-	-	-402 892
Profit (loss) for the period	-	-	-	2 339 203	2 339 203
Equity as of 31 December 2022	27 253	321 532	-	2 716 789	3 065 575
Equity as of 1 January 2023	27 253	321 532	-	2 716 789	3 065 575
Share redemption	-5 253	-	5 253	-	-
Dividend	-	-321 532	-	-199 373	-520 905
Profit (loss) for the period	-	-	-	561 081	561 081
Equity as of 31 December 2023	22 000	-	5 253	3 078 497	3 105 750

The share capital of DeepOcean Group Holding AS is divided into 20 000 000 shares each with a nominal value of NOK 1.1 and consisting of two different share classes. Refer to Note 16 of the consolidated financial statement for details of the rights pertaining to each share class.

2023			
Shareholder	Number of Shares	Share Class	Ownership Share
Tricer Lux Bidco 1 SARL	9 000 000	A	45%
	9 000 000	B	45%
Total ownership Tricer Lux Bidco 1 SARL	18 000 000		90%
Tricer Mipco 2 AS	1 000 000	A	5%
	1 000 000	B	5%
Total ownership Tricer Mipco 2 AS	2 000 000		10%
Total shares	20 000 000		100%

2022			
Shareholder	Number of Shares	Share Class	Ownership Share
Tricer Lux Bidco 1 SARL	9 000 000	A	36%
	9 000 000	B	36%
	4 298 081	C	17%
Total ownership Tricer Lux Bidco 1 SARL	22 298 081		90%
Tricer Mipco 2 AS	1 000 000	A	4%
	1 000 000	B	4%
Total ownership Tricer Mipco 2 AS	2 000 000		8%
Tricer Mipco 3 AS	477 565	C	2%
Total ownership Tricer Mipco 3 AS	477 565		2%
Total shares	24 775 646		100%



Note 8 – Investment in Group Companies

Accounting Policy

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

Dividends, group contributions and other distributions from subsidiaries are recognized as income in the same year as they are recognized in the financial statement of the provider. If the dividends or group contributions exceed withheld profits after the acquisition date, the excess amount represents repayment of invested capital, and is recognized as a reduction in carrying value of the investment.

Amounts in NOK thousand	Registered Office	Ownership	Equity	Profit (Loss) for the Period	2023	2022
DeepOcean AS	Haugesund, Norway	100%	NOK 499 347 thousand	NOK 466 372 thousand	3 340 126	3 648 558
DeepOcean BV	Haarlem, The Netherlands	100%	EUR 2 587 thousand	EUR -116 thousand	115 000	115 000
DeepOcean Corporate AS	Oslo, Norway	100%	NOK 80 thousand	NOK -39 thousand	80	-
DeepOcean New Energy AS	Oslo, Norway	100%	NOK 80 060 thousand	NOK -103 thousand	80 060	80 060
Investments in subsidiaries					3 535 266	3 843 618

Changes in Ownership

DeepOcean Corporate AS was bought during 2023 for NOK 80 thousand.

Reversal of Impairment

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

Group Contribution

DeepOcean AS will based on 2023 results provide group contributions to DeepOcean Group Holding AS which are greater than the retained earnings during DeepOcean Group Holding AS' ownership of DeepOcean AS. The investment value has thus been reduced by NOK 308 432 thousand.

Note 9 – Related Parties

Accounting Policy

Assets and liabilities are presented as current when they are due within one year or if they are part of the operating cycle. Other assets and liabilities are classified as non-current. Current assets are valued at the lowest of cost and fair value. Current liabilities are valued at nominal value at the time of recognition.

Non-current receivables are measured at cost less impairment losses that are not considered to be temporary. Non-current liabilities are initially valued at transaction value less attributable

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

Trade and other receivables are recognized at the original invoiced amount less allowances for expected losses. Provisions for expected losses is considered on an individual basis.

Related Parties

<i>Amounts in NOK thousand</i>	2023	2022
Operating Items		
Revenue from management fee to subsidiaries	180 104	168 666
Management fee charged from subsidiaries	-	-5 916
Other costs charged from subsidiaries	-131 037	-111 160
Operating profit from transactions with group companies	49 067	51 590
Financial Items		
Group contributions received	752 123	575 636
Interest income	37 355	73 345
Other financial income	2 823	-
Interest costs	-111 111	-44 030
Other financial expense	-	-12 042
Net financial items from transactions with group companies	681 191	592 908

<i>Amounts in NOK thousand</i>	2023	2022
Balance Sheet		
Non-current interest-bearing receivables on group companies	107 989	157 036
Non-current borrowings to group companies	-825 717	-480 848
Net interest-bearing borrowings on group companies	-717 727	-323 812
Trade receivables on group companies	42 554	24 331
Other receivables on group companies	1 163 716	651 140
Trade payables to group companies	-26 105	-104 458
Other current liabilities to group companies	-52 125	-93 290
Net non interest-bearing receivables (payables) on group companies	1 128 040	477 724

Interest-Bearing Receivables on & Borrowings from Group Companies

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

Management Fee

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

Note 10 – Borrowings

Accounting Policy

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

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

Borrowings

The table below sets out the contractual terms of the group's interest-bearing loans and borrowings, which are measured at amortized cost. For more information about the company's exposure to currency risk, interest rate risk, liquidity risk and operational risk, reference is made to Note 12.

2023

Amounts in NOK thousand	Currency	Facility Commitment (Nominal Currency)	Undrawn Commitment (Nominal Currency)	Drawn Facility (Nominal Currency)	Carrying Amount	Base Interest	Interest Margin	Interest	Maturity	Interest Terms
Facility A - Credit Facility (EUR 80 000 thousand commitment)	USD	-	-	67 120	682 687	5.38%	2.5%	7.88%	Feb 2025	US 3M LIBOR + 2.50% fixed margin
Facility A - Credit Facility (EUR 80 000 thousand commitment)	EUR	EUR 80 000	-	17 000	190 877	3.96%	2.50%	6.46%	Feb 2025	EURIBOR 3M + 2.50% fixed margin
Total borrowings					873 564					
Current borrowings					-					
Non-current borrowings					873 564					
Total borrowings					873 564					

2022

Amounts in NOK thousand	Currency	Facility Commitment (Nominal Currency)	Undrawn Commitment (Nominal Currency)	Drawn Facility (Nominal Currency)	Carrying Amount	Base Interest	Interest Margin	Interest	Maturity	Interest Terms
Facility A - Credit Facility (EUR 80 000 thousand commitment)	USD	-	-	67 120	658 151	3.07%	2%	5.07%	Feb 2025	US 3M LIBOR + 2% fixed margin
Facility A - Credit Facility (EUR 80 000 thousand commitment)	EUR	EUR 80 000	-	17 000	178 391	0.58%	2%	2.58%	Feb 2025	EURIBOR 3M + 2% fixed margin
Total borrowings					836 542					
Current borrowings					-					
Non-current borrowings					836 542					
Total borrowings					836 542					

The group's borrowings are provided by a bank syndicate consisting of high-quality Nordic and international banks. The term and conditions include restrictions which are customary for such facilities, including inter alia negative pledge provisions, as well as restrictions on acquisitions, disposals and mergers, dividend distribution and change of control provisions. For information about financial covenants,

see Note 22 Capital Management in the consolidated financial statements. The fair value of the outstanding borrowings in 2023 is estimated to approximate their carrying amount because the impact of discounting is not significant.

Maturity of Borrowings

2023	Amounts in NOK thousand	Carrying Amount	Total Cashflow ¹⁾	6 Months & Less	6–12 Months	1–2 Years	2–5 Years	More than 5 Years
Facility A - Credit Facility (EUR 80 000 thousand commitment) ²⁾		682 687	745 158	26 901	26 901	691 355	-	-
Facility A - Credit Facility (EUR 80 000 thousand commitment) ²⁾		190 877	205 183	6 161	6 161	192 862	-	-
Total borrowings		873 564	950 341	33 062	33 062	884 218	-	-

2022

2022	Amounts in NOK thousand	Carrying Amount	Total Cashflow ¹⁾	6 Months & Less	6–12 Months	1–2 Years	2–5 Years	More than 5 Years
Facility A - Credit Facility (EUR 80 000 thousand commitment) ²⁾		658 151	796 988	16 683	16 683	33 365	730 258	-
Facility A - Credit Facility (EUR 80 000 thousand commitment) ²⁾		178 391	197 557	2 303	2 303	4 606	188 345	-
Total borrowings		836 542	994 546	18 986	18 986	37 971	918 603	-

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

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

Note 11 – Guarantees

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

<i>Amounts in NOK thousand</i>	Total	6 Months & Less	6–12 Months	1–2 Years	2–5 Years	More than 5 Years
Bank Guarantees & Maturity						
Bank guarantees as of 31 December 2023	211 876	100 529	51 989	22 298	37 060	-
Bank guarantees as of 31 December 2022	173 500	9 444	35 144	69 553	59 358	-

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

Note 12 – Financial Risk Management

Overview

The company's activities expose it to a variety of financial risks: currency risk, interest rate risk, credit risk, and liquidity risk. The objective of financial risk management is to manage and control exposure to financial risk and thereby increase the predictability of earnings and minimize potential adverse effects on the company's financial performance. Management applies well-established risk management principles for the identification, analysis and monitoring of these risks, and for the setting of appropriate risk limits and controls. Financial risk management is carried out in accordance with the Group Risk Management policy approved by the Executive Management. These principles and policies are reviewed periodically to reflect changes in market conditions, the activities of the

business, and the laws and regulations affecting our business. There have not been any changes in these policies during the year.

Currency Risk

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

Interest Rate Risk

The company is exposed to changes in interest rates because of floating interest rates linked to loan receivables and loan payables. The company does not hedge transactions exposure in financial markets and has no fixed interest rate loan receivables nor loan payables. The company is therefore not exposed to fair value risk on its outstanding loan receivables or loan payables. Interest-bearing loan receivables and loan payables expose the company to income statement and cash flow interest risk. Interest-bearing borrowings to group companies reflect the cost of external borrowings, and thus reduce the company's exposure to interest risk.

Credit Risk

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

Loss provisions for interest-bearing receivables are made in situations where management considers that the company is not expected to maintain the liquidity necessary to fulfil its obligations. See Note 9 for more information about receivables.

Liquidity Risk

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



Independent Auditor's Report



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INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of DeepOcean Group Holding AS

Opinion

We have audited the financial statements of DeepOcean Group Holding AS (the Company) which comprise the financial statements of the Company and the consolidated financial statements of the Company and its subsidiaries (the Group). The financial statements of the Company comprise the statement of financial position as at 31 December 2023, the income statement and statement of cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies. The consolidated financial statements of the Group comprise the statement of financial position as at 31 December 2023, the income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and notes to the financial statements, including material accounting policy information.

In our opinion

- the financial statements comply with applicable legal requirements,
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2023 and its financial performance and cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway,
- the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2023 and its financial performance and cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the EU.

Basis for opinion

We conducted our audit in accordance with 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 and the Group in accordance with the requirements of the relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

Other information consists of the information included in the annual report other than the financial statements and our auditor's report thereon. Management (the board of directors and the managing director) is responsible for the other information. Our opinion on the financial statements does not cover the other information, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information, and, in doing so, consider whether the board of directors' report contains the information required by applicable legal requirements and whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that the other information is materially inconsistent with the financial statements, there is a material misstatement in this other information or that the information required by applicable legal requirements is not included in the board of directors' report, we are required to report that fact.



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

Responsibilities of management for the financial statements

Management is responsible for the preparation of the financial statements of the Company 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 the preparation of the consolidated financial statements of the Group that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU. Management is responsible for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional 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 and the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.



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- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

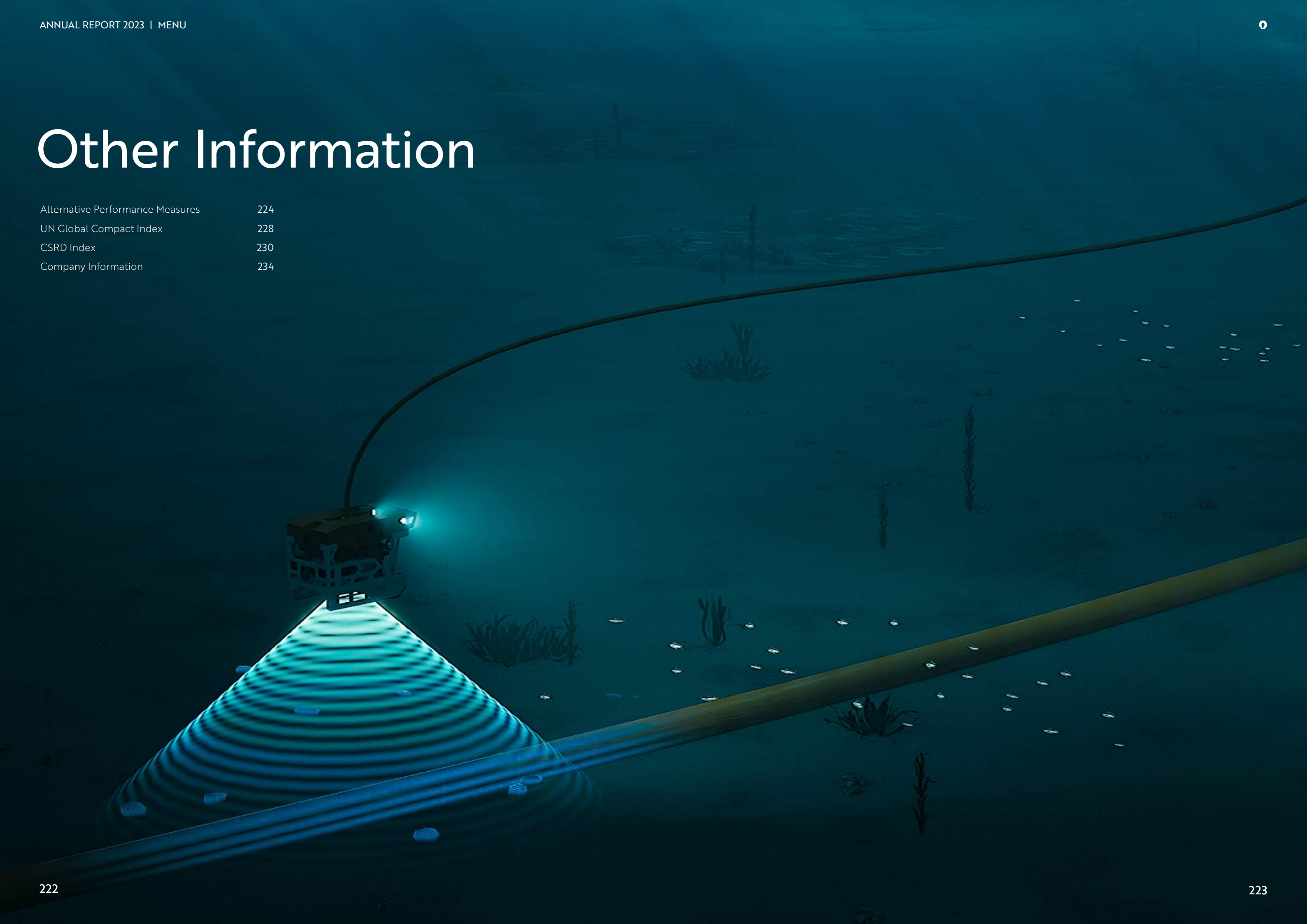
We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Bergen, 12 April 2024
ERNST & YOUNG AS

Truls Nesslin
State Authorised Public Accountant (Norway)

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Alternative Performance Measures

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

The definitions of these measures are as follows:

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

Adjusted EBITDA – EBITDA as defined above excluding the impact from lease contracts accounted for under IFRS 16 and excluding non-recurring extraordinary items.

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

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

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

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

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

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

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

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

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

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

Net debt

<i>Amounts in USD thousand</i>	2023	2022
Borrowings	85 887	85 313
Plus: Finance lease liabilities	2 266	4 021
Less: Cash and cash equivalents	-39 734	-86 253
Plus: Restricted cash per the facilities agreement	10 357	6 234
Net debt	58 777	9 316

Adjusted EBITDA

<i>Amounts in USD thousand</i>	2023	2022
EBITDA	208 398	175 485
Less: IFRS 16 effects	-144 917	-92 626
Less: (Gain) loss on disposal of subsidiaries	-2 053	-
Adjusted EBITDA	61 428	82 859

Equity ratio

<i>Amounts in USD thousand</i>	2023	2022
Total equity	23 057	46 796
Divided by: Total assets	566 504	485 860
Equity ratio	4%	10%

Adjusted equity ratio

<i>Amounts in USD thousand</i>	2023	2022
Total equity	23 057	46 796
Less: Right of use assets from operating leases	-271 664	-184 552
Plus: Operating lease liabilities	291 709	203 394
Adjusted total equity	43 102	65 638
Total assets	566 504	485 860
Less: Right of use assets from operating leases	-271 664	-184 552
Divided by: Adjusted total assets	294 840	301 308
Adjusted equity ratio	15%	22%

Liquidity

<i>Amounts in USD thousand</i>	2023	2022
Cash and cash equivalents	39 734	86 253
Available credit facilities	2 427	300
Available liquidity reserve	42 161	86 553

Order intake

<i>Amounts in USD thousand</i>	2023	2022
Order intake - contracts with customers	671 062	705 691
Order intake - operating lease contracts	-	-
Order intake	671 062	705 691

Order backlog

<i>Amounts in USD thousand</i>	2023	2022
Unsatisfied performance obligations from contracts with customers	445 345	393 833
Future operating lease income	8 917	17 833
Order backlog	454 262	411 666

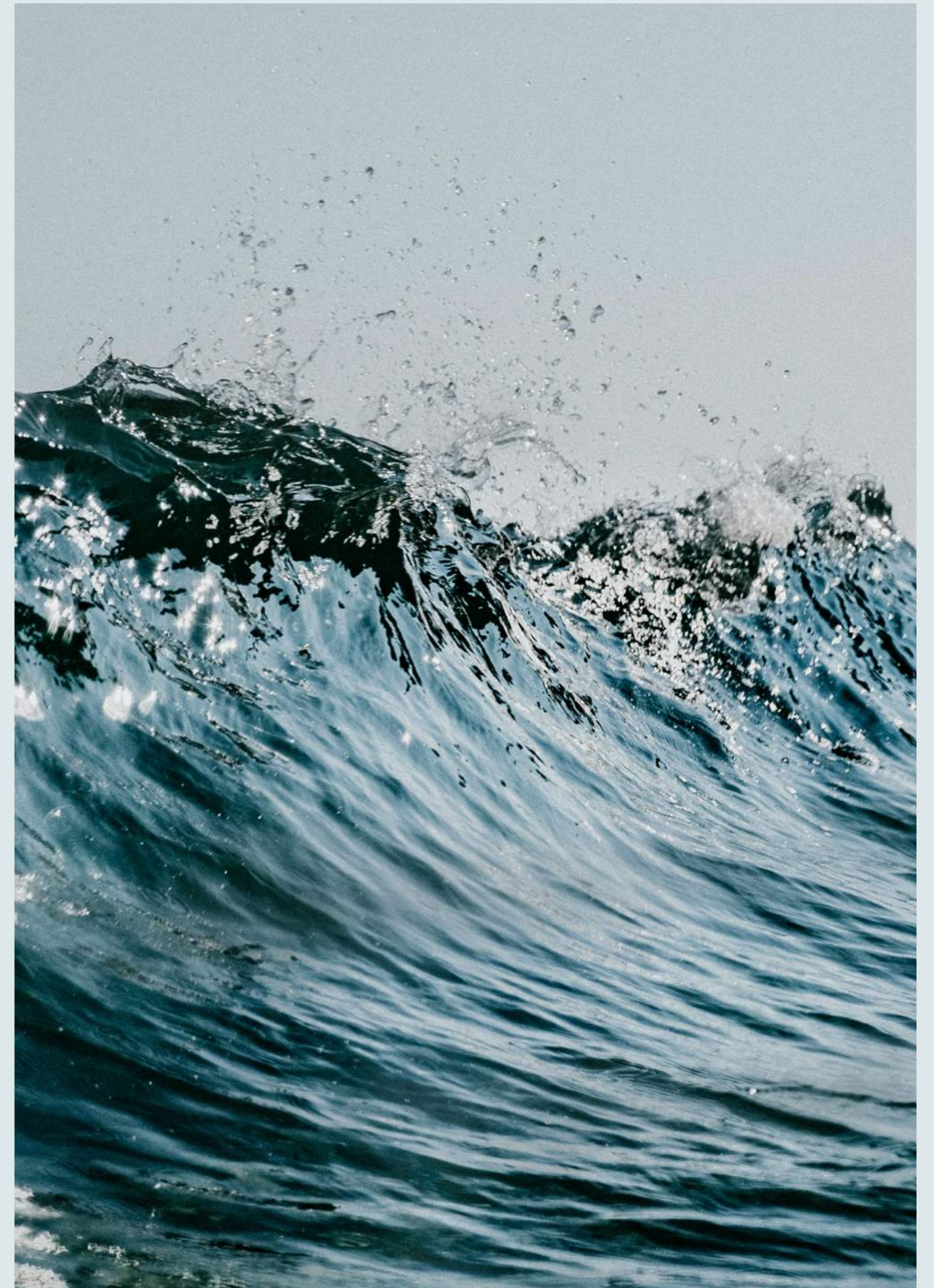
Book-to-bill ratio

2023			
<i>Amounts in USD thousand</i>	Order Intake	Revenue from Contracts with Customers & Lease Income	Book-to-bill
Africa	57 663	50 272	1.15
Americas	164 639	91 908	1.79
Europe	443 494	476 996	0.93
Corporate	5 266	5 266	1.00
DeepOcean	671 062	624 442	1.07
2022			
<i>Amounts in USD thousand</i>	Order Intake	Revenue from Contracts with Customers & Lease Income	Book-to-bill
Africa	48 254	19 099	2.53
Americas	79 202	100 891	0.79
Europe	578 094	445 566	1.30
Corporate	140	140	1.00
DeepOcean	705 691	565 697	1.25



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* Not disclosed in 2023 sustainability report

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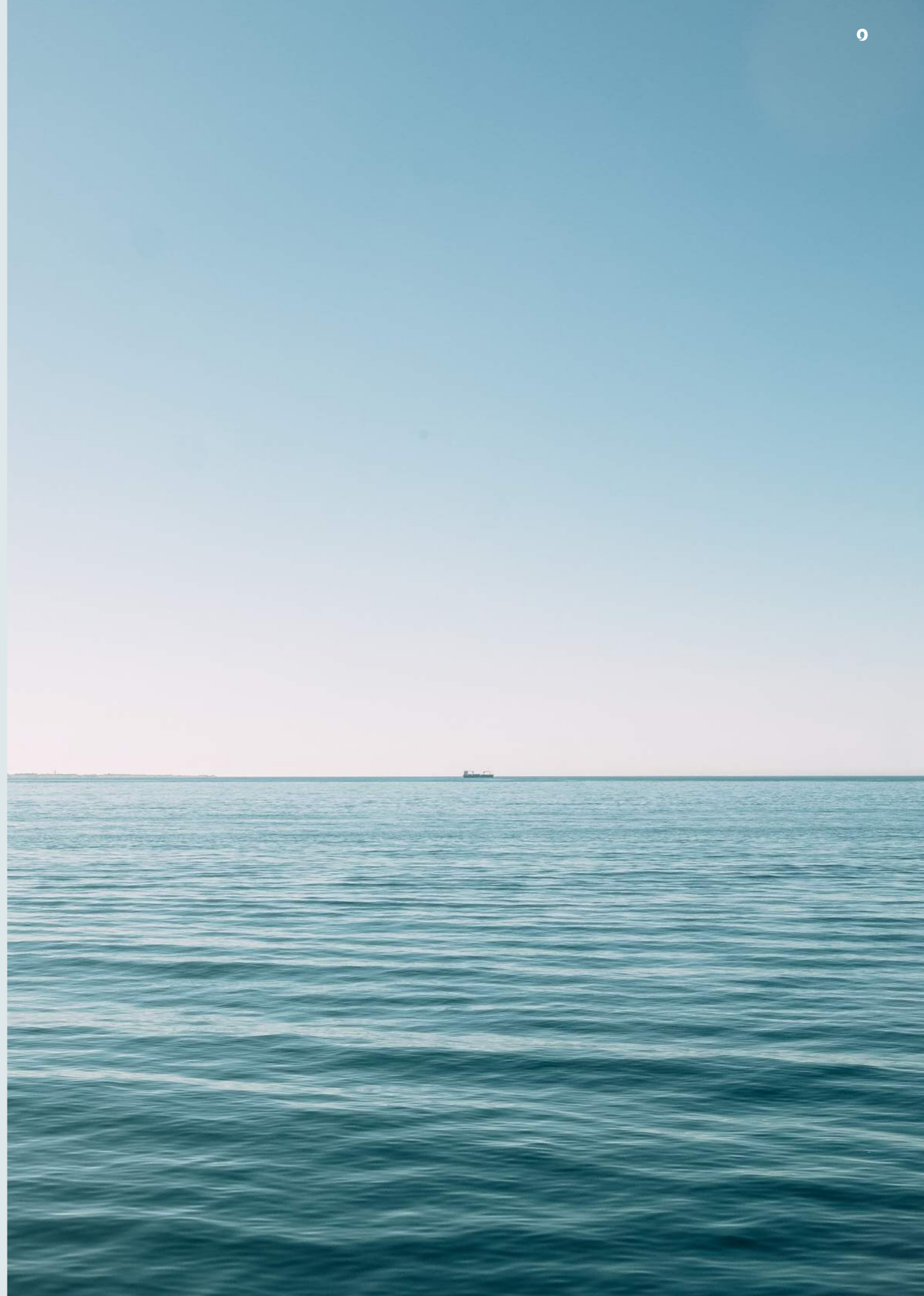
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