OCEANTEAM ASA
ANNUAL REPORT 2020

CONTENT

1. KEY EVENTS AND FINANCIAL PERFORMANCE

In this report Oceanteam ASA is further referred to as "Oceanteam" or "Company"; Oceanteam Group consists of Oceanteam ASA and its subsidiaries

KEY EVENTS OVER THE YEAR 2019

Results:

- The Oceanteam Group's net loss for 2020 is USD (73.2) million versus a profit of USD 0.7 million for the year 2019.
- The Solutions segment performed better than forecasted with increased revenues and a positive pre-tax result of USD 0.1 million
- The Shipping segment was up for a challenging year, with both vessels planned to undergo extensive maintenance and repair programmes. Due to the difficult market circumstances in the oil & gas industry and the impact of covid-19, the result for the Shipping segment deteriorated to a loss of USD (72.5) million for 2020.
- Restructuring of the outstanding debt under the Facility Agreement (as defined below) due the low utilisation of the vessels and supported by the Oceanteam strategy to shift from the oil & gas to the renewable industry has concluded in the decision to circulate the vessels on the S&P market. The market interest has resulted in a write -off on our participation BO 101 AS of USD 17.0 million.
- For CSV Southern Ocean, a write off of USD 46.1 million and an additional provision USD 6.15 million for the shortfall on the repayment obligation of the loan of the CSV BO101 under the Facility Agreement were incorporated in 2020.
- EBITDA for 2020 was USD (12.9) million versus USD 7.8 million in 2019.

Solutions activities:

- Utilisation of the existing assets, carousels and tensioners, was better than forecasted in a highly competitive environment during 2020.
- Oceanteam Solutions has entered in February 2020 into a three-year agreement for rental of its 4000Te carousel for the ultimate client Global Marine Group. The client has the option to extend this agreement with another two years.
- Oceanteam Solutions has entered into an agreement with a major cable manufacturer to provide cable transportation capability using a cable transportation and handling barge specially equipped for this task. The engagement commenced in April 2020 with completion in the first quarter of 2021 and optional extensions taken until March 31st, 2021.
- Oceanteam Solutions has been awarded a new contract for the transport and rental of a 2000T carousel spread required for umbilical installation in Asia. The mobilisation and departure from Oceanteam's Velsen yard were in December 2020, to deliver the equipment mid-January 2021 in Shenzhen (China), for umbilical installation during Q1 2021. Project management, engineering and operations will be provided by Oceanteam.

Vessel activities:

- In a tough market with less work and fierce competition, projects on hold due to oil prices and the covid-19 pandemic, Oceanteam was able to secure charters for CSV Southern Ocean, resulting in utilisation of over 45% against competitive day rates. Utilisation for CSV Bourbon Oceanteam 101 (CSV BO 101) was for January only after completing of the Total Angola project in March.
- CSV Southern Ocean performed under a charter agreement with a client from November 2019 until May 2020 for a project offshore India.
  Works on the first contract for Fugro Australia have commenced in October 2020 and were completed in December 2020.
- CSV Southern Ocean went into dry dock from August 2020 to early October 2020 for its five-year Class Renewal.
- The charter agreement of CSV BO 101 has ended in April 2020 and the vessel was preparing for an intensive maintenance programme to gear up for its next contract. For the CSV BO 101, the equity value of the participation has been written down to nil, resulting in a loss of USD (17.0 million in the Group accounts, according to the equity method.
- The CSV BO 101 was idle since April onwards, with partial repairs performed (engine overhaul) during summer 2020. Without new contract awards, capex has been postponed for liquidity reasons. Especially the repair of main crane, of which both winches broke down early 2020, caused severe delays. The damage is covered under the insurance policies, for which the proceeds are expected to conclude in Q2 2021.
- The fair value less costs to sell of CSV BO 101 is USD 14.1 million due to the uncertain outlook of the oil & gas business in combination with the technical status of the vessel. The fair value of the CSV BO 101 has been determined based on offer prices from market participants. CSV BO 101 requires its five-year Class Renewal before August 2021. The valuation of the participation BO 101 AS is at year end nil.
- Oceanteam and its joint venture partner Bourbon have agreed in August 2020 with the lenders of the jointly owned Vessels to defer the Q1, Q2 and Q3 instalments for 2020 under the Vessels' Facility Agreement until its expiry in 2022 to allow for flexibility to perform planned capex activities on both vessels summer 2020 and to cater for the reduced utilisation of the vessels.
- In November 2020 Oceanteam ASA's vessel owning companies agree with lenders on Extension of Deferral under the Facility Agreement (the "Facility Agreement") for the CSV BO 101 (Q4 2020 and Q1 2021) and CSV Southern Ocean (Q4 2020).

Corporate events:

- Hans Reimer Reinigert succeeded Jan-Hein Jesse in the board of directors as of 23 September 2020.
- The Investigation Report was presented to the shareholders on 30 March 2020 and an extraordinary shareholders meeting was held on 6 April 2020 in order to review the report. The Board of Directors have imposed the task to be looking into realistic possibilities to recover unjustified historical payments.

KEY FINANCIAL FIGURES OF THE OCEANTEAM GROUP

Amounts in US Dollar million

From the comprehensive income	2020	2019	Variance
Operating income	(3.4)	18.0	(21.4)
Operating expenses	(7.1)	(5.9)	(1.2)
Personnel costs	(1.8)	(2.1)	0.3
General & administration expenses	(0.6)	(2.2)	1.6
Operating profit (loss)	**(64.9)**	**2.0**	**(66.9)**
Net finance costs	(7.5)	(2.0)	(5.5)
Net profit (loss) from continued operations	(72.4)	0.0	(72.4)
Tax income (expenses)	(0.8)	(0.3)	(0.5)
Profit (loss) from discontinued operations	(0.0)	1.0	(1.0)
Profit (loss) for the year	**(73.2)**	**0.7**	**(73.9)**

From the Financial Statement	**2020**	**2019**
Vessels and other non-current assets	44.8	111.2
Current assets	8.0	9.3
Cash	3.2	4.8
Total assets	**52.8**	**120.5**
Interest bearing debt	25.2	25.1
Equity	**16.3**	**89.4**

Key Figures			
EBITDA	Reference 1	(12.9)	7.8
Current ratio	Reference 2	0.2	0.3
Equity ratio	Reference 3	31%	74%
Capital Expenditures	Cash Flow statement	(3.2)	(1.0)
Operating margin	Reference 4	(383)%	43%

Reference and definitions see note 27:

Number of shares on 31 December 2020 / 2019	34.338.833	34.338.333

2. MESSAGE FROM THE CEO

I have had the privilege of being appointed as CEO of Oceanteam ASA starting February 2020. I view my new responsibilities with both dedication and pride. I am committed to meeting the expectations of our stakeholders by uniting the collective strengths of the Group and forging ahead with the stabilisation process initiated in 2018 so that we may realise sustainable growth and further increase corporate value.

The past year has proven to be a very challenging period for Oceanteam, especially for the Shipping segment. In contrast our Solutions department which performed with solid utilisation and above budget, experiencing only limited impact from covid-19 related issues and the ensuing global recession.

Oceanteam Shipping was expected to have a rather challenging year, with both vessels planned to undergo five-year class renewal/drydock programmes.

The CSV BO 101 was originally scheduled to have an accelerated drydocking mid-2020 to position the vessel for a further long-term contract with Total in Angola. The major crane breakdowns in Q1 2020 and subsequent termination of the contract has resulted in an idle vessel from Q2 2020 onwards with a focus on reducing opex and progressing insurance claims, meanwhile tendering a new contract for Total Angola from second half year 2020 onwards.

The CSV Southern Ocean completed a contract with McDermott in India in May 2020, was subsequently impacted by market downturn and underwent delayed drydocking in September 2020. Successful contracts followed thereafter with Fugro Australia (Q4 2020), and a new award in Q1 2021 with Boskalis for a project offshore India.

Oceanteam Solutions performed satisfactorily and without incidents. New long-term contracts were secured with Global Marine and a major cable manufacturer for a one-year period whereby a river transport solution was provided. A short-term contract in China which allowed a strategic relocation of one of the units to Taiwan and other smaller contracts marked a successful year. Reorganisation of the project- and operations department, strengthening of commercial activities by recruitment as well as upgrading of equipment were undertaken to prepare Solutions for the future.

The Oceanteam strategy to shift from oil & gas towards renewables has gained momentum in 2020, further accelerated by market conditions in general and the impact of covid-19 in particular.

The need to shift to renewables is prompted by the market outlook for oil & gas in a world that demands a cleaner energy future. On basis of the drive for a lower carbon energy future various effects having an impact on Oceanteam were identified.

First and foremost, financial markets and institutions are now starting to change their focus as they recognize the serious risks associated with climate change and the perceived opportunities from climate action. The risks include both physical risks and stranded assets, i.e. assets that may be phased out before the end of their economic lives for which reason (re-) financing of typical oil & gas assets has become difficult if not impossible.

Secondly, these same financial institutions, acting mostly as end-clients in the renewables segment, are, based on their clear preference for vessels with alternative propulsion resulting in lower consumption and emission profiles, leading in the push for the operation of cleaner and greener offshore support and installation vessels.

Thirdly, the technical capabilities and limitations of especially the CSV BO 101, have also limited the position of this vessel for cable installations in the renewables segment.

On basis of the foregoing, it was concluded that the divestment of our vessels would be required in order to take advantage of the prospected growth of the renewable energy business worldwide.

The breakdown of the main crane of the CSV BO 101 in combination with lower utilization of the CSV Southern Ocean has had an enormous impact on the combined cash flow of the shipping segment and thereby on the financials of the entire company. The possibilities within the lenders' facility agreements have been stretched to their limits and removing these financial liabilities was deemed necessary so as to prevent these commitments becoming an existential risk for the company.

The divestment of our floating assets is leaving a long history behind but will ensure full focus on utilizing the strengths of the company to profit from the prospected upcoming possibilities in the renewable markets worldwide. The divestment process is as such also the launch of Oceanteam as an investment platform for further growth in the renewables segment.

The decision to divest from shipping activities, primary due to financial liabilities, has a significant impact in the 2020 financials. Due to market conditions, significant write offs were required to attract buyers at realistic vessel values.

Going forward, Oceanteam will explore all potential growth opportunities, utilizing its track record and competence of its workforce, the OSE listing, and the potential to attract financing on the capital market to build a renewable investment platform with suitable partners and interested investors.

The renewable market is definitely the primary focus for Oceanteam's future. All industry analysts predict a healthy outlook with annual growth rates in the mid to high teens for the next 20 years. The offshore renewable industry is rapidly growing worldwide. While Taiwan, Vietnam, China, Korea, Japan and the USA are discovering wind as a new source of energy to substitute traditional fossil fuels, Europe remains the leading region for offshore wind with new developments on the horizon, floating versus fixed farms, deeper waters, further from shore, requiring longer and larger cables and larger turbines. This all leads to the use and need of larger and heavier equipment and vessels.

As already concluded in 2019, our Solutions activities will require an increase of scale to optimise results from cable related activities, including storage, handling, transport, and installation. Critical mass is required to differentiate ourselves from smaller solutions providers to and secure as well as enhance profitability. Oceanteam will position herself to become a global service provider for larger contractors and cable manufacturers with a wide range of service-related activities.

In summary, the past and present year is dominated by progressing the divestment of both vessels, thereby allowing Oceanteam to revitalise the company and our strategy and look independently for new partners and investors.

I would like to thank all stakeholders and employees for their positive contribution in such a challenging environment and trust that the commitment shown will position Oceanteam for further growth in the future.

Henk van den IJssel
CEO Oceanteam ASA

3. CORPORATE IDENTITY, MISSION AND VISION

Oceanteam is a Norwegian listed subsea and offshore services company, with a head office in Lysaker, Norway a regional office in Amsterdam and a yard (storage/warehouse/site office) in Velsen, the Netherlands. The Company is currently comprised of two operating segments, Oceanteam Shipping and Oceanteam Solutions.

Positioning Oceanteam as an offshore services investment platform has already proven to be fruitful and will be the focus of Oceanteam going forward. The growth of cable handling, logistics, storage and transportation goes hand in hand with growth in the offshore wind sector, where customers demand a wider choice of assets, services and knowledge. Oceanteam is therefore targeting service providers in the offshore renewable market in order for the investment platform to provide a wide range of services in line with the changing customer demands.

Divesting the Shipping assets will contribute to execute our strategy. Moreover, the listing on the Oslo Stock Exchange will give Oceanteam access to multiple sources of debt and equity funding necessary to entertain significant growth of the investment platform.

After a successful divestment from the shipping segment in 2021, the Company will maintain an adequate capital structure that fits well with the strategy to focus on the renewable wind offshore business worldwide. Inflow of fresh capital will position the Company with sufficient financial and operational leverage to explore attractive investment possibilities in niche service providers to position Oceanteam as a preferred service-oriented provider for the renewable industry.

Oceanteam Solutions is active in the transportation, storage and handling of electric power cables for the offshore wind industry since 2007, having equipment and project experience to manage projects that involve operational complexity both in the mature North Sea market as well as new emerging offshore wind markets in North America and the Far East. The company currently owns 6 carousels and supporting equipment and has its deep-water port and offshore base in Velsen, The Netherlands. The Solutions division could be split in two type of activities: the rental of carousels and other supporting equipment, and the execution of large electric power cable transport and logistics projects, using Oceanteam's own equipment and third-party owned equipment and transportation vessels.

Oceanteam Shipping currently owns 50 percent of two high-end versatile construction support vessels, the CSV Southern Ocean and CSV BO 101.

The other 50 percent is owned by Oceanteam's joint venture partner Bourbon Offshore Norway AS. Bourbon Offshore Norway AS is a subsidiary of Bourbon Marine & Logistics SAS. Until the final divestment of the vessels Bourbon will continue to provide ship management services for both CSV Southern Ocean and CSV BO 101 in accordance with the international standards of efficient and environmentally friendly offshore shipping.

For more information about the Company: www.oceanteam.no.

The Company ticker on the Oslo Stock Exchange is "OTS" (www.ose.no).

4. MARKET OUTLOOK

OFFSHORE WIND

The outlook for the offshore wind market is forecasted to increase year by year going forward and could give a significant activity increase, both in Europe, Asia and the United States.

Offshore wind energy is at the core of how Europe can go carbon-neutral by 2050. Europe sits on one of the world's best offshore wind resources. According to the International Energy Agency (IEA), it could become the number one source of power in Europe by 2042. 85% of the capacity by 2050 is to be developed in the North Seas, based on good wind resources, proximity to demand and supply chain efficiencies.

One on the first decisions President Biden proclaimed was that the United States would comply with the Paris Climate Goals. The United States can achieve significant acceleration across a range of sectors and technologies. Wind power would lead the way for the transformation of the global electricity sector. Onshore and offshore wind would generate more than one third of the electricity needs.

The US offshore wind sector is brimming with anticipation. According to estimates offshore wind capacity is estimated at just 30MW, compared to more than 22GW in Europe. US offshore wind power today is generated at just one facility, the Block Island Wind Farm, now Orsted US Offshore Wind. Today's installed 30MW could soar to 33GW by 2030, an astonishing capacity increase. Even two-thirds of that increase would create huge opportunities for wind infrastructure developments.

US offshore wind potential so far lies in two regions – off the north east coast (in shallow water) and the west coast. Therefore, east coast wind development will focus on fixed installations, while those on the west coast are more likely to require floating installations.

Asia is set to become a leader in offshore wind, with its share in the global offshore wind market expected to grow from 24 percent in 2019 to 42 percent in 2025 and the rest of the decade. China has dominated the offshore wind market with more than 70 percent market share. However, its market share is expected to drop from 2025 when more utility-scale offshore wind projects get connected in emerging markets such as Taiwan, Japan, South Korea and Vietnam.

Taiwan's offshore wind ambition is widely recognized, driven by the need to retire coal plants and a ''green economy'' vision. Taiwan will connect 5.5 GW of new offshore wind by 2025 and another 10 GW for commissioning by 2035. South Korea, Japan and Vietnam will follow in the slipstream although offshore wind programs are less ambitious.

Offshore wind is one of the world's fastest-growing energy sources, with strong year on year growth expected across the next few decades. Markets across the world are opening their eyes to the huge business and investment opportunities that offshore wind can offer. With its scale, offshore wind has the real opportunity to replace traditional energy sources, driving the global energy transition.

In the field of cable handling, logistics, storage and transportation, the market is growing as fast as the offshore wind industry grows. The business is also changing from pure rental of carousels and ancillary equipment, cable storage and one-off cable transport contracts, to more service oriented integrated solutions. As average distance to shore is increasing customers will demand more tailored and integrated solutions on a global basis.

Oceanteam targets owners, contractors and suppliers in the offshore wind industry and develops and offers a range of services, starting from a simple rental of equipment to a complex tailored logistics service package including rental of equipment, cable transportation and cable storage and handling services with the aim to participate in the market growth and position itself as preferred offshore wind subcontractor.

OFFSHORE INSTALLATION AND SUBSEA

The oil and gas markets are still very much affected by the significant drop in energy prices early 2020. In addition, the covid-19 pandemic adds uncertainty to when and how the offshore activity will increase to a meaning full level.

Short- and long-term outlook remains subject to heightened levels of uncertainty because responses to covid-19 continue to evolve. Reduced economic activity related to the pandemic has caused changes in energy demand and supply over the past year and will continue to affect these patterns in the future. Activity in the oil & gas sector linked to production will probably be less affected than activity related to maintenance and exploration.

Even when the pandemic is under control, economies are expected to continue dealing with the adverse impact of deteriorated fiscal balances and the effect of muted business investment on the labour market and consumer spending in 2021.

Policy makers responded pledging more than USD 10 trillion in the first few months of the crisis. Many governments are now pushing plans to stimulate their economy via policies and investments designed to decarbonize industries and green their energy systems.

2020 was a year which saw OPEC+ having to take extraordinary action in order to try stabilising the oil market. The unprecedented fall in oil demand last year, and in particular Q2 2020, left the market drowning in supply. Historic production cuts have been agreed. However, the demand recovery this year is taking longer than initially expected. As OPEC+ will ease output this creates more uncertainty and potential increase of volatility in the first months of 2021.

5. BOARD OF DIRECTORS AND MANAGEMENT TEAM

Board of Directors

Keesjan Cordia

Chairman of the Board of Oceanteam ASA since April 2018
Year of birth: 1974, Dutch national
Current positions Director Invaco Management B.V. and Corinvest B.V. Board member / director Ship Finance International (NYSE) Board member / Director Northern Drilling (OSE) Board member Combifloat B.V. Board member Kerrco Petroleum
Former positions Owner/director of Sea Accommodation Resorts Limited (SeafoxGroup) B.V.
Education: Academic degree in Business Economics

Karin Govaert

Member of the Board of Oceanteam ASA since April 2018
Year of birth: 1968, Dutch national
Current position Founder and director of Rivermaas B.V. (Investments in Coastal Shipping)
Investment Manager Rotterdam Port Fund (till March 2020)
Former position Maritime Consultant
Education Academic degree in Economics at the Erasmus University in Rotterdam and a Master in Finance at the Tias Business School in Tilburg

Hans Reimer Reinigert
Member of the Board of Oceanteam ASA since August 2020
Year of birth: 1967, Dutch national
Current positions Owner of Merlion Nederland B.V. (investment-consultancy)
Former positions: Founder, shareholder and managing director of C-Ventus Windfarm Services B.V. and shareholder and managing director of DISA International Holding BVBA (both companies active in the offshore wind)
Education Academic degree in Law, Banking and Finance at the Vrije Universiteit of Amsterdam

Management Team:

Henk van den IJssel,
CEO of Oceanteam ASA since February 2020
Henk Hazenoot
CFO of Oceanteam ASA since August 2018

6. REPORT OF THE BOARD OF DIRECTORS

a. CORPORATE STRUCTURE

Oceanteam ASA is the parent company of a group of companies (together the “Oceanteam Group”). These subsidiary companies are grouped under two operating segments: Oceanteam Shipping and Oceanteam Solutions.

Oceanteam Solutions comprises of Oceanteam companies active as a service provider to the offshore renewable and oil & gas industry with the supply of rental equipment and services for the installation, transportation, storage and handling of subsea cables.

Oceanteam Shipping comprises Oceanteam’s deep water construction support vessel companies, including incorporated joint venture companies partly owned by Oceanteam.

The majority of the subsidiary companies are incorporated in Norway and in the Netherlands.

b. BUSINESS ACTIVITY

The Group delivers high spec assets and unique services to the offshore renewable and oil & gas industry. Through its Oceanteam Solutions division, Oceanteam provides a complete set of high-quality rental equipment (demountable carousels, tensioners and other cable handling equipment) and tailored solutions for the installation, transportation, storage and handling of subsea cables. Through its Oceanteam Shipping division, Oceanteam co-owns, charters and manages two high-end deep water offshore Construction Support Vessels (CSV’s).

c. OCEANTEAM SOLUTIONS

Oceanteam Solutions focuses on providing a complete set of high-quality equipment and services suitable for offshore cable installation, on- and offshore cable storage and cable transport in close collaboration with Oceanteam’s other business unit. The division, which was established in 2007, has a long track record as a service provider to the offshore renewable industry. It has a pool of experienced staff that, combined with Oceanteam’s owned equipment, vessels and engineering capabilities, has the ability to provide a complete range of Lloyd’s ISO certified solutions to its clients. Multiple cable storage projects, cable handling activities and rental of equipment were ongoing, and the Company’s main assets are under contract or will be under contract in the first quarter 2021.

Oceanteam Solutions is well positioned in the offshore wind industry, having equipment and project experience to manage mission-critical solutions that involve operational complexity in the more mature North Sea market, with a growing focus on emerging offshore wind market in the US and the Far East. While the energy transition is gaining momentum, our ambition is to strengthen our position in this market segment by using the investment platform to drive industry consolidation.

d. OCEANTEAM SHIPPING

Oceanteam Shipping currently owns 50 percent of two high-end versatile construction support vessels, the CSV Southern Ocean and CSV BO 101. The other 50 percent is owned by Oceanteam's joint venture partner Bourbon Offshore Norway AS. Bourbon Offshore Norway AS is a subsidiary of Bourbon Marine & Logistics SAS, a 100 percent subsidiary of Bourbon SA. The largest of the two vessels, the CSV Southern Ocean, is controlled by Oceanteam, having 3 of the 5 board seats of the ship owning company. This company is fully consolidated. The other vessel, the CSV BO 101, is controlled by Bourbon, having 3 of the 5 board seats, and hence accounted in the Group accounts according to the equity method for accounting subsidiaries. Day-to-day ship management, crew and technical operations are outsourced to Bourbon, while all commercial charter activities are jointly conducted, and accounting is performed by Oceanteam. Both companies have daily contact on all important matters. The boards meet on a regular interval basis.

Upon her delivery in December 2007, the CSV BO 101 has been chartered by various oil majors for their Angolan deep-water oil & gas activities. In February 2020 the CSV BO 101 was redelivered to owners and is presently in Vigo, Spain for maintenance and repair of the main crane. The CSV Southern Ocean has been on charter for various contractors in Australasia since her delivery in 2010. Immediately after drydock the CSV Southern Ocean was chartered out to Fugro, after which Boskalis chartered the vessel until at least the beginning of April 2021.

e. BACKLOG

Solutions Segment

Multiple cable storage projects, cable handling activities and rental of equipment are ongoing, and the Company's main assets will remain under contract until late 2021 and onwards following several extensions under existing services and rental agreements.

In February 2020 Oceanteam Solutions entered into a three-year rental agreement for rental of the 4000Te carousel for Global Marine Group. The client has the option to extend this agreement with maximum five years.

Oceanteam Solutions has further entered into an agreement with a major cable manufacturer to provide cable transportation capability using a cable transportation and handling barge specially equipped for this task. The engagement will commence in April 2020 and will be completed March 31st, 2021.

The business activity in the 2nd half of the year increased and as a consequence one carousel was used to transport subsea cables to the Far East only to return mid Q1 2021. For strategic reasons the carousel will remain in Taiwan anticipating the increased activity levels in offshore wind projects in this region.

The outlook for the years to come is promising as large windfarms are being developed in Europe, Asia and USD (requiring larger and heavier cables) to speed up the developing their renewable energy footprint.

Shipping Segment

The backlog for Oceanteam Shipping:

CSV Southern Ocean is under contract for Boskalis in Asia from February until early April 2021 with potential extensions into mid-April.

The CSV BO 101 is still in Vigo Spain to finalize repair of main crane damages which is forecasted to be finalized in Q2 2021.
As part of the divestment process, Oceanteam announced on 26 March 2021 that the Company has entered into a Memorandum of Agreement regarding the sale of the CSV Southern Ocean. The transaction is to be completed in April 2021.

f. COMMENTS RELATED TO THE FINANCIAL STATEMENTS

INCOME STATEMENT

Total operating income of the Oceanteam Group decreased to USD (3.4) million in 2020 compared to USD 18.0 million in 2019. EBITDA for 2020 is negative of USD (12.9) million compared to USD 7.8 million in 2019. The Net Result decreased from a profit of USD 0.7 million in 2019 to a loss of USD (73.2) million in 2020.

Shipping segment

For transparency and completeness, the CSV BO 101 is not consolidated into the Oceanteam accounts but reported on equity basis and only 50 percent of the net result is taken into Oceanteam's revenue. Revenue from the shipping company Oceanteam Bourbon 4 AS decreased from USD 12.7 million in 2019 to USD 7.9 million in 2020. The CSV Southern Ocean had less operational days (2020: 161 days versus 2019: 292 days) and the average day rate was substantially lower. With lower operational costs and G&A, higher depreciation and amortisation and a write off of 46.1 million USD this resulted in an operating loss of USD (65.0) million in 2020 (2019: profit USD 3.0 million).

The total operating loss includes the net loss from associates/joint ventures of USD (17.0) million in 2020, which represents the (50%) net income/loss from the joint venture company Oceanteam Bourbon 101 AS (2019: net income of USD 2.1 million). The loss from associates/joint ventures in 2020 is due to low utilization of CSV BO 101 and a significant impairment in the carrying value of the vessel. As at 31 December 2020, the fair value less costs to sell of CSV BO 101 is USD 14.1 million. The value of the investment in the associate is nil.

EBITDA of the total Shipping segment was a negative USD (14.0) million in 2020 compared to USD 7.3 million positive for the same period in 2019. A lower EBITDA and higher financial expenses lead to a negative Net result from continued operations of USD (72.5) million over 2020 compared to USD 1.3 million over 2019. In the financial expenses, USD 6.15 million is incorporated for the loan shortfall in accordance with IFRS 9 due to expected credit loss related to the guarantee for the loan of BO 101 AS.

Solutions segment

The revenue of Oceanteam's Solutions business for 2020 is USD 5.7 million compared to USD 3.1 million for 2019. During 2020 Oceanteam's Solutions business continued to service its existing long-term contracts and revenue represented equipment rental and cable storage income. New projects were won in the first half of 2020 well into 2021 and beyond. A combination of contractors on the cable transportation project led to lower margin which was compensated by a long-term rental contract with Global Marine Group.

The operational costs of the Solutions division for the reporting period are higher compared to the same period in 2019 due to the cable transport project that was regulated with several subcontracting parties where Oceanteam Solutions was in the lead. EBITDA of the Solutions segment remained positive at USD 1.1 million over 2020 (2019: USD 0.5 million). Despite the positive EBITDA, the net result from continuing operations ended with a loss of USD (0.7) million over 2020 compared to a loss of USD (1.5) million over the same period 2019. Excluding the income tax, the pre-tax profit for 2020 is USD 0,1 million compared to a loss of USD (1.3) million in 2019.

Based on expected future results of the Solutions division the deferred tax calculation resulted in a cost of USD (0.8) in 2020.

Operating costs

Total operating expenses include operating costs, personnel costs, general & administration expenses, depreciation & amortization, and write offs/ impairments. Total operating expenses amounted to USD 61.5 million in 2020 (2019: USD 16.0 million). The main difference between both years is the write off on the CSV Southern Ocean USD 46.1 million and higher operational costs for solutions transport project (2020: USD 7.1 million versus 2019: USD 5.9 million). Personnel costs and G&A decreased of in both divisions (2020: USD 2.4 million versus 2019 USD 4.3 million) due to cost saving initiatives.

The combined segments operating costs and general & administration expenses have been lowered from USD 10.2 million in 2019 to USD 9.6 million in 2020. The Operating costs were USD 1.3 million higher due to higher operating costs of USD 2.4 million in the Solutions division, lower project activity and operating costs for CSV Southern Ocean of USD 1.1 million. The decrease in operating costs on the Shipping side was the result of the dry dock and lower crew costs for the CSV Southern Ocean due to lower utilisation caused by delay in finalizing dry dock and covid related issues.

Personnel, general & administration costs amounted to USD 2.4 million in 2020 (2019: USD 4.3 million). The costs decreased due to less professional services fees, less salary and management expenses and less office rent. Included in the general costs is an amount of USD 0.2 million for the minority investigation, legal fees of USD 0.1 million for general corporate and compliance related issues.

The above facts resulted in a decrease of operating profit before discontinued operations in 2020 to a loss of USD (64.9) million compared to a profit of USD 2.0 million in 2019.

In 2020 the financial expenses have increased to USD 7.5 million versus USD 2.0 million in 2019 (+372%). In the financial expenses USD 6.15 million has been incorporated for the loan shortfall in accordance with IFRS 9 due to expected credit loss related to the guarantee for the loan of BO 101 AS. Ongoing negotiations with the insurance intermediaries have caused delays in finalizing the claims and the repair of the main winch. Cross collateral guarantees in the lender's agreement has as a consequence that a forecasted deficit on repair from the CSV BO 101 will be transferred and added to the loan of the CSV Southern Ocean. The interest on the loans resulted in lower financial expenses because of a substantial decrease of more than 80% of the LIBOR interest rates compared to the 2019 levels.

The Group made a net loss after taxes and discontinued operations of USD (73.2) million in 2020 compared to a profit of USD 0.7 million in 2019. Excluding the discontinued operations 'result, the Company made a loss of USD (73.2) million compared to a loss of USD (0.3) million in 2019.

BALANCE SHEET AND CAPITAL STRUCTURE

Total assets at the end of the reporting period amounted to USD 52.8 million, compared to USD 120.5 million on 31 December 2019. Equity as a percentage of total assets was 30.8 percent per 31 December 2020, compared to 74.2 percent per 31 December 2019.

Oceanteam has diversified capital sources consisting of equity, bank and shareholders' loans. The equity (share capital of the Company) is divided into 34,338,833 shares with a nominal value of NOK 5.75 each.

The shipping division charters and manages two deep water construction support vessels, owned by two vessel owning companies, 50 percent of the shares of which are owned by Oceanteam. The shipping company Oceanteam Bourbon 4 AS for the CSV Southern Ocean has been fully consolidated. With respect to the shipping company Oceanteam Bourbon 101 AS for the CSV BO 101, this company is consolidated according to the equity method. Together with Oceanteam Solutions' equipment, the non-current assets, property, plant and equipment were USD 44.1 million on 31 December 2020 (2019: USD 109.7 million).

There is a credit and guarantee facility with the joint venture entities Oceanteam Bourbon 4 AS and Oceanteam Bourbon 101 AS as borrowers and SpareBank1 SMN, DVB Bank SE Nordic Branch and NIBC Bank N.V. as lenders (" Southern Ocean and BO 101 Facility"). Southern Ocean and BO 101 Facility is only partly consolidated into the Group's accounts, as Oceanteam Bourbon 4 AS is classified as a subsidiary (consolidated) whilst Oceanteam Bourbon 101 AS is classified as an associated company (not consolidated). As of 31 December 2020, the balance of the Southern Ocean and BO 101 Facility which is consolidated in the Group's Financial Statements was USD 22.2 million (2019: USD 22.1 million). As it is expected that Oceanteam Bourbon 101 AS will not be able to settle its part of the loan in full, Oceanteam Bourbon 4 AS has recognised a provision for lifetime expected credit losses of USD 6.15m. This is presented under 'Other current liabilities'.

In 2020, Bourbon Marine and Logistics (Corporate Guarantor III) had not paid financial indebtedness when due and breached the minimum market adjusted equity ratio which has led to cross default under the Southern Ocean and BO 101 Facility. Additionally, Oceanteam Bourbon 101 AS was in breach with the loan agreement due to working capital requirements, therefore the full loan is represented as short term liability.

The final repayment date of the Southern Ocean and BO 101 facility is July 2022. The lenders under the Southern Ocean and BO 101 facility have accepted deferral of all four loan instalments due in 2020 for both Southern Ocean and BO 101 and the January 2021 instalment for BO 101. Loan instalments have restarted in January 2021 for Southern Ocean and will restart for BO 101 in April 2021.

Further, the Company is a borrower under two secured shareholder loans with an aggregate amount of USD 3.0 million on 31 December 2020. These two loans were provided for general corporate purposes, which maturity is extended to 2023.

VESSELS AND EQUIPMENT, INVESTMENT IN ASSOCIATES AND JOINT VENTURES

The net book value of vessels and equipment was USD 44.1 million on 31 December 2020 (2019: USD 92.7 million). This represents the CSV Southern Ocean and offshore wind Solutions assets. The historical cost of the CSV Southern Ocean, which is fully consolidated on the balance sheet, was USD 174.2 million on 31 December 2020. In 2020, ship related capex was USD 3.1 million, invested into the CSV Southern Ocean and USD 0.1 million invested in Solutions equipment. The carrying amount of the vessel (net book value after depreciations and impairments) was USD 29.8 million (2019: USD 77.5 million). The historical cost of Equipment and Fast Support Vessels was USD 50.5 million on 31 December 2020. The carrying amount as per that date was USD 14.2 million, only representing the offshore wind Solutions equipment.

The Investment in associates and joint ventures was written off to nil on 31 December 2020 (2019: USD 17.0 million). This is the investment in Oceanteam Bourbon 101 AS, the company being consolidated according to the equity method. The net book value of the CSV BO 101 was USD 14.1 million on 31 December 2020 (2019: USD 47.0 million). The value of the vessel was impaired to USD 14.1 million due to the divestment process and the market interest for a sale of the vessel. Due to covid-19 the pool of vessels for oil & gas projects has increased causing pressure on day rates. Uncertainty towards the timing of a renewed market entry of the vessel in combination with limited projects in Africa and higher demands from contractors, the outlook is not positive. And this, combined with increased technical requirements from contractors resulted in a significant lower valuation.

The Total Non-Current Assets - property, plant and equipment of USD 44.1 million represents 84 percent of the total assets. In aggregate the net book value of both vessels was (on a 100 percent basis) USD 43.9 million. For clarity, only the CSV Southern Ocean of the two vessels is accounted for as fixed asset on the balance sheet.

The CSV Southern Ocean has been valued in two steps. First step was using an average of the three broker valuations. The second step after negotiating the sale of the CSV Southern Ocean valuating the CSV Southern Ocean to USD 30 million less cost to sell. We consider the sale price to provide more reliable information than the broker valuations when determining the vessel's fair value as at 31 December 2020. As at 31 December 2020, the vessel has been valued at its fair value (sales price) less cost to sell.

There is significant uncertainty regarding CSV Bourbon Oceanteam 101 securing future contracts and whether its value will be recovered through a sale transaction or through continuing use. The group's strategy is to shift from oil & gas towards renewables. Considering the vessel's technical limitations (not having the dead weight capacity for large cable carousels), the opportunities the vessel has for cable installations in the renewables segment are limited. Furthermore, refinancing of the vessel's loan facility is considered to be very difficult. For these reasons we have chosen to not place reliance on our value in use calculation but rather place reliance on the vessel's fair value less costs to sell. The fair value has been determined based on offer prices from market participants.

SHARE CAPITAL AND EQUITY

On 31 December 2020 the total capital of the Company was NOK 197.448.289,75 divided into 34,338,833 shares with a nominal value of NOK 5.75 per share.

The Non-controlling interests (related to the Oceanteam Bourbon 4 AS ship company owning the CSV Southern Ocean over which Oceanteam has significant control) decreased to USD 2 million compared to USD 29.5 million by year-end 2019. Total equity decreased from USD 89.4 million in 2019 to USD 16.3 million by year-end 2020, representing 31 percent of total equity and liabilities.

As part of the security under the Southern Ocean and BO 101 Facility, the Lenders have, amongst others, a first priority mortgage on both CSV vessels. Additionally, there are corporate guarantees provided to the Lenders by the three Joint Venture partners. The cash amount at the ship company level was USD 3.1 million on 31 December 2020. This amount cannot be paid out to the shareholders without consent of the lenders and will be released, subject to conditions, for the capex and repair of hull and machinery investments related to insurance claims of the BO 101 in 2021.

CASH FLOW AND LIQUIDITY

During 2020 the Group's overall cash position decreased from USD 4.8 million to USD 3.2 million. USD 3.1 million of this amount is held by Oceanteam Bourbon 4 AS and is not freely available to either Oceanteam or Bourbon and is accumulated as a reserve for future repayment of debt under the Southern Ocean and BO 101 Facility.

Net cash flow from operating activities amounted to USD 1.6 million in 2020 compared to USD 5.3 million in 2019. Besides one-off elements as a result of the financial restructuring, the biggest changes in net cash flow from operating activities were in depreciation and amortization of tangible assets and working capital movements.

INVESTMENTS

During 2020, investments were made for USD 3.2 million. USD 3.1 million was invested in CSV Southern Ocean for dry dock and five-year Class Renewal and USD 0.1 million in equipment of the Solutions division.

g. GOING CONCERN

In accordance with the Accounting Act § 3-3a Oceanteam ASA confirms that the financial statements have been prepared under the assumption of going concern. This assumption is based on income forecasts for the years 2021 – 2022 and the Group's long-term strategic forecasts. The market has been experiencing a downturn which has had a direct impact on the performance and liquidity of the Group. The Directors have considered all available information about the future when concluding whether the Company is a going concern at the date they approve the financial statements. The review covers a period of at least twelve months from the date of approval of annual report.

The revenue in cash flow forecast is based on the management fees from the shipping entities and the contractual revenue from the Solutions division. The outgoing cash flow represent vendor payments for the Solutions division and the personnel costs and general & administration expenses for the Oslo and Amsterdam office. The divestment of the shipping segment is expected to result in positive net proceeds which would sufficiently substitute the management fees for an extended period. The Company has at its disposal a credit facility with the Rabobank to finance the project mobilisation costs for the Solutions division.

The CSV BO 101 is still not operational because of constraints in repairing the hull and machinery equipment which was affected by a serious breakdown resulting in an excessive insurance claim. Negotiations with the insurance companies are ongoing and expected to be concluded in Q2 2021.

Detailed disclosure note on future cash flows period of 12 months (from 1 April 2021 until 30 April 2022) with underlying key assumptions are available in the annual report 2020 within Financial Statement disclosure Note 3. There is inherited risk in cash flow estimates for Company ability to secure new contracts within its business segments. However, the Company has plans to mitigate the constraint through various actions. Reference is made to the disclosures for detailed information about various risks in the annual report 2020 and how the Company is mitigating these.

Revenue streams from the contracts for the CSV Southern Ocean running for 4 months after balance sheet date are predictable. With an idle CSV BO 101 the financing of these vessels is a constraint on the cash flow. The divesting of shipping segment is expected to proceed in Q2/Q3 2021, leaving a potential surplus within Oceanteam ASA.

The Solutions segment has several long-term contracts for its equipment. Solutions experiences pressure on pricing because of an active spot market and tendering processes that last longer. Availability of carousels is high as offshore wind projects are forecasted to start during Q3 and Q4 2021. With the expected growth in offshore renewable energy, improvement on volume and pricing is expected as well.

h. RISKS

Based on the Group's activities and strategic objectives the Company has identified the main risks associated with its activities and strategy. The Group is exposed to technical, economical, commercial, operational and political (TECOP) risks, including financial, liquidity, and health, safety and environmental risks. Those risk factors may positively or adversely affect Oceanteam in the future. Please note that the risks below are not the only risks that may affect Oceanteam's business or the value of the shares. Additional risks not presently known to the Board of Directors or considered immaterial may also affect its business operations and projects. Development of the business and changes in market conditions can also lead to new risk areas that previously were not applicable. If any of the risks described below materialise, individually or together with other circumstances, they may have a material adverse effect on the Group's business, financial condition, results of operations and cash flow and or prospects. The order in which the risks are presented below is not intended to provide an indication of the likelihood of their occurrence nor of their severity or significance. The risks mentioned herein could materialise individually or cumulatively.

The appetite for risks is extensively discussed and tested for every major individual event, such as entering into a contract, making an acquisition or divestment, deciding to make an (capex) investment, or hiring new management.

All teams in Oceanteam must identify and evaluate the risks to the achievement of any project and charter contract objectives, set boundaries for risk acceptance, and apply fit-for-purpose responses. Teams must actively manage their project and charter contract risks and accurately inform decision authorities and Management of the Group. Risk management is primarily about adopting a structured way of working that ensures risks are identified, understood, agreed, communicated and acted upon in a timely and consistent manner. An unambiguous organizational framework is a pre-requisite. Risk management is an integrated part of and is actively used to support the decision-making process.

The Company has two explicit "zero tolerance" criteria:

1) In relation to HSE: Oceanteam has zero tolerance for harm to people or for damage to the environment or to its assets in the execution of its activities.
2) In relation to Compliance: Oceanteam has zero tolerance for non-compliance with the Oceanteam's Code of Ethics and any related applicable laws and regulations.

Oceanteam is not prepared to assume excessive commercial risk in turnkey type of offshore contracting risk in its Shipping segment as it cannot absorb such risks financially or manage those operationally. In the Solutions segment, the Group is willing to consider such risk to a certain extent as long the amounts involved are acceptable and within limits of the Company's financial position and capabilities. Oceanteam has limited appetite to engage with joint venture parties and vendors which relate unsatisfactory on Company's set criteria. As an investment platform, Oceanteam will only do major acquisitions subject to shareholders' consent as part of raising financing for such acquisition or issuing (new) shares.

Risk breakdown structures are excellent tools for both risk identification as well classifying, evaluating and managing risks to assist with managing sub sections of the risk register. Active risk management must help in achieving the Companies' strategic goals and objectives. The most commonly used project risk breakdown structure in Oceanteam is TECOP.

TECHNICAL RISKS

The Company is active in the offshore oil and gas services and offshore wind business. It owns large construction support vessels and heavy equipment. These assets are employed worldwide, including in deep water and hostile environments. The assets suffer from wear and tear and require regular maintenance and planned and unplanned repair. Oceanteam enters into contracts with its customers where Oceanteam is accepting certain project execution risks in line with industry practice. Such construction risks are generally limited in nature and absorbed by the customer and or his end-client.

Key subsections of Technical Risks are Health, Safety, Environmental and Security risks, Integrity risks (of vessels, equipment and systems), Availability risks, Operability risks, Technology risks, and Maintenance risks. Together with Bourbon, Oceanteam maintains high standards for its' assets and invest in the assets to minimize technical risks. Oceanteam only accepts industry standard and limited project-related risks where it believes it can manage and absorb such risk adequately or can transfer this risk to third parties.

Bourbon and Oceanteam cannot exclude the risk of crew members and other visitors to the vessels are or will become effected by the coronavirus. Bourbon, the clients and contractors and Oceanteam have developed and implemented a full set of pre-cautionary measures to manage this risk adequately. Health and safety of the crew, as well as visitors and contractors maintain our first goal at all times. As far as known at the date of issuing this report, there is no person with the coronavirus identified on either vessel.

Oceanteam is committed to pioneering new technologies that improves the safety and the efficiency of the operations and has a risk appetite to explore with its customers on better ways to design and execute its subsea and solutions activities. Oceanteam sees advantages of utilising digital technologies and is supportive to make investments in such technologies in cooperation with its customers. The Group devotes considerable resources to ensure its assets are performing safely and to high quality standards. Oceanteam promotes adequate day rates to allow making such investments. Control and maintenance of all equipment are vital to daily activities on board and at the sites. Fleet and equipment performance is continuously measured.

COMMERCIAL RISKS

The Group is exposed to market fluctuations which may result in lower utilisation and reduced charter or rental rates for future contracts (existing charter or rental contracts are firm) and thus earnings for the Group's vessels, equipment and services. Attempts are made to reduce this risk by entering into contracts that secure long-term charters for the vessels and for the main portion of the carousels in the Oceanteam Solutions business.

Oceanteam is currently active in two streams of businesses, the subsea business, where it charters two large, versatile construction support vessels, and in the offshore wind business through its Solutions division. Due to the high investments in assets involved, the portfolio is biased towards shipping. Future acquisitions might rebalance this to a certain extent financially and commercially. In any case, Oceanteam is committed to play its role in both the oil and gas services market as well as the offshore renewable market. Through this portfolio, Oceanteam will contribute to the energy transition and offer its capabilities to make such transition to happen.

Risks in this sub-category could be grouped along Market and competition, Contracting and procurement, Financing (Credit) and Liquidity, Business controls, Legal, Terms and conditions, and Liabilities and Compliance.

In the Shipping segment, Oceanteam generally performs its business activities under a bareboat charter or a time charter as a sub-contractor to the main contractor who has a need for our vessel or equipment, or a hybrid form, co-mingling the two main types of contracts. In the Solutions segment Oceanteam enters in a variety of contract structures, from lump-sum fixed price contracts to rental contracts, cost-plus contracts and performance-driven type of contracts. In both segments, Oceanteam is working under long-term contracts and short-term and spot market contracts. In the shipping segment, Oceanteam pursues long-term charter contracts.

Market risk includes consequences of the cyclical nature of the industry in which Oceanteam is involved. The oil price is a significant driver for the offshore construction market, and thus for the demand for Construction Support Vessels. Policy measures set by governments and the pace of awarding and developing offshore wind parks significantly drive the demand for the equipment and services of Oceanteam Solutions. At times of high demand and positive outlooks, investors might become overly enthusiastic in setting their assumptions, which might result in ordering new vessels and equipment, which might result in oversupply and under-utilisation of assets in down-turn periods of the business cycle, and thus affect Oceanteam's operations and financial performance. Customers of Oceanteam might force the Group to accept more or new type of risks, which could increase the overall risk profile of the Group, or cause regret costs of losing projects and new work to the competition.

FINANCIAL RISKS

The Company is exposed to financial risk in different areas. Financial risks include interest rate and currency fluctuations and investment, credit and liquidity risks in general. The investment risk also relates to the counter party risk in relation to Oceanteam's Joint Ventures.

In 2020, Bourbon Marine and Logistics (Corporate Guarantor III) had not paid financial indebtedness when due and breached the minimum market adjusted equity ratio which has led to cross default under the Southern Ocean and BO 101 Facility. Additionally, Oceanteam Bourbon 101 AS was in breach with the loan agreement due to working capital requirements. Both of the loans are therefore in default.

The CSV BO 101 has cash constraints due to repair of damages and delay in processing insurance claims. Based on forecasted repair schedules and expected insurance claim inflow a deficit is forecasted of USD 6.15 million for a scenario in which settlement of the insurance claim is pulled forward. Cross collateral liabilities for both vessel entities will leave the deficit for the BO 101 AS on top of the liability of the Ocean Bourbon 4 AS entity. The Company has initiated the divestment of the shipping segment. The CSV Southern Ocean has been sold and sale agreement will be executed in April 2021. The potential deficit on the CSV BO 101 will be financed by the excess proceeds on the sale of the CSV Southern Ocean. This scenario will give Oceanteam more time to get the most out of the insurance claim, specifically Loss Of Hire, and minimize the expected deficit. The shareholder loans are secured.

An increase (decrease) in the interest level with 100 basepoints will give an effect of USD 0.2 million on the balance of loans and borrowings per 31 December 2020. The interest rates are also linked to the development of LIBOR margins.

The Company has sales revenues and liabilities in foreign currencies and is exposed to currency risks: 59 percent of the revenue is in USD, 32 percent is in Euro and the remaining 9 percent in GBP. Since the functional currency is in USD the foreign exposure is for liabilities in the EUR and its fluctuations with USD. Some of the local costs for Oceanteam are in NOK which also has been favourable during 2020 due to foreign exchange fluctuations. The overall strategy to reduce currency risk is largely based on natural hedging with incoming and outgoing cash flows been made in the same currency.

Today's Group's customers are primarily large companies with high credit rating. Credit risk is the risk of financial loss to the Group if a customer or other counterpart to a financial instrument or invoice fails to meet its contractual obligations and such loss would arise principally from the Group's trade receivables and its customers. At year-end, trade receivables from the Shipping segment represented 50 percent of the Group's total trade receivables. These receivables were all related to the business conducted by the two Construction Support Vessels. The CSV Southern Ocean is chartered by Boskalis. The CSV BO 101 is idle and in the process of repair. Boskalis has a solid payment record. All outstanding receivables of 2020 have been paid in the first quarter of 2021. Geographically the CSV Southern Ocean is currently located in South Asia (India). The CSV BO 101 is in Vigo waiting for repairs.

During the tendering and contract negotiations phase and dependent on the status of the charterer, Oceanteam always requests security over the receivables of the charter party; such as a parent company guarantee, bank guarantee, payment in advance or lien on assets of the charterer. Unfortunately, as a result of current market circumstances, the charterer is not always willing to provide such guarantee.

At year-end, trade receivables from the Solutions segment represented 45 percent of the Group's total trade receivables. The exposure to credit risk depends on the individual characteristics of each customer. Before projects are in tendering phase and awarded, the Group performs full credit assessments on its existing and future customers. Geographically the credit risk for the Solutions segment can be divided into activities in European countries and with an approximate number of ten customers. Customers within the Solutions segment are in the oil and gas and the renewable offshore industry. For the Solutions segment, all of the outstanding trade receivables per year end have already been received in 2021.

The Group's bad debts allowance is determined based on an individual assessment of the collectability of each receivable. The need for bank guarantees, parent company guarantees, and pre-payments are considered on individual basis project by project. Currently no provisions have been made.

All risks related to the Shipping segment relates to renewing of contracts when these expire; Oceanteam and Bourbon have submitted several tender proposals to current and new customers and are actively in discussion with prospective customers.

CREDIT RISK

The Group has sales revenues and liabilities in foreign currencies and is exposed to currency risks. 50 percent of the revenue is in USD, 40 percent is in EUR and the remaining 10 percent is in GBP. Since the functional currency is in USD, the foreign currency exposure is for liabilities in EUR and its fluctuations with USD. Some of the local costs for Oceanteam are in NOK which also have been favourable during 2020 due to foreign exchange fluctuations.

The Group's customers and partners are preferably and primarily large companies with high credit rating. Credit risk is the risk of financial loss to the Group if a customer or other counterpart to a financial instrument or invoice fails to meet its contractual obligations and such loss would arise principally from the Group's trade receivables and its clients and customers.

Shipping segment

At year-end, trade receivables from the Shipping segment represented 55 percent of the Group's total trade receivables. Currently, there is one main client Boskalis all outstanding receivables of 2020 have been paid in the first quarter of 2021.

Geographically the CSV assets are currently located in Vigo (Spain) and South Asia (India). All outstanding trade receivables for the shipping segment of approximately USD 1.3 million have been received in the first quarter of 2021. No allowance for expected credit losses is considered necessary.

Solutions segment

At year-end, trade receivables from the Solutions segment represented 45 percent of the Group's total trade receivables. The exposure to credit risk depends on the individual characteristics of each customer. Before projects are in tendering phase and awarded, the Group performs full credit assessments on its existing and future clients. Geographically the credit risk for the Solutions segment can be divided into activities in European countries and with an approximate number of 9 clients. Clients within the Solutions segment are in the oil and gas and the offshore wind industry. In the Solutions segment, all of the outstanding trade receivables per year end have already been received in 2021. No allowance for expected credit losses is considered necessary.

Oceanteam Group

As at 31 December 2020, Bourbon Oceanteam 101 AS has a negative equity of USD 5.3 million. The financial risk for Oceanteam Bourbon 4 AS in respect of the financial guarantee in place (both JV's being jointly and severable liable) has therefore increased significantly. The loss allowance has been measured over the lifetime of the financial instrument resulting in a USD 6.15 million provision for expected credit losses being recognised in Oceanteam Bourbon 4 AS.

The Group's allowance for expected credit losses is determined based on lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, Oceanteam measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

The need for bank guarantees, parent company guarantees, and pre-payments are considered on individual basis project by project.

LIQUIDITY RISK

Liquidity risk relates to the ability to meet financial obligations as they fall due. The oil and gas industry has continued to experience a downturn, which has inherently increased the liquidity risk. Oceanteam's response has been to continue cost saving programs and delay capital investments.

In case of increased pressure on liquidity due to market circumstances, waivers have been agreed in which repayment of both Shareholder Loans can be suspended to a later period.

Oceanteam has financial obligations due to both, credit institutions and to vendors. The financial obligations to credit institutions are limited in number and in size. At the end of 2020, the balance of secured bank debt is USD 22.2 million, and the balance of secured shareholder loans is USD 3.0 million. There is USD 1.7 million in trade payables and USD 9.7 million in other liabilities (including the USD 6.15 million loan guarantee provision).

Obligations to vendors are mostly smaller in size and across a larger number of vendors. These obligations are managed in similar fashion as those to credit institutions with individual agreements. In as much as there is liquidity risk in the JVs with Bourbon, the risk is primarily that disbursements out of shipping companies are blocked except for management fees.

The liquidity risk can be divided into short term, medium term and long-term risks. The short-term risks relate to certain specific small vendors requiring immediate repayment compared to incoming cash flows. This risk is managed through the incoming cash flow which the Group has from the Shipping division and the Solutions division.
The medium-term risks relate to aggregation of smaller vendors as mentioned but with greater focus on Solutions performance. Due to increased solutions activity cash flow fluctuation in medium term should remain covered by the cash flow of the on performance of contracts in the Solutions segment. This medium risk has been managed by having contracts for a longer period in the Solutions division. Long term risks

related to the repayment of loan instalments has been managed by requesting deferral of the repayment of instalments on the basis of unemployment of the vessels.

Shipping revenue and earnings stream are from the main CSV contracts. All risks related to Shipping division relates to renewing of contracts when these expire. Historically, even in poor market conditions Oceanteam and Bourbon have been able to find employment for Oceanteam's main assets. CSV Southern Ocean is under contract with Boskalis until April 2021.

Within the JVs Oceanteam Bourbon 101 AS and Oceanteam Bourbon 4 AS, as of 31 December 2020, there was combined cash of USD 3.1 million which may be considered partially restricted; and there is combined loan debt of USD 40.4 million of which USD 22.3 million is consolidated into Group reported numbers.

MARKET RISK

Market risk includes risk due to fluctuations in oil prices, political, economic risk and other uncertainties, increased competition and risk of war, other armed conflicts and terrorist attacks. The oil price is a significant driver for the offshore construction market, and thus for the demand for Construction Support Vessels. The deteriorated financial climate has an impact on projects in both the oil and gas and renewable energy industries. Such factors may make it more difficult to obtain attractive contracts for the Construction Support Vessels. Also, the demand for Oceanteam Solutions' services may be affected by economic climate and global supply chain trends.

ORGANISATIONAL RISKS

Key subsections of Organizational Risks are risks related to the Corporate structure, Resources, Competencies, Procedures, Project Controls, Knowledge management, Systems and IT, -Interfaces, Reporting, Partners and Governance.

Oceanteam has gone through a major restructuring during the last two years. The Management and the Board of Directors have initiated a series of initiatives to improve the organization, including its procedures, systems, resources, controls and reporting. Improving the internal organisation is an on-going process. For 2021, further focus will be put on resources, competencies, and project and risk management controls. The Group is committed to continuously improve its organisational capabilities, processes and systems.

The Group's risk management and internal control are based on principles in the Norwegian Code of Practise for Corporate Governance. The Board of Directors' view is that continuous improvement of the Group's operations in a systemic manner is a necessity in order to manage risks and realise opportunities to ensure efficient and effective operations in line with stakeholders' expectations.

The Group has established routines for weekly, monthly and quarterly reporting regarding commercial, operations, liquidity, financing, investments, HSE, HR, and legal performance. As part of the monthly reporting, Management presents detailed budgets and forecast on a 12-month rolling-basis, and up to final maturity date of the outstanding loans. The Board of Directors considers the Group's reporting procedures to be satisfactory and in compliance with the requirements on risk management and internal control but has initiated a programme to further improve the reporting in 2021. With respect to technical and operational performance reporting, Oceanteam is dependent on the timing and quality of such reports by Bourbon.

CORONAVIRUS (COVID-19)

Coronavirus (covid-19) disease has spread globally since March 2020 resulting in the coronavirus pandemic.

Oceanteam is, like almost all businesses, affected by the coronavirus pandemic. Almost all Oceanteam employees have been working from home since the outbreak of the coronavirus. This has had little no impact on Oceanteam's operations as digital interaction tolls and remote access to our server system were already in place.

Oceanteam's vessels have been and continue to be offshore. On both vessels the coronavirus had impact on the operation. Crew changes were very complicated with worldwide continuous changing procedures and quarantine provisions. During the second half of 2020 the impact on costs became visible as docking was delayed because of closed harbours and extra operational costs on board of the vessels because crew changes were not allowed or no incoming or outgoing flights were available. Export procedures for equipment were extended and getting mechanics on board for specific maintenance jobs provided for additional costs.

The covid-19 pandemic continues to have a huge impact on markets and operations. We are pleased to report that no major covid-19 related disruptions of daily operations have taken place.

POLITICAL RISKS

Key subsections of political risks are risks related to government, stakeholders, regulations, compliance, reputation, export controls, local requirements, community and license to operate.

The Group has the ambition to be an incident free organisation, onshore and offshore. The Group strives to improve safety and environmental performance across all worksites, globally.

Oceanteam's activities are carried out in compliance with laws and regulations valid in the relevant territory, including international protocols and conventions, which apply to the specific segments of operation. Changes to such regulatory frameworks, if not properly identified and implemented, may expose the Company to fines, sanctions or penalties.

Compliance is enforced across both segments within the Group. Oceanteam's vessels have a proven track-record in working in Australia, Angola, India and Brazil; all countries with specific local requirements with respect to crewing, organizational structures and matters, local content and permits.

i. EVENTS AFTER THE BALANCE SHEET DATE

Potential combination with Passer Group AS

On 26 March 2021, Oceanteam announced a potential merger between Oceanteam and Passer Group AS. Oceanteam intends to bring focus to its strategy going forward by focusing on a growing renewable and energy transition market. Oceanteam has entered into a term sheet with its majority shareholders and the owners of Passer Group AS. The parties intend to pursue a combination of Passer Group AS and Oceanteam, whereby all the shares in Passer Group As are transferred to Oceanteam against consideration shares in Oceanteam ASA.

The intention of parties is to reach a final agreement during the second quarter of 2021 and complete the transaction no later than during the third quarter of 2021. Refer to Oceanteam ASA's announcement on our website for further details.

The financial effect of the potential transaction cannot yet be reliably measured.

Sale of CSV Southern Ocean

On 26 March 2021, Oceanteam announced that the fully consolidated subsidiary, Oceanteam Bourbon 4 AS has sold CSV Southern Ocean. The sale is made subject to customary conditions and is expected to be completed in April 2021. After debt service, the sale of the vessel will generate a positive cash flow for the company. As at 31 December 2020, the vessel has been valued at its fair value (sales price) less costs to sell. Oceanteam Bourbon 4 AS is in Oceanteam's shipping segment.

During 2020 and the start of 2021, different options for CSV Southern Ocean have been under consideration with the company not committed to any one course of action. In early March 2021, the buyer approached Oceanteam and made an offer to buy the vessel. The criteria of asset held for sale and discontinued operations were not met as at 31 December 2020.

Divestment of the Shipping Segment

The strategy of divesting Oceanteam's shipping segment has manifested itself in 2021. The divestment of our floating assets is leaving a long history behind but will ensure full focus on utilizing the strengths of the company to profit from the prospected upcoming possibilities in the renewable markets worldwide. The divestment process is as such also the launch of Oceanteam as an investment platform for further growth in renewables segment.

CSV Southern Ocean has been sold and there are ongoing discussions with market participants regarding the sale of the CSV BO 101.

j. SHAREHOLDER INFORMATION

SHAREHOLDER INFORMATION

Shares in Oceanteam ASA are publicly traded at the Oslo Stock Exchange. Per 31 December 2020 the Company had 34,338,833 shares traded under the ticker code ''OTS''. All shares are given equal voting rights. Shares are identified by the name of its owner or its owner's nominee account. As reflected in the Company's Articles of Association there are no restrictions relating to voting or transfer of ownership of the shares, nor are there mechanisms aimed at preventing takeovers. There are no specific representations, individual or in total, for shares owned by the employees.

MARKET VALUE OF THE SHARES

The shares on the Oslo Børs Stock Exchange were traded around NOK 4,04 per year end 2020 which gives a market valuation of the Company of approximately NOK 138.8 million on 31 December 2020 (in USD approximately USD 16.7 million at the conversion rate of 8.33), taking into account the share volume of 34.338.833 shares of the Company. The Company holds 0.37 percent treasury shares (127,573 shares). There are no restrictions in the Company's articles of association for trading the shares.

PARENT COMPANY

The parent company, Oceanteam ASA, showed a loss of USD (6.1) million standalone. The negative result was attributable to a lack of dividends from equity accounted investments and subsidiaries, with none being received in 2020, and to significant impairments recognised. The year-end impairment review of the company's investment in both Oceanteam Bourbon 101 AS and Oceanteam Bourbon 4 AS resulted in a write-off of USD 5.8 million.

The parent company's share capital per year-end 2020 amounted to USD 25.4 million (2019: USD 25.4 million) with a total equity of USD 12.4 million (2019: USD 18.5 million). The equity changes in the parent company are explained in detail in note 11 of the parent company. Net change in cash amounted to negative USD (0.3) million. The parent company is reporting its financial statements in USD as this is its functional currency and is in line with the Group reports.

RESULT AND EQUITY

The consolidated accounts show a "Loss for the period" of USD (73.2) million. The consolidated Total equity is USD 16.3 million as of 31 December 2020. The equity ratio as a percentage of the total assets is 30.8 percent.

ALLOCATION OF NET INCOME

The Company's financial statement has returned a loss of USD (6.1) million. The Board of Directors proposes to allocate this figure against uncovered losses.

The Group's consolidated financial statements have returned a loss of USD (73.2) million and no Other comprehensive income. The Board of Directors proposes to allocate this figure against uncovered losses.

7. CONFIRMATION FROM THE BOARD OF DIRECTORS AND CEO

We confirm to the best of our knowledge that the financial statements for the period 1 January to 31 December 2020 have been prepared in accordance with current applicable accounting standards and give a true and fair view of the assets, liabilities, financial position and result for the period of the Company and the Group taken as a whole. We also confirm that the Board of Director's Report includes a true and fair review of the development and performance of the business and the position of the entity and the Group, together with a description of the principal risks and uncertainties facing the Company and the Group.

The Board recommends that Annual General Meeting of Shareholders adopts the Financial Statements for the year 2020.

Bergen, Norway, 9 April 2021 The Board of Directors and CEO of Oceanteam ASA

Keesjan Cordia	Karin Govaert	Hans Reinigert	Henk van den IJssel
Chairman	Director	Director	CEO

8. CORPORATE GOVERNANCE AND CSR

Corporate Responsibility (CR) at Oceanteam is a matter of making good and sustainable business decisions. The Company considers Corporate Responsibility a strategic benefit that adds value to the Company, its stakeholders and society. The goals of the Company regarding corporate responsibility are to increase the positive effects and reduce potential negative consequences of its operations.

As part of its responsibilities towards internal and external stakeholders, the Company has a number of policies expressing its position on governance matters that include safety, environment, business ethics and integrity. The Board of Directors is ultimately responsible for CR and governance activities. Development and oversight of the Corporate Responsibility as well as performance and reporting is delegated to the Management.

The Solutions business of Oceanteam holds Lloyds certificates for ISO 9001:2015, standards for quality, environmental and health and safety management.

WORKING ENVIRONMENT

At the end of 2020, the Company employed 11 people - contractors and marine crew not included - with various background and roots from all over the world, bringing together a broad mix of cultures. The people within Oceanteam are a crucial factor in the entire process of creating value for our customers.
For the future Oceanteam intends applying a systematic approach to the performance and achievements of the employees. The aim is to encourage, acknowledge and continuously motivate employees. Uniform job profiles for the Group have been implemented throughout the Company, which helps ensure our workforce is performing at its best for Oceanteam and its customers.

The percentage sick leave for 2020 was 15 percent. The Company has procedures in place to ensure employees have a good working environment.

PROFESSIONAL STANDARD, BUSINESS ETHICS AND ANTI-CORRUPTION

In December 2019 the Board of Directors of Oceanteam has approved an updated code of ethics ("Code of Ethics").

All permanent employees and managers, contractors, suppliers, subcontractors, representatives and other contracting parties of Oceanteam are required to act in accordance with the principles set forth in the Code of Ethics and to confirm in writing adherence to Oceanteam's ethical standards.

EQUAL OPPORTUNITY

Oceanteam is fully committed to meeting its obligation to provide equal employment opportunities to all employees and applicants without regard to race, colour, religion, gender, national origin/ancestry, citizenship, age, sexual orientation, disability or other protected status. Most of Oceanteam's employees work in the Netherlands, however a number of the staff represents other nationalities, backgrounds and cultures than those of the Netherlands and Norway.

The anti- discrimination laws' objective is to promote gender equality, ensure equal opportunities and rights and to prevent discrimination due to ethnicity, national origin, descent, skin colour, language, religion and faith.

Oceanteam is actively and systematically working to comply with the anti-discrimination laws and actively to avoid discrimination in the fields of recruiting, salary and working conditions, promotion, development, opportunities and protection against harassment.

SAFETY

At times the Company engages in work under challenging conditions, making it imperative to maintain the safety of employees and customers, subcontractors, consultants and other parties. The foundation for this continuous diligence is the Company's QHSE management system and the Integrated Management System (IMS) as well as regular risk assessments.
The Company's QHSE policy is instrumental to the development of our employees to ensure that they are safe and comply with all relevant QHSE legislation. This is done through involvement in our introduction process and attendance at various mandatory training courses. Oceanteam requires all employees to adhere strictly to its policies and procedures. The Company rigorously enforces its obligation to ensure both the appropriate training and competences for the task in hand and the awareness of each employee of their rights and obligations in maintaining a healthy and safe workplace.

In 2020, no large-scale accidents or incidents were recorded in the Oceanteam group. Nor were any personal injuries reported in any Oceanteam company in 2020. Any and all reported incidents and accidents are always followed up with an investigation that is recorded and filed. The cause and solution of the investigation are recorded in a database.

NATURAL ENVIRONMENT

The desire to minimise harm to the natural environment continues to be a prime objective. Oceanteam Solutions' Lloyds certification for ISO 9001:2015 and the Integrated Management System ensure a systematic approach to environmental management and continuous improvement throughout the Group. Our JV Partner Bourbon Offshore Norway has the safety management 14001 as well as the ISO 9001 certification.

The identified main aspects and potential negative impact from Oceanteam operations and locations are the use and transfer of oil, general waste production and pollution from waste oil and waste cooling fluids. Mitigating activities to reduce impacts and potential negative impacts include spill kits available on-site, work instructions for waste reduction and sorting and waste transfer notes kept on site. Oceanteam Solutions require smaller amounts of oil-use in their operations and use only biodegradable oil to ensure minimum environmental risk. The results of the environmental risk mitigation work in 2019 are deemed to be satisfactory, with zero reported leakage or spillage incidents.

Safe and high-quality vessels designed with the natural environment in mind are our most important mitigating precaution. All Oceanteam vessels are designed and built-in accordance with the latest environmental rules and guidelines in order to enable our customers to operate our vessels with the lowest environmental impact.

As such, all Oceanteam large vessels have DNV GL CLEAN design class notation, double hull, engines complying with latest requirements for emissions and the use of MDF (Marine Diesel Fuel) to lower emissions. In addition to this, all vessels have advanced garbage and disposal treatment systems.

b) CORPORATE GOVERNANCE POLICY

Adopted by the board of Directors on 3 April 2020

1 INTRODUCTION

1.1 Background

Oceanteam ASA ("**Oceanteam**" or the "**Company**") is a listed company, established and registered in Norway in accordance with Norwegian law. The Company and its subsidiaries (the "**Group**") make every effort to comply with all applicable laws and regulations, as well as with the Norwegian Code of Practice for Corporate Governance (Nw: "Norsk anbefaling for eierstyring og selskapsledelse") issued by the Norwegian Corporate Governance Board on 17 October 2018 (the "Code") and published at www.nues.no.

The Board of Directors (the "**Board**") adopted this Corporate Governance Policy (the "**Policy**") on 3 April 2020 to reflect and underline the Company's commitment to good corporate governance and to reflect the most recent amendments to the Code. The Policy is intended both as a guiding instrument for the Board and the executive management and as a device to maintain good relations and trust with the various stakeholders of the Company Group. In further implementation of this goal, the Board has also adopted an Insider Trading Policy and a Code of Ethics, applicable throughout the whole Group.

1.2 Purpose

This Policy includes measures implemented for the purpose of clarifying the division of roles between the shareholders, the Board and the executive management, consisting of the Chief Executive Officer ("**CEO**") and Chief Financial Officer ("**CFO**") more comprehensively and for ensuring an efficient management of and control over the Company's operations. The main goal is to have systems for communication, monitoring, accountability and incentives that enhance and maximise the corporate profit, the long-term health and overall success of the business, and the shareholders' return on their investment. The development of and improvements on the Company's corporate governance is a continuous process, to which the Board and the executive management devote a strong focus.

1.3 Regulatory framework

The Company is a Norwegian public limited liability company (ASA) listed on Oslo Børs (the Oslo Stock Exchange).

The Company is subject to the corporate governance requirements set out in the Norwegian Public Limited Liability Companies Act 1997 (the "**NCA**"), the Norwegian Securities Trading Act of 2007 as amended in 2014 (the "**STA**") and the Norwegian Stock Exchange Regulations (the "**SER**").

Any deviations from the guidelines provided in the Code will be explained in accordance with the "comply or explain" principle of the guidelines. The status of compliance in respect of each recommendation provided in the Code will also be set out in the Company's annual report in accordance with the requirements of section 3-3b of the Norwegian Accounting Act.

1.4 Management and Control of the Company

The management and control of the Company is shared between the shareholders, represented in the general meeting of shareholders of Oceanteam (the "**General Meeting**"), the Board and the CEO according to applicable company law. The Company has an external independent auditor elected by the General Meeting.

1.5 Corporate values and ethics

The Company is an offshore services and shipping company. In addition to owning, chartering and managing deep-water offshore construction service vessels, the Company also offers rental of equipment and integrated cable transport- and handling solutions.

The Board sets the core values and guides the affairs of the Group. This includes the Group's commitment to achieving its health and safety vision and the Group's adherence to the highest ethical standards in all of its operations. The Board integrates environmental improvement into its business plans and strategies, and seeks to embed sustainability into the Group's business processes. The Board monitors the Group's performance in these areas.

The Company holds certificates to the ISO 9001 standards for quality, environmental and health & safety management.

The Company further strives to maintain a high ethical standard. All employees are appropriately trained and confirm adherence with the Group ethical principles set forth in the Group Code of Ethics.

2 BUSINESS

The operations of the Company shall be in compliance with the business objective set forth in its Articles of Association.

The Company's business purpose reads as follows:

"The objective of the company is sale, purchase, contracting, acquiring, lease and operation of vessels and equipment with associated services directly through wholly or partly owned subsidiaries. The company may sell assets, including shares in subsidiaries, and invest and participate in other companies".

3 THE BOARD OF DIRECTORS

3.1 Role

Oceanteam shall be directed by an efficient Board with collective responsibility for the success of the Company. The Board represents, and is accountable, to the shareholders of the Company. The Board shall define clear objectives, strategies and risk profiles for the Company's business, such that the Company creates value for the shareholders.

The Board has both managerial and supervisory duties and sets clear objectives and strategically guides the Company by effectively monitoring the executive and senior management, the financial situation of the Company and the Company's accountability towards- and communication to its shareholders. The Board has overall responsibility for the operational and financial performance of the Group and will review this on a regular basis.

The Board shall approve major capital projects and related capital expenditures, as well as significant investments and disposals, acquisitions, mergers and divestments. The board shall approve loans and other financing for the Group.

The Board could take board positions in Joint ventures. The Board delegates to the executive management the implementation of the strategy and business plan. The Board ensures that the Company is efficiently organised and that its operations are carried out in accordance with all applicable laws and regulations, in accordance with the objectives of the Company and its purpose pursuant to its Articles of Association, and within the guidelines given by the shareholders through resolutions in General Meetings from time to time.

In order to ensure efficient and thorough working procedures, the Board may appoint one or more working committees to prepare matters for final decision by the Board. The appointment, composition and mandate of such committees shall be made in due consideration of issues such as the nature of the envisaged project and the particular skills required and may include board members.

The Board shall ensure that members of the Board and executive personnel make the Company aware of any material interests that they may have in matters to be considered by the Board.

The Board shall initiate activities, processes and investigations as it deems necessary in order to carry out its responsibilities as may be required from time to time by one or more Board members, employees or relevant external parties.

3.2 Financial control, risk management and internal control

3.2.1 Supervision

The Board shall at all times ensure that it has a clear view on the financial situation of the Company and has a duty to ensure that the Company's operations, accounting and asset management are subject to satisfactory control. The members of the Board have full and free access to officers, employees and the books and records of the Company and specifically to the key executive functions stipulated under sections 4 and 5 hereof. The Board shall ensure that the CEO reports monthly to the Board on the Company´s activities, position and financial situation.

3.2.2 Adequate capitalisation

The Board shall evaluate whether the Company's capital and liquidity are adequate in relation to the risks and the scope of the Company's operations at all times and whether it fulfils the minimum requirements established by law. The Board shall immediately take adequate measures should it be apparent at any time that the Company's capital or liquidity is less than adequate.

If the Board requests the General Meeting to grant authority to the Board to increase the share capital, the Board will ensure that the increase is designated for a specific purpose. If several purposes are of relevance, each purpose should be dealt with separately in the General Meeting.

3.2.3 Risk management and internal control

The Board shall ensure that the company has sound internal control and systems for risk management that are appropriate in relation to the extent and nature of the Company's activities and shall be regularly briefed by the Chief Financial Officer ("CFO") thereon. Internal control and the systems shall encompass the Company's corporate values and guidelines for ethical and corporate social responsibility. The Board will carry out an annual review of the Company's most important areas of exposure to risk and its internal control arrangements. In compliance with section 3-3b of the Norwegian Accounting Act, the Board will provide an account in the annual report of the main features of the Company's internal control and risk management systems as they relate to the Company's financial reporting.

3.3 Composition

3.3.1 Number of directors

The Board shall be elected by the General Meeting.

The Company currently has no employee representatives on its Board.

3.3.2 Independent directors

The Company shall have a majority of directors that are independent from its executive management and main business partners, and no representatives of the executive management shall be a member of the Board. Further, the Board shall include at least two directors that are independent of the Company's major shareholders, i.e. shareholders holding more than 10 % of the Company's shares.

Independence shall for these purposes mean that there are no circumstances or relationships that are likely to affect or could appear to affect the director's independent judgement. The evaluation of whether a director is independent shall be based on the criteria set out in section 8 of the Code.

The Company may be in need of in-depth support to the executive management for the day-to-day business of the Company by experienced senior professionals with profound knowledge of the Company. To the extent that the CEO considers that there is such need of expertise and one or more of the directors fulfil these criteria, the CEO shall indicate to the Board that it is deemed beneficial for the Company that a director provides the required support. Such support can be provided through specific project agreements. In order to ensure transparency about such project agreements, any agreements for additional services provided by directors shall be approved by the Board and submitted to the General Meeting for approval.

The members of the Board are encouraged to hold shares in the Company.

3.4 Appointment and termination – Nomination and Remuneration Committee

The Board or any shareholders may recommend candidates for the Board, whereas any recommendation shall be supported by justification including information on each candidate's competence, capacity and independence with the aim to attract reputable and experienced professionals with relevant knowledge and skills for the Company. The members of the Board are appointed by the shareholders in a General Meeting for a period of two years. The Board elects the Chairman of the Board. The shareholders in a General Meeting can resolve to remove directors.

The Company's size entails that the Company views it as an unnecessary costly arrangement to have a separate Nomination and Remuneration Committee and has therefore chosen to deviate from section 7 of the Code.

3.5 Proceedings

The Board shall adopt guidelines on the division of responsibilities between the executive management and the Board. The Board will hold board meetings as often as required, whereas such meetings may be conducted by a conference call.

3.6 Annual evaluation

The Board will annually evaluate its performance in the previous year and the performance of the CEO.

4 THE EXECUTIVE MANAGEMENT

4.1 THE CEO

4.1.1 Appointment

The Board appoints and removes the CEO.

4.1.2 The Tasks and Procedures applicable to the CEO

The CEO is in charge of the day-to-day management of the Company's business and shall comply with the guidelines and instructions issued by the Board and in accordance with applicable laws and regulations.

4.1.3 The CEO's Duties to the Board of Directors

The Board appoints and removes the CFO. The CFO reports to the CEO. The CFO is authorised to participate in the meetings of the Board as required and shall have primary responsibility for managing the company's finances, including treasury, financial planning, management of financial risks, record-keeping and financial reporting.

4.2 The CFO

The Board appoints and removes the CFO. The CFO reports to the CEO. The CFO is authorised to participate in the meetings of the Board as required and shall have primary responsibility for managing the company's finances, including treasury, financial planning, management of financial risks, record-keeping and financial reporting.

5 OTHER EXECUTIVE FUNCTIONS

5.1 The Corporate Counsel

The Corporate Counsel shall give solicited and unsolicited advice on matters relating to governance, ethics, risk assessment, agreements and arrangements that bind the Company and any matters that have legal implications and is responsible to regularly report thereon to the CEO. The Board may invite the Corporate Counsel to participate in meetings of the Board and the Corporate Counsel may interact directly with the Board on any matters with corporate governance- and legal implication.

6 REMUNERATION OF DIRECTORS AND CEO

6.1 Remuneration of Directors

The remuneration of the directors shall be determined by the shareholders in a General Meeting and be disclosed in the annual accounts of the Company. Additional remuneration may be granted to members of the Board who are appointed to board committees. Any remuneration in addition to normal director's fee shall be approved as stated in section 3.3.2 hereof and shall be specifically identified in the annual report of the Company.

The Company deems it beneficial that the directors have aligned interests with the Company's shareholders and other stakeholders. Therefore, the Company may choose to remunerate Board members through performance-based remuneration schemes such as options. The Company has therefore chosen to deviate from section 11 of the Code.

Directors shall be encouraged to invest part of their remuneration in shares in the Company at market price.

6.2 Remuneration of CEO

The Board shall adopt a statement with guidelines in respect of the remuneration of the CEO that is to be considered by the General Meeting. The statement should be produced as a separate appendix to the notice for the annual General Meeting. The guidelines for remuneration of executive personnel should clearly state which aspects of the guidelines are advisory and which, if any, are binding 6 (equity-based remuneration). Based on this division, separate votes should be held on these aspects of the guidelines at the General Meeting.

Remuneration including any performance related incentive to the CEO shall be determined by the Board in meeting. All elements of remuneration to the CEO, and the total remuneration for the CEO shall appear from the annual report.

The Board may at its sole discretion, grant performance related incentive to employees. The incentive cannot exceed one year's annual salary, unless the Board decides otherwise and substantiates such decision. The Board may develop incentive schemes for the Group in order to align the motivation goals of personnel with that of the Company and enhance the value creation capacity for the shareholders.

6.3 Severance payments

No employees of the Group shall have employment contracts granting notice periods of more than 12 months.

7 DISCLOSURE AND TRANSPARENCY

7.1 General

The Company shall at all times provide its shareholders, the stock market (Oslo Børs) and the financial markets generally (through Oslo Børs' information system) with timely and accurate information. Such information will take the form of annual reports, semi-annual interim reports, press releases, stock exchange notifications and investor presentations, as applicable. The Company shall seek to clarify its long-term potential, including its strategy, value drivers and risk factors. The Company shall maintain an open and proactive investor relations policy, a best-practice website and may give presentations as the Board deems fit in connection with annual and interim results.

The Company shall disclose insider information in accordance with prevailing applicable laws. The Company will disclose relevant events including, without limitation, board and shareholder resolutions regarding dividends, mergers/de-mergers or changes in share capital, issue of warrants, convertible loans and all agreements of material importance that are entered into between group companies or related parties.

7.2 Communication with Shareholders

The Board shall make itself available for discussions with the major shareholders to develop a balanced understanding of the issues and concerns of such shareholders, subject always to the provisions of the NCA, the STA, the SER and the principle of fair treatment of shareholders stipulated under section 8 hereof. The Chairman shall ensure that the views of shareholders are communicated to the entire Board.

Information given to the Company's shareholders shall simultaneously be made available on the Company's website.

8 FAIR TREATMENT OF SHAREHOLDERS

8.1 General

The Board shall take into account the interest of all shareholders of the Company and treat all shareholders fairly. There is and will remain to be only one class of shares and all shares are and will remain freely transferrable. If and when applicable, the reason for any proposed deviation from the pre-emptive rights of shareholders to participate in new share capital increases will be explained and included in notifications to the market.

8.2 Approval of agreements with shareholders and other related parties

All transactions that are not immaterial between the Company and a shareholder of the Company (or related parties thereto) will be subject to a valuation from an independent third party and shall be approved by the Board. If the consideration exceeds 5 % of the Company's share capital such transactions shall be approved by the shareholders in a General Meeting, to the extent required by the NCA Section 3-8.

The directors and the executive and senior management shall notify the Board if they have any material direct or indirect interest in any transaction entered into by the Group.

9 AUDIT

Under Norwegian law, the Company's auditor is elected by the shareholders in a General Meeting.

The Board shall make recommendations to the General Meeting on the auditor's appointment, removal and remuneration and shall also monitor the auditor's independence, including the performance by the auditor of any non-audit work.

The Board will inform the shareholders in the Annual General Meeting (the "AGM") on the auditor's fees specified on audit and non-audit work respectively.

The Company shall have an audit committee (the "Audit Committee") that consists of two or more Board members that have the required qualifications. The Audit committee may involve specialists and nominate advisors to support the work of the Audit Committee. The Audit Committee may request the CFO to directly provide to the Audit Committee information related to financial reporting, financial risks, internal controls over financial reporting and corresponding compliance aspects.

The auditor shall annually present a plan for the auditing work to the Audit Committee or to the Board and have at least one annual meeting with the Audit Committee or the Board to go through the Company's internal control systems and to identify possible weaknesses and potential areas of improvement.

10 DIVIDEND POLICY

The Company's objective is to yield a competitive return on invested capital to the shareholders through a combination of distribution of dividends and increase in share value. In evaluating the amount of dividend, the Board of Directors shall place emphasis on certainty, foreseeability and stable development, the Company's dividend capacity, the requirements for sound and optimal equity capital as well as for adequate financial resources to enable future growth and investments, and the ambition to minimise the cost of capital.

The AGM can resolve to grant a mandate to the board of directors to approve the distribution of dividends on the basis of the approved annual accounts. Such a mandate should be based on the existing dividend policy. The explanation for the proposal to grant a mandate should state, inter alia, how the mandate reflects the Company's dividend policy.

11 SHAREHOLDER MEETINGS

The shareholders represent the ultimate decision-making body of Oceanteam through the General Meetings.

The AGM of the Company will be held each year before the end of June. The AGM shall approve the annual accounts and report and the distribution of dividend, as well as make such resolutions as required under applicable laws and regulations.

The Board may convene an extraordinary general meeting ("EGM") whenever deemed appropriate or when such meetings are required by applicable laws or regulations. The Company's auditor and any shareholder or group of shareholders representing more than 5 % of the current issued and outstanding share capital of the Company may require that the Board convene an EGM.

The Board will make arrangements to ensure that as many shareholders as possible are enabled to exercise their shareholders' rights by attending the General Meetings, and that the General Meetings become an active arena for meetings between the Board and the shareholders by inter alia:

- Ensuring that at all times a member of the Board attends the General Meetings.
- Posing the summons together with the agenda and all documents pertaining to each matter on the agenda on the Company's website not later than 21 days prior to the date of the meeting (except when otherwise decided by the General Meeting, cf NCA section 5-11b) irrespective of whether the Company also resolves to summon the meeting by way of other forms of communication ref § 7 in the Company's articles of association.
- Posing in the same manner on the website information and any forms required to be used in order to vote by proxy or by letter, unless such forms have been submitted directly to each shareholder.
- Ensuring that the shareholders are adequately informed about their right to vote by proxy and of the procedures to be observed in doing so.
- Ensuring that the summons, the documents and any further supporting material are sufficiently detailed and comprehensive in order for the shareholders to understand and form an opinion on the matters at hand.
- Ensuring that the summons specify that any shareholder wishing to attend the General Meeting must notify the Company within a certain time limit stated in the notice, which must not expire earlier than five days before the General Meeting, ref § 8 in the Company's articles of association. Shareholders failing to notify the company within the specified time limit may be denied access to the General Meeting.

The Company will publish the minutes from General Meetings as an Oslo Stock Exchange notice and on its website immediately or as soon as possible after the meeting and will also keep them available for inspection at the Company's offices.
The Board will not make contact with shareholders of the Company outside the General Meeting in a way that may unfairly discriminate between the shareholders or infringe on any applicable laws or regulations.

12 CHANGE OF CONTROL, TAKEOVERS

12.1 General

The shares in Oceanteam are freely transferable, and the Company shall not establish any mechanisms that may hinder a takeover or deter takeover-bids, unless this has been resolved in a General Meeting by a two-third majority of votes cast and share capital represented. However, the Board may, in the case of a takeover-bid, take such actions that evidently are in the best interest of the shareholders, such as, inter alia, advising the shareholders in the assessment of the bid and, if appropriate, seeking to find a competing bidder ("white knight"), always provided that the Board should not hinder or obstruct any take-over bids for the Company's activities or shares.

In the event of a take-over bid for the Company's activities or shares, the Board has a particular responsibility to ensure that shareholders are given sufficient information and time to form a view on the offer. The Company's Board shall issue a statement including a recommendation as to whether shareholders should accept the offer. If the Board finds itself unable to give a recommendation to shareholders, it shall explain the background for not making such a recommendation. The Board's statement on a bid shall make it clear whether the views expressed are unanimous, and if this is not the case it shall explain the basis on which specific members of the Board have excluded themselves from the Board's statement. The Board shall arrange a valuation from an independent expert. The valuation shall be published and explained at the latest at the same time as the Board's statement.

12.2 Overview of Norwegian statutory provisions on takeovers

12.2.1 Voluntary offer

An offer to acquire shares in Oceanteam which, if accepted, triggers an obligation to put forward a mandatory offer must be made in an offer document and according to the requirements for voluntary offers set forth in the STA.

12.2.2 Mandatory offer

Subject to certain exceptions, a mandatory offer has to be made in the event an acquirer (together with any concert parties) acquires more than 33 %, 40% or 50% of the voting shares in the Company.

The requirement to make a mandatory offer is triggered when a purchaser becomes the owner of such percentage of the shares. A mandatory offer must be made within four weeks after the threshold was passed. The only alternative to a mandatory offer at such stage is to sell a sufficient number of shares to fall below the relevant threshold.

All shareholders must be treated equally and the price to be paid is the higher of (i) the highest price paid by the purchaser during the last six months, and (ii) the market price when the obligation to make the mandatory offer was triggered. The offer must be made in cash or contain a cash alternative at least equal in value to any non-cash offer.

12.2.3 Compulsory Acquisition ("Squeeze out")

Compulsory acquisition of the remaining shares may be initiated by a shareholder who holds more than 90 % of the shares and voting rights. The acquisition is initiated through a Board decision of the shareholder and payment of the price offered. Failing agreement between the parties, the price shall be determined through a valuation by the court, but the acquirer will obtain title to the shares immediately.

C. CORPORATE GOVERNANCE DEVIATIONS

Oceanteam ASA ("Oceanteam" or the "Company") adopted an updated Corporate Governance Policy in 2020 (the "Policy") which outlines the Company's governing principles in accordance with applicable laws and regulations, as well as the Norwegian Code of Practice for Corporate Governance dated 17 October 2018 (the "Code").

The Company has assessed its Policy for compliance with the Code which resulted in the amended Policy adopted on 3 April 2020. Oceanteam's board of directors actively adheres to good corporate governance standards and ensures at all times that the Company complies with the applicable corporate governance principles or explains possible deviations therefrom.

In relation to the above, he Company's corporate governance principles comply with the Code, with the following exceptions:

- Nomination Committee (Section 7 of the Code and Section 3.4 of the Policy)

  The Company has not appointed a nomination committee, as in the Company's opinion, it is a costly arrangement, considering the size of the Company, therefore the Company has chosen to deviate from the Code, acting in accordance with section 3.4 of the Policy.

- Remuneration of Directors and Management (Section 11 of the Code and Section 4 of the Policy).

  The Policy contains deviating arrangement from Section 11 of the Code the Company may enter into an agreement with a member of the board which is subject to approval of the General Meeting.

- Equal Treatment of Shareholders and transactions with close associates (Section 4 of the Code and Section 6.2 of the Policy)

  The Company has implemented appropriate measures to identify and record such transactions with related parties with the aim to ensure that all material related party transactions have been disclosed to all shareholders through shareholder meetings and in the annual accounts, and that all such transactions have been made at arm's length. All employees are required to annually disclose their related parties. In addition, all employees and contractors are required to attend training and confirm their adherence with the Company's Code of Ethics, which is also applicable for Company's associates, contractors and agents.

  Remuneration of Directors

  The Company deems it beneficial that the directors have aligned interests with the Company's shareholders and other stakeholders. Therefore, the Company may choose to remunerate Board members through performance-based remuneration schemes such as options. The Company has therefore chosen to deviate from section 11 of the Code as stipulated in Section 4.1 of the Policy, however, as per the date of this financial report no such schemes have been implemented.

9. FINANCIAL STATEMENTS GROUP

Consolidated statement of profit or loss and other comprehensive income

GROUP

USD '000

	Notes	2020	2019
Revenue	5,6	13.591	15.879
Net income from associates/joint ventures	5, 26	(16.971)	2.106
Total operating income		**(3.380)**	**17.985**
Operating costs	5	(7.136)	(5.865)
Personnel costs	5, 8	(1.784)	(2.123)
General & administration	5, 9	(639)	(2.194)
Depreciation and amortisation	5, 11, 12	(5.869)	(5.772)
Write off / Impairment	5, 12	(46.099)	(10)
Total operating expenses		**(61.526)**	**(15.965)**
Operating profit (loss)		**(64.906)**	**2.020**
Financial income		25	57
Financial expense	18	(1.516)	(2.041)
Provision for expected credit loss gurantee	19	(6.150)	-
Foreign exchange results (loss)		111	(38)
Net finance	**5, 10**	**(7.530)**	**(2.022)**
Ordinary profit (loss) before taxes		**(72.436)**	**(2)**
Tax expense	5, 13	(752)	(261)
Profit / (loss) from continuing operations		**(73.188)**	**(263)**
Profit from discountinued operation	5	-	950
Profit / (loss) for the period		**(73.188)**	**687**
Other comprehensive income/cost		-	-
Total comprehensive income for the period		**(73.188)**	**687**

Consolidated statement of profit or loss and other comprehensive income

GROUP

USD '000

	Notes	2020	2019
Profit (loss) attributable to:			
Owners of the company		(45.714)	135
Non controlling interests		(27.473)	552
Profit (loss)		**(73.188)**	**687**
Total comprehensive income attributable to:			
Owners of the company		(45.714)	135
Non controlling interests		(27.473)	552
Total comprehensive income for the period		**(73.188)**	**687**
Earnings per share (in USD)			
Basic earnings per share (in USD)		(2,14)	0,02
Dilutive earning per share (in USD)		(2,14)	0,02
Weighted average of shares during the period ('000)		34.211	34.211
Basic earnings per share (in NOK)		(20,15)	0,18
Dilutive earning per share (in NOK)		(20,15)	0,18
Weighted average of shares during the period ('000)		34.211	34.211

On 4 December 2019 the reversed share split in the ratio 23:1 has been registered with the Norwegian Register of Business Enterprises in accordance with the resolution of the EGM whereas 23 old shares have been consolidated into one new share with a nominal value of NOK 5,75. Following the reversed share split the share capital of the Company is NOK 197,448,289.75 divided into 34,338,833 shares with a nominal value of NOK 5,75 each. Treasury shares consist a number of 127.573 shares after the reversed split.

Consolidated statement of financial position

GROUP

USD '000

	Notes	31-12-2020	31-12-2019
Assets			
Non-current Assets - Property, plant and equipment			
Investment in associates and joint ventures	26	-	16.971
Vessels and equipment	12	44.060	92.677
Total		**44.060**	**109.649**
Non-current Assets - Other			
Deferred tax assets	13	250	1.000
Right of use assets	11	481	591
Total		**731**	**1.591**
Total non current assets		**44.791**	**111.240**
Current Assets			
Trade receivables	14	2.481	2.272
Other receivables	14	2.294	2.202
Total receivables		**4.774**	**4.474**
Cash and cash equivalents	15	**3.191**	**4.827**
Total current assets		**7.965**	**9.301**
Total assets		**52.756**	**120.541**

Consolidated statement of financial position

GROUP

USD '000

	Notes	31-12-2020	31-12-2019
Equity and liabilities			
Share capital	17	25.403	25.403
Treasury shares		(128)	(128)
Share premium		1.304	1.304
Uncovered loss		(12.345)	33.370
Equity attributable to owners of the Company		**14.235**	**59.949**
Non-controlling interests	16	2.019	29.492
Total non-controlling interests		**2.019**	**29.492**
Total equity		**16.254**	**89.442**
Loans and borrowings	18	3.000	-
Lease liabilities	11	405	511
Total non current liabilities		**3.405**	**511**
First year installments	18	22.164	25.105
Lease liabilities	11	107	99
Trade payables	19	1.674	1.140
Tax payable	13	2	2
Public charges		58	65
Provisions	19	543	543
Other current liabilities	19	8.549	3.635
Total current liabilities		**33.097**	**30.588**
Total liabilities		**36.502**	**31.099**
Total equity and liabilities		**52.756**	**120.541**

Baerum / Norway, 9 April 2021

The Board of Directors of Oceanteam ASA

Keesjan Cordia	Karin Govaert	Hans Reinigert	Henk van den IJssel
Chairman	Director	Director	CEO

Consolidated cash flow statement

GROUP

USD '000

	Notes	2020	2019
Ordinary profit / (loss) before taxes		(72.436)	(2)
Net finance costs		7.530	2.022
Interest received		25	57
Interest paid		(1.428)	(1.958)
Depreciation and amortization of tangible assets	5, 11, 12	5.869	5.772
Provision for loan guarantee expense	10, 19	(6.150)	-
Tax paid	13	-	-
Net income of associates	26	16.971	(2.106)
Write off assets	5, 12	46.099	-
Change in trade receivables	14	(209)	493
Change in other receivables	14	(92)	929
Change in trade payables	19	534	(809)
Change in other accruals	19	4.907	920
Net cash flow from operating activities		**1.621**	**5.317**
Proceeds of sale assets*		-	950
Cash out due to investments	12	(3.240)	(994)
Cash in due to disposals	12	-	-
Cash in due to disinvestments		-	-
Net cash flow from investing activities		**(3.240)**	**(44)**
Issuing of new debt	18	82	-
Repayment of debt		-	(8.100)
Repayment of lease liability principle	11	(99)	(76)
Net cash flow from financing activities		**(17)**	**(8.176)**
Net change in cash and equivalents		**(1.636)**	**(2.903)**
Cash and equivalents at start of period		**4.827**	**7.729**
Cash and equivalents at end of period**		**3.191**	**4.827**

* Related to the sale of the DOT companies

** restricted cash is USD 3.1 million. In addition to the cash and cash equivalents per 31 December 2020, the Group holds treasury shares of approximatley USD 0.07 million in current market value.

Consolidated statement of changes in equity

GROUP

USD ‘000

	2020	2019
Equity at period opening balance (Number of shares:34,338,833)	**89.442**	**88.755**
Profit after tax	(73.188)	687
Equity at period end (Number of shares: 34,338,833)	**16.254**	**89.442**

Consolidated statement of changes in equity

	Share capital	Treasury shares	Share premium	Other equity	Non controlling interests	Total equity
Equity at 1 January 2020	25.403	(128)	1.304	33.371	29.492	89.442
Profit and loss				(45.714)	(27.473)	(73.188)
Total comprehensive income	**-**	**-**	**-**	**(45.714)**	**(27.473)**	**(73.188)**
Equity per 31 December 2020	**25.403**	**(128)**	**1.304**	**(12.344)**	**2.019**	**16.254**

Consolidated statement of changes in equity	Share capital	Treasury shares	Share premium	Other equity	Non controlling interests	Total equity
Equity at 1 January 2019	50.807	(256)	1.304	7.960	28.940	88.755
Profit and loss				135	552	687
Total comprehensive income	**-**	**-**	**-**	**135**	**552**	**687**
Reduction of share capital	(25.403)	128		25.276		
Equity per 31 December 2019	**25.403**	**(128)**	**1.304**	**33.371**	**29.492**	**89.442**

9. NOTES FINANCIAL STATEMENTS GROUP

Note 1. Corporate information

Oceanteam is an offshore service provider. Oceanteam provides high-quality support to offshore contractors all over the world through its fleet of large and advanced offshore vessels (Oceanteam Shipping), and its expertise in marine equipment, cable logistics and design engineering (Oceanteam Solutions).

Oceanteam focuses on economically and technically challenging projects for clients in the oil and gas, renewables and civil industries. In addition, we are among the few companies in the world to combine high-end engineering know-how, DNV GL certified shipping and expertise, DNV ISO certified solutions and special purpose equipment in a single 'one-stop shop' service, if required.

Oceanteam has offices in Amsterdam and Velsen in the Netherlands. The corporate headquarters is in Baerum, Norway.

The Company is a public limited company incorporated and domiciled in Norway. The address of its registered office is Strandveien 15, 1366 Lysaker, Baerum, Norway.

The Company is listed at the Oslo Stock Exchange and is traded under the ticker code "OTS". The consolidated financial statements were authorised for issue by the Board of Directors on 9 April 2021 and are based on the assumption of going concern. The Group annual accounts consist of the Parent company Oceanteam ASA with its subsidiaries, joint venture companies and associated companies.

2. Summary of significant accounting policies

2.1 Basis of preparation

The group accounts for Oceanteam ASA are prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU and the Norwegian Accounting Act § 3-9.

The Group's financial statements are based on the principle of historical cost of acquisitions, construction or production. The financial year follows the calendar year. The group was established on 5 October 2005.

The preparation of financial statements, which are in conformity with IFRS, require the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in Note 4.

IFRSs and IFRICs effective for annual periods beginning on or after 1 January 2020

After several years of major changes, there have been only a few amendments to existing accounting standards in 2020. These include:

- Amendments to IFRS 3, 'Business combinations' – Definition of a business
- Amendments to IAS 1, 'Presentation of financial statements', and IAS 8, 'Accounting policies, changes in accounting estimates and errors' – Definition of material
- Amendments to IFRS 9, 'Financial instruments', IAS 39, 'Financial instruments', and IFRS 7,'Financial instruments: disclosures' – Interest rate benchmark reform
- Amendments to the conceptual framework - This will not result in any immediate change to IFRS, but the Board and Interpretations Committee will use the revised Framework in setting future standards.

These amendments have not had a significant impact on the Group's consolidated financial statements.

IFRSs and IFRICs issued but not yet effective

The following standard was issued before the issuance of the company's financial statements.

• IFRS 17, Insurance contracts - Effective date 1 January 2023

This is not expected to have a significant impact on the Group's consolidated financial statements.

2.2 Basis of consolidation

A) Business combinations

The Group accounts for business combinations using the acquisition method when control is transferred to the Group. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in the Consolidated statement of profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities. Contingent consideration is measured at net present value and regulated quarterly using a discount rate similar to WACC.

B) 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.

C) Non-controlling interests

NCI and related goodwill is measured at their share of fair value. Changes in the Group's interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions. NCI Investments and related goodwill are assessed for impairments quarterly and tested for impairment annually

D) Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in the Consolidated statement of profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

E) Interests in equity-accounted investees

The Group's interests in equity-accounted investees comprise interests in associates and joint ventures. Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies. Joint ventures are those arrangements in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Interests in associates and joint ventures are accounted for using the equity method. They are initially recognised 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 OCI of equity-accounted investees, until the date on which significant influence or joint control ceases.

F) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

2.3 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Group's Board of Directors to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

Segment results that are reported to the Board of Directors include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly group administrative expenses, head office expenses, and income tax assets and liabilities.

The offshore shipping operations and solutions driven services, including equipment rental, are reported in two different segments. For more information, please refer to note 5.

2.4 Foreign currency translation

(a) Functional and reporting currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in USD, which is the functional currency of the parent company.

(b) Transactions and balances

Transactions in foreign currencies are translated into the respective functional currencies of Group companies.
Transactions are recognized at the transaction date exchange rate. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate on the reporting date. Foreign currency differences are generally recognised in profit or loss.

Non-monetary items at historical cost are translated, but at the rate at the date of the transaction (they are not re-translated)

(c) Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyper inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(a) Assets and liabilities are translated at the closing rate at the date of that statement of financial position.

(b) Income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions).

(c) All resulting exchange differences are recognised as a separate component of other comprehensive income.

Translation differences that are related to NCI are allocated to NCI. On consolidation, exchange differences arising from the translation of the net investment in foreign operations, and of borrowings and other currency instruments designated as hedges of such investments, are taken to shareholders equity. When a foreign operation is partially disposed of or sold, exchange differences that were recorded in equity are recognised in the income statement as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. These consolidated financial statements are presented in USD. All financial information presented in USD has been rounded to the nearest thousand.

2.5 Non-current assets – Property Plant and Equipment

A) Recognition and Measurement

Construction Support Vessels (CSVs) and Machinery – Principles applied

The CSV's and machinery are accounted for under the cost model. They are initially recognised at cost, including all costs necessary to bring the assets to their working condition for intended use. Under the cost model the assets are carried at cost less accumulated depreciation and impairment.

On a recurring basis, the CSV's and machinery are investigated for indications of impairment, and at a minimum every year an impairment test is performed, comparing the carrying amount with the recoverable amount (higher of fair value less costs of disposal and value in use).

Other Tangible Fixed Assets – Principles applied

All other tangible fixed assets are initially recognised at acquisition cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

Components of cost

Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

B) Subsequent Expenditure

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial period in which they incurred.

C) Depreciation

Depreciation is calculated using the straight line method to allocate their cost, less their residual values, over their estimated useful lives, as follows:

- CSV vessels 25 years
- CSV vessels dry dock additions 5 years
- Fast Support Vessels 15 years
- Machinery and equipment 10–15 years
- Furniture, fittings and equipment 3–8 years

The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

D) Disposal

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized within other (losses)/gains – net, in the income statement.

E) Component accounting

When an item of vessel, plant and equipment comprises individual components for which different depreciation methods or rates are appropriate, each component is depreciated separately. A separate component may be either a physical component, or a non-physical component that represents a major inspection or overhaul. An item of vessel, plant and equipment will be separated into parts ("components") when those parts are significant in relation on the total cost of the item.

F) **Impairment**

Non-financial assets that are subject to depreciation are tested for impairment according to IAS 36 whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

The recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value-in-use. The recoverable amount is determined for an individual asset if it generates cash inflows that are largely independent of those from other assets or group of assets. An impairment loss is recognized for the amount by which the assets or CGU's carrying amount value (net book value) exceeds its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money, and risks specific to the asset.

2.6 Trade and other receivables

Trade receivables are initially measured at their transaction price (as defined in IFRS 15). Other receivables are initially recognised at fair value plus any directly attributable transaction costs.

Subsequent to initial recognition, both trade receivables and other receivables are measured at amortized cost.

IFRS 9 'Financial Instruments' requires the use of an expected credit loss impairment model and requires the Group to record allowances for expected credit losses.

For trade receivables (with no significant financing component) expected credit losses are measured at an amount equal to the lifetime expected credit losses. For lease receivables, in scope of IFRS 16, Oceanteam has chosen to measure expected credit losses equal to the lifetime expected credit losses.

2.7 Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

2.8 Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Where any group company purchases the Company's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes), is deducted from equity attributable to the Company's equity holders until the shares are cancelled or reissued. Where such shares are subsequently reissued, any consideration received (net of any directly attributable incremental transaction costs and the related income tax effects) is included in equity attributable to the Company's equity holders

2.9 Trade payables

Trade payables are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortised cost using the effective interest method.

2.10 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the date of statement of financial position

Borrowing costs are capitalised to the extent that they are directly attributable to the purchase, construction or production of a non-current asset. Borrowing costs are capitalised when the interest costs are incurred during the noncurrent asset's construction period. The borrowing costs are capitalised until the date when the non-current asset is ready for use. If the cost price exceeds the recoverable amount, an impairment loss is recognised. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.11 Tax

(a) Taxes

Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognised for the following temporary differences:

- the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit
- differences relating to investments in subsidiaries and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by 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 tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognised to the extent that it is more likely than not that future taxable profit will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

When an entity has a history of recent losses, the entity recognises a deferred tax asset arising from unused tax losses or tax credits only to the extent that the etntity has sufficient taxable temporary differences or there is convincing evidence that sufficient taxable profit will be available against which the unused tax losses or unused tax credits can be utilised by the entity.

Additional income taxes that arise from the distribution of dividends are recognised at the same time as the liability to pay the related dividend is recognised.

(b) Shipping activities

The shipping activities are operated in several countries and under different tax schemes, including the ordinary tax system in Norway and the Norwegian tonnage tax system. In addition, we operate under local tax systems in The Netherlands, Germany and Mexico. Our onshore activities are generally subject to the ordinary corporate tax rates within the country in which the activities are located. The variation in the tax systems and rates may cause tax costs to vary significantly depending on the country in which profits are accumulated and taxed. The Group's taxes include taxes of Group companies based on taxable profit for the financial period, together with tax adjustments for previous periods and the change in deferred taxes. Tax credits arising from subsidiaries' distribution of dividends are deducted from tax expenses.

Companies taxed under special tax shipping tax systems will generally not be taxed on their net operating profit from the approved shipping activities. A portion of net financial income and other non-shipping activities are normally taxed at the ordinary applicable tax rate. Taxation under shipping tax regimes requires compliance to certain requirements, and breach of these requirements could lead to forced exit of the regime. A forced exit of the Norwegian shipping tax system will lead to accelerated tax payments. Tax payable and deferred taxes are recognised directly in equity to the extent that they relate to factors that are recognised directly in equity.

2.12 Employee benefits

Pension obligations

The Group has a defined contribution plan. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The obligations for contributions to defined contribution plans are expensed as the related service is provided. The defined contribution plan complies with the applicable requirements.

2.13 Provisions

Provisions for environmental restoration, restructuring costs and legal claims are recognised when: the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Restructuring provisions comprise lease termination penalties and employee termination payments. Provisions are not recognised for future operating losses. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

2.14 Revenue recognition

Oceanteam ASA is an offshore shipping company and solutions provider. Oceanteam's business is the owning, chartering and managing of deep-water offshore construction service and fast support vessels. In addition, Oceanteam provides complementary engineering services consisting of both engineering and design services and equipment rental to support our clients.

Project revenue is based on operations where Oceanteam utilises its vessels, equipment and personnel to perform services for our clients.

Under IFRS 15 'Revenue from Contracts with Customers' revenue is recognised when separate performance obligations are satisfied. When performance obligations are satisfied at a future point in time, costs incurred relating to the performance obligations are deferred and recognised as assets in the consolidated statement of financial position. The costs incurred are expensed in line with the satisfaction of the performance obligation.

The Groups' revenue streams have been categorised into the following types: Hire income, Crewing, Mobilisation fee income and Management fee income.

a) Shipping revenues

Time charter agreements are considered to contain both a service component and a lease component. The service component covering crew and operational costs. The lease component, being the hire of the vessel on a bareboat basis. The service component is within the scope of IFRS 15, while the bareboat component is within the scope of IFRS 16 'Leases'.

The service components of the agreements are reviewed to identify the performance obligations within the contract. If there is more than one performance obligation, the contract price is disaggregated. Separate transaction prices determined and allocated to the separate performance obligations. Revenue is recognised when separate performance obligations are satisfied.

The performance obligation of manning and operating the vessels on a continues basis leads to the satisfying of the performance obligation over time as the provision of the service by Oceanteam is received and consumed by the customer simultaneously. The service component is recognised as revenue on a straight line basis.

The performance obligation of mobilisation of vessels is recognised at a point in time. This performance obligation is considered satisfied when the vessel is delivered to the designated location and ready to begin operations.

Bareboat charter agreements, which meet the definition of leases per IFRS 16, are considered to fall in their entirety under IFRS 16. (see note 2.18)

b) Solutions revenues

Oceanteam's solutions contracts with customers consist of equipment lease contracts, service contracts and contracts which contain elements of both leasing arrangements and provision of services. Standalone service contracts and the component of contracts which relate to services are within the scope of IFRS 15.

The service contracts and service component of contracts are reviewed to identify the performance obligations within the contract. If there is more than one performance obligation, the contract price is disaggregated. Separate transaction prices determined and allocated to the separate performance obligations. Revenue is recognised when separate performance obligations are satisfied.

The performance obligation of manning and operating the equipment on a continues basis leads to the satisfying of the performance obligation over time as the provision of the service by Oceanteam is received and consumed by the customer simultaneously. The service component is recognised as revenue on a straight line basis.

The performance obligation of mobilisation / demobilisation of equipment is recognised at a point in time. This performance obligation is considered satisfied when the equipment is delivered to the designated location and ready to begin operations.

Standalone lease contracts and components of contracts which relate to leases, and meet the definition of leases per IFRS 16 are within the scope of IFRS 16. (see note 2.18)

2.15 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's shareholders. Financial covenants may restrict the possibility to distribute dividends.

2.16 Financial and operating leasing

(i) The Group as a lessee

All leases are recognised in the statement of financial position as a 'right of use' asset and a financial liability.

There are exceptions to this recognition principle for leases where the underlying asset is of low value and for leases classified as short-term in nature (less than one year). For leases falling under these exemptions, lease payments are expensed on a straight-line basis.

(ii) The Group as a lessor

Lessors account for leases as either operating or finance leases depending on whether the lease transfers substantially all the risks and rewards incidental to ownership of the underlying asset.

Finance leases

Assets leased to others are presented as receivables equal to the net investment in the leases. The Group's financial income is determined such that a constant rate of return is achieved on outstanding receivables during the contract period. Direct costs incurred in connection with establishing the lease are included in the receivable.

Oceanteam is not the lessor to any finance leases

Operating leases

Oceanteam presents assets it has leased to others as non-current assets in the statement of financial position. The rental income is recognised as revenue on a straight line basis over the term of the lease. Direct costs incurred in establishing the operating lease are included in the leased asset's carrying amount and are expensed over the term of the lease on the same basis as the rental income.

The hire of Oceanteam's vessels on a bareboat basis and the hire of Oceanteam's equipment are treated as operating leases.

2.17 Financial instruments

Under IFRS 9 financial instruments are classified under one of three different measurement models. These being amortised cost, fair value through profit and loss and fair value through other comprehensive income.

Classification and measurement of financial assets is determined based on both:

• the entity's business model for managing the financial assets
• the contractual cash flow characteristics of the financial asset.

Financial liabilities are classified and measured at fair value through profit and loss when they meet the definition of held for trading or when they are designated as such on initial recognition. Otherwise, financial liabilities are measured at amortised cost.

All financial assets and liabilities are initially measured at fair value net of transaction costs, with the exception of those classified as fair value through profit or loss and trade receivables which are measured at their transaction price (as defined in IFRS 15).

Oceanteam's financial assets include cash, trade receivables and other receivables. Oceanteam's financial liabilities include borrowings, trade payables and other current liabilities. These are all measured at amortised cost.

Note 3 - Financial risk management

During 2020 the following key events affected the financial risk of Oceanteam:

In May 2020, the repayment date of both the Stichting Value Partners Family Office loan and Corinvest B.V. loan was extended from April 2021 to April 2023. Both lenders were provided with a non-possessory pledge on one carousel each.

In May 2020, Oceanteam obtained a flexible credit facility with Rabobank for up to EUR 800.000. The key purpose of this facility is to have internal project financing possibilities for the Solutions division to finance cable / carousel mobilisations and upgrades.

Both Oceanteam Bourbon 101 AS and Oceanteam Bourbon 4 AS deferred all four quarterly loan instalments due in 2020. This provided flexibility to perform planned capex activities on both vessels and catered for the reduced utilisation of the vessels.

The CSV BO 101 has been idle since April 2020 which coupled with a significant write down in the vessel value has led to Oceanteam Bourbon 101 AS having negative equity of USD 5.3 million as at 31 December 2020. Oceanteam Bourbon 4 AS is jointly and severally liable for the loan from the banking consortium to Oceanteam Bourbon 101 AS and Oceanteam Bourbon 4 AS. Oceanteam Bourbon 4 AS is considered to have a financial guarantee in respect of this arrangement and has recognised a lifetime expected credit loss of USD 6.15m.

As at 31 December 2020, the loan from the banking consortium was in default. Refer to note 18 for further details.

During 2021 the following key events affected the financial risk of Oceanteam:

Joint Venture partnership with Bourbon

In 2021 a sale agreement for CSV Southern Ocean has been signed. The sale is made subject to customary conditions and is expected to be completed in April 2021. The sales proceeds are more than sufficient to repay Oceanteam Bourbon 4 AS's share of the loan generating a surplus. The surplus is expected to be more than sufficient to cover Oceanteam Bourbon 101 AS's shortfall in its ability to repay its share of the loan.

Oceanteam Bourbon 101 AS has deferred the loan instalment due in January 2021

(A) CREDIT RISK

Credit risk is the risk of financial loss to the Group if a customer or other counterpart to a financial instrument fails to meet its contractual obligations. Such loss would arise principally from the Group's trade receivables with its clients and through financial guarantees provided. The Group's customers are primarily large companies with high credit ratings.

The Group has sales revenues and liabilities in foreign currencies and is exposed to currency risks. In 2020, 59% of the revenue is in USD, 32% is in EUR and 9% is in GBP. Since the functional currency is in USD, the foreign exposure is for liabilities in EUR and its fluctuations with USD. Some of the local costs for Oceanteam ASA are in NOK which have been lower during 2020 due to favourable foreign exchange fluctuations. The overall strategy to reduce currency risk is largely based on natural hedging with incoming and outgoing cash flows being in the same currency.

Shipping segment

At the year-end, trade receivables from the Shipping segment represented 55 percent of the Group's total trade receivables. These trade receivables were predominantly related to the business conducted by CSV Southern Ocean which have been paid in full in the first quarter of 2021.

During the tendering and contract negotiations phase and dependent on the status of the charterer, Oceanteam always requests security over the receivables of the charter party; such as a parent company guarantee, bank guarantee, payment in advance or lien on assets of the charterer. Unfortunately, as a result of current market circumstances, the charterer is not always willing to provide such guarantees.

As at 31 December 2020, Oceanteam Bourbon 101 AS has negative equity of USD 5.3 million. The financial risk for Oceanteam Bourbon 4 AS in respect of the financial guarantee in place (both JVs being jointly and severally liable) has therefore increased significantly. The loss allowance has been measured over the lifetime of the financial instrument resulting in a USD 6.15 million provision for expected credit losses being recognised in Oceanteam Bourbon 4 AS.

Oceanteam ASA is one of three corporate guarantors for the loan. The other two guarantors being Bourbon entities. Following the sale of Southern Ocean, Oceanteam Bourbon 4 AS has the ability to cover this credit loss hence the guarantees provided by the corporate guarantors are not expected to be called upon.

Oceanteam Mexico SA de CV still owns two Fast Support Vessels (FSVs), Tiburon II and Mantarraya II, which are on a long- term bareboat charter to a charterer however are laid up in Venezuela. In 2017 Oceanteam unsuccessfully attempted to regain possession of the vessels through legal proceedings. No attempts to regain the vessels has been initiated in 2020. Due to the uncertain political situation and the unreliability of the judicial process, the total value of the assets was written off in previous years. Oceanteam's management is considering all options for recovery of the vessels.

Solutions segment

At the year-end, trade receivables from the Solutions segment represented 45 percent of the Group's total trade receivables. The exposure to credit risk depends on the individual characteristics of each customer. Before projects are in tendering phase and awarded, the Group performs full credit assessments on its existing and future customers.

Geographically the credit risk for the Solutions segment can be divided into activities in European countries and with an approximate number of 20 customers. Customers within the Solutions segment are in the renewable offshore industry. For the Solutions segment, the vast majority of outstanding trade receivables per year end of USD 1.1 million have already been received in 2021.

The need for bank guarantees, parent company guarantees and pre-payments are considered on an individual basis project by project. As at 31 December 2020, no provisions for expected credit losses have been made.

Oceanteam

The Group's allowance for expected credit losses is determined based on lifetime expected credit losses.

(B) LIQUIDITY RISK

Liquidity risk relates to the ability to meet financial obligations as they fall due. The Oil and Gas industry has continued to experience a downturn, which has inherently increased the liquidity risk.

Oceanteam's response has been to continue cost saving programs, defer / extend loan repayment obligations, achieve flexibility by obtaining the Rabobank credit facility and to initiate a divestment process of the shipping segment.

Oceanteam has financial obligations due to both, credit institutions and to vendors. At the end of 2020, the balance of secured debt is USD 25.2 million. There is USD 1.7m in trade payables and USD 9.7m in other liabilities (including the USD 6.15 million loan guarantee provision).

Obligations to vendors are mostly smaller in size and across a larger number of vendors. These obligations are managed in similar fashion as those to credit institutions with individual agreements.

The liquidity risk can be divided into short term, medium term and long term risks. The short term risks relate to certain specific small vendors requiring immediate payment compared to incoming cash flows. This risk is managed through the incoming cash flow which the Group has from the Shipping division and the Solutions division.

The medium term risks relate to aggregation of smaller vendors. Due to increased solutions activity, cash flow fluctuation in medium term should remain covered by the cash flow from the performance of contracts in the Solutions segment. This medium term risk has been managed by having contracts for a longer period in the Solutions division.

Long term risks relate to the repayment of loan instalments which has been managed by requesting deferral of the repayment of instalments and through the sale of Southern Ocean.

The operations of the Mexican office have been closed. Both the Tiburon II and Mantarraya II are laid up in Venezuela and subject to charges due to vendor claims.

Shipping revenue and earning streams are from the main CSV contracts. Historically, the key risk related to the Shipping division relates to renewing of contracts when these expire.

CSV Southern Ocean has been under contract with Boskalis in Asia from February 2021 until early April 2021. The vessel has now been sold.

CSV Bourbon Oceanteam 101 is still in Vigo Spain to finalize repair of the main crane damages which is forecasted to be finalized in Q2 2021.

The development of the offshore wind industry is expected to strengthen the income of the Solutions division and the effect of cost reduction objectives for operational expenditures and corporate expenses will carry on in 2021. The results and cash flow of the Solutions division will be key to maintain a stable cash flow.

Within the JVs, Oceanteam Bourbon 101 AS and Oceanteam Bourbon 4 AS, as at 31 December 2020, there was combined cash of USD 4.2 million which may be considered partially restricted; and there is combined loan debt of USD 40.4 million of which USD 22.3 million is consolidated into Group reported numbers.

At the balance sheet date, the Group had a cash position of USD 3.2 million, of which approximately USD 3.1 million was restricted.

Future cash flows and going concern

Oceanteam prepares and reviews detailed future cash flow forecasts for the group on a constant rolling basis. The 12 month forecast from April 2021 to April 2022 has been reviewed and the underlying key assumptions evaluated in determining that the group is a going concern.

There is inherent risk in cash flow estimates depending on the Company's ability to secure new contracts within its business segments. There are certain key assumptions which are pivotal to the going concern assertion during 2021 and 2022. The key events assumed in the cash flow forecast, of the Oceanteam fully controlled group, for the 12 months from April 2021 to April 2022, are summarised below.

Cash inflows

- The Solutions division of the business is expected to slightly decrease its revenue volumes compared with 2020 levels.
- Management fees from the shipping entities are expected to be received until May 2021
- Divestment of the shipping segment is expected to result in positive net proceeds which would sufficiently substitute the management fees for an extended period*
- Receipt in full of the final remaining amount receivable relating to the sale of KCI the engineers B.V.

Cash outflows

- General and Administrative costs are expected to decrease further during 2021. Cost saving programs continue to be in place.
- Operating expenditure within the Solutions division is expected to continue at a similar level compared with 2020
- Payment of the Stichting Value Partners Family Office loan interest and Corinvest B.V loan interest.

*It is assumed that CSV Bourbon Oceanteam 101 will also be sold at a price approximately equivalent to the vessel's year end carrying value. It is also assumed that the lenders will allow for an orderly sale process and not enforce their right to demand immediate payment which could lead to a forced sale scenario and less proceeds from the divestment of the shipping segment.

Assumptions have been made for Oceanteam Bourbon 101 AS's ongoing insurance claims which could also impact the net proceeds from the divestment of the shipping segment

(C) MARKET RISK

Market risk includes risk due to fluctuations in oil prices, political, economic risk and other uncertainties, increased competition and risk of war, other armed conflicts and terrorist attacks. The oil price is a significant driver for the offshore construction market, and thus for the demand for Construction Support Vessels. The deteriorated financial climate has an impact on projects in both the oil and gas and renewable energy industries. Such factors may make it more difficult to obtain attractive charter contracts or a sale contract for CSV BO 101. The demand for Oceanteam Solutions' services may be affected by economic climate and global supply chain trends.

Note 4 - Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience, market values and other factors, including expectations of future events and market developments that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

4.1 Critical accounting estimates and assumptions

(A) Impairment testing

The value in use and fair value estimates of the CSVs and Machinery may fluctuate due to changes in hire rates, OPEX, WACC (weighted average cost of capital), market conditions and operational risks of operating vessels and machinery.

For the two vessels, the fair value is based on an average of the brokers' valuations unless we have more reliable information available. The brokers' valuations are based on the principle of 'willing buyer and willing seller'. Due to a limited number of vessel sales in the current market, the brokers' valuations only to a limited extent represent the results of transactions in the market. Because of this, the broker estimates are more heavily influenced by the judgement of each broker.

We have evaluated the reliability of the brokers' valuations before deciding how much reliance can be placed on these. Refer to note 12 for more information

(B) Going Concern

Oceanteam prepares and reviews detailed future cash flow forecasts for the group on a constant rolling basis. The 12 month forecast from April 2021 to April 2022 has been reviewed and the underlying key assumptions evaluated in determining that the group is a going concern. There is inherent risk in cash flow estimates for the Company's ability to secure new contracts within its business segments. There are certain key assumptions which are pivotal to the going concern assertion during 2021 and 2022. Refer to note 3 for more information.

(C) Expected Credit losses

The fully consolidated subsidiary, Oceanteam Bourbon 4 AS, is jointly and severally liable for the loan from the banking consortium to Oceanteam Bourbon 101 AS and Oceanteam Bourbon 4 AS. Oceanteam Bourbon 4 AS is considered to have a financial guarantee contract in respect of this arrangement and due to Oceanteam Bourbon 101 AS's expected inability to settle its part of the loan in full, Oceanteam Bourbon 4 AS has recognised an expected credit loss. The expected credit loss is based on a forward looking probability weighted calculation that reflects the possibility of a loss occurring. This forward looking information includes assumptions and estimates regarding CSV Bourbon Oceanteam 101's selling price, insurance claim proceeds and other costs. Actual results may differ from the estimates made. Refer to note 19 for more information.

Note 5 - Operating segments

The Group has two segments, Oceanteam Shipping and Oceanteam Solutions. Oceanteam Solutions consist of rental equipment and tailored solutions for installation, transportation, storage and handling of subsea cables. Oceanteam Shipping consists of owning and chartering Construction Support Vessels. The current segments are the Group's strategic divisions.

There is no difference between the accounting policies of the reportable segments or between the reporting segments and the group. Intersegment revenues and costs relate to management fees charged between Oceanteam group companies. These are based on a cost plus margin basis.

The following summary describes the operations in each of the Group's reportable segments:

	Oceanteam Shipping		Oceanteam Solutions		TOTAL	
USD '000	2020	2019	2020	2019	2020	2019
Revenue	7.900	12.743	5.691	3.136	13.591	15.879
Net income from associates/joint ventures	(16.971)	2.106	-	-	(16.971)	2.106
Operating cost	(3.827)	(4.992)	(3.309)	(873)	(7.136)	(5.865)
Personnel costs	(837)	(912)	(947)	(1.212)	(1.784)	(2.123)
General & administration	(277)	(1.633)	(361)	(561)	(639)	(2.194)
EBITDA	**(14.012)**	**7.313**	**1.074**	**489**	**(12.938)**	**7.803**
Intersegment revenue	62	599	137	315	199	914
IIntersegment cost	(137)	(315)	(62)	(599)	(199)	(914)
Depreciation and Amortisation	(4.769)	(4.618)	(1.100)	(1.154)	(5.869)	(5.772)
Write off / Reversal of impairment	(46.099)	(2)	-	(8)	(46.099)	(10)
Reportable segment operating profit/(loss)	**(64.955)**	**2.977**	**49**	**(957)**	**(64.906)**	**2.020**
Financial income	119	311	(93)	(254)	25	57
Financial expense	(1.504)	(2.027)	(12)	(13)	(1.516)	(2.041)
Provision for loan guarantee expense	(6.150)	-	-	-	(6.150)	-
Foreign exchange effects	30	23	80	(61)	111	(38)
Net finance	**(7.505)**	**(1.694)**	**(25)**	**(328)**	**(7.530)**	**(2.022)**
Pre-tax profit / (loss)	**(72.460)**	**1.283**	**24**	**(1.285)**	**(72.436)**	**(2)**
Income tax	(2)	(11)	(750)	(250)	(752)	(261)
Net result from continuing operations	**(72.462)**	**1.272**	**(726)**	**(1.535)**	**(73.188)**	**(263)**
Net result from discontinuing operations	**-**	**950**	**-**	**-**	**-**	**950**
Net result for the period	**(72.462)**	**2.222**	**(726)**	**(1.535)**	**(73.188)**	**687**

Information on the reportable assets and liabilities is not reviewed by the Group's CEO (the chief operating decision maker). On this basis and given this disclosure information is not considered material, this information has not been disclosed.

The Shipping segment consist of two operating CSV vessels. The two vessels worked outside Europe in 2020. One of the CSV vessels is consolidated according to equity method, while the other CSV vessel, CSV Southern Ocean, is fully consolidated. Administration expenses in Oceanteam ASA are allocated to Shipping segment since material resources from Oceanteam ASA are allocated to Shipping segment. The Oceanteam Solutions segment consist of equipment business from RentOcean, an equipment department organized under Oceanteam ASA. Administration expenses in Oceanteam Shipping BV are allocated to equipment business due to RentOcean.

Geographical segments USD '000

In presenting the following information, segment revenue has been based on the geographic location of customers.

Revenue	2020	2019
Far East & Australia	7.169	12.504
Europe	6.422	3.375
Total	**13.591**	**15.879**

Net income from joint ventures and associates	2020	2019
Australia and Africa	(16.971)	2.106
South America	-	-
Total	**(16.971)**	**2.106**

Revenue is allocated based on the area in which the services are rendered.

Revenue comprises:	2020	2019	Change in %
Revenue	13.591	15.879	-14%
Net income from joint ventures and associates	(16.971)	2.106	-906%
Total	**(3.380)**	**17.985**	**-119%**

Refer to note 6 for a breakdown of segment revenues by the type of services provided.

Major customers

Segment	Major Customer	2020	Percentage of Group's revenue	2019	Percentage of Group's revenue
Shipping	Customer 1	6.164	45%	6.063	38%
	Customer 2	1.651	12%	4.733	30%
Solutions	Customer 3	3.405	25%		

There were no other customers (more than 10 percent of Group revenue) as per definition of IFRS 8.34.

Note 6 - Revenue

US'000

Revenue comprises:	2020	2019	Change in %
Shipping	7.900	12.743	-38%
Solutions	5.691	3.136	82%
Total revenue	**13.591**	**15.879**	**-14%**

Oceanteam derives its revenue from the transfer of goods and services over time and at a point in time from the following sources.

2020

Revenue comprises:	Shipping	Solutions	Total
Hire income	5.043	3.096	8.139
Crewing	2.423	2.039	4.462
Mobilization fee income	158	451	610
Management fee income	275	105	380
Total revenue	**7.900**	**5.691**	**13.591**

2019

Revenue comprises:	Shipping	Solutions	Total
Hire income	8.179	2.336	10.516
Crewing	4.119	313	4.432
Mobilization fee income	380	171	551
Management fee income	65	315	380
Total revenue	**12.743**	**3.136**	**15.879**

Hire income is recognized on a straight line basis over the term of the leases. Included within 2020 Shipping hire income is loss of hire insurance income of USD 0.9m (2019: USD 1.3m)

Crewing and management fee income is recognized as revenue over time on a straight line basis as provision of the services by Oceanteam is received and consumed by the customer simultaneously. The performance obligations are satisfied on a continues basis.

Mobilization fee income is recognized at a point in time when the performance obligation is satisfied (the equipment/vessel is delivered to the designated location and ready to begin operations). There were no performance obligations that are unsatisfied (or partially unsatisfied) as at the end of the reporting period.

When allocating the transaction price for time charter agreements between Hire income and Crewing, Oceanteam uses the expected cost plus margin approach.

Typically, invoices are sent immediately upon performance obligations being satisfied at a point in time. Performance obligations that are satisfied over time are normally invoiced on a monthly basis. Payment terms are generally 30-45 days. Oceanteam sometimes experiences delays in receiving payment from some clients which can lead to short-term fluctuations in trade receivables.

Refer to note 14 for further information on contract receivables from contracts with customers and note 19 for further information on contract liabilities from contracts with customers.

Vessel Contract Backlog

Shipping Contract backlog

- CSV Bourbon Oceanteam 101: The vessel does not have any firm contracts.

- CSV Southern Ocean: The vessel has had a firm contract until the end of March 2021. The client has exercised an option to extend the firm period to early April 2021. The vessel has now been sold.

Solutions Contract Backlog

The level of secured work is limited however tenders out are at a satisfactory level. Seasonal effects remain and projects tend to have durations of weeks and months instead of years. Activity in the Oil & Gas segment is low but is being compensated by the offshore renewable segment and other projects.

Note 7 - Leasing

Future contracted revenue from lease contracts in Shipping segment

The future minimum lease payments, of consolidated entities in the Shipping segment, only relate to Oceanteam Bourbon 4 AS. This income is from the bareboat hire element of the time charter agreements for CSV Southern Ocean. The time charter contract shown in the Vessel Contract Backlog in note 6 relates to a contract secured in January 2021. CSV Southern Ocean did not have any firm contracts in place as at 31 December 2020.

USD '000	2020	2019
Less than one year:	-	2.658
Between one and five years:	-	-
More than five years:	-	-
Total	**-**	**2.658**

Future contracted revenue from lease contracts in Solutions segment

The Solutions segment leases out its equipment pool on its own contracts. The future minimum lease payments under non-cancellable leases are as follows:

USD '000	2020	2019
Less than one year:	1.209	544
Between one and five years:	-	-
More than five years:	-	-
Total	**1.209**	**544**

Future contracted expenses from leases

Future contracted expenses include office spaces, a work area and a barge rental agreement. These leases are treated as short-term (operating) leases. These expenses are recognised under Operating costs. The cash outflows are approximately equivalent to the lease expenses.

Lease expense recognised:

USD '000	Segment	2020	2019
Bergen / Oslo office	Shipping	15	24
Velsen base	Solutions	132	151
Velsen office	Solutions	16	16
Barge for project	Solutions	374	-
Total		**537**	**190**

The non-cancellable lease payments are as follows:

USD '000	2020	2019
Less than one year:	156	20
Between one and five years:	4	20
More than five years:	-	-
Total	**160**	**39**

Note 8 - Personnel cost

USD '000

Personnel cost	2020	2019
Salary	1.107	1.249
Pensions	114	114
Social security cost	83	99
Insurance	106	87
Directors fees	112	121
Contractors fees	239	451
Other costs	23	3
Total	**1.784**	**2.123**

Number of man-years employed over the financial year	11	12

Contractor fees are related to external consultants and temporary employees supporting the Group's operations.

USD '000

Management remuneration		Board	Wages /	Pension	Other	
2020	Position	fees	Fees	premiums	remuneration	Total
Leidus Bosman	CEO (until Feb 2020)		38	2		41
Henk van den IJssel	CEO (from Feb 2020)		240	20		260
Kornelis Jan Willem Cordia	Chairman	43				43
Karin Antoinette Yvonne Govaert	Director	36				36
Hendrik Johannes Jesse	Director (until Aug 2020)	22	7			30
Hans Reinigert	Director (from Sept 2020)	10				10
Hendrik Hazenoot	Interim CFO		135			135
Diederik Legger	Advisor to the board		44			44
Hendrik ten Hoeve	Interim CEO Solutions (until May 2020)		52			52
Total		**112**	**518**	**22**	**-**	**652**

Management remuneration		Board	Wages /	Pension	Other	
2019	Position	fees	Fees	premiums	remuneration	Total
Leidus Bosman	CEO		240	17		257
Kornelis Jan Willem Cordia	Chairman	45				45
Karin Antoinette Yvonne Govaert	Director	38				38
Hendrik Johannes Jesse	Director	38	58			96
Hendrik Hazenoot	Interim CFO		118			118
Diederik Legger	Advisor to the board		48			48
Hendrik ten Hoeve	Interim CEO Solutions		165			165
Total		**121**	**628**	**17**	**-**	**766**

Leidus Bosman resigned as CEO effective 14 February 2020. He received an annual salary of EUR 198.000 which attracted a holiday allowance at 8%. During the period 1 January 2020 to 14 February 2020 he received EUR 31.908 (USD 35.566) in salary and EUR 2.553 (USD 2.849) in holiday allowance which have been classified under wages/fees

Henk van den Ijssel was appointed as CEO on 1 February 2020. He receives an annual salary of EUR 198.000, which attracts a holiday allowance at 8%, and an annual travel allowance of EUR 16.140. During the period 1 February 2020 to 31 December 2020 he received EUR 181.500 (USD 206.859) in salary, EUR 14.520 (USD 16.509) in holiday allowance and EUR 14.795 (USD 16.862) as a travel allowance all which have been classified under wages/fees

In the event that within 18 months of 1 February 2020, control of Oceanteam Group is taken over by, or a merger takes place with, a third party, whereby Henk van den Ijssel effectively loses his position and an alternative suitable position is not available, he will be entitled to a termination fee equal to 12 months of his base salary. The employment agreement contains a variable pay provision which is at the discretion of the board. No liability or expense was incurred in respect of this as at 31 December 2020.

For the year 2020, the agreed annual fee for the chairman of the board is NOK 400.000 and NOK 337.500 for the other members of the board (including NOK 37.500 for audit committee fees).

Kornelis Jan Willem Cordia, chairman of the board, received board fees of NOK 400.000 (USD 43.121) in 2020. Director, Karin Antoinette Yvonne Govaert received board fees of NOK 337.500 (USD 36.383) in 2020. Director, Hendrik Johannes Jesse, resigned as member of the board effective 15 August 2020. During the period 1 January 2020 to 15 August 2020 he received board fees of NOK 210.246 (USD 22.364). Hans Reinigert was appointed member of the board on 23 September 2020. During the period 23 September 2020 to 31 December 2020 he received board fees of NOK 92.213 (USD 10.460).

As at 31 December 2020, Oceanteam had no obligation to pay special compensation upon termination of, or change to, the chairman's appointment. As at 31 December 2020, there were no agreements between Oceanteam and the chairman providing for bonuses, profit sharing, options or similar benefits.

Hendrik Hazenoot, Interim CFO, has a service agreement through DTN Noordwijk B.V. In 2020, fees of EUR 118.155 (USD 135.355), including non-deductible VAT of EUR 12.645 (USD 14.405), have been charged in respect of his services.

Diederik Legger, advisor to the board, has had contracts with Oceanteam ASA through J. Hofland B.V. in respect of advisory services in 2020. Through these contracts he has charged a total of EUR 39.057 (USD 44.171), including non-deductible VAT of EUR 5.357 (USD 6.041) in 2020. There were no contracts in place as at 31 December 2020.

Hendrik ten Hoeve was appointed as a consultant from 1 January 2019 and as Interim CEO of Oceanteam Solutions on 1 April 2019. He had a service agreement through Maas Technical Management B.V. and has charged fees of EUR 47.319 (USD 52.140) in 2020 for his services. The agreement has been terminated per 31 May 2020.

Refer to note 20 for the year-end balances of related parties.

The incentive scheme throughout the group is given at the discretion of the board and CEO. The CEO makes a proposal to the board for different incentives for the employees of the company. There is no share incentive program.

There have not been given loans, advance payments and security by the Company or other companies in the group to the individual senior executives or the individual members of the board of directors, audit committee or other elected corporate bodies.

There have not been given remuneration, pension's plans or other benefits to members of the audit committee or other elected corporate bodies.

Note 9 - Auditor’s fee

Auditor’s fee consists of the following:

USD ‘000	2020	2019
Statutory audit	174	233
Other assurance services	2	13
Tax advisory	18	17
Other	0	3
Total	**194**	**266**

Consolidated entities 2020

Note 10 - Financial income and financial expenses

USD ‘000	2020	2019
Bank Interest income	25	57
Foreign exchange gain/loss	111	(38)
Interest expense	(1.434)	(1.963)
Provision for loan guarantee expense*	(6.150)	-
Other financial expense	(82)	(78)
Net finance	**(7.530)**	**(2.022)**

Oceanteam Bourbon 4 AS has recognized an expected credit loss in respect of the loan guarantee provided to Oceanteam Bourbon 101 AS. Refer to note 19 for further details.

Note 11 - Right of use assets and lease liabilities

Right of use assets - 2020	Crane	Amsterdam office	Total
Historical Cost 1 January 2020	532	153	686
Additions	-	-	-
Historical Cost 31 December 2020	**532**	**153**	**686**
Accumulated depreciation 1 January 2020	46	48	94
Depreciation	61	48	110
Accumulated depreciation 31 December 2020	**107**	**97**	**204**
-			
Total carrying amount per 31 December 2020	**425**	**56**	**481**

Right of use assets - 2019	Crane	Amsterdam office	Total
Historical Cost 1 January 2019	-	-	-
Additions	532	153	686
Historical Cost 31 December 2019	**532**	**153**	**686**
Accumulated depreciation 1 January 2019	-	-	-
Depreciation	46	48	94
Accumulated depreciation 31 December 2019	**46**	**48**	**94**
-			
Total carrying amount per 31 December 2019	**486**	**105**	**591**

Lease liabilities as at 31 December 2020	Crane	Amsterdam office	Total
Non-current	395	9	405
Current	53	54	107
Total discounted lease liabilities	**448**	**63**	**511**
Effect of not discounting	133	5	138
Total undiscounted lease liabilities	**581**	**68**	**649**

Lease liabilities as at 31 December 2019	Crane	Amsterdam office	Total
Non-current	448	63	511
Current	49	49	99
Total discounted lease liabilities	**497**	**112**	**610**
Effect of not discounting	168	13	181
Total undiscounted lease liabilities	**665**	**125**	**790**

Lease liabilities maturity analysis - contractual undiscounted cash flows	2020	2019
Less than one year:	142	141
Between one and five years:	346	404
More than five years:	161	245
Total	**649**	**790**

The ship crane mounted on the vessel CSV Southern Ocean is leased by the fully consolidated company, Oceanteam Bourbon 4 AS, from the associated company Oceanteam Bourbon Investments AS.

The fully consolidated company, Oceanteam Shipping B.V, rents an office space from an entity external to Oceanteam Group.

For the period 1 January - 31 December 2020	Crane	Amsterdam office	Total
Lease liabilities interest expense	35	8	43
Cash outflow	84	57	141

Note 12 - Tangible assets

USD'000

Carrying values	Fast Support Vessels	Southern Ocean	Equipment & other	Total
Carrying values per 1 January 2020	-	77.510	15.168	92.677
Additions	-	3.108	132	3.240
Disposals	-	-	-	-
Disposals depreciation	-	-	-	-
Depreciation tangible asset	-	(4.707)	(1.052)	(5.759)
Impairment / reversals	-	(46.099)	-	(46.099)
Carrying values per 31 December 2020	**-**	**29.812**	**14.248**	**44.060**

Vessel and Equipment	Fast Support Vessels	Southern Ocean	Equipment & other	Total
Historical Cost 1 January 2020	8.725	171.134	41.652	221.511
Additions	-	3.108	132	3.240
Disposals	-	-	-	-
Historical Cost 31 December 2020	**8.725**	**174.241**	**41.784**	**224.751**
Accumulated depreciation 1 January 2020	(8.725)	(27.049)	(14.057)	(49.832)
Depreciation	-	(4.707)	(1.052)	(5.759)
Disposals depreciation	-	-	-	-
Accumulated depreciation 31 December 2020	**(8.725)**	**(31.755)**	**(15.108)**	**(55.590)**
Accumulated impairments 1 January 2020	-	(66.576)	(12.426)	(79.002)
Impairments/reversals	-	(46.099)	-	(46.099)
Accumulated impairments 31 December 2020	**-**	**(112.674)**	**(12.426)**	**(125.101)**
Total carrying amount per 31 December 2020	**-**	**29.812**	**14.248**	**44.060**

Vessel and Equipment	Fast Support Vessels	Southern Ocean	Equipment & other	Total
Historical Cost 1 January 2019	8.725	170.877	42.278	221.880
Additions	-	257	737	994
Disposals	-	-	(1.363)	(1.363)
Historical Cost 31 December 2019	**8.725**	**171.134**	**41.652**	**221.511**
Accumulated depreciation 1 January 2019	(8.725)	(22.566)	(14.226)	(45.517)
Depreciation	-	(4.483)	(1.195)	(5.678)
Disposals depreciation	-	-	1.363	1.363
Accumulated depreciation 31 December 2019	**(8.725)**	**(27.049)**	**(14.057)**	**(49.832)**
Accumulated impairments 1 January 2019	-	(66.576)	(12.426)	(79.002)
Impairments/reversals	-	-	-	-
Accumulated impairments 31 December 2019	**-**	**(66.576)**	**(12.426)**	**(79.002)**
Total carrying amount per 31 December 2019	**-**	**77.510**	**15.168**	**92.677**

Depreciation rates	5-10 years	5-25 years	3-25 years	
Depreciation method	linear	linear	linear	

When internal resources are used to engineer and construct a fixed asset, the relevant costs are added to the historical cost. All construction financing costs are capitalized. There have not been costs related to own development and borrowing cost in 2019. The Construction Support Vessels (CSV's) and the Fast Support Vessels (FSV's) are financed and held for security. In April 2020, Oceanteam has agreed to non-possessory pledge's being placed on 2 of the 6 carousels classified under 'Machinery and other'. See note 18, loans and borrowings, for further information.

Impairment Testing

Because of the volatile market and other impairment indicators, impairment tests have been performed on all tangible assets.

Construction Support Vessels (CSV's)

On a recurring basis, the CSV's are investigated for indications of impairment, and at a minimum every year an impairment test is performed, comparing the carrying amount with the recoverable amount (higher of CSV's fair value less costs of disposal and its value in use).

There are two vessels in this category. These being CSV Bourbon Oceanteam 101 and CSV Southern Ocean. CSV Bourbon Oceanteam 101 is owned by the equity accounted associate, Oceanteam Bourbon 101 AS. CSV Southern Ocean is owned by the subsidiary Oceanteam Bourbon 4 AS, which is 100 percent consolidated into Oceanteam group numbers.

"There is significant uncertainty regarding CSV Bourbon Oceanteam 101 securing future contracts and whether its value will be recovered through a sale transaction or through continuing use. The group's strategy is to shift from oil & gas towards renewables. Considering the vessel's technical limitations (not having the dead weight capacity for large cable carousels), the opportunities the vessel has for cable installations in the renewables segment are limited. Furthermore, refinancing of the vessel's loan facility is considered to be very difficult. For these reasons we have chosen to not place reliance on our value in use calculation but rather place reliance on the vessel's fair value less costs to sell. The fair value has been determined based on offer prices from market participants.

CSV Southern Ocean has been sold in 2021. As at 31 December 2020, the vessel has been valued at its fair value (sale price) less costs to sell. Refer to note 24 for further details.

Significant impairment losses have been recognized for both vessels. This has been caused by a combination of deteriorated market conditions and by the recoverable amounts being based on the fair values less costs to sell rather than value in use. Both of the vessels are within Oceanteam's shipping segment.

Equipment

Oceanteam have applied a WACC of 9,1 percent when testing the CSVs.

The calculated WACC has the following assumptions:

a) Risk free rate of 1.49%
b) 21 / 79 ratio of equity /debt
c) 2,4 Equity Beta
d) Market risk premium 5.8%

Assumptions made in determining the recoverable amount of Equipment:

a) Equipment utilization between 30% and 100% determined on and asset by asset basis
b) Increases in the hire rates of 2% year on year
c) Increases to operating costs of 2% year on year
d) Maintenance costs amounting to 4% of the machines' historic costs to be incurred every other year
e) Residual values of 10% of the machines' historic costs

Impairment scope:

1. Impairment reviews have been performed on all vessels within Oceanteam.
2. Impairment reviews have been performed on all tangible assets within the Oceanteam solutions segment.

The impairment tests of the CSV Southern Ocean resulted in an impairment of USD 46.1 million in 2020.

The impairment tests of Equipment resulted in no impairment being necessary for 2020. Value in use workings were performed which demonstrated that the value in use was in excess of the carrying values.

The two Fast Support Vessels, Mantarraya and Tiburon, were written down to nil in previous years and continue to have a carrying value of nil. It is highly doubtful that Oceanteam can recover the vessels from Venezuela.

Note 13 - Income taxes

The Group is subject to income taxes in numerous jurisdictions. Significant judgement is required in determining the worldwide provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Some companies operate under the Norwegian Tonnage Tax system.

USD'000

Tax income / (expense) comprises:	2020	2019
Tax charge on profit / loss for the year	-	-
Withholding taxes	-	(9)
Tonnage tax	(2)	(2)
Changes in deferred tax	(750)	(250)
Other changes	-	-
Deferred tax from equity transactions	-	-
Total income tax expense	**(752)**	**(261)**
Reconciliation of nominal and effective tax rate		
Ordinary profit / (loss) before income tax	(50.110)	(2)
Weighted average income tax rate*	22%	24%
Tax expected based on weighted average tax rate	11.112	1
Tax effect of:		
Net income from associates / joint ventures reported net of tax	(3.763)	514
IIncome taxable under Norwegian tonnage tax regime	(3.681)	296
Tonnage tax charge and withholding taxes	(2)	(11)
Expenses not deductible for tax purposes	(4.288)	(211)
Changes in temporary differences	203	52
Translation differences	20	(33)
Correction from previous periods	-	204
Utilisation of losses	-	-
Losses generated and not utilised	(352)	(1.072)
Income tax expense	**(752)**	**(261)**
Effective tax rate in %	-1,5%	-11854,1%
Temporary differences:		
Fixed assets	(1.148)	(1.213)
Non-current receivables	-	-
Non current assets	-	-
Current assets	-	-
Profit and Loss account	49	60
Tax-deductible part of write-down	-	-
Taxable income from Subsidiairies	-	-

Effect foreign exchange on long-term liabilities	-	-
Other temporary differences	-	(859)
Total temporary differences	**(1.098)**	**(2.012)**
Losses carry forward	(214.665)	(207.242)
Total temporary differences and losses carried forward	**(215.763)**	**(209.255)**
Not Included in basis for tax calculation of deferred tax asset	214.763	205.255
Included in basis for tax calculation of deferred tax asset	1.000	4.000
Total temporary differences and losses carried forward	**215.763**	**209.255**
Deferred tax asset recogonised (2020: 25%, 2019: 25%)**	250	1.000

Tax losses and temporary differences for which no deferred tax asset was recognised expire as follows:

USD'000	2020	Expiry date	2019	Expiry date
Expire (the Netherlands)	23.622	2021 - 2026	19.960	2020 - 2025
Never expire (Norway)	191.141	n/a	185.294	n/a
Total	**214.763**		**205.255**	

*Domestic tax rates applicable to the Group vary from country to country. The weighted average income tax rate has been calculated by weighting the profit/(loss) before income tax made be each company in relation to the applicable domestic corporation tax rate.

**Oceanteam has recognized USD 0.25 million as a deferred tax asset relating to carry forward taxable losses for the operations in the Netherlands where the corporation tax rate is 25%.

The deferred tax asset relates to the equipment business, and is based on latest forecast for this business segment. Plans indicate that there will be sufficient taxable profit to offset some of the tax loss carry forward during the period 2021-2023.

Contracts and budgeted revenue with customers gives convincing evidence to support the conclusion that the deferred tax asset can be recognized in the accounts. Foreign deferred tax assets are only recorded in tax note if it is expected that they can be utilised within the statute of limitations in their local jurisdiction.

Parent company Oceanteam ASA and other Norwegian entities in the group have suffered large tax losses. The basis for potential deferred tax loss is estimated to amount to NOK 1 622 million (USD 190 million) as at 31 December 2020 for the Norwegian entities. Confirmation from the tax authorities for a cumulative carry forward tax loss of NOK 1 609 million (USD 189 million) for the year 2019 was received in October 2020. The deferred tax losses are not recognized in the balance sheet as there is uncertainty to what extent the losses can be offset against future profits. Carry-forward taxable losses do not have a statute of limitation under current Norwegian tax regimes.

Deferred income tax liabilities are offset when there is an enforceable right to offset deferred tax assets against deferred tax liabilities and when the deferred income tax relate to the same fiscal authority.

The profit / loss from discontinuing operations is a not taxable income/expense.

Note 14 - Receivables

USD '000	2020	2019
Trade receivables at nominal value	2.481	2.272
Less: allowance for expected credit losses	0	0
Net trade receivables	**2.481**	**2.272**

Movements in the group allowance for expected credit losses of trade receivables are as follows:	2020	2019
At 1 January	-	2
Allowance for expected credit losses movement	-	(2)
At 31 December	**-**	**-**

Trade receivables - Ageing	Due 1-30 days	Due 31- 60 days	Due 61- 90 days	Due > 90 days	Total
Shipping	684	669	12	10	1.374
Solutions equipment handling and rental	512	409	184	1	1.106
Total trade receivables	**1.196**	**1.078**	**197**	**11**	**2.481**

Other receivables	2020	2019
Prepayments	53	34
Accrued Revenue*	907	1.289
Receivable from the sale of KCI the Engineers B.V**	149	274
Receivables from JV's and associates	128	212
Other short term receivables	1.057	393
Other current receivables	**2.294**	**2.202**

The allowance for expected credit losses was assessed under the requirements of IFRS 9. Management concluded that no adjustment was required.

Trade receivables as at 31 December 2020 does not include transactions with parties in respect of which there has historically been allowances for expected credit losses.

* Accrued revenue relates to a loss of hire claim for Southern Ocean. Payment has been received in full in 2021.

**** Movement in the receivable from the sale of KCI the Engineers B.V**

000'USD	2020	2019
Amount receivable as at 1 January	274	1.011
Cash received	(134)	(724)
Foreign exchange gain / (loss)	9	(13)
Amount receivable as at 31 December 2020	**149**	**274**

The company received USD 0.13 million in February 2020 and expects to receive the remaining 0.15 million mid 2021.

Contract Receivables

The below tables includes assets relating to contracts with customers recognised under IFRS 15 ‘Revenue from Contracts with Customers’.

		Trade receivables		Accrued Revenue		Total	
USD ‘000	Segment	2020	2019	2020	2019	2020	2019
Mobilisation fees	Shipping	20	297	-	-	20	297
Crewing	Shipping	138	599	-	500	138	1.100
Management fees	Shipping	151	310	-	-	151	310
Total shipping receivables		**309**	**1.206**	**-**	**500**	**309**	**1.706**
Crewing	Solutions	263	25	-	-	263	25
Total Solutions receivables		**263**	**25**	**-**	**-**	**263**	**25**
Total receivables		**572**	**1.231**	**-**	**500**	**572**	**1.731**

Lease receivables

The below table includes assets relating to lease agreements recognised under under IFRS 16 ‘Leases’.

		Trade receivables		Accrued Revenue		Total	
USD ‘000	Segment	2020	2019	2020	2019	2020	2019
Vessel hire	Shipping	1.075	874	907	745	1.982	1.619
Equipment hire	Solutions	798	167	-	43	798	211
Total lease receivables		**1.873**	**1.041**	**907**	**789**	**2.780**	**1.830**

Note 15 - Cash and cash equivalents

USD ‘000	2020	2019
Cash	3.190	4.827
Cash and cash equivalents	**3.190**	**4.827**
Of which is restricted deposits*	**3.139**	**3.290**

* Restricted deposits	2020	2019
Amounts within Oceanteam Bourbon 4 AS**	3.113	3.260
Tax deducted from employees, deposited in a separate bank account amounts to NOK 208.276 (2019. NOK 264.839)	26	30
Total	**3.139**	**3.290**

**Payment of dividends and other distributions that may be considered dividends from Oceanteam Bourbon 4 AS are subject to the prior approval of SpareBank 1 SMN in accordance with the loan agreement. The bank accounts within Oceanteam Bourbon 4 AS are jointly controlled by Oceanteam ASA and Bourbon Offshore Norway AS. Any payments have to be agreed upon by both JV partners.

Note 16 - Investments in Subsidiaries and other consolidated entities

USD '000

Overview subsidiaries:	Profit / (Loss) 2020	Equity / (Negative Equity)	Ownership percentage	Voting share	Head Office / Country of registration
Subsidiary companies:					
Oceanteam II B.V.	(906)	4.942	100%	100%	Amsterdam, Netherlands
RentOcean B.V	(185)	2.630	100%	100%	Amsterdam, Netherlands
North Ocean 309 AS	(1)	(945)	100%	100%	Baerum, Norway
Oceanteam Bourbon 4 AS*****	(38.928)	4.063	50%	60%	Baerum, Norway
2nd level Subsidiaries					
Oceanteam Shipping B.V.*	(876)	5.878	100%	100%	Amsterdam, Netherlands
Kingfisher Enterprise B.V	10	(79)	100%	100%	Amsterdam, Netherlands
Oceanteam Shipping GmbH*	(0)	0	100%	100%	Wilhelmshaven, Germany
Oceanteam Mexico B.V.*	(0)	(1)	100%	100%	Amsterdam, Netherlands
3rd level Subsidiaries					
Oceanteam Mexico S.A. de C.V.****	-	(120)	90%	49%	Cd, del Carmen, Mexico
Oceanteam Solutions B.V.**	(4)	1	100%	100%	Amsterdam, Netherlands
Oceanteam GmbH**	-	-	100%	100%	Wilhelmshaven, Germany
4th level Subsidiary					
Oceanteam Power & Umbilical GmbH***	-	-	100%	100%	Wilhelmshaven, Germany

Refer to Note 18 for details of restrictions in place in consolidated entities.

The group consolidated financial statements include the parent company Oceanteam ASA and 12 subsidiaries. Oceanteam Shipping Monaco SAM was liquidated in 2020.

* The shares are directly owned by Oceantem II B.V. a subsidairy of Oceanteam ASA

** The shares are directly owned by Oceanteam Shipping B.V. a subsidiary of Oceanteam II B.V.

*** The shares are directly owned by Oceanteam GmbH, a subsidiary of Oceanteam Shipping B.V.

**** Oceanteam Mexico B.V, a subsidiary of Oceanteam II B.V, holds 49% of the ordinary shares in Oceanteam Mexico S.A. de C.V. however, between its ordinary shares and class N shares it holds 90% of the equity in the company. The class N shares don't give the same voting rights as ordinary shares but do give voting rights on matters including; amendments to the purpose of the company, dissolution of the company and mergers. Additionally, Oceanteam ASA provides the funding to this company and sets the policies and strategy. On this basis Oceanteam ASA is considered to have control of Oceanteam Mexico S.A. de C.V.

***** Oceanteam Bourbon 4 AS has a material non-controlling interest of 50% illustrated in table below.

USD '000

	Oceanteam Bourbon 4 AS
Operating segment	Shipping
Principal place of business	Baerum, Norway
Ownership interest held by non-controlling interests	50%
Voting rights held by non-controlling interests*	40%

The following is summarised financial information for Oceanteam Bourbon 4 AS based on the company's financial statements prepared according to Norwegian GAAP.
The information is before intercompany eliminations with other companies in the Group.

	Oceanteam Bourbon 4 AS	
USD '000	2020	2019
Operating income	7.625	12.678
Operating expenses	(8.843)	(9.810)
Net finance costs	(1.254)	(1.658)
Tax on ordinary result	(2)	(11)
Write off / Impairment	(36.454)	-
Net profit / (loss) for the year	**(38.928)**	**1.199**
Adjustments made at group level:	(16.019)	(100)
Net profit / (loss) for the year	**(54.946)**	**1.100**
Other comprehensive income	-	-
Total comprehensive income	**(54.946)**	**1.100**
Profit / (loss) attributable to non-controlling interests	**(27.473)**	**550**
Current assets	5.632	6.742
Non-current assets	29.812	61.491
Current liabilities	(31.381)	(25.242))
Non-current liabilities	-	-
Net assets	**4.063**	**42.990**
Adjustment made at group level:	-	16.019
Net assets	**4.063**	**59.009**
Net assets attributable to non-controlling interests	**2.031**	**29.504**

Oceanteam ASA controls the day to day operations of Oceanteam Bourbon 4 AS however any decisions including the transfer of assets, cash or declaration of dividends, has to be jointly decided upon by both JV partners, Oceanteam ASA and Bourbon Offshore Norway AS. Oceanteam Bourbon 4 AS has a credit and guarantee facility agreement with several banks which has various covenants including minimum free cash of USD 500.000.

The consolidated group's total cash consists of USD 3.19 million out of which USD 3.1 million belongs to Oceanteam Bourbon 4 AS.

See notes 15 and 18 for further details.

In December 2014, the shareholders' agreements between Oceanteam ASA and Bourbon Offshore Norway AS regarding the companies Oceanteam Bourbon 4 AS and Oceanteam Bourbon 101 AS were amended. The result of the amendment was that Bourbon Offshore Norway AS acquired control over Oceanteam Bourbon 101 AS, and that Oceanteam ASA acquired control over Oceanteam Bourbon 4 AS. The change became effective from 1 January 2014. (agreements are dated 15 May 2014)

After the amendment equity interest still remained 50 percent, voting rights on shareholders level are equal, voting rights in the board are 2/5 Bourbon Offshore Norway AS and 3/5 Oceanteam ASA. The control is currently also affirmed by Oceanteam ASA being represented by three of a total of five directors on the company's board. However, the owner companies, Bourbon Offshore Norway AS and Oceanteam ASA have equal voting shares in general meetings.

Oceanteam Bourbon 4 AS operates the vessel CSV Southern Ocean.

Note 17 - Share capital and shareholder information

Share capital Per 31.12.2020

As per 31.12.2020, the share capital of the Company is NOK 197.448.290 (USD 24.403.333) divided into 34.338.833 shares with a nominal value of NOK 5,75 (USD 0,74). All shares have equal voting rights.

Oceanteam owns a total of 127.573 own shares representing 0,4% of the shares in the Company. The calculations are made on the basis of 34.338.833 shares in the Company.

Shareholders	Notes	Number of shares	Percentage of total
Euroclear Bank S,A,/N,V,		15.845.263	46,1%
UBS Switzerland AG	1	6.690.948	19,5%
State Street Bank and Trust Comp		1.826.012	5,3%
SIX SIS AG		1.481.374	4,3%
HESSEL HALBESMA DØDSBO		756.307	2,2%
The Bank of New York Mellon SA/NV		658.167	1,9%
Pictet & Cie (Europe) S,A,		457.772	1,3%
CLEARSTREAM BANKING S,A,		419.813	1,2%
STEINAR GRØNLAND		340.000	1,0%
STIG EEG AUNE		310.000	0,9%
Citibank Europe plc		281.063	0,8%
INGA HELENE ØGREY		187.729	0,5%
NORDNET LIVSFORSIKRING AS		184.306	0,5%
OCEANTEAM ASA		127.573	0,4%
Geir Bjørndalen		126.087	0,4%
MOMO INVEST AS		102.254	0,3%
ROLF NESHEIM		100.010	0,3%
HANDEL PARTNER AS		100.000	0,3%
HAUSTKOLLHOLMEN AS		100.000	0,3%
ANDREAS BJERLØV KARLSEN		100.000	0,3%
Subtotal 20 largest		**30.194.678**	**87,9 %**
Others		4.144.155	12,1%
Total		**34.338.833**	**100,0 %**

Shareholders	Notes	Number of shares	Percentage of total
Board:			
Kornelis Jan Willem Cordia (Chairman)	1	6.590.517	19,2 %
Total		**6.590.517**	**19,2 %**

1. Through UBS Switzerland AG, Kornelis Jan Willem Cordia, Chairman of Oceanteam ASA, owns 6.590.517 shares..

For more information, please refer to related party transactions in note 20.

Note 18 - Loans and Borrowings

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual cash flows including interests representing nominal value at payment date. There are no net-settled derivative financial liabilities.

USD ´000

At 31 December 2020	0 to 1 years	1 to 2 years	2 to 5 years	over 5 years	Total
Total outstanding on loans	22.164	-	3.000	-	25.164
Total outstanding on loans	**22.164**	**-**	**3.000**	**-**	**25.164**

	0 to 1 years	1 to 2 years	2 to 5 years	over 5 years	Total
At 31 December 2019					
Total outstanding on loans	25.105	-	-	-	25.105
Total outstanding on loans	**25.105**	**-**	**-**	**-**	**25.105**

Loans/ Currency of loans		True rate of interes	Description	31.12.20	31.12.19
Oceanteam ASA (USD)	Secured***	Interest 7%	Stichting Value Partners Family Office	1.500	-
Oceanteam ASA (USD)	Secured***	Interest 7%	Corinvest B.V.	1.500	-
Total long-term debt				**3.000**	**-**
Oceanteam ASA (USD)	Secured***	Interest 7%	Stichting Value Partners Family Office	-	1.572
Oceanteam ASA (USD)	Secured***	Interest 7%	Corinvest B.V.	-	1.570
CSV Southern Ocean (USD)	Secured****	LIBOR + margin	*SpareBank 1 SMN Bank USD 81 million	22.275	22.275
Oceanteam Shipping B.V (USD)	Secured*****	EURIBOR + margin	Overdraft facility with Rabobank	82	-
Borrowing costs**				(193)	(314)
Total short-term debt				**22.164**	**25.105**

*The loan is classified as a short-term debt as the loan is in a cross-default position.

**Borrowing costs related to the refinancing of the SpareBank 1 SMN loan have been capitalised and classified as a reduction of debt

"***On 25 May 2020, a non-possessory pledge on one carousel each was provided to Stichting Value Partners Family Office and Corinvest B.V. One of the carousels is owned by RentOcean B.V. The other is owned by Oceanteam Shipping B.V. The total carrying value of the two carousels, as at 31 December 2020, is USD 5.8 million."

"****The CSV vessels and various equipment are collateral for the SpareBank 1 SMN Bank loan. The carrying amount of CSV Southern Ocean is USD 29.8 million per 31 December 2020.

"*****The Oceanteam Shipping B.V overdraft facility with Rabobank may be drawn at any time with the total facility available being EUR 0.8m. The facility may be terminated by Rabobank by providing 3 months notice with the amounts borrowed being repayable immediately after the notice period has expired. All of Oceanteam Shipping B.V's and Oceanteam Solutions B.V's equipment, cash and receivables, subject to the carousel pledged by Stichting Value Partners Family Office, are collateral. The carrying value of these

Financial costs	2020	2019
CSV Southern Ocean (USD)	1.223	1.754
Other loans (USD)	210	210
Lease liabilities interest expense	43	39
Other	40	39
Total interest costs	**1.516**	**2.041**

Total loan facilities

As per 31 December 2020 the total interest bearing debt of the Group is USD 25.2 million. The Group had free cash of USD 52.000. The equity ratio was 30.8 percent per balance sheet date.

Loans in consolidated group companies

SpareBank 1 SMN Bank, DVB Bank SE Nordic Branch and NIBC Bank N.V – USD 81.000.000 - CSV Southern Ocean

All amounts below are presented on 100 percent basis. 100% is included in the group accounts since this is a consolidated subsidiary.

Oceanteam Bourbon 4 AS (borrower) has entered into a credit and guarantee facility agreement in the amount of USD 81 million with SpareBank 1 SMN Bank, DVB Bank SE Nordic and NIBC Bank N.V as lenders and SpareBank 1 SMN as facility agent. The balance of the loan per 31 December 2020 is USD 22.3 million. The current interest is 3 month LIBOR + 3,75 % margin p.a. All four of the quarterly instalments of USD 2.025 million due in 2020 have been deferred. The installments resumed in 2021 with the January installment being paid in full.

The loan has a final maturity date of 17 July 2022. The four deferred instalments, originally due 2020, will become payable at the final maturity date. it is expected that a balloon payment equivalent to five instalments will need to be made on 17 July 2022.

Key loan covenants for the borrower include:
> Free cash of minimum USD 500.000
> Working capital to be positive at all times. First year instalments are deducted from short term liabilities.
> Market value adjusted Equity of minimum 25%
> Vessel value / Loan balance, minimum 135%

Other key loan covenants include:
> Market value adjusted Equity of minimum 25% of total value adjusted assets (OTS Group, reporting quarterly)
> Market value adjusted Equity of minimum 25% of total value adjusted assets (BON, reporting semi-annually)
> Market value adjusted Equity of minimum 25% of total value adjusted assets (BML, reporting semi-annually)

This loan has been placed under CSV Southern Ocean in the table above.

On 30 June 2020 a second amendment and restatement agreement was entered into. The agreement states that at all times after expiry of the deferral period, each borrower shall apply any excess amount held by it above USD 1.500.000 towards prepayment of the relevant loan on the last day of each Interest period (quarter).

As of the balance sheet date and the reporting date, the loan is in default due to:

> Cross default triggered by BML due to non-payment of financial indebtedness when due
> BML breaching the minimum market adjusted equity ratio
> Oceanteam Bourbon 101 AS having negative working capital

The loan has been classified as due in 2021 due to the fact that an event of default gives the bank the right to demand immediate repayment of the loan in full. The loan has been in default for several years. The bank has allowed, and is expect to continue to allow, the repayment of the loan as if no event of default has occurred.

Stichting Value Partners Family Office - USD 1.500.000 - Oceanteam ASA

Oceanteam ASA entered into a loan agreement on 23 April 2018 with Stichting Value Partners Family Office for the amount of USD 1.5 million. The loan attracts interest of 7% per annum. In May 2020, the repayment date was extended from April 2021 to April 2023. Refer to note 19 for further details.

Corinvest B.V. - USD 1.500.000 - Oceanteam ASA

Oceanteam ASA entered into a loan agreement on 21 December 2018 with Corinvest B.V. for the amount of USD 1.5 million. The loan attracts interest of 7% per annum. In May 2020, the repayment date was extended from April 2021 to April 2023. Refer to note 19 for further details.

Loans in associated group companies

Sparebank 1 SMN Bank, DVB Bank SE Nordic Branch and NIBC Bank N.V - USD 66.000.000 - CSV Bourbon Oceanteam 101

All four of the quarterly instalments due in 2020 and the installment due in January 2021 have been deferred.

As at 31 December 2020, the company was in breach of its financial covenant to have positive working capital at all times.
Due to this and the reasons mentioned above for the CSV Southern Ocean, the loan is in default.

An event of default gives the bank the right to demand immediate repayment of the loan in full. The loan has been in default for several years.

It is expected that Oceanteam Bourbon 101 AS will not be able to settle its part of the loan in full. Refer to note 19 for further details.

Note 19 - Liabilities

USD'000

Trade payables	Current	Due 30-60 day	Due 61-90 days	Due > 120 days	Total
Shipping	310	374		332	1.016
Solutions equipment handling and rental	434	183	39	3	658
Total trade payables	**743**	**556**	**39**	**335**	**1.674**

Aging above provides information on overdue status of invoices for the group companies.

Provisions	2020	2019
Provisions	544	544
Total provisions	**544**	**544**

Provisions relates to disputed brokers fees which are pledged by the Dutch tax authority.

Other payables	2020	2019
Incurred interest cost	321	267
Holiday and wages due	62	64
Preinvoicing	212	58
JV Partner balance	1.065	1.065
Provision for loan guarantee*	6.150	-
Other short term debt	740	2.180
Total other current liabilities	**8.549**	**3.635**

The carrying amounts of trade and other payables are considered to be the same as their fair values, due to their short-term nature.

The fully consolidated subsidiary, Oceanteam Bourbon 4 AS, is jointly and severally liable for the loan from the banking consortium to Oceanteam Bourbon 101 AS and Oceanteam Bourbon 4 AS. Oceanteam Bourbon 4 AS is considered to have a financial guarantee contract in respect of this arrangement. Refer to note 18 for further details of the loan.

Oceanteam Bourbon 101 AS has deferred all four loan installments due in 2020 and the loan installment due in January 2021. CSV BO 101 has been idle since April 2020 which coupled with a significant write down in the vessel value has led to Oceanteam Bourbon 101 AS having negative equity of USD 5.3 million as at 31 December 2020. The loan is in default due to 3 default triggers, one being that Oceanteam Bourbon 101 AS has negative working capital. For these reasons, the credit risk of the guarantee is considered to have increased significantly. It is expected that Oceanteam Bourbon 101 AS will not be able to settle its part of the loan in full. Oceanteam Bourbon 4 AS has recognized a loss allowance (provision for loan guarantee) at an amount equal to the lifetime expected credit loss.

The expected credit loss is based on a forward looking probability weighted calculation that reflects the possibility of a loss occurring. This forward looking information includes assumptions and estimates regarding CSV Bourbon Oceanteam 101's selling price, insurance claim proceeds and other costs. The actual results may differ materially from the estimates made.

Our probability weighted calculation includes a range of possible scenarios including that the lifetime expected credit loss could be as much as USD 1.5 million higher or lower than the amount recognized.

Contract Liabilities

The below tables includes liabilities relating to contracts with customers recognised under IFRS 15 'Revenue from Contracts with Customers'.

		Preinvoicing	
USD '000	Segment	2020	2019
Management fees	Shipping	-	6
Management fees	Solutions	-	53
Mobilisation fees	Solutions	53	-
Total contract liabilities		**53**	**58**

Lease Liabilities

The below tables includes liabilities relating to lease agreements recognised under under IFRS 16 'Leases'.

		Preinvoicing	
USD '000	Segment	2020	2019
Equipment hire	Solutions	159	-
Total lease liabilities		**159**	**-**

Note 20 - Related party transactions

Marstrat B.V.

Former director/former interim CEO Diederik Legger provided interim management and consultancy services through this company. Refer to note 8 for more details.

DTN Noordwijk B.V.

DTN Noordwijk B.V. is controlled by Interim CFO, Henrik Hazenoot. Transactions consist mostly of invoicing for monthly management and consultancy services. Travel costs have also been recharged through this company. Refer to note 8 for more details.

Maas Technical Management B.V.

Maas Technical Management B.V. is controlled by Hendrik ten Hoeve, former Managing Director of Oceanteam Solutions. Transactions include invoicing of management fees and recharges for travel expenses. Refer to note 8 for more details.

Workships Contractors .B.V

Workships Contractors B.V. is 50% controlled by Kornelis Jan Willem Cordia, chairman of the board. Transactions consist of invoicing for docking budget control for both vessels.

Oliley B.V.

Oliley B.V. is controlled by Karin Antoinette Yvonne Govaert, director of Oceanteam ASA. Transactions consists mainly of invoicing recharges for travel expenses.

Josco Strategisch Advies

Josco Strategic Advies is controlled by Hendrik Johannes Jesse, director of Oceanteam ASA. Transactions consist mainly of invoicing for strategic advisory services. Refer to note 8 for more details.

J. Hofland B.V.

Former interim CEO, Diederik Legger, provided advisory services to the board of directors of Oceanteam through J. Hofland B.V. Transactions include invoicing advisory fees. Refer to note 8 for more details.

Corinvest B.V.

Corinvest B.V. is controlled by Kornelis Jan Willem Cordia, chairman of the board. Transactions consists mainly of invoicing recharges for travel expenses.

USD '000

	Cost		Vendor & accrued balance		
Company	2020	2019	2020	2019	Type of transaction
Marstrat B.V (Diederik Legger)	-	(3)		-	see above
DTN Noordwijk B.V.	(135)	(118)	(11)	(10)	see above
Maas Technical Management B.V.	(52)	(165)	-	(100)	see above
Workships Contractors .B.V	(57)	(11)	(12)	-	see above
Oliley B.V.	(1)	(10)	(1)	(2)	see above
Josco Strategisch Advies	(7)	(58)		(59)	see above
J. Hofland B.V (Diederik Legger)	(44)	(45)		(17)	see above
Corinvest B.V.	(4)	-	(5)	-	see above

Transactions with Group companies

USD '000

	Crane Hire expense		Interest Income		Management fee income	
Company	2020	2019	2020	2019	2020	2019
Oceanteam Bourbon 101 AS					350	350
Oceanteam Bourbon Investments AS*	(84)	(84)	-	(3)	30	30

Only transactions with non-consolidated companies are disclosed above. See note 16 in the parent financial statements for details of transactions between Oceanteam ASA and all group companies.

*The equity accounted associate, Oceanteam Bourbon Investments AS, has charged the fully consolidated subsidiary, Oceanteam Bourbon 4 AS amounts in respect of crane hire. Refer to note 11 for further details.

Stichting Value Partners Family Office

Stichting Value Partners Family Office is controlled by Mr Hendrik Marius van Heijst. During 2020, Mr Hendrik Marius van Heijst has held a shareholding in Oceanteam ASA of greater than 20% and is therefore considered to have significant influence. In April 2018 a loan was issued by Stichting Value Partners Family Office. See note 18 for further details.

Corinvest B.V.

Corinvest B.V. is controlled by Kornelis Jan Willem Cordia, chairman of the board. In December 2018 a loan for USD 1.5 million was issued by Corinvest B.V. See note 18 for further details.

USD '000

	Loans		Accrued interest on loans	
Company	2020	2019	2020	2019
Stichting Value Partners Family Office	1.500	1.500	70	72
Corinvest B.V.	1.500	1.500	70	70
Total	**3000**	**3000**	**141**	**143**

Refer to note 18 for more details.

Note 21 - Contingent liabilities

There is an ongoing employment dispute with former employee Mr. A. van Doorn (former Managing director Solutions). Oceanteam has won the court case but Mr. A. van Doorn appeals. This is yet to be resolved. It is not practical to disclosure further information as this could prejudice the position of Oceanteam.

Note 22 - Contingent assets

Oceanteam submitted a counterclaim as a part of the employment dispute with former employee Mr. A. van Doorn (former Managing director Solutions). Oceanteam has won the court case but Mr. A. van Doorn appeals. This is yet to be resolved. Oceanteam has not recognised any income in 2020 in respect of this counterclaim. It is not practical to disclosure further information as this could prejudice the position of Oceanteam.

Note 23 - Guarantees

A parent company guarantee from Oceanteam ASA has been granted to the buyers of KCI the Engineers BV effective for a period of 60 months from January 2018 with a maximum liability of EUR 700.000

Oceanteam ASA is one of three guarantors for the loan in the equity accounted associate, Oceanteam Bourbon 101 AS, and the fully consolidated subsidiary, Oceanteam Bourbon 4 AS. There is an unconditional and irrevocable pro rata on-demand guarantee for the balance of the loans. Refer to note 18 for further details.
In March 2020, Oceanteam ASA provided a guarantee to a company renting a barge to Oceanteam Shipping B.V. The minimum commitment as at 31 December 2020 was USD 135.000.

Note 24 - Events after the balance sheet date

Potential combination with Passer Group AS

On 26 March 2021, Oceanteam announced a potential merger between Oceanteam and Passer Group AS. Oceanteam intends to bring focus to its strategy going forward by focusing on a growing renewable and energy transition market. Oceanteam has entered into a term sheet with its majority shareholders and the owners of Passer Group AS. The parties' intend to pursue a combination of Passer Group AS and Oceanteam, whereby all the shares in Passer Group AS are transferred to Oceanteam against consideration shares in Oceanteam ASA.

The intention of the parties is to reach a final agreement for the transaction during the second quarter of 2021 and complete the transaction no later than during the third quarter of 2021. Refer to Oceanteam ASA's announcement on our website for further details.

The financial effect of the potential transaction cannot yet be reliably measured.

Sale of CSV Southern Ocean

On 26 March 2021, Oceanteam announced that the fully consolidated subsidiary, Oceanteam Bourbon 4 AS had sold CSV Southern Ocean. The sale is made subject to customary conditions and is expected to be completed in April 2021. After debt service, the sale of the vessel will generate a positive cashflow for the company. As at 31 December 2020, the vessel has been valued at its fair value (sale price) less costs to sell. Oceanteam Bourbon 4 AS is in Oceanteam's shipping segment.

During 2020 and the start of 2021, different options for Southern Ocean have been under consideration with the company not committed to any one course of action. In early March 2021, the buyer approached Oceanteam and made an offer to buy the vessel. The criteria of asset held for sale and discontinued operations were not met as at 31 December 2020.

Divestment of the Shipping Segment

The strategy of divesting Oceanteam's shipping segment has manifested itself in 2021. The divestment of our floating assets is leaving a long history behind but will ensure full focus on utilizing the strengths of the company to profit from the prospected upcoming possibilities in the renewable markets worldwide. The divestment process is as such also the launch of Oceanteam as an investment platform for further growth in the renewables segment.

CSV Southern Ocean has been sold and there are ongoing discussions with market participants regarding the sale of CSV Bourbon Oceanteam 101.

25 - Earnings per share

The calculation of basic earnings per share has been based on the following profit attributable to ordinary shareholders and weighted-average number of ordinary shares outstanding. Shares are stated in thousands.

USD '000	2020	2019
Net Profit / (loss)	**(73.188)**	**687**
Shares per 1 January	34.339	789.793
Reverse split*	-	(755.454)
Holding of own shares 1 January	(128)	(2.934)
Reverse split*		2.807
Issued during the year	-	-
Shares 31 December	34.339	34.339
Own shares 31 December	(128)	(128)
Weighted average of shares during the year	**34.211**	**34.211**
Earnings / (loss) per share (USD)	**(2,14)**	**0,02**
Earnings / (loss) per share (NOK)	**(20,15)**	**0,18**

*for information regarding the reverse split, see note 25 in the 2019 annual report.

Note 26 - Investment in joint ventures and associates

USD'000

Investments in joint ventures and associates	Investment in Oceanteam Bourbon 101 AS	Investment in Oceanteam Bourbon Investments AS	Total
Type of investment	**Associate**	**Joint venture**	
Carrying amount of investment per 31 December 2019	16.971	-	16.971
Net result from investment in 2020	(16.971)		(16.971)
Total carrying amounts 31 December 2020	**-**	**-**	**-**

The table above summarises the investments in the Group. The following sections in this note describe the different categories of investments more thoroughly.

Oceanteam Bourbon 101 AS and Oceanteam Bourbon Investments AS are equity accounted for with nil value in the Oceanteam Group figures.

CSV BO 101 (Oceanteam Bourbon 101 AS's main asset) has been idle since April 2020 which coupled with a significant write down in the vessel value has led to Oceanteam Bourbon 101 AS having negative equity of USD 5.3 million as at 31 December 2020. Oceanteam Group's share of unrecognized losses from Oceanteam Bourbon 101 AS in 2020 and cumulatively, as at 31 December 2020, is USD 2.6 million.

The fully consolidated subsidiary, Oceanteam Bourbon 4 AS, is jointly and severally liable for the loan from the banking consortium to Oceanteam Bourbon 101 AS and Oceanteam Bourbon 4 AS. It is expected that Oceanteam Bourbon 101 AS will not be able to settle its part of the loan in full. Oceanteam Bourbon 4 AS is considered to have a financial guarantee contract in respect of this arrangement and has recognized a lifetime expected credit loss of USD 6.15m. Refer to note 18 for further details.

Associates

Oceanteam Bourbon 101 AS is an unlisted company in which the Group has a 50 percent ownership interest. This company was founded in June 2009 by Oceanteam Shipping ASA and Bourbon Offshore Norway AS. The Group has classified its interest in Oceanteam Bourbon 101 AS as an associate, which is equity accounted for.

	Oceanteam Bourbon 101 AS
Nature of relationship with the Group	Vessel CSV Bourbon Oceanteam 101
Principal place of business	Baerum, Norway
Ownership interest	50%
Voting rights held in board of directors	40%*

The following is summarised financial information for Oceanteam Bourbon 101 AS based on USD as the functional currency modified for any differences in the Group's accounting policies.

*In December 2014 the owning parties agreed to change the shareholders' agreement for Oceanteam Bourbon 101 AS. Oceanteam ASA have two of a total of five directors on the board, which is the basis for calculation of voting rights given above. The owner companies, Bourbon Offshore Norway AS and Oceanteam ASA have equal voting shares in general meetings. The changes were implemented from 1 January 2014.

In USD '000	Oceanteam Bourbon 101 AS	
	2020	2019
Revenue	1.984	14.341
Profit before tax	(39.212)	4.215
Tax	(2)	(2)
Net result	**(39.214)**	**4.212**
Current assets	1.619	9.952
Non current assets	15.498	47.002
Current liabilities	(22.389)	(23.012)
Non-current liabilities	-	-
Net assets	**(5.272)**	**33.942**

In USD '000	Oceanteam Bourbon 101 AS	
	2020	2019
Group's interest in net assets of investee at beginning of year	16.971	14.865
Total profit / loss attributable to the Group	(16.971)	2.106
Total other comprehensive income attributable to the Group		
Dividends received during the year		
Carrying amount of interest in investee at 31 December	**-**	**16.971**

Note 27 - Alternative Performance Measures

Oceanteam's Group financial statements are prepared in accordance with international financial reporting standards (IFRS). Oceanteam discloses various alternative performance measures as a supplement to the financial statements. The alternative performance measures are used to provide additional insight into the operating performance, financing and prospects of the Group. Such measures are often used by various interested parties.

Definitions of these measures are as follows:

EBIT 'Earnings before interest and tax' is the same as 'Operating profit (loss)'

EBITDA 'Earnings before interest, tax, depreciation and amortisation' is 'Operating profit (loss)' less 'Depreciation and amortisation' and 'Write off / Impairment'

USD '000	2020	2019
Operating profit / (loss)	(64.906)	2.020
Depreciation and amortisation	5.869	5.772
Write off / Impairment	46.099	10
EBITDA	**(12.938)**	**7.803**

SG&A 'Selling, general & administration' is the sum of 'Personnel costs' and 'General & administration'

USD '000	2020	2019
Personnel costs	(1.784)	(2.123)
General & administration	(639)	(2.194)
SG&A	**(2.423)**	**(4.317)**

Equity ratio 'Total equity' divided by 'Total assets'

USD '000		2020
Total equity	16.254	= 31%
Total assets	52.756	

USD '000		2019
Total equity	89.442	= 74%
Total assets	120.541	

Operating margin 'EBITDA' divided by 'Total operating income'

USD '000		2020
EBITDA	12.938	= 383%
Total operating income	3.380	

USD '000		2019
EBITDA	7.803	= 43%
Total operating income	17.985	

Current ratio 'Total current assets' divided by 'Total current liabilities'

USD '000		2020
Total current assets	7.965	= 0,24
Total current liabilities	33.097	

USD '000		2019
Total current assets	9.301	= 0,30
Total current liabilities	30.588	

Utilisation (Vessels)	Proportionally, the number of days in a calendar year in which the vessel is on contract with a customer and earning the full on-hire day rate. Days in which the vessels earn a reduced performance day rate are counted as a fraction of a full day of utilisation.
Utilisation (Equipment)	'The average utilisation of Oceanteam Solutions' equipment. For each item of equipment, this is calculated as proportionally the number of days in a calendar year in which the item of equipment is on contract with a customer and earning the operating day rate.
Contracted	The period for which a customer has committed to hire out one of Oceanteam's assets. This does not include options which have not yet been exercised.
Interest bearing debt	Amounts shown under 'First year instalments' all which attract interest.
Capital Expenditures	Purchased fixed assets shown as 'Additions' in note 12.

10. FINANCIAL STATEMENTS PARENT

Income Statement

01.01 - 31.12

USD '000	Notes	2020	2019
Operating Income and expenses			
Management fee income	16	657	707
Payroll expenses	2, 12, 15	(837)	(912)
Depreciation		(1)	(41)
Other operating expenses	2	(196)	(1.505)
Total operating income / (expense)		**(376)**	**(1.750)**
Operating profit / (loss)		**(376)**	**(1.750)**
Financial Income and expense			
Profit on investment in joint ventures, subsidiaries and associates	3	-	103
Interest from group companies	3, 16	294	252
Foreign exchange result	3	68	(20)
Write-offs, reversal of write-offs and forgiven debt	3, 7	(5.832)	698
Other financial expenses	3	(22)	(63)
Interest expense	3, 15	(210)	(210)
Net financial income / (cost)		**(5.702)**	**759**
Profit / (loss) before income tax		**(6.078)**	**(991)**
Tax on ordinary income	4	-	-
Net Profit / (loss)		**(6.078)**	**(991)**
Attributable to:			
Uncovered loss	11	(6.078)	(991)
Total		**(6.078)**	**(991)**

Statement of financial position 31 December 2020

Assets

USD '000	Notes	2020	2019
Non-current assets			
Tangible assets			
Office equipment		5	6
Total tangible assets		**5**	**6**
Financial assets			
Investments in joint ventures and subsidiaries	6	7.031	10.145
Loans to group companies	7	8.280	9.668
Investments in associates	6	-	2.718
Total financial assets		**15.311**	**22.532**
Total non current assets		**15.316**	**22.538**
Current assets			
Receivables			
Other receivables	8	522	7
Accounts receivable	8	94	70
Total receivables		**615**	**77**
Cash and cash equivalents	9	65	387
Total current assets		**680**	**464**
Total assets		**15.996**	**23.002**

Statement of financial position 31 December 2020

Equity and liabilities

USD '000	Note	2020	2019
Equity			
Owners equity			
Share capital	10, 11	25.403	25.403
Holdings of own shares	10, 11	(128)	(128)
Share premium reserve	11	23.526	23.526
Total owners equity		**48.801**	**48.801**
Accumulated profits / (losses)			
Uncovered loss	11	(36.373)	(30.295)
Total accumulated profits / (losses)		**(36.373)**	**(30.295)**
Total equity		**12.428**	**18.506**
Non-current liabilities			
Loans and borrowings	8, 15	3.000	-
Total non-current liabilities		**3.000**	**-**
Current liabilities			
Loans and borrowings	8, 15	-	3.000
Accounts payable	8	369	120
Public duties payable	8	20	27
Other current liabilities	8, 15	178	1.348
Total current liabilities		**568**	**4.495**
Total Liabilities		**3.568**	**4.495**
Total equity and liabilities		**15.996**	**23.002**

Baerum / Norway, 9 April 2021

The Board of Directors of Oceanteam ASA

Keesjan Cordia	Karin Govaert	Hans Reinigert	Henk van den IJssel
Chairman	Director	Director	CEO

Cash flow statement

01.01 - 31.12

USD '000	2020	2019
Cash flow from operating activities		
Profit / (loss) before income taxes	(6.078)	(991)
Depreciation	1	41
Write-offs, reversal of write-offs and forgiven debt	5.832	(698)
Change in other receivables	(515)	(1)
Change in accounts receivable	(23)	(70)
Change in accounts payable	249	(526)
Change in other current liabilities	(1.177)	430
Profit on sale of shares	-	(103)
Net cash flow from operating activities	**(1.711)**	**(1.919)**
Cash flow from investing activities		
Paid-out from purchase of fixed assets	-	(6)
Proceeds from sales of shares	-	103
Net cash flow from investing activities	**-**	**97**
Cash flow from financing activities		
Changes in intragroup balances	1.389	2.154
Changes due to conversion of debt to equity	-	-
Net cash flow from financing activities	**1.389**	**2.154**
Net change in cash and cash equivalents	(322)	332
Cash and cash equivalent at 01.01	387	55
Cash and cash equivalents at 31.12	**65**	**387**

NOTES TO THE FINANCIAL STATEMENTS PARENT

Note 1 - Primary accounting principles

The financial statements, which have been presented in compliance with the Norwegian Public Liability Companies Act, the Norwegian Accounting Act and Norwegian generally accepted accounting principles in effect as of 31 December 2020, consist of the income statement, statement of financial position, cash flow statement and notes to the accounts.

The financial statements have been prepared based on the fundamental principles governing historical cost accounting, comparability, continued operations, congruence and prudence. Transactions are recorded at their value at the time of the transaction. The different accounting principles are further commented on below.

Assets / liabilities related to current business activities and items which fall due within one year are classified as current assets/ liabilities. Current assets / short-term debts are recorded at the lowest/ highest of acquisition cost and fair value. The definition of fair value is the estimated future sales price reduced by expected sales costs. Other assets are classified as fixed assets. Fixed assets are entered in the accounts at historical cost, with deductions for depreciation. In the event of a decline in value which is not temporary, the fixed asset will be subject to a write-down. The same principle applies to liabilities.

According to generally accepted accounting standards there are some exceptions to the basic assessment and valuation principles. Comments on these exceptions can be found in the respective notes to the accounts. When applying the basic accounting principles and disclosure of transactions and other items, the “substance over form” rule is adopted. Contingent losses which are probable and quantifiable are charged to the profit and loss account.

Accounting principles for material items

Revenue recognition

Revenue is normally recognized at the time of delivery of services. Oceanteam ASA issues management fees to companies in the same Group. Interest on intercompany receivables is charged based on an inter-group cash pooling agreement.

Other operating expenses

Other costs which are not related to day to day operations are classified as other operating expenses.

Dividends

Dividends, group contributions and other distributions are recognized in the same year as they are recognized in the subsidiary or joint venture financial statements. If dividends / group contribution exceed withheld profits after acquisition, the excess amount represents repayment of invested capital, and the distribution will be deducted from the recorded value of the acquisition in the balance sheet of the parent company.

Dividend from subsidiaries and Joint ventures will only be recognized per balance sheet date if it’s significantly more likely than not that the dividend will be approved in the relevant company.

Use of estimates

The management has used estimates and assumptions that have affected assets, liabilities, incomes, expenses and information on potential liabilities in accordance with generally accepted accounting principles in Norway.

Pensions

The Company has a pension scheme that is classified as a defined contribution plan. The defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognized as an employee benefit expense in profit or loss when they are due. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in future payments is available.

Depreciation

Based on the historical cost of the asset, straight line depreciation is applied over the useful economic life of the fixed assets. Depreciation is classified as an operating cost. Finance leases are depreciated over the term of the lease and the liability is reduced in line with the lease payments after deducting interest.

Income tax

The tax expense consists of the tax payable and changes to deferred tax. Deferred tax / tax assets are calculated on all differences between the book value and tax value of assets and liabilities. Deferred tax is calculated as 22 percent of temporary differences and the tax effect of tax losses carried forward. Deferred tax assets are recorded in the balance sheet when it is more likely than not that the tax assets will be utilized.

Foreign currency translation

Functional and reporting currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates (‘the functional currency’). The Company’s functional and reporting currency are in USD.

The USD against NOK exchange rate applied as at 31 December 2020 is 8.5326. The average exchange rate for the 2020 year applied was 9.4194.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are measured at the balance sheet date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement, except when deferred in equity as qualifying cash flow hedges and qualifying net investment hedges.

Foreign exchange gains and losses are presented in the income statement within ‘Foreign exchange result’.

Balance sheet classification

Current assets and short term liabilities consist of receivables and payables due within one year and cash and cash equivalents. Other balance sheet items are classified as fixed assets / long term liabilities.

Current assets are valued at the lower of cost and fair value. Short term liabilities are recognized at nominal value. Fixed assets are valued at cost, less depreciation and impairment losses. Long term liabilities are recognized at nominal value.

Tangible assets

Tangible assets are entered in the accounts at historical cost, with deductions for accumulated depreciation and write-downs. If the fair value of a tangible asset is lower than book value, and the decline in value is not temporary, that tangible asset will be written down to fair value.

Investment in Joint Ventures, Subsidiaries and Associates

Subsidiaries and investments in joint ventures and associates are valued at cost in the company accounts. The investment is valued at the cost of the shares, less any impairment losses. An impairment loss is recognized if the impairment is not considered temporary, in accordance with generally accepted accounting principles. Impairment losses are reversed if the reason for the impairment loss disappears in a later period.

Accounts receivable and other receivables

Accounts receivable and other current receivables are recorded in the balance sheet at nominal value less provisions for doubtful accounts. Provisions for doubtful accounts are based on an individual assessment of the different receivables. For the remaining receivables, a general provision is estimated based on expected loss.

Cash flow statement

The cash flow statement is presented using the indirect method, whereby the profit or loss is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments, and items of income or expense associated with investing or financing cash flows. Cash and cash equivalents include cash, bank deposits and other short term, highly liquid investments with maturities of three months or less.

Currency

Cash, receivables and liabilities in a foreign currency are valued using the exchange rate at the year end.

Events after the balance sheet date

New information on the Company's position at the balance sheet date is taken into account in the annual financial statements.

Events after the balance sheet date that do not affect the Company's position at the balance sheet date, but which will affect the Company's position in the future, are stated if significant.

Note 2 - Employees, Board and auditor

USD '000

	2020	2019
Employee benefits expense		
Employee salaries	168	233
Social security	24	35
Pension costs	10	12
Other benefits	5	3
Board and audit committee fees	112	121
Recharged salary costs*	331	284
Contractor fees**	187	224
Total	**837**	**912**

Number of man-years employed in Oceanteam ASA over the financial year.	2	3

*2020 recharged salary costs relate to amounts recharged from Oceanteam Shipping B.V in respect of Leidus Bosman's employment (former CEO) for January and February 2020 and Henk van den IJssel's employment (current CEO) for February to December 2020. In 2019 this only included Leidus Bosman.

**Contractor fees are related to external consultants supporting the Group's operations, CFO services provided by Hendrik Hazenoot and additional services provided by board member Hendrik Johannes Jesse.

Management remuneration

USD '000

2020	Position	Board fees	Wages / Fees	Pension premiums	Other remuneration	Total
Leidus Bosman	CEO (until Feb 2020)		38	2		41
Henk van den Ijssel	CEO (from Feb 2020)		240	20		260
Kornelis Jan Willem Cordia	Chairman	43				43
Karin Antoinette Yvonne Govaert	Director	36				36
Hendrik Johannes Jesse	Director (until Aug 2020)	22	7			30
Hans Reinigert	Director (from Sept 2020)	10				10
Hendrik Hazenoot	Interim CFO		135			135
Diederik Legger	Advisor to the board		44			44
Total		**112**	**465**	**22**	**-**	**600**

2019	Position	Board fees	Wages / Fees	Pension premiums	Other remuneration	Total
Leidus Bosman	CEO		240	17		257
Kornelis Jan Willem Cordia	Chairman	45				45
Karin Antoinette Yvonne Govaert	Director	38				38
Hendrik Johannes Jesse	Director	38	58			96
Hendrik Hazenoot	Interim CFO		118			118
Diederik Legger	Advisor to the board		48			48
Total		**121**	**463**	**17**	**-**	**601**

Leidus Bosman resigned as CEO effective 14 February 2020. He received an annual salary of EUR 198.000 which attracted a holiday allowance at 8%. During the period 1 January 2020 to 14 February 2020 he received EUR 31.908 (USD 35.566) in salary and EUR 2.553 (USD 2.849) in holiday allowance which have been classified under wages/fees.

Henk van den IJssel was appointed as CEO on 1 February 2020. He receives an annual salary of EUR 198.000, which attracts a holiday allowance at 8%, and an annual travel allowance of EUR 16.140. During the period 1 February 2020 to 31 December 2020 he received EUR 181.500 (USD 206.859) in salary, EUR 14.520 (USD 16.509) in holiday allowance and EUR 14.795 (USD 16.862) as a travel allowance all which have been classified under wages/fees

In the event that within 18 months of 1 February 2020, control of Oceanteam Group is taken over by, or a merger takes place with, a third party, whereby Henk van den IJssel effectively loses his position and an alternative suitable position is not available, he will be entitled to a termination fee equal to 12 months of his base salary. The employment agreement contains a variable pay provision which is at the discretion of the board. No liability or expense was incurred in respect of this as at 31 December 2020.

For the year 2020, the agreed annual fee for the chairman of the board is NOK 400.000 and NOK 337.500 for the other members of the board (including NOK 37.500 for audit committee fees).

Kornelis Jan Willem Cordia, chairman of the board, received board fees of NOK 400.000 (USD 43.121) in 2020. Director, Karin Antoinette Yvonne Govaert received board fees of NOK 337.500 (USD 36.383) in 2020. Director, Hendrik Johannes Jesse, resigned as member of the board effective 15 August 2020. During the period 1 January 2020 to 15 August 2020 he received board fees of NOK 210.246 (USD 22.364). Hans Reinigert was appointed member of the board on 23 September 2020. During the period 23 September 2020 to 31 December 2020 he received board fees of NOK 92.213 (USD 10.460).

As at 31 December 2020, Oceanteam had no obligation to pay special compensation upon termination of, or change to, the chairman's appointment. As at 31 December 2020, there were no agreements between Oceanteam and the chairman providing for bonuses, profit sharing, options or similar benefits.

Hendrik Hazenoot, Interim CFO, has a service agreement through DTN Noordwijk B.V. In 2020, fees of EUR 118.155 (USD 135.355), including non-deductible VAT of EUR 12.645 (USD 14.405), have been charged in respect of his services.

Diederik Legger, advisor to the board, has had contracts with Oceanteam ASA through J. Hofland B.V. in respect of advisory services in 2020. Through these contracts he has charged a total of EUR 39.057 (USD 44.171), including non-deductible VAT of EUR 5.357 (USD 6.041) in 2020. There were no contracts in place as at 31 December 2020.

Refer to note 15 for the year-end balances of related parties.

The incentive scheme throughout the group is given at the discretion of the board and CEO. The CEO makes a proposal to the board for different incentives for the employees of the company. There is no share incentive program.

There have not been given loans, advance payments and security by the Company or other companies in the group to the individual senior executives or the individual members of the board of directors, audit committee or other elected corporate bodies.

There have not been given remuneration, pension's plans or other benefits to members of the audit committee or other elected corporate bodies.

Auditor

Auditor's fee consists of the following:

USD '000	2020	2019
Statutory audit	129	165
Other assurance services	2	12
Tax advisory	18	4
Other	-	4
Total	**149**	**185**

Claimable VAT is not included in the auditor's fee.

Note 3 - Financial income and financial expenses

USD '000	2020	2019
Finance income		
Profit from sale of shares**	-	103
Reversal of write-offs**	-	847
Interest income from group companies*	294	252
Other financial income (foreign exchange gains)	263	22
Total finance income	**557**	**1.223**
Finance costs		
Write-offs and forgiven debt**	(5.832)	(149)
Interest expenses	(210)	(210)
Other financial expenses	(22)	(63)
Other financial cost (foreign exchange losses)	(195)	(41)
Total finance costs	**(6.259)**	**(464)**
Result financial items	**(5.702)**	**(759)**

*Oceanteam ASA waived interest earned from intercompany balances with subsidiary companies in 2020 totaling USD 386.879 (2019: USD 651.683). Refer to note 16 for further details.

** Oceanteam ASA sold its 40% stake in DOT Group to Diavaz Group on 27 March 2019. The total settlement amount was USD 950.000. USD 103.000 was classified as profit from sale of shares and USD 847.000 was classified as reversal of write-offs.

Note 4 - Income taxes

USD '000	2020	2019
Income tax expense		
Tax payable	-	-
Tax payable previous year	-	-
Changes in deferred tax	-	-
Total income tax expense	**-**	**-**
Tax base calculation		
Profit/(loss) before income tax	(6.078)	(991)
Permanent differences	5.832	(801)
Changes in temporary differences	(914)	(213)
Corrections from previous periods	-	(836)
Translation differences	(89)	136
Tax base	**(1.249)**	**(2.704)**

Temporary differences:		
Fixed assets	(1.148)	(1.213)
Non-current receivables	-	-
Non current assets	-	-
Current assets	-	-
Profit and Loss account	49	60
Tax-deductible part of write-down	-	-
Taxable income from Subsidiaries	-	-
Effect foreign exchange on long-term liabilities	-	-
Other temporary differences	-	(859)
Total temporary differences	**(1.098)**	**(2.012)**
Loss carried forward	(183.368)	(176.856)
Total temporary differences and loss carried forward	**(184.467)**	**(178.868)**
Deferred tax liability / (asset) - (2020: 22%, 2019: 22%)*	(40.583)	(39.351)

Reconciliation of nominal and effective tax rate	2020	2019
Profit/(loss) before income tax	(6.078)	(991)
Expected income taxes 22% (2019: 22%)	(1.337)	(218)
Permanent differences	1.283	(176)
Changes in temporary differences	(201)	(47)
Translation differences	(20)	30
Corrections from previous periods	-	(184)
Losses generated and not utilized	275	595
Income tax expense	**-**	**-**
Effective tax rate in %	0,0 %	0,0 %

*Deferred tax assets are not recognized in the balance sheet as there is uncertainty regarding utilization in the foreseeable future.

Note 5 - Deferred tax

Confirmation from the tax authorities of a cumulative carry forward tax loss of NOK 1 553 million (USD 182 million) as at the 2019 year end was received on 8 October 2020.

Cumulative carry forward tax loss at year-end 2020 is estimated to NOK 1 565 million (USD 183 million). The carryforward tax loss has no statute on limitation and can be utilized against company's future losses.

Note 6 - Investment in subsidiaries, joint ventures and associates

	Year aquired / incorporated	Head Office/ Country of registration	Ownership share	Voting share
Subsidiaries directly owned				
Oceanteam II B.V.	2007	Amsterdam, Netherlands	100%	100%
RentOcean B.V.	2015	Amsterdam, Netherlands	100%	100%
North Ocean 309 AS	2011	Bærum, Norway	100%	100%
Oceanteam Bourbon 4 AS	2006	Bærum, Norway	50%	60%
Joint ventures directly owned				
Oceanteam Bourbon Investments AS	2012	Bærum, Norway	50%	50%
Associates directly owned				
Oceanteam Bourbon 101 AS	2006	Bærum, Norway	50%	40%
Subsidiaries indirectly owned				
Oceanteam Mexico B.V.	2008	Amsterdam, Netherlands	100%	100%
Oceanteam Shipping B.V.	2011	Amsterdam, Netherlands	100%	100%
Oceanteam Solutions B.V.	2012	Amsterdam, Netherlands	100%	100%
Kingfisher Enterprise B.V.	2008	Schiedam, Netherlands	100%	100%
Oceanteam Shipping GmbH	2007	Wilhelmshaven, Germany	100%	100%
Oceanteam GmbH	2007	Wilhelmshaven, Germany	100%	100%
Oceanteam Power and Umbilical GmbH	2007	Wilhelmshaven, Germany	100%	100%
Oceanteam Mexico S.A de C.V.	2008	Cd. del Carmen, Mexico	90%	49%

Oceanteam Shipping Monaco SAM was liquidated in 2020.

Subsidiaries and joint ventures

USD '000

Company name	Share capital	Number of shares issued	Write downs in 2020	Net book value of investment	The company's total equity	Net profit (loss) 2020
Oceanteam II B.V.	22	18.000	-	5.000	4.942	(906)
RentOcean B.V.	11	10.000	-	-	2.630	(185)
North Ocean 309 AS	17	100	-	-	(945)	(1)
Oceanteam Bourbon 4 AS*	4.215	100	3.114	2.031	4.063	(38.928)
Oceanteam Bourbon Investments AS	5	30	-	-	(57)	4
Sum	**4.485**		**3.114**	**7.031**	**10.633**	**(40.017)**

Associates

Company name	Share capital	Number of shares issued	Write downs in 2020	Net book value of investment	The company's total equity	Net profit (loss) 2020
Oceanteam Bourbon 101 AS*	556	2.610	2.718	-	(5.272)	(39.214)
Sum	**556**		**2.718**	**-**	**(5.272)**	**(39.214)**

The above investments are only those directly owned by Oceanteam ASA.

The investments are valued at the lower of cost and net realizable value.

*During December 2013 the shareholders' agreements between Oceanteam ASA and Bourbon Offshore Norway AS regarding the companies Oceanteam Bourbon 4 AS and Oceanteam Bourbon 101 AS was amended. The result of the amendment was that Bourbon Offshore Norway AS acquired significant control over Oceanteam Bourbon 101 AS, and that Oceanteam ASA acquired significant control over Oceanteam Bourbon 4 AS. The change became effective from 1 January 2014. After the amendment equity interest still remained 50 percent, but voting shares in Oceanteam Bourbon 4 AS became 60 percent and significant control of the company came in place. The control is currently also affirmed by Oceanteam ASA being represented by three of a total of five directors at the Company's Board. But in general, the owner companies, Bourbon Offshore Norway AS and Oceanteam ASA have equal voting shares in general meetings.

Note 7 - Intercompany balances with group companies and associates

USD ‘000

Intercompany balances	Write downs / (reversal of write downs) in 2020	Write downs / (reversal of write downs) in 2019	Balance 2020	Balance 2019
Oceanteam Bourbon 101 AS	-	-	76	76
Oceanteam Bourbon 4 AS	-	-	1.066	1.066
Oceanteam Bourbon Investments AS	-	-	-	-
Oceanteam Shipping GmbH	-	-	2	2
Oceanteam II B.V.	-	-	935	786
Oceanteam Mexico S.A de C.V.	-	20	-	-
Oceanteam Mexico B.V.	-	-	1	1
Kingfisher Enterprise B.V.	-	90	138	272
North Ocean 309 AS	-	11	1	-
Oceanteam Solutions B.V.	-	-	9	25
RentOcean B.V.	-	-	1.404	1.570
Oceanteam Shipping B.V.	-	-	4.650	5.871
DOT Servicios Navieros, S.A. de C.V.	-	(446)	-	-
DOT Shipping B.V.	-	(401)	-	-
DOT Shipping AS	-	-	-	-
DOT Holdings AS	-	-	-	-
Sum	**-**	**(726)**	**8.280**	**9.668**

Note 8 - Receivables and Liabilities

USD ‘000	2020	2019
Receivables		
Prepayments	27	7
Accrued Income	494	-
Accounts receivable	94	70
Total receivables	**615**	**77**
Non-current liabilities		
Loans and borrowings	(3.000))	
Total non-current liabilities	**(3.000)**	
Current liabilities		
Loans and borrowings	-	(3.000)
Accounts payable	(369)	(120)
Public duties payable	(20)	(27)
Other current liabilities	(178)	(1.348)
Total current liabilities	**(568)**	**(4.495)**

Oceanteam ASA entered into loan agreement on 23 April 2018 with Stichting Value Partners Family Office for the amount of USD 1.5 million. The loan has an interest of 7%.

Oceanteam ASA entered into another loan agreement on 21 December 2018 with Corinvest B.V. for the amount of USD 1.5 million. The loan has an interest rate of 7% per annum.

In May 2020, the repayment date for both the Stichting Value Partners Family Office loan and Corinvest B.V. loan was extended from April 2021 to April 2023.

In May 2020, a non-possessory pledge on one carousel each was provided to Stichting Value Partners Family Office and Corinvest B.V. One of the carousels is owned by RentOcean B.V. The other is owned by Oceanteam Shipping B.V

Refer to note 15 for more details.

Note 9 - Bank deposits

As at 31 December 2020, tax deducted from employees, deposited in a separate bank account amounts to NOK 218.995 (USD 25.666).

Note 10 - Share Capital and Shareholder Information

Share capital Pr 31.12.2020

As per 31.12.2020, the share capital of the Company is NOK 197.448.290 (USD 24.403.333) divided into 34.338.833 shares with a nominal value of NOK 5,75 (USD 0,74). All shares have equal voting rights.

Oceanteam owns a total of 127.573 own shares representing 0,4% of the shares in the Company. The calculations are made on the basis of 34.338.833 shares in the Company.

Shareholders	Notes	Number of shares	Percentage of total
Euroclear Bank S,A,/N,V,		15.845.263	46,1%
UBS Switzerland AG	1	6.690.948	19,5%
State Street Bank and Trust Comp		1.826.012	5,3%
SIX SIS AG		1.481.374	4,3%
HESSEL HALBESMA DØDSBO		756.307	2,2%
The Bank of New York Mellon SA/NV		658.167	1,9%
Pictet & Cie (Europe) S,A,		457.772	1,3%
CLEARSTREAM BANKING S,A,		419.813	1,2%
STEINAR GRØNLAND		340.000	1,0%
STIG EEG AUNE		310.000	0,9%
Citibank Europe plc		281.063	0,8%
INGA HELENE ØGREY		187.729	0,5%
NORDNET LIVSFORSIKRING AS		184.306	0,5%
OCEANTEAM ASA		127.573	0,4%
Geir Bjørndalen		126.087	0,4%
MOMO INVEST AS		102.254	0,3%
ROLF NESHEIM		100.010	0,3%
HANDEL PARTNER AS		100.000	0,3%
HAUSTKOLLHOLMEN AS		100.000	0,3%
ANDREAS BJERLØV KARLSEN		100.000	0,3%
Subtotal 20 largest		**30.194.678**	**87,9 %**
Others		4.144.155	12,1%
Total		**34.338.833**	**100,0 %**

Shareholders	Notes	Number of shares	Percentage of total
Board:			
Kornelis Jan Willem Cordia (Chairman)	1	6.590.517	19,2 %
Total		**6.590.517**	**19,2 %**

1. Through UBS Switzerland AG, Kornelis Jan Willem Cordia, Chairman of Oceanteam ASA, owns 6.590.517 shares..

For more information, please refer to related party transaction in note 15.

Note 11 - Equity

USD '000

	Share capital	Own shares	Premium fund	Uncovered loss	Total
Equity 01.01.20	25.403	(128)	23.526	(30.295)	18.506
Net profit / (loss) for the year				(6.078)	(6.078)
Equity 31.12.20	**25.403**	**(128)**	**23.526**	**(36.373)**	**12.428**

Note 12 - Pensions

The Company is required to have an occupational pension scheme in accordance with Norwegian law ("lov om obligatorisk tjenestepensjon"). The Company's pension scheme meets the requirements of that law. The Company's pension scheme is a defined contribution plan funded through an insurance company.

All employees within Oceanteam ASA are included within the pension scheme. Refer to note 2 for the number of employees.

Note 13 - Events after the balance sheet date

Potential combination with Passer Group AS

On 26 March 2021, Oceanteam announced a potential merger between Oceanteam and Passer Group AS. Oceanteam intends to bring focus to its strategy going forward by focusing on a growing renewable and energy transition market. Oceanteam has entered into a term sheet with its majority shareholders and the owners of Passer Group AS. The parties' intend to pursue a combination of Passer Group AS and Oceanteam, whereby all the shares in Passer Group AS are transferred to Oceanteam against consideration shares in Oceanteam ASA.

The intention of the parties is to reach a final agreement for the transaction during the second quarter of 2021 and complete the transaction no later than during the third quarter of 2021. Refer to Oceanteam ASA's announcement on our website for further details.

The financial effect of the potential transaction cannot yet be reliably measured.

Sale of CSV Southern Ocean

On 26 March 2021, Oceanteam announced that the fully consolidated subsidiary, Oceanteam Bourbon 4 AS had sold CSV Southern Ocean. The sale is made subject to customary conditions and is expected to be completed in April 2021. After debt service, the sale of the vessel will generate a positive cashflow for the company. As at 31 December 2020, the vessel has been valued at its fair value (sale price) less costs to sell. Oceanteam Bourbon 4 AS is in Oceanteam's shipping segment.

During 2020 and the start of 2021, different options for Southern Ocean have been under consideration with the company not committed to any one course of action. In early March 2021, the buyer approached Oceanteam and made an offer to buy the vessel.

Divestment of the Shipping Segment

The strategy of divesting Oceanteam's shipping segment has manifested itself in 2021. The divestment of our floating assets is leaving a long history behind but will ensure full focus on utilizing the strengths of the company to profit from the prospected upcoming possibilities in the renewable markets worldwide. The divestment process is as such also the launch of Oceanteam as an investment platform for further growth in the renewables segment.

CSV Southern Ocean has been sold and there are ongoing discussions with market participants regarding the sale of CSV Bourbon Oceanteam 101.

Note 14 - Financial risk management

GOING CONCERN

In accordance with the Accounting Act § 4-5 the company confirms that the financial statements have been prepared under the assumption of going concern. This assumption is based on income forecasts for the years 2021 – 2022 and the Group's long-term strategic forecasts. The market has been experiencing a downturn which has had a direct impact on the performance and liquidity of the Company. Liquidity forecasts going forward are for modest but positive cash flows.

The Directors have considered all available information about the future when concluding whether the Company is a going concern at the date they approve the financial statements. The review covers a period of at least twelve months from the date of approval of annual financial statements

(A) CREDIT RISK

The credit risk of receivables from group entities is dependent on the performance of the actual operations within the subsidiary, joint venture or associate.

(B) LIQUIDITY RISK

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. The company's approach to managing liquidity is to ensure that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the company's reputation. The company is receiving their revenue and thus cash liquidity from their subsidiaries and associates, and is consequently dependent on the liquidity in these companies.

(C) MARKET RISK

The market risk with regard to currency risk is considered low as the functional and reporting currency are in USD. The company's loans and the majority of the companies revenues, which are dividends, intercompany interest and management fees, are in USD. Other liabilities are mostly a mix of USD, EUR and NOK. Market risk is considered low.

Note 15 - Transactions with related parties

Marstrat B.V.

Former director/former interim CEO Diederik Legger provided interim management and consultancy services through this company. Refer to note 2 for more details.

DTN Noordwijk B.V.

DTN Noordwijk B.V. is controlled by Interim CFO, Henrik Hazenoot. Transactions consist mostly of invoicing for monthly management and consultancy services. Travel costs have also been recharged through this company. Refer to note 2 for more details.

J.Hofland B.V.

Former interim CEO, Diederik Legger, provided advisory services to the board of directors of Oceanteam through J. Hofland B.V. Transactions include invoicing advisory fees. Refer to note 2 for more details.

Josco Strategisch Advies

Josco Strategic Advies is controlled by Hendrik Johannes Jesse, former director of Oceanteam ASA. Transactions consist mainly of invoicing for strategic advisory services. Refer to note 2 for more details.

Oliley B.V.

Oliley B.V. is controlled by Karin Antoinette Yvonne Govaert, director of Oceanteam ASA. Transactions consists mainly of invoicing recharges for travel expenses.

Corinvest B.V.

Corinvest B.V. is controlled by Kornelis Jan Willem Cordia, chairman of the board. Transactions consists mainly of invoicing recharges for travel expenses.

USD '000

Company	Cost 2020	Cost 2019	Vendor & accrued balance 2020	Vendor & accrued balance 2019	Type of transaction
Marstrat B.V (Diederik Legger)	-	(3)	-	-	see above
DTN Noordwijk B.V.	(135)	(118)	(11)	(10)	see above
J.Hofland B.V.	(44)	(45)	-	(17)	see above
Josco Strategisch Advies	(7)	(58)	-	(59)	see above
Oliley B.V.	(1)	(10)	-	-	see above
Corinvest B.V.	(4)	-	(5)	-	see above

Stichting Value Partners Family Office

Stichting Value Partners Family Office is controlled by Mr Hendrik Marius van Heijst. During 2019 and 2020, Mr Hendrik Marius van Heijst has held a shareholding in Oceanteam ASA of greater than 20% and is therefore considered to have significant influence. In April 2018 a loan was issued by Stichting Value Partners Family Office.

Corinvest B.V.

Corinvest B.V. is controlled by Kornelis Jan Willem Cordia, chairman of the board. In December 2018 a loan for USD 1.5m was issued by Corinvest B.V.

USD '000

Company	Loans 2020	Loans 2019	Accrued interest payable on loans 2020	Accrued interest payable on loans 2019	Interest xpense 2020	Interest xpense 2019
Stichting Value Partners Family Office	1.500	1.500	70	72	105	105
Corinvest B.V.	1.500	1.500	70	70	105	105
Total	**3.000**	**3.000**	**141**	**143**	**210**	**210**

Refer to note 8 for more details.

Note 16 - Transactions with Group companies

USD '000

	Interest Income / (Expense) 2020	Interest Income / (Expense) 2019	Management fee income 2020	Management fee income 2019
Kingfisher Enterprise B.V.*	-	-	-	-
Oceanteam Shipping B.V.*	201	-	60	534
Oceanteam II B.V.*	34	68	-	-
Oceanteam Mexico B.V.	-	-	-	-
Oceanteam Shipping GmbH	-	-	-	-
Oceanteam Bourbon 101 AS	-	-	245	35
Oceanteam Bourbon 4 AS	-	-	319	35
North Ocean 309 AS*	-	-	1	8
Oceanteam Shipping Monaco SAM	-	-	-	-
Oceanteam Solutions B.V.	-	-	-	-
Oceanteam Bourbon Investments AS	-	(3)	30	30
RentOcean B.V.*	59	186	2	65
Total	**294**	**252**	**657**	**707**

*Oceanteam ASA waived 2020 interest income due from Kingfisher Enterprise B.V of USD 19.611, Oceanteam Shipping B.V. of USD 200.518, Oceanteam II B.V. of USD 34.337, North Ocean 309 AS of USD 73.131 and RentOcean B.V. of USD 59.283.

Internal interest is calculated on intercompany balances. An interest rate of 7% + Libor 3 months is applied to all the above company's intercompany balances subject to Oceanteam Bourbon Investments AS on which the interest is 4% per annum.

Please see note 7 for intercompany balances.

Note 17 - Guarantees

A parent company guarantee from Oceanteam ASA has been granted to the buyers of KCI the Engineers BV effective for a period of 60 months from January 2018 with a maximum liability of EUR 700.000.

Oceanteam ASA is one of three guarantors for the loans in Oceanteam Bourbon 101 AS and Oceanteam Bourbon 4 AS. There is an unconditional and irrevocable pro rata on-demand guarantee for the balance of the loans. The total balance of the loans as at 31 December 2020 was USD 40.425.000

In March 2020, Oceanteam ASA provided a guarantee to a company renting a barge to Oceanteam Shipping B.V. The minimum commitment as at 31 December 2020 was USD 135.000.

RSM Norge AS

Filipstad Brygge 1, 0252 Oslo
Pb 1312 Vika, 0112 Oslo
Org.nr: 982 316 588 MVA

T +47 23 11 42 00
F +47 23 11 42 01

www.rsmnorge.no

To the General Meeting of Oceanteam ASA

Independent Auditor's Report

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Oceanteam ASA, which comprise:

- The financial statements of the parent company Oceanteam ASA (the Company), which comprise the balance sheet as at 31 December 2020, the income statement showing a loss of USD 6 078 000 and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- The consolidated financial statements of Oceanteam ASA and its subsidiaries (the Group), which comprise the balance sheet as at 31 December 2020, the income statement showing a loss of USD 73 188 000, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion:

- The financial statements are prepared in accordance with the law and regulations.
- The accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2020, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.
- The accompanying consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2020, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.

Basis for Opinion

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

Material Uncertainty Related to Going Concern

We draw attention to note 3 in the financial statements and the Board of Director's Report which indicates that the Group's liquidity forecast is showing a constrained cash flow and that there is inherent risk in cash flow estimates depending on the Group's ability to secure new contracts within its business segments. There are significant assumptions within the cash flow forecast which are both within and outside the control of the Group. The events and assumptions described in note 3 and in the Board of Directors' report, even though the management has taken measures to mitigate risk of uncertainty, indicate that a material uncertainty still exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Carrying value of Vessels and Equipment

Vessels and equipment constitute a significant share of the total assets in the Group with a carrying amount of USD 44.1 million at 31 December 2020. Due to the continued difficult market conditions, management identified indications of impairment for the Group's Vessels and Equipment. Consequently, they have carried out an impairment assessment and estimated recoverable amount of the assets, which is the highest of fair value less costs of disposals and value in use.

For the Vessels the impairment assessments resulted in an impairment charge of USD 46.1 million recognized in 2020 due to recoverable amount being lower than the carrying value. On 26 March 2021 a Memorandum of Agreement regarding the sale of the CSV Southern Ocean has been entered into by the Group. The transaction is to be completed in April 2021. As at 31 December 2020, the vessel has been valued at its fair value less costs to sell.

Based on the results of the impairment assessments for the Equipment, no impairment charge was recognised in 2020 due to recoverable amount being higher than the carrying value. When estimating recoverable amount, management used assumptions regarding the future market and economic conditions. Important estimates included future hire rates, utilization rate, operating costs, capital expenditure, residual value and discount rate.

Considering the material impairment recognized in 2020, the uncertainty of estimates and the complexity of calculations, we consider impairment assessment a key audit matter. We refer to note 2 for the Group's accounting policy for impairment of non-financial assets, note 12 where the management explain their evaluation process for the Group's tangible assets, and note 24 for the events after balance sheet date where management disclose the sale of the Construction Supply Vessel "Southern Ocean" in 2021.

Our audit addressed the Key Audit Matter by procedures including, among others:

- We obtained management's impairment models and considered whether the models contained the elements and methodology IFRS require from such models. We found the model to be in accordance with our expectations.

- Due to the events after balance sheet date we obtained the Memorandum of Agreement for the sale of CSV Southern Ocean dated March 26 2021 together with management's updated accounting assessment regarding the vessel's fair value less cost to sell. We tested the management's assessment that the sale of CSV Southern Ocean was considered to be an 'adjusting event' as it provides evidence of conditions that are considered to have existed per 31.12.2020. We found management's assessment to be in accordance with IFRS requirements.

- For the Equipment we challenged management's key assumptions such as the projected utilization, hire rates, operating costs and discount rates, and compared with historical performance and management's internal forecasts. We also tested the mathematical accuracy of the valuation model and assessed the weighted average cost of capital by comparing input with external data such as risk free interest on government bonds, beta and market risk premium and assessed adjustments for company specific factors.

- We lastly evaluated the adequacy of the related disclosures including those regarding the key assumptions and sensitivities.

Provision for expected credit loss on loan guarantee

As at 31 December 2020 the Group has recognized a provision for loan guarantee of USD 6.15 million which constitute a significant share of the total liabilities in the Group and the Group's financial costs for 2020. The recognized allowance equals the lifetime expected credit loss due to the associated company Oceanteam Bourbon 101 AS's expected inability to settle its part of the loan from the banking consortium in full.

The fully consolidated subsidiary, Oceanteam Bourbon 4 AS, is jointly and severally liable for the loan from the banking consortium to Oceanteam Bourbon 101 AS and Oceanteam Bourbon 4 AS. Oceanteam Bourbon 4 AS is considered to have a financial guarantee contract in respect of this arrangement.

The associated company Oceanteam Bourbon 101 AS is in a default position with its loan agreements, has deferred all four loan installments due in 2020, and the liabilities exceed its total assets by USD 5.3 million as at 31 December 2020. For these reasons, the credit risk of the guarantee is considered to have increased significantly. The expected credit loss represent management's best estimate and is based on a forward looking probability weighted calculation that reflects the possibility of a loss occurring.

We have identified provisioning for expected credit loss as a key audit matter as the calculation of credit loss provision is a complex area and requires management to make significant assumptions in estimating the level and timing of expected future cash flows. The forward looking information includes assumptions and estimates regarding CSV Bourbon Oceanteam 101's selling price, insurance claim proceeds and other costs. The actual results may differ materially from the estimates made.

Relevant disclosures are included in Note 4, Note 18 and Note 19 to the consolidated financial statements.

Our audit focused on assessing the appropriateness of management's judgment and estimates used in the calculation of the credit loss provision through the following procedures:

- We obtained the Amendment of the Facility Agreement with the bank consortium dated 30 June 2020 and evaluated the Group's responsibility in relation to this agreement. Through the fully consolidated subsidiary Oceanteam Bourbon 4 AS, the Group is considered to have a financial guarantee contract in respect of this arrangement.

- We tested the methodology applied in the expected credit loss calculation by comparing it to the requirements of IFRS 9 Financial instruments. We found the model to be in accordance with IFRS.

- We tested the mathematical accuracy of the valuation model and tested sensitivity within the valuation model by modulating the critical assumptions.

- We analyzed the difference between the negative equity in Oceanteam Bourbon 101 AS as at 31 December 2020 and the expected credit loss recognized at balance sheet date. We found the difference primarily driven by Oceanteam Bourbon 101 AS's estimated cash flow in 2021 related to insurance claim proceeds and other costs.

Other information

Management is responsible for the other information. The other information comprises information in the annual report, except the financial statements and our auditor's report thereon.

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 other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements of the Company use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations. The consolidated financial statements of the Group use the going concern basis of accounting unless management either intends to liquidate 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 laws, regulations, and auditing standards and practices generally accepted in Norway, including ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including 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. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's or 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 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.

- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.

- 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.

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Opinion on the Board of Directors' report

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

Opinion on Registration and Documentation

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

Oslo, 9 April 2021
RSM Norge AS

Lars Løyning
State Authorised Public Accountant