

## PROSPECTUS



### OCEANTEAM ASA

*(A Public Limited Liability Company Organised under the Laws of Norway)*

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#### **Listing of 88,464,179 Shares on the Oslo Stock Exchange**

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The information contained in this prospectus (the "**Prospectus**") relates to (i) the listing on Oslo Børs (the "**Oslo Stock Exchange**") of 88,464,179 ordinary shares (the "**Bondholder Shares**") in Oceanteam ASA ("**Oceanteam**" or the "**Company**" and, together with its consolidated subsidiaries, the "**Group**"), each with a par value of NOK 0.50, already issued pursuant to a conversion of USD 5,175,523 of the Company's debt (the "**Second Bond Debt Conversion**") under the "FRN Oceanteam ASA Senior Callable Bond 2012/2017 (ISIN NO 001 066201.8)" (the "**Bond Loan**"), each with a par value of NOK 0.50

This Prospectus serves as a listing prospectus, or listing particulars, only. This Prospectus does not constitute an offer of, or an invitation to purchase, subscribe or sell, any of the securities described herein, and no shares or other securities are being offered or sold in any jurisdiction pursuant to this Prospectus.

This Prospectus has been prepared to comply with the Norwegian Securities Trading Act of 29 June 2007 no. 75 (the "**Norwegian Securities Trading Act**") and related secondary legislation, including the Commission Regulation (EC) no. 809/2004 implementing Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 regarding information contained in prospectuses (the "**Prospectus Directive**") as well as the format, incorporation by reference and publication of such prospectuses and dissemination of advertisements (hereafter "**EC Regulation 809/2004**"). This Prospectus has been prepared solely in the English language. The Financial Supervisory Authority of Norway (Nw. Finanstilsynet) (the "**Norwegian FSA**") has reviewed and approved this Prospectus in accordance with Sections 7-7 and 7-8, cf. Section 7-3 of the Norwegian Securities Trading Act. The Norwegian FSA has not controlled or approved the accuracy or completeness of the information included in this Prospectus. The approval by the Norwegian FSA only relates to the information included in accordance with pre-defined disclosure requirements. The Norwegian FSA has not made any form of control or approval relating to corporate matters described in or referred to in this Prospectus. This Prospectus is valid for 12 months.

As the Company qualifies as a "small or medium size enterprise", or an "SME", and as a "company with reduced market capitalisation", or a "Small Cap Issuer", the level of disclosure in this Prospectus is proportionate to this type of issuer cf. EC Commission Regulation EC/486/2012 (the "**Proportionate Disclosure Regime**").

The information contained herein is current as of the date hereof and subject to change, completion and amendment without notice. In accordance with Section 7-15 of the Norwegian Securities Trading Act, significant new factors, material mistakes or inaccuracies relating to the information included in this Prospectus, which are capable of affecting the assessment of the shares between the time when this Prospectus is approved and the date of listing of the shares on the Oslo Stock Exchange, will be included in a supplement to this Prospectus. Neither the publication nor distribution of this Prospectus, shall under any circumstances create any implication that there has been no change in the Group's affairs or that the information herein is correct as of any date subsequent to the date of this Prospectus.

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**The date of this Prospectus is 30 January 2019**

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## 1 SUMMARY

Summaries are made up of disclosure requirements known as "Elements". These Elements are numbered in Element A—E (A.1—E.7) below. This summary contains all the Elements required to be included in a summary for this type of securities and the Company. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements. Even though an element may be required to be inserted in the summary because of the type of securities and issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in the summary with mention of "not applicable".

### Element A—Introduction and Warnings

- A.1 Warning** ..... This summary should be read as introduction to the Prospectus. Any decision to invest in the securities should be based on consideration of the Prospectus as a whole by the investor. Where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the Member States, have to bear the costs of translating the Prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the prospectus or it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in such securities.
- A.2 Consent of Intermediaries** ..... Not applicable. No consent is granted by the Company for the use of the Prospectus for subsequent resale or placement of any Shares.

### Element B—Issuer

- B.1 Legal and Commercial Name** ..... Oceanteam ASA
- B.2 Domicile and Legal Form, Legislation and Country of Incorporation** ..... The Company, Oceanteam ASA, is a Norwegian public limited liability company (Nw. *allmennaksjeselskap* or ASA), incorporated under the laws of Norway and in accordance with the Norwegian Public Limited Liability Companies Act. The Company's business registration number is 988788945.
- B.3 Current Operations, Principal Activities and Markets** ..... Oceanteam is an offshore service provider, providing offshore vessels, cable storage and handling equipment and other associated services. Oceanteam has offices in Amsterdam and Velsen in the Netherlands. The corporate headquarter is in Bergen, Norway. The Group is well positioned in growth basins including Gulf of Mexico, Latin America, West Africa, Asia-Pacific and the North Sea. The Group provides support to offshore contractors through its fleet of partly and controlling interest owned offshore support and fast support vessels (Oceanteam Shipping business segment and support to transmission system operators through its power cable storage and handling solutions, specialised engineering expertise and integrated cable logistics services (Oceanteam Solutions business segment).
- B.4a Significant Recent Trends** ..... The key demand driver for offshore support vessels is the level of activity and investments in the oil and gas sector. The oil companies' exploration and production activities, normally referred to as "E&P spending", are based on the world's demand for oil and gas. Furthermore, demolition of old platforms and installations and remedial work (e.g. in the US Gulf after hurricane damages) are new important areas of work for offshore supply vessels. Together with a

growing maintenance requirement on existing drilling units, installations and pipelines worldwide due to ageing and corrosion and need for repair and upgrading, this also has great influence on the demand for offshore support vessels. Further, in recent years, ship newbuilding activity has decreased significantly. It is expected that attrition of the fleet will continue over the next 18 months as older vessels will be scrapped, especially those which are cold stacked, while the order book is now heading towards zero.

Both oil prices and spending in E&P has shown a dramatic drop in recent years, putting a strain on the oil and gas industry. The low oil price environment during 2015 and 2016 increased focus on cost efficiency among oil companies and suppliers, leading to reduced break-even prices on many projects. Upstream E&P Investment flatlined in 2017, and early data suggests only a modest recovery in 2018. The US shale sector responded quickly to rising prices in 2017 and investment is overwhelmingly focused on light tight oil (LTO) global upstream E&P Spending assets. However, beyond 2020 IEA expects that present levels of upstream investment may prove to be inadequate and the use of the spare capacity held by Saudi Arabia will again become an important factor in providing stability to global oil markets.

The market for offshore fast supply vessels (FSVs), is heavily oversupplied, and there is a need to address this imbalance on the supply side in order to improve utilization and vessel rates in the current low oil price environment.

**B.5 Description of the Group** ..... The Company is the parent company in the Oceanteam Group. The Group has offices in Amsterdam and Velsen in the Netherlands and in Mexico and its corporate headquarter in Bergen, Norway. The Company has 10 direct subsidiaries, of which 4 are fully owned by the Company. The Group's Solutions functions are carried out through the Dutch indirect subsidiaries, whilst the Group's shipping activities are carried out by the joint venture entities.

**B.6 Interest in the Company and Voting Rights** ..... The table below shows the Company's largest shareholders as at the date of this Prospectus. In so far as known to the Company, these are the only shareholders that, directly or indirectly, have an interest in the Company's share capital or voting rights, which is notifiable under the Norwegian Securities Trading Act (other than members of the administrative, management and supervisory bodies of the Company), i.e. a holding in excess of 5% of the shares capital of the Company.

	<b>% Holding</b>
Corinvest B.V.	21,65
H.M. van Heijst	21,70
Stockhorn S.à r.l.	5,12
Royal London Asset Management Ltd	5.1092
Double Haven Asia Absolute Bond Master Fund	5.12

To the knowledge of the Company, there are no arrangements which may at a subsequent date result in a change of control of the Company. Further, to the knowledge of the Company, the Company is not directly or indirectly owned or controlled by a single shareholder or a group of shareholders acting in concert. The Company has not implemented any specific measures to prevent abuse of control from any major shareholder. However, certain provisions of the Norwegian

Limited Liability Companies Act and other legislation relevant to the Company aim to prevent such abuse.

**B.7 Selected Key Historical Financial Information**

The selected financial information included in the tables in this Section has been extracted from the Company's unaudited Interim Financial Statements as of and for the six months ended 30 June 2018 and 2017, and the audited consolidated Financial Statements as of and for the years ended 31 December 2017 and 2016. The Financial Statements and the Interim Financial Statements have been prepared in accordance with IFRS. The Interim Financial statements do not include all the information and disclosures required in Financial Statements, and should be read in conjunction with the Group's Financial Statements. The selected financial information included herein should be read in connection with, and is qualified in its entirety by reference to, the Interim Financial Statements and the Financial Statements which are incorporated by reference.

*Income Statement Information*

*USD million*

	Six Months Ended 30 June (Unaudited)		Year Ended 31 December (Audited)	
	2018	2017 (Restated)	2017	2016 (Restated)
<b>Income statement</b>				
Revenue .....	11,962	12,740	25,620	31,300
Net income from associates/joint ventures .....	751	415	(1,208)	7,994
<b>Total operating income</b> .....	<b>12,713</b>	<b>13,155</b>	<b>24,411</b>	<b>39,294</b>
Operating costs .....	(3,936)	(2,577)	(6,340)	(7,946)
General and administration .....	(3,043)	(3,325)	(8,265)	(11,330)
Depreciation and amortisation .....	(2,694)	(6,984)	(7,069)	9,665
Write off/Impairment .....	(100)	(2,706)	(26,835)	(8,465)
<b>Total operating expenses</b> .....	<b>(9,772)</b>	<b>(15,591)</b>	<b>(48,509)</b>	<b>(37,406)</b>
<b>Operating profit (loss)</b> .....	<b>2,941</b>	<b>(2,436)</b>	<b>(24,098)</b>	<b>1,888</b>
Financial income .....	-	29,699	26,678	170
Financial expense .....	(4,202)	(7,050)	(11,644)	(11,506)
Foreign exchange gain / (loss) .....	(190)	(365)	(687)	(7)
<b>Net finance</b> .....	<b>(4,391)</b>	<b>22,284</b>	<b>(14,347)</b>	<b>(11,344)</b>
<b>Ordinary profit (loss) before taxes</b> .....	<b>(1,450)</b>	<b>19,848</b>	<b>(9,751)</b>	<b>(9,456)</b>
Tax expense .....	-	-	(1,750)	(2,286)
<b>Profit (loss) from continuing operations</b> .....	<b>(1,450)</b>	<b>19,848</b>	<b>(11,501)</b>	<b>(11,742)</b>
Loss from discontinued operations .....	-	(252)	(514)	(3,341)
<b>Profit for the period</b> .....	<b>(1,450)</b>	<b>19,596</b>	<b>(12,015)</b>	<b>(15,083)</b>
<b>Consolidated statement of profit or loss and other comprehensive income</b>				
Other comprehensive income .....	-	-	-	-
Other comprehensive income/costs .....	-	-	-	-
<b>Total comprehensive income for the year</b> .....	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<i>Profit (loss) attributable to:</i>				
Equity holders of parent .....	(2,520)	15,418	(7,321)	(14,508)
Non-controlling interests .....	1,070	4,177	(4,693)	1,926
<b>Profit (loss)</b> .....	<b>(1,450)</b>	<b>19,596</b>	<b>(12,015)</b>	<b>(12,583)</b>
<i>Total comprehensive income attributable to:</i>				
Equity holders of parent .....	(2,520)	15,418	(7,321)	(14,508)
Non-controlling interests .....	1,070	4,177	(4,693)	1,926
<b>Total comprehensive income for the period</b> .....	<b>(1,450)</b>	<b>(19,596)</b>	<b>(12,015)</b>	<b>(12,583)</b>

USD million

	Six Months Ended 30 June (Unaudited)		Year Ended 31 December (Audited)	
	2018	2017 (Restated)	2017	2016 (Restated)
<b>Earnings per share (in USD)</b>				
Basic earnings per share.....	(0.00)	0.74	(0.45)	(0.46)
Dilutive earnings per share .....	(0.00)	0.74	(0.45)	(0.46)
Weighted average of shares during the year .....	-	-	26,634	26,634

Statement of Financial Position Information

USD million

	Six Months ended 30 June (Unaudited)	Year Ended 31 December (Audited)	
	2018	2017	2016 (Restated)
<b>Assets</b>			
<b>Non-current assets – property, plant and equipment</b>			
Investment in associates and joint ventures .....	8,630	7,878	12,740
Vessels and equipment.....	<b>99,071</b>	101,684	129,917
<b>Total .....</b>	<b>107,701</b>	<b>109,562</b>	<b>142,657</b>
<b>Non-Current Assets – Other</b>			
Deferred tax assets .....	1,250	1,250	3,000
Intangible assets .....	(0)	-	1,336
Goodwill .....	-	-	9,300
<b>Total .....</b>	<b>1,250</b>	<b>1,250</b>	<b>13,636</b>
<b>Total non-current assets .....</b>	<b>108,951</b>	<b>110,812</b>	<b>156,293</b>
<b>Current assets</b>			
Trade receivables .....	2,776	3,010	4,828
Other receivables .....	4,303	2,793	11,307
<b>Total receivables .....</b>	<b>7,079</b>	<b>5,802</b>	<b>16,135</b>
Cash and cash equivalents.....	9,368	7,301	3,514
Assets held for sale .....	-	6,580	-
<b>Total current assets.....</b>	<b>16,447</b>	<b>19,683</b>	<b>19,649</b>
<b>Total assets .....</b>	<b>125,398</b>	<b>130,495</b>	<b>175,942</b>
<b>Equity and liabilities</b>			
<b>Share capital.....</b>	<b>45,572</b>	<b>2,595</b>	<b>2,595</b>
Treasury shares .....	(256)	(256)	(257)
Share premium.....	23,526	1,304	1,304
Reserves.....	(14,785)	11,121	18,442
Revaluation reserve.....	-	-	-
<b>Equity attributable to owners of the Company .....</b>	<b>54,057</b>	<b>14,764</b>	<b>22,084</b>
Non-controlling interests .....	23,308	22,238	26,931
<b>Total non-controlling interest .....</b>	<b>23,308</b>	<b>22,238</b>	<b>26,931</b>
<b>Total equity.....</b>	<b>77,356</b>	<b>37,002</b>	<b>49,015</b>
Loans and borrowings.....	3,483	39,720	-
<b>Total non-recurring liabilities .....</b>	<b>3,483</b>	<b>39,720</b>	<b>-</b>
First year instalments .....	35,449	37,919	105,560
Trade payables .....	3,198	5,065	6,356
Tax payable.....	25	29	(65)
Public charges .....	138	199	353
Liabilities for sale .....	-	2,641	-
Other current liabilities .....	5,741	7,921	14,723
<b>Total current liabilities .....</b>	<b>44,551</b>	<b>53,773</b>	<b>126,927</b>

USD million

	Six Months ended 30 June (Unaudited)		Year Ended 31 December (Audited)	
	2018	2017	2016 (Restated)	
	<b>Total liabilities</b> .....	<b>48,033</b>	<b>93,493</b>	<b>126,927</b>
<b>Total equity and liabilities</b> .....	<b>125,398</b>	<b>130,495</b>	<b>175,942</b>	

*Cash Flow Statement Information*

USD million

	Six Months Ended 30 June (Unaudited)		Year Ended 31 December (Audited)	
	2018	2017	2017	2016
<b>Ordinary profit (loss) before taxes and revaluation</b> .....	<b>(1,450)</b>	<b>19,596</b>	<b>(11,501)</b>	<b>(23,333)</b>
Tax .....	(0)	-	1,750	2,286
<b>Ordinary profit (loss) after tax</b> .....	<b>(1,450)</b>	<b>19,596</b>	<b>(9,751)</b>	<b>(21,047)</b>
Depreciation and amortization of tangible assets .....	2,694	6,984	7,069	9,048
Tax paid .....	(4)	65	93	22
Net income of associates .....	(751)	(415)	1,208	(9,986)
Write off assets .....	100	2,706	26,835	1,635
Revaluation of bond loan .....	1,778	(29,785)	(26,677)	-
Change in trade receivables .....	233	29,785	1,818	570
Change in other receivables .....	2,429	368	8,515	1,211
Change in trade payables .....	(1,867)	683	(1,290)	1,476
Change in other accruals .....	(2,241)	(99)	(4,315)	4,091
Items classified as investing/financing activities .....	-	-	-	(346)
Cash in from dividends .....	-	-	2,700	6,250
Paid interests .....	-	-	-	1,390
Effects from change in accounting principles and other changes .....	(194)	(149)	(1,978)	20,765
<b>Net cash flow from operating activities</b> .....	<b>727</b>	<b>1,245</b>	<b>4,226</b>	<b>15,079</b>
Cash out due to investments .....	(95)	(395)	(556)	(3,080)
Cash in due to disposals .....	14	60	542	-
Cash in due to investments .....	-	10,652	-	1,350
<b>Net cash flow from investing activities</b> .....	<b>(82)</b>	<b>10,317</b>	<b>(14)</b>	<b>(1,730)</b>
Issuance of new debt .....	1,520	-	9,429	30
Repayment of debt .....	(3,989)	(6,929)	(9,854)	(10,773)
Dividend paid/decrease in paid-in capital to non-controlling interest .....	-	-	-	(3,825)
<b>Net cash flow from financing activities</b> .....	<b>(2,470)</b>	<b>(6,929)</b>	<b>(425)</b>	<b>(14,568)</b>
Conversion bond loan to equity .....	(38,770)	-	-	-
Issued new shares .....	42,977	-	-	-
Changes in equity related to conversion .....	(1,161)	-	-	-
<b>Net cash from changes in share issue</b> .....	<b>3,064</b>			
Effect of changes to exchange rates on cash and cash equivalents .....	-	-	-	-
<b>Net change in cash and cash equivalents</b> .....	<b>1,221</b>	<b>4,633</b>	<b>3,787</b>	<b>(1,220)</b>
<b>Cash and equivalents at start of period</b> .....	<b>8,147</b>	<b>3,514</b>	<b>3,514</b>	<b>4,733</b>
<b>Cash and equivalents at end of period</b> .....	<b>9,368<sup>(2)</sup></b>	<b>8,147</b>	<b>7,301</b>	<b>3,514</b>

*Selected Changes in Equity Information*

USD million

	Share Capital	Treasury Shares	Share Pre-mium	Trans-lation reserve	Other Equity	Total Other Equity	Revaluat ion Reserve	Non-Contro-lling Interests	Total Equity
<b>Equity at 1 January 2018</b> .....	<b>2,595</b>	<b>(257)</b>	<b>1,304</b>	-	<b>11,122</b>	<b>11,122</b>	-	<b>22,238</b>	<b>37,002</b>
Profit and loss .....	-	-	-	-	(2,520)	(2,520)	-	1,070	(1,450)
Coverage of previous losses .....	-	-	-	-	-	-	-	-	-

Other comprehensive income .....	-	-	-	-	-	-	-	-	-
Effect of revaluation model ..	-	-	-	-	-	-	-	-	-
Tax on revaluation reserve ...	-	-	-	-	-	-	-	-	-
Translation differences .....	-	-	-	-	-	-	-	-	-
<b>Total comprehensive income .....</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2,520)</b>	<b>(2,520)</b>	<b>-</b>	<b>1,070</b>	<b>(1,450)</b>
<b>Contributions by and distributions to owners .....</b>									
Other equity related to unwinding bond loan .....	49,977	-	22,222	-	-	-	-	-	65,199
Conversion of bond loan fair value adjustment .....	-	-	-	-	(23,386)	(23,386)	-	-	(23,386)
Contributions by and distributions to owners .....	-	-	-	-	-	-	-	-	-
<b>Equity per 30 June 2018 .....</b>	<b>45,572</b>	<b>(256)</b>	<b>23,526</b>	<b>-</b>	<b>(14,785)</b>	<b>(14,785)</b>	<b>-</b>	<b>23,308</b>	<b>77,365</b>
<b>Equity at 31 December 2016 .....</b>	<b>2,595</b>	<b>(257)</b>	<b>1,304</b>	<b>-</b>	<b>18,443</b>	<b>18,443</b>	<b>-</b>	<b>26,931</b>	<b>49,015</b>
Profit and loss .....	-	-	-	-	(7,321)	(7,321)	-	(4,693)	(12,015)
Coverage of previous losses ..	-	-	-	-	-	-	-	-	-
Other comprehensive income .....	-	-	-	-	-	-	-	-	-
Effect of revaluation model ..	-	-	-	-	-	-	-	-	-
Tax on revaluation reserve ...	-	-	-	-	-	-	-	-	-
Translation differences .....	-	-	-	-	-	-	-	-	-
<b>Total comprehensive income .....</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(7,321)</b>	<b>(7,321)</b>	<b>-</b>	<b>(4,693)</b>	<b>(12,015)</b>
<b>Contributions by and distributions to owners</b>									
Change in non-controlling interests .....	-	-	-	-	-	-	-	-	-
Write off/impairment .....	-	-	-	-	-	-	-	-	-
Investments .....	-	-	-	-	-	-	-	-	-
Issue of ordinary shares .....	-	1	-	-	-	-	-	-	1
<b>Equity per 31 December 2017 .....</b>	<b>2,595</b>	<b>(256)</b>	<b>1,304</b>	<b>-</b>	<b>11,120</b>	<b>11,120</b>	<b>-</b>	<b>22,238</b>	<b>37,002</b>
<b>Equity at 1 January 2016 .....</b>	<b>2,595</b>	<b>(257)</b>	<b>1,304</b>	<b>-</b>	<b>39,754</b>	<b>39,754</b>	<b>(12,472)</b>	<b>23,965</b>	<b>54,889</b>
Changes in restated balance as at 1 January 2016 .....	-	-	-	-	(7,299)	(7,299)	12,472	3,450	8,713
Restated equity at 1 January 2016 .....	2,595	(257)	1,304	-	32,455	32,455	-	27,505	63,602
Profit and loss .....	-	-	-	-	(13,667)	(13,667)	-	1,926	(12,088)
Coverage of previous losses ..	-	-	-	-	-	-	-	-	-
Other comprehensive income .....	-	-	-	-	-	-	-	-	-
Changes prior year .....	-	-	-	-	(346)	(346)	-	-	(346)
Translation differences .....	-	-	-	-	-	-	-	-	-
<b>Total comprehensive income .....</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(14,013)</b>	<b>(14,013)</b>	<b>-</b>	<b>1,926</b>	<b>(12,088)</b>
<b>Contributions by and distributions to owners</b>									
Change in non-controlling interests .....	-	-	-	-	-	-	-	-	-
Dividends to non-controlling interests .....	-	-	-	-	-	-	-	(2,500)	(2,500)
Investments .....	-	-	-	-	-	-	-	-	-
Issue of ordinary shares .....	-	-	-	-	-	-	-	-	-
<b>Equity per 31 December 2016 .....</b>	<b>2,595</b>	<b>(257)</b>	<b>1,304</b>	<b>-</b>	<b>18,443</b>	<b>18,443</b>	<b>-</b>	<b>26,931</b>	<b>49,015</b>

*Selected Segment Information*

USD million

Oceanteam  
Shipping

	Six Months Ended 30 June (Unaudited)		Year Ended 31 December (Audited)	
	2017		2017	2016
	2018	(Restated)		
Revenue .....	7,387	10,150	19,576	20,328
Net income from associates/joint ventures.....	751	415	(1,208)	7,994
Operating cost.....	(1,781)	(961)	(557)	(550)
G&A .....	(1,911)	(2,065)	(6,497)	(8,615)
<b>EBITDA .....</b>	<b>4,445</b>	<b>7,539</b>	<b>11,314</b>	<b>19,157</b>
Intersegment revenue .....	40	40	1,022	1,227
Intersegment cost .....	(315)	(286)	(597)	(587)
Depreciation and amortisation .....	(2,175)	(5,917)	(5,386)	(7,616)
Write off/impairment .....	(100)	(2,640)	(20,491)	(8,263)
<b>Reportable segment operating profit.....</b>	<b>1,896</b>	<b>(1,264)</b>	<b>(14,138)</b>	<b>3,918</b>
Financial income.....	0	29,861	28,822	986
Financial expense.....	(4,169)	(6,748)	(11,230)	(11,145)
Foreign exchange effects .....	(101)	(134)	(322)	(107)
<b>Net finance.....</b>	<b>(4,270)</b>	<b>22,979</b>	<b>17,270</b>	<b>(10,266)</b>
<b>Pre-tax profit/(loss) .....</b>	<b>(2,374)</b>	<b>21,715</b>	<b>3,132</b>	<b>(6,348)</b>
Income tax .....	-	-	-	(121)
<b>Net result from continuing operations .....</b>	<b>(2,374)</b>	<b>21,715</b>	<b>3,132</b>	<b>(6,469)</b>
<b>Net result from discontinuing operations.....</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net result for the period .....</b>	<b>(2,374)</b>	<b>21,715</b>	<b>3,132</b>	<b>(6,469)</b>

USD million

Oceanteam  
Solutions

	Six Months Ended 30 June (Unaudited)		Year Ended 31 December (Audited)	
	2017		2017	2016
	2018	(Restated)		
Revenue .....	4,575	2,589	6,044	10,972
Net income from associates/joint ventures.....	-	-	-	-
Operating cost.....	(2,154)	(1,616)	(5,783)	(7,396)
G&A .....	(1,132)	(1,259)	(1,769)	(2,716)
<b>EBITDA .....</b>	<b>1,289</b>	<b>(286)</b>	<b>(1,508)</b>	<b>861</b>
Intersegment revenue .....	315	286	597	587
Intersegment cost .....	(40)	(40)	(1,022)	(1,227)
Depreciation and amortisation .....	(520)	(1,067)	(1,683)	(2,049)
Write off/impairment .....	-	66	(6,344)	(202)
<b>Reportable segment profit.....</b>	<b>1,045</b>	<b>(1,172)</b>	<b>(9,960)</b>	<b>(2,030)</b>
Financial income.....	0	(162)	(2,144)	(817)
Financial expense.....	(33)	(302)	(414)	(362)
Foreign exchange effects .....	(88)	(231)	(365)	100
<b>Net finance.....</b>	<b>(121)</b>	<b>(695)</b>	<b>(2,923)</b>	<b>(1,078)</b>
<b>Pre-tax profit/(loss) .....</b>	<b>924</b>	<b>(1,867)</b>	<b>(12,883)</b>	<b>(3,108)</b>
Income tax .....	-	-	(1,750)	(2,164)
<b>Net result from continuing operations .....</b>	<b>924</b>	<b>(1,867)</b>	<b>(14,633)</b>	<b>(5,272)</b>
<b>Net result from discontinuing operations.....</b>	<b>-</b>	<b>(252)</b>	<b>(514)</b>	<b>(841)</b>
<b>Net result for the period .....</b>	<b>924</b>	<b>(2,120)</b>	<b>(15,147)</b>	<b>(6,113)</b>

USD million

	Total Both Reporting Segments			
	Six Months Ended 30 June (Unaudited)		Year Ended 31 December (Audited)	
	2017		2017	2016
	2018	(Restated)		
Revenue .....	11,962	12,740	25,620	31,300
Net income from associates/joint ventures.....	751	415	(1,208)	7,994
Operating cost.....	(3,936)	(2,577)	(6,340)	(7,946)
G&A .....	(3,043)	(3,325)	(8,265)	(11,330)
<b>EBITDA .....</b>	<b>5,735</b>	<b>7,254</b>	<b>9,806</b>	<b>20,018</b>
Intersegment revenue .....	355	327	1,619	1,814
Intersegment cost .....	(355)	(327)	(1,619)	(1,814)
Depreciation and amortisation .....	(2,694)	(6,984)	(7,069)	(9,665)
Write off/impairment .....	(100)	(2,706)	(26,835)	(8,465)
<b>Reportable segment operating profit.....</b>	<b>2,941</b>	<b>(2,436)</b>	<b>(24,098)</b>	<b>1,888</b>
Financial income.....	0	29,699	26,678	170
Financial expense.....	(4,202)	(7,050)	(11,644)	(11,506)
Foreign exchange effects .....	(190)	(365)	(687)	(7)
<b>Net finance.....</b>	<b>(4,391)</b>	<b>22,284</b>	<b>14,347</b>	<b>(11,344)</b>
<b>Pre-tax profit/(loss) .....</b>	<b>(1,450)</b>	<b>19,848</b>	<b>(9,751)</b>	<b>(9,456)</b>
Income tax .....	-	-	(1,750)	(2,286)
<b>Net result from continuing operations .....</b>	<b>(1,450)</b>	<b>19,848</b>	<b>(11,501)</b>	<b>(11,742)</b>
<b>Net result from discontinuing operations.....</b>	<b>-</b>	<b>(252)</b>	<b>(514)</b>	<b>(841)</b>
<b>Net result for the period .....</b>	<b>(1,450)</b>	<b>19,596</b>	<b>(12,015)</b>	<b>(12,583)</b>

USD million

	Year Ended 31 December	
	2017	2016
<b>Revenue</b>		
Far East and Australia.....	19,576	20,328
Europe.....	6,044	10,972
South America .....	-	-
<b>Total .....</b>	<b>25,620</b>	<b>31,300</b>
<b>Net income from joint ventures and associates</b>		
Australia and Africa.....	(1,170)	10,500
South America .....	(38)	(2,506)
<b>Total .....</b>	<b>(1,208)</b>	<b>7,994</b>

**B.8 Selected Key Pro Forma**

**Financial Information.....** Not applicable. No pro forma financial information is included in this Prospectus.

**B.9 Profit Forecast or Estimate .....**

Not applicable. No profit forecasts or estimates are included in this Prospectus.

**B.10 Audit Report Qualification.....**

KPMG AS' audit report on the Company's consolidated financial statements as of and for the year ended 31 December 2016 expressed

a qualified opinion as follows (extract from KPMG AS' audit report):

*"Qualified opinion*

*We have audited the financial statements of Oceanteam ASA. The financial statements comprise:*

- *The financial statements of the parent company Oceanteam ASA (the "Company"), which comprise the statement of financial position as at 31 December 2016, and the income statement 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 statement of profit and loss and other comprehensive income, statement of changes in equity, cash flow statement for the years 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 laws and regulations, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report.*
- *Except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements of the Company give a true and fair view of the financial position of the Group as at 31 December 2016, 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.*
- *Except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2016, 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 Qualified Opinion*

*We have not been able to obtain sufficient audit evidence over the completeness of the statement from management regarding transactions with related parties. Consequently, we have not been able to establish whether there are undisclosed related party transactions or assess the impact of these on the consolidated financial statements of the Group and the financial statements of the Company.*

*We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing (IAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of 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 qualified opinion."*

Further, in the audit report on the Company's consolidated financial statements as of and for the year ended 31 December 2016 KPMG made an emphasis of matter in relation to correction of errors in the previous period and related to qualification from board members as follows:

*"Emphasis of matter related to correction of errors in the previous period*

*The Group states in note 29 and the Company states in note 22 that errors have been identified in the financial statements for 2015. The errors have been corrected by restating each of the affected financial statement line items for prior periods. This matter does not affect our opinion on the financial statements.*

*Emphasis of matter related to qualification from Board member*

*Bote de Vries became member of the Board of Directors of the Company on 9 May 2017. He was not involved with the Company during 2016 nor in the first quarter 2017. Bote de Vries has performed certain procedures over the financial statements of Oceanteam ASA. Due to the short time frame of his involvement and the complexity of the financial situation of the Company and the Group, Bote de Vries states that he has not been able to independently confirm that the financial statements have been prepared in accordance with the Norwegian Accounting Act. This matter does not affect our opinion on the financial statements."*

As set out in the extract from KPMG AS' audit report, the reasons for the audit report being qualified related to:

- Lack of sufficient audit evidence over the completeness of the statement from management regarding transactions with related parties.

Further, as set out in the extract from KPMG AS' audit report, the reason for the emphasis of matter related to:

- One of the board members, Mr. Bote de Vries, not being able to independently confirm that the financial statements were prepared in accordance with the Norwegian Accounting Act, due to his short time of involvement in the Company and the complexity of the financial situation of the Company and the Group.

As part of the Restructuring, the Company settled all claims from Mr. Hessel Halbesma, Haico Halbesma and/or their affiliates by acknowledging NOK 5,000,000 of these claims (settled by issuance of 10,000,000 Shares to Feastwood Holding Limited). The settlement included confirmations to the effect that all claims against the Company or any of its subsidiaries and affiliates, irrespective of whether such claims had been invoiced, disputed and/or were due, from Mr. Hessel Halbesma, Mr. Haico Halbesma, Feastwood Holding Limited, Heer Holland B.V., Toha Invest B.V., Challenger

Management Services SAM and any of their affiliates were deemed to have been fully and finally settled.

RSM Norge AS' audit report on the Company's consolidated financial statements as of and for the year ended 31 December 2017, expressed a qualified opinion as follows (extract from RSM Norge AS' audit report):

*"Qualified opinion*

*We have audited the financial statements of Oceanteam ASA. The financial statements comprise:*

- *The financial statements of the parent company, which comprise the balance sheet as at 31 December 2017, and the income statement, statement of changes in equity and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and*
- *The financial statements of the group, which comprise the balance sheet as at 31 December 2017 and income statement, statement of changes in equity, cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.*

*In our opinion:*

- *The financial statements are prepared in accordance with laws and regulations, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report.*
- *The accompanying financial statements give a true and fair view of the financial position of the parent company as at 31 December 2017, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.*
- *The accompanying financial statements present fairly, in all material respects, the financial position of the group as at 31 December 2017, 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 Qualified Opinion*

*Oceanteam ASA's investment in KCI The Engineers B.V. was sold in January 2018. In the financial statement of the group KCI The Engineers B.V. is a fully consolidated subsidiary and is recognized as discontinued operation in accordance with IFRS 5 with USD 6.6 million as asset held for sale and USD 2.7 million as liabilities held for sale in the balance sheet per 31 December 2017, and a negative result of USD 0.5 million is included in Oceanteam's result for the year then ended. We have not been able to obtain sufficient and appropriate audit evidence for the recognized amounts, and the disclosure of cash flow from discontinued business, of Oceanteam's investment in KCI The Engineers B.V. as this company has not been subject to an audit at the time for our opinion and because the cash flow from discontinued business is not disclosed. Consequently, we have not been able to establish whether these amounts would require*

*adjustment or conclude on the cash flow effect from continued business in 2017.*

*The Group has chosen to change the accounting policy for valuation of the construction support vessels from the revaluation model to the cost model in IAS 16 Property, plant and equipment. The change in accounting policy have been applied retrospectively according to IAS 18 Accounting Policies, Changes in Accounting Estimates and Errors. We have not been able to obtain sufficient and appropriate audit evidence related to whether the retrospective effects should be presented in the income statement for 2016 or opening balance 1 January 2016. For 2016 and 2017 we have not been able to obtain sufficient and appropriate audit evidence related to the classification of effects between write off / impairment and net income from associates/joint ventures.*

*We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including 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 qualified opinion."*

As set out in the extract from RSM Norge AS' audit report, the reasons for the audit report being qualified related to:

- Lack of sufficient and appropriate audit evidence for recognised amounts, and the disclosure of cash flow from discontinued business, of Oceanteam's investment in KCI the engineers B.V. as this company had not been subject to an audit at the time of RSM's audit opinion, and because the cash flow from discontinued business was not disclosed. The reasons for the lack of the requested audit evidence was as set out in the audit report; that KCI had not been subject to an audit at the time of RSM's audit opinion.
- Lack of sufficient and appropriate audit evidence related to whether the retrospective effects of change of the accounting policy for valuation of the construction support vessels from the revaluation model to the cost model in IAS 16 Property, plant and equipment should be presented in the income statement for 2016 or opening balance 1 January 2016. The reasons for the lack of the requested audit evidence resulted from reconciliations from the past that were not properly documented.
- Lack of sufficient and appropriate audit evidence related to the classification of effects between write off / impairment and net income from associates / joint ventures. The reasons for the lack of the requested audit evidence resulted from reconciliations from past reclassifications which were not properly documented and allocated in the financial accounts.

## **B.11 Working Capital.....**

The Company is of the opinion that the working capital available to the Group is sufficient for the Group's present requirements for the period covering 12 months from the date of this Prospectus.

## Element C—Securities

- C.1 Type and Class of Security Being Issued and Identification Number** ..... No securities are being issued pursuant to, or in conjunction with, this Prospectus. Pending publication of this Prospectus, the Shares issued in the Second Bond Debt Conversion have been registered with the Norwegian Central Securities Depository, or the VPS, on an ISIN (ISIN NO0010839384) separate from the ordinary ISIN of the Shares of the Company (ISIN NO0010317316).
- C.2 Currency** ..... The Company's shares are denominated in NOK.
- C.3 Number and Shares in Issue** ..... As of the date of this Prospectus, the Company's share capital is NOK 394,896,569, divided into 789,793,138 Shares, each Share having a par value of NOK 0.5.
- C.4 Rights Attaching to the Securities** ..... The Company has one class of shares in issue, and in accordance with the Norwegian Public Limited Companies Act, all shares in that class have equal rights in the Company.
- C.5 Restrictions** ..... The Articles of Association do not provide for any restrictions or right of first refusal on the transfer of shares. Share transfer will not be subject to approval by the board of directors.
- C.6 Listing and Admission to Trading** ..... The Company's Shares are registered under ISIN NO0010317316 and the Shares issued in the Second Bond Debt Conversion are registered with the Norwegian Central Securities Depository, or the VPS, under ISIN NO0010839384 separate from the ordinary ISIN of the Shares of the Company which will be admitted to trading on the Oslo Stock Exchange pending publication of this prospectus. The Company has not applied for admission to trading of the Shares on any other stock exchange or regulated market.
- C.7 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. Following a period of severe financial difficulty, the restructured Oceanteam will focus on obtaining a sound financial structure, reflecting, among other things, the offshore market fluctuations. The Company is currently increasing its business activities and expects to distribute only limited, if any, dividends during the next few years. In the long-term, the Company aims at paying dividends to its shareholders.
- The Company did not declare any dividends for the years ended 31 December 2017 or 2016. The Company has during the lifetime of the Bond Loan been restricted from distributing dividends.

## Element D—Risks

- D.1 Key Risks Specific to the Company and its Industry** ..... *Risks related to the Group's Business*

- The prospects of the Group depend on its ability to meet a number of challenges.
- The market value of the Group's partly or controlling interest owned vessels may decrease, which could cause losses due to impairment of book values or if the Group decide to sell assets.

- The Group's ownership interests in offshore support vessels are almost exclusively held through joint ventures, exposing the Group to the risks and uncertainties that are associated with joint ventures, many of which are outside its control.
- The Group's business, operating results, financial condition and prospects rely to a great extent on the business, operating results and financial condition of the Joint Venture Entities, and the Joint Venture Entities' ability to pay dividends to the Company.
- The Group may require additional capital in the future, which may not be available on favourable terms or at all. Any debt financing, including the Group's existing and continuing financing arrangements, are associated with a number of restrictions and covenants.
- The Group, or the Joint Venture Entities, may be unable to attract a sufficient number of customers, which may have a material adverse effect on the Group's business, result of operations, financial conditions and prospects.
- The Group, or the Joint Venture Entities, may fail to effectively estimate risks, costs or timing when bidding on contracts, or, to efficiently manage such contracts, which could have a material adverse impact on the profitability and financial condition of the Group.
- New vessels entering the market might lead to excess capacity, which could reduce the Group's, or the Joint Venture Entities', asset values and have a negative impact on the Group's, or the Joint Venture Entities', results from operations and financial conditions.
- The Group's, or the Joint Venture Entities', operating and maintenance costs will not necessarily fluctuate in proportion to changes in operating revenues.
- The aging of the Group's, or the Joint Venture Entities, vessels may result in increased operating costs in the future and a less competitive fleet.
- The future contracted revenue for the vessels in the fleet may ultimately not be realised.
- Disruptions of deliveries by the Group's, or the Joint Venture Entities', suppliers could increase operating costs, decrease revenues and adversely impact the Group's, or the Joint Venture Entities', operations.
- The Group, or the Joint Venture Entities, may not be able to renew or obtain new and favourable contracts for vessels whose contracts are expiring or are terminated, or for other services that the Group perform under contracts which are expiring or are terminated, which could materially adversely affect the Group's, or the Joint Venture Entities', results of operation, cash flows and financial condition.
- The Group's may in the future execute acquisitions, exposing the Group to all of the risks associated with acquisitions.
- Should the Group, or the Joint Venture Entities, fail to keep pace with technological changes the Group's, or the Joint Venture Entities', business may be adversely affected.
- The Company is currently subject to ongoing corporate investigation.
- The Group is exposed to changes in interest rates, which may adversely impact the Groups cash flows and financial condition.
- The Group has sales revenues and liabilities in foreign currencies, exposing the Group to effects of currency exchange rate fluctuations.

#### *Risks relating to the Group's Industry*

- The offshore market has in the recent past experienced a downturn and there is a risk the Group will experience low fleet utilization when the vessels' long term contracts expires, and that the demand for its other products will be low.
- The Group's, and the Joint Venture Entities', business, results from operations, financial condition and prospects depend on the level of activity in the offshore oil and gas industry, which is significantly affected by, amongst other things, volatile oil and gas prices, and may be materially adversely affected by further decline in offshore oil and gas exploration, development and production.
- An over-supply of offshore support vessels may adversely affect the Group's, and the Joint Venture Entities', competitive position and lead to a reduction in the rates the Group, and the Joint Venture Entities, can charge for their services.
- The industries in which the Group, and the Joint Venture Entities, operate are competitive, and if the Group does not compete effectively, the Group's, and the Joint Venture Entities', operating results may be harmed.
- Changes in governmental laws and regulations relating to the oil and gas industry could hinder or delay the Group's, or the Joint Venture Entities', operations, increase the Group's, or the Joint Venture Entities', operating costs, reduce demand for its services and/or restrict the Group's, or the Joint Venture Entities', ability to provide its services or operate its vessels.
- The Group's, and the Joint Venture Entities', business involves numerous operating hazards and if a significant accident or other event, which is not fully covered by insurance or any recoverable indemnity, occurs, it could materially and adversely affect the Group's, or the relevant Joint Venture Entity's, business, results of operations, cash flows, financial condition and/or prospects.
- The Group, or the Joint Venture Entities, may be subject to contractual environmental liability and liability under environmental laws and regulations, which could have a material adverse effect on the Group's, or the Joint Venture Entities', business, results from operations, cash flows, financial condition and/or prospects.
- The Group, and the Joint Venture Entities, operate in various jurisdictions, thereby exposing the Group, and the Joint Venture Entities, to risk inherent in international operations.
- Uncertainty relating to the development of the world economy may reduce demand for the Group's, and the Joint Venture Entities', services or result in contract delays or cancellations.
- The Group, and the Joint Venture Entities, may be subject to litigation that could have a material adverse effect on the Group's, or the Joint Venture Entities', business, results of operations, cash flow and/or financial conditions, because of potential negative outcomes, the cost associated with prosecuting or defending such lawsuits, and the diversion of management's attention to these matters.

#### **.3 Key Risks Specific to the Securities ...** *Risks relating to the shares*

- The price of the Shares may fluctuate significantly.
- The Company does not have a history of paying dividends.

- There can be no assurance that shareholders residing or domiciled in the United States or other jurisdictions than Norway will be able to participate in future capital increases or rights offerings.
- Further issuance of shares or other securities may dilute the holdings of shareholders and could materially affect the price of the shares.

## 2 RISK FACTORS

Investing in the shares of the Company (the "**Shares**") involves inherent risks. An investor should consider carefully all information set forth in this Prospectus and, in particular, the specific risk factors set out below. An investment in the Shares is suitable only for investors who understand the risks associated with this type of investment and who can afford a loss of the entire investment. 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 information in this Section is as of the date of this Prospectus.

### 2.1 Risks Relating to the Group's Business

*The prospects of the Group depend on its ability to meet a number of challenges.*

The Group's prospects, including its ability to become profitable, will depend on several factors, many of which are outside the Group's control. The Group's prospects must be considered in light of the risks encountered in the offshore industry generally and by the Group specifically, including:

- the prospects of a favourable development of the demand for the services that the Group, and the Joint Venture Entities (as defined below), offer, and the prospects of the Group being able to reduce operating costs so as to be able to generate profit or a positive cash flow;
- the Group's ability to raise adequate working capital when needed;
- the Group's ability to implement a sound business model and strategy;
- the level of activity in oil and natural gas exploration, development and production in offshore areas worldwide;
- the lack of diversification, which makes the Group particularly susceptible to single market fluctuations;
- the level of the Group's competition; and
- the Group's ability to retain, and attract, key management and employees.

If the Group's not able to successfully meet these challenges, the prospects, business, financial condition and results of operations of the Group would be materially adversely affected.

*The market value of the Group's partly or controlling interest owned vessels may decrease, which could cause losses due to impairment of book values or if the Group decide to sell assets.*

The fair market value of the Group's partly or controlling interest owned vessels may increase or decrease depending on a number of factors, including:

- general economic and market conditions affecting the offshore industry and the renewable industries, including competition from other offshore companies;
- types, sizes and ages of the vessels;
- type, size and ages of carousels;
- supply and demand for carousels;
- cost of building new carousels;
- supply and demand for vessels;
- cost of building new vessels;
- prevailing and expected level of contract day rates; and
- technological advances.

A decrease in market value might cause the Group, or the relevant Joint Venture Entity (as defined below) to incur a loss due to impairment of book values. Further, should the Group, or a Joint Venture Entity (as defined below), decide to sell vessels, or ownership interests in vessels, following a decrease in market value, the sale might be at a loss, which could have a material adverse effect on the Group's, or the Joint Venture Entity's, business, results of operations and financial condition.

***The Group's ownership interests in offshore support vessels are almost exclusively held through joint ventures, exposing the Group to the risks and uncertainties that are associated with joint ventures, many of which are outside its control.***

The Group's ownership interests in offshore support vessels are almost exclusively held through joint ventures, where control may be shared with unaffiliated third parties, or where unaffiliated third parties may have control or veto rights in respect of important matters. The joint ventures, or joint venture like set-ups, in which the Group is a party (the "**Joint Venture Entities**") includes, the joint ventures with Bourbon Offshore Norway AS in respect of CSV Southern Ocean, CSV Bourbon Oceanteam 101 and Bourbon Oceanteam Investments AS, and the DOT joint venture in respect of FSV Cobos and FSV Icacos, as well as the corporate arrangements in respect of ownership structure for Oceanteam Mexico S.A. de CV which owns the FSV Mantarraya II and the FSV Tiburon II, see Section 6—"Business Overview".

As with any joint venture arrangement, differences in views among the joint venture participants may result in delayed decisions, failures to agree on major issues and/or a need to liquidate the joint venture on unfavourable terms. A joint venture arrangement could also restrict the Group from divesting its shares in the joint venture in the open market, should the Group be required to do so, or in situations where such divestment is in the best interest of the Group, preventing the Group from realising the market value of the joint venture assets.

The Group's obligations in respect of, and the Group's ability to receive any dividends from, its joint ventures depend on the terms and conditions of its agreements and its relationships with its respective joint venture partners. There can be no assurance that the Group will continue its relationships with its joint venture partners or that its joint venture partners will want to pursue the same strategies as the Group.

Further, if the Group's joint venture partners do not meet their contractual obligations, the joint venture may be unable to adequately perform and deliver its contracted services. Such factors could have a material adverse effect on the business operations of the joint venture and, in turn, the Group's business, results of operations, cash flows, financial condition and/or prospects.

***The Group's business, operating results, financial condition and prospects rely to a great extent on the business, operating results and financial condition of the Joint Venture Entities, and the Joint Venture Entities' ability to pay dividends to the Company.***

The Group has heavily invested in the Joint Venture Entities. The Group's operating results, financial condition and prospects rely to a great extent on the business, operating results and financial condition of the Joint Venture Entities, and the Joint Venture Entities' ability to pay dividends to the Company. Should any of the Joint Venture Entities experience financial difficulties, or should any of the risk factors relating to the offshore service vessel industry discussed in this Prospectus materialise, or, should the Joint Venture Entities not be able to pay dividends to the Company as a result of such risks materialising, the Group's business, operating results, financial condition and prospects could be materially and adversely affected.

In particular, the Group is experiencing, or has recently experienced, among other things, the following challenges relating to the business of the Joint Venture Entities:

- In February 2018, the Group's joint venture party, Bourbon Maritime, in respect of the Bourbon JVs, notified the Group that it was in breach of its covenants under its financing arrangements due to non-payment of interests, which has led to cross default under the Southern Ocean facility and the Bourbon 101 Facility due to cross-default provisions under the loan agreement.
- The DOT joint venture in respect of FSV Cobos and FSV Icacos, between the Group and its joint venture party Diavaz, has experienced challenges due to the decline of the Mexican offshore markets, leading which led to a significant decrease in charter hire over 2017. The Group and Diavaz are in constructive dialog to find a new contract structure.
- Oceanteam Mexico SA de CV operates the FSV Mantarraya II and the FSV Tiburon II, on a long-term bareboat charter to a charterer, Inversiones Setin, in Venezuela. However, Inversiones Setin is in breach of its obligations under the contract and the company has not received the charter hire due thereunder. The vessels are currently in Venezuela and the Group engaged in legal proceedings to regain possession of the vessels. These legal proceedings, however, were unsuccessful. The Group's management is considering all options for recovery of the vessels, but due to the uncertain political situation and the unreliability of the judicial process the total value of the assets was written off.

***The Group may require additional capital in the future, which may not be available on favourable terms or at all. Any debt financing, including the Group's existing and continuing financing arrangements, are associated with a number of restrictions and covenants.***

The Group may need to raise additional funds through public or private debt or equity financings in order to service its obligations as they fall due, to fund capital expenditures or for other purposes. Adequate sources of capital funding may not be available when needed or may not be available on favourable terms. If the Group raises additional funds by issuing additional equity securities, dilution to the holdings of existing shareholders may result. If funding is insufficient at any time in the future, the Group may be unable to take advantage of business opportunities or respond to competitive pressures, any of which could adversely impact the business and prospects, financial condition and results of operations of the Group.

Any debt financing, including the Group's existing and continuing financing arrangements (see Section 5.7 "The Second Bond Debt Conversion—Principal Continuing Financing Arrangements"), is associated with restrictions and covenants in the agreements governing such debt, for example restrictions on mergers or other transactions, dividend restrictions, covenants in respect of various financial and other ratios, such as book equity ratios, loan-to-value ratios, gearing ratios and debt service ratios, as well as change of control provisions. If the Group is unable to comply with the restrictions and covenants in the agreements governing the Group's debt from time to time, there could be a default under the terms of these agreements, which could result in an acceleration of payment of funds that have been borrowed. The Group's ability to comply with such restrictions and covenants may be affected by events beyond the Group's control. If a default occurs under such agreements, the holders of the debt could accelerate the outstanding debt and declare all amounts borrowed due and payable. Debt under other debt instruments that contain cross-acceleration or cross-default provisions may also be accelerated and become due and payable.

The Group has in the recent past failed, and may in the future fail, to comply with covenants in its financing arrangements. There is no assurance that the Group will be able to comply with covenants in any existing or future financing agreements, or that it would be able to obtain necessary waivers or amendments to cure any such non-compliance.

***Many of the competitors of the Group have a significantly more stable financial condition and greater resources than the Group.***

Many of the competitors of the Group have significantly more stable financial condition and significantly greater financial resources than the Group, which may impact on customers' choice of partner for their projects. They also have greater access to capital for improvements of their products and service offerings. Further, the Group's financial history may negatively affect the demand for the products and services offered by the Company. Any of the foregoing could adversely affect the business and prospects, financial condition and results of operation of the Group.

***The Group, or the Joint Venture Entities, may be unable to attract a sufficient number of customers, which may have a material adverse effect on the Group's business, result of operations, financial conditions and prospects.***

The Group, or the Joint Venture Entities, may in the future not be able to attract a sufficient number of customers to generate adequate revenues to cover their operating expenses and/or service their debts. Inability to attract a sufficient number of customers may have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

***The Group, or the Joint Venture Entities, may fail to effectively estimate risks, costs or timing when bidding on contracts, or, to efficiently manage such contracts, which could have a material adverse impact on the profitability and financial condition of the Group.***

The success of the Group will, amongst other factors, depend on the Group's, or the Joint Venture Entities', ability to identify key issues and risks with respect to potential projects, and, to ensure that the contractual arrangements in relation to each project adequately safeguards the Group, or as the case may be, the relevant Joint Venture Entity, against such risks. Such issues and risks may include, but are not limited to, labour costs, wage inflation and the cost of capital maintenance or replacements of assets. Any of these issues and risks, if materialised, could cause extensive unanticipated increase in costs, and, should the Group, or as the case may be, the relevant Joint Venture Entity, be unable to pass these costs over to the customers, this could have a material adverse impact of the profitability and financial condition of the Group.

Further, the Group, or the Joint Venture Entities, might suffer significant financial consequences if the Group, or as the case may be, the relevant Joint Venture Entity, is not able to deliver its services in accordance with its contracts. While identification of key risks, estimation of costs and establishment of appropriate deadlines in relation to such contracts are inherent parts of the Group's, and the Joint Venture Entities' business, the length and complexity of such projects may imply that the management's estimates potentially could be inaccurate. If the risk management strategies employed by the Group, or as the case may be, the relevant Joint Venture Entity, fail to identify key risks or accurately estimate costs and timetables, or, do not adapt quickly enough to new risks or other changes in the market, this could lead to breach of contract, claim for damages by customers, decrease the operational margin and financial result of the project.

***New vessels entering the market might lead to excess capacity, which could reduce the Group's, or the Joint Venture Entities', asset values and have a negative impact on the Group's, or the Joint Venture Entities', results from operations and financial conditions.***

Depending on the complexity and the order backlog at the shipyards, it typically takes approximately 12-18 months from the time an offshore support vessel is ordered until delivery. Excessive newbuilding activity leads to a stronger growth in the supply of vessels than in the demand for vessels. Such negative influence on the market balance for offshore support vessels may consequently have a material adverse impact on the Group's, or the Joint Venture Entities', results of operations, financial condition and the asset values of the Group or the Joint Venture Entities.

***The Group, or the Joint Venture Entities', may not be able to respond effectively to the time frames associated with bidding and winning short-term contracts.***

As a result of the recent recession in the oil and gas industry, many of the global oil companies have increasingly focused on managing their supplier costs, which has led to tighter time frames to respond to tenders for new contracts made by such oil companies. The reduced time frames for new mandates may affect the Group's, or the Joint Venture Entities', ability to efficiently utilize its vessels and may, together with any inability by the Group, or the Joint Venture Entities', to timely respond to tenders for its services, result in loss of revenue for the Group or the Joint Venture Entities. These circumstances could materially adversely affect the Group's, or the Joint Venture Entities', business, results of operations, financial condition or prospects.

***The Group's, or the Joint Venture Entities', operating and maintenance costs will not necessarily fluctuate in proportion to changes in operating revenues.***

Operating revenues may fluctuate as a function of changes in supply and demand for the Group's, or the Joint Venture Entities', services, which in turn affect charter rates or other rates at which the Group provides its services. In addition, equipment maintenance costs fluctuate depending upon the type of activity each vessel or business unit is performing. In connection with new assignments, the Group, or the Joint Venture Entities', might incur expenses relating to preparation for operations under a new contract. The expenses may vary based on the scope and length of such required preparations and the duration of the contractual period over which such expenditures are amortized. Should any vessel be idle for longer periods, the Group, or the relevant Joint Venture Entity, may, to the extent possible, seek to minimise cost by reducing the crewing levels on board to the minimum staff required to maintain the vessels classification and otherwise in a good condition. Moreover, in times of lower demand for the Group's, or the Joint Venture Entities', services, the Group, or the Joint Venture Entities', may incur increased costs for docking idle vessels, which will increase the Group's, or the relevant Joint Venture Entity's, operating costs without a corresponding increase in revenue. To the extent that changes in the Group's, or the Joint Venture Entities', operating and maintenance costs are not proportionate to changes in operating revenues the Group's, or the relevant Joint Venture Entity's, business, results from operations, cash flows, financial condition and/or prospects will be adversely affected.

***The aging of the Group's, or the Joint Venture Entities, vessels may result in increased operating costs in the future and a less competitive fleet.***

In general, the cost of maintaining a vessel in good operating condition increases with the age of the vessel. As the Group's, or the Joint Venture Entities', vessels age, the Group, or the Joint Venture Entities, will incur increased costs. Older vessels are typically less fuel efficient and more costly to maintain than more recently constructed ships due to gradual improvements in engine technology and other design features. The Company cannot assure that, as the vessels age, market conditions will justify those expenditures or enable the Group, or the Joint Venture Entities, to operate their vessels profitably during the remainder of their useful lives.

***The future contracted revenue for the vessels in the fleet may ultimately not be realised.***

Any of the Group's, or the Joint Venture Entities', customers may default on their contracts, seek to cancel or renegotiate contracts for various reasons, including adverse conditions, or invoke suspension periods resulting in lower day rates. For instance, the Group's contract partner Inversiones Setin Venezuela is in breach of its obligations under the bareboat charter contracts for the FSV Mantarraya II and the FSV Tiburon II, and the Group has not received the charter hire under these contracts. Although the Group has initiated legal proceedings towards Inversiones Setin Venezuela, which so far were unsuccessful, there can be no assurance that the Group will be able to recover its claim for unpaid charter hire, repairs and maintenance overdue. Further, due to events beyond the Group's control or due to default by the Group, or a Joint Venture Entity, the Group, or the Joint Venture Entities, may not be able to perform under their current contracts. Should such default occur, the Group, or the relevant Joint Venture Entity, might not be able to realise its contracted revenues. The Group's, of the Joint Venture Entities, own inability, or the inability of any of the Group's, or the Joint Venture Entities' customers, to perform obligations under contracts may have a material adverse effect on the Group's, or the Joint Venture Entities', business, results of operations and financial condition.

The operation of vessels requires effective maintenance routines and functioning equipment. Certain pieces of equipment are critical for the vessels performance of the services as required in customer contracts. While efforts are made to continuously identify the need for critical spare parts and equipment, there is a risk of unpaid downtime resulting from the time needed to repair or replace equipment which may have a long delivery time should there not be readily available spares. In addition, downtime and suspension periods may be prolonged due to complications with repairing or replacing equipment as the vessels may be situated in remote locations. Complications in the vessels' maintenance or repair may lead to increased periods of downtime and higher repair costs, which may affect the Group's, or the Joint Venture Entities' business, results of operations and financial conditions.

***Disruptions of deliveries by the Group's, or the Joint Venture Entities', suppliers could increase operating costs, decrease revenues and adversely impact the Group's, or the Joint Venture Entities', operations.***

The Group, and the Joint Venture Entities, rely, and will in the future continue to rely, on a significant supply of consumables, spare parts and equipment to operate, maintain, repair and upgrade their vessels. Certain parts and equipment the Group, and the Joint Venture Entities, use in their operations may be available from only a small number of suppliers, manufacturers or service providers, or in some cases must be sourced through a single supplier, manufacturer or service provider. A disruption in the deliveries from such third-party suppliers, manufacturers or service providers, capacity constraints, production disruptions, price increases, quality control issues, recalls or other decreased availability of parts and equipment could adversely affect the Group's, or the Joint Venture Entities, ability to meet their commitments to clients, and materially and adversely impact the Group's, or the Joint Venture Entities', business, results of operations, cash flows, financial condition and/or prospects.

***The Group, or the Joint Venture Entities, may not be able to renew or obtain new and favourable contracts for vessels whose contracts are expiring or are terminated, or for other services that the Group perform under contracts which are expiring or are terminated, which could materially adversely affect the Group's, or the Joint Venture Entities', results of operation, cash flows and financial condition.***

All, or a considerable portion of the Group's, and the Joint Venture Entities', income, will be dependent on contracts. The Group's, or the Joint Venture Entities', results of operations and cash flows could be materially adversely affected if any of their customers were to terminate the contract with or without cause, fail to renew the existing contract or refuse to award new contracts to the Group, or the Joint Venture Entities, and the Group, or the Joint Venture Entities, are unable to enter into contracts with new customers at comparable economical perimeters day rates or fail to compensate the Group, or the Joint Venture Entities, for their services.

Further, the Group's, or the Joint Venture Entities', ability to extend or renew these contracts, or to obtain new contracts, will depend on the prevailing market conditions. In cases where the Group, or the Joint Venture Entities, are not able to obtain new contracts in direct continuation, or where new contracts are entered into on economical perimeters substantially below the existing perimeters, or on terms less favourable compared to existing contracts terms, the Group's, or the Joint Venture Entities', business, results of operations, cash flows and financial condition could be materially adversely affected.

***The Group has in the recent past executed, and may in the future execute, divestments, exposing the Group to all of the risks associated with divestments.***

The Group may from time to time execute divestments in the pursuit of the Group's strategy or for other reasons. In the recent past, the Group has executed divestments in order to be able to service its obligations to lenders and various other stakeholders. Whilst a divestment agreement would often limit the Group's liability as seller towards the buyer, a divestment will expose the Group to claims from the buyer of a divested business for breaches of representations and warranties, indemnities and various covenants. Further, parts of the purchase price under such agreements may be payable only on certain conditions, for example on the future revenue or profit of the divested entity or asset, or under certain contracts or similar, the fulfilment of which would typically be outside of the Group's control. In such cases, the Group could also face liabilities if a purchaser fails to honour all of its commitments, and be exposed to all of the various other risks associated with divestments and not achieve the expected benefits from the divestment. Divestments may further be associated with various other risks. For example, the Company, or other entities within the Group, may have guaranteed for the obligations of the divested business. Where the Group is not released from such guarantee obligations in conjunction with the consummation of the divestment, because of human error, the particular context in which the divestment is executed, or for other reasons, the Group could be held liable for third-party obligations, the fulfilment of which is outside the control of the Group.

***The Group's may in the future execute acquisitions, exposing the Group to all of the risks associated with acquisitions.***

The Group believes that acquisition opportunities may arise in the future and that any such acquisition could be significant for the Group. Any future acquisitions could present a number of risks, including but not limited to:

- the risk of using management time and resources to pursue acquisitions that are not successfully completed;
- the risk of failing to identify material issues during due diligence or otherwise prior to the acquisition;
- the risk of over-paying;
- the risk of failing to arrange financing for an acquisition as may be required or desired;
- the risk of incorrect assumptions regarding the future results of acquired operations; and
- the risk of failing to integrate the operations or management of any acquired operations or assets successfully and timely.

Any of these risks could materially and adversely affect the Group's business, results of operations, cash flows, financial condition and/or prospects.

***Should the Group, or the Joint Venture Entities, fail to keep pace with technological changes the Group's, or the Joint Venture Entities', business may be adversely affected.***

The market for the Group's, and the Joint Venture Entities', services is characterized by continual and rapid technological developments that have resulted in, and will likely continue to result in, substantial improvements in equipment functions and performance. As a result, the Group's, and the Joint Venture Entities', future success and profitability will depend, in part, upon their ability to:

- improve existing services and related equipment;
- address the increasingly sophisticated needs of its customers; and
- anticipate changes in technology and industry standards and respond to technological developments on a timely basis.

If the Group, or the Joint Venture Entities, are not successful in acquiring new equipment or upgrading their existing equipment on a timely and cost-effective basis in response to technological developments or changes in standards in the industry, this could have a material adverse effect on the Group's, and the Joint Venture Entities' business and prospects.

***The Group, and the Joint Venture Entities, may not be successful in attracting and retaining sufficient skilled employees which may adversely affect the Group's, or the Joint Venture Entities', operations.***

The Group has recently been in a situation of severe financial distress and has lost personnel that were employed in positions that were important as a result thereof. The Group's success depends, to a significant extent, on the continued services of the individual members of its management team and other employees, as well as attracting additional or replacement personnel if and when needed, who have substantial experience in the industry in which the Group operates.

The Group's ability to continue to identify and develop opportunities depends on the knowledge and expertise by the members of management, at any given time, in the industry and on its external business relationships. There can be no assurance that any management team member will remain with the Group. Any loss of the services of members of the management team could have a material adverse effect on the Group's business and prospects.

The vessels in the fleet require a technically skilled officer staff with specialized training. The demand for technically skilled officers and crew are at times high. If the Group, or the Joint Venture Entities, are unable to employ technically skilled staff and crew, the Group, or the Joint Venture Entities, will not be able to adequately staff its vessels. A material decrease in the supply of technically skilled officers or an inability of the Group, or the Joint Venture Entities, to attract and retain such qualified officers could impair the Group's, or the Joint Venture Entities, ability to operate or increase the cost of crewing the Group's, or the Joint Venture Entities', vessels, which would materially adversely affect the Group's, or the Joint Venture Entities', business, results of operation and financial condition.

***Damage to the Group's reputation and business relationships may have a material adverse effect beyond any monetary liability.***

The Group's business depends on client goodwill, the Group's reputation and the Group's ability to maintain good relationships with its clients, joint venture partners, suppliers, employees, investors and others. Any circumstances that publicly damage the Group's goodwill, injure the Group's reputation or damage the Group's business relationships may lead to a broader adverse effect on its business and prospects than solely the monetary liability arising directly from the damaging events by way of loss of business, goodwill, clients, joint venture partners and employees. The Group has in the recent past received negative media attention, relating to, among other things, the ongoing court sanctioned corporate investigation relating to historical related party transactions, breaches of securities laws and regulations and associated fines, management changes, and other pre-Restructuring events. The Company cannot assure you that this has not damaged the Group's reputation.

***The Company is currently subject to ongoing corporate investigation.***

As further described in Section 14.2 "Related Party Transactions; Corporate Investigation—Corporate Investigation", a corporate investigation was initiated in February 2018. The objective of the investigation includes, but is not limited to, related party transactions between Haico Halbesma, Hessel Halbesma and their respective related parties and the Company, and whether any of these transactions are in violation of the provisions in the Norwegian Public Limited Liability Companies Act. The Company cannot with certainty predict the duration or the outcome of the investigation. A lengthy investigation will have an adverse effect on the Group's financial position, due to the cost associated with the investigation and the diversion of management's attention to these matters. Further, should the investigation conclude that any of the transactions subject to investigation were not executed in accordance with the Norwegian Public Limited Liability Companies Act, or discover any other criticisable behaviour, there is a risk that such negative outcomes will cause damage to the Group's reputation and business relationships, or have other, including financial, negative effects.

***The Group is exposed to changes in interest rates, which may adversely impact the Groups cash flows and financial condition.***

The Group has in the past incurred, and may in the future incur, significant amounts of debt. The Group's existing debt arrangements are mainly at a floating interest. Movements in interest rates could therefore have effects on the Group's cash flow and financial condition.

***The Group has sales revenues and liabilities in foreign currencies, exposing the Group to effects of currency exchange rate fluctuations.***

Whilst the majority of the Group's revenues are in USD and the majority of the Group's operating costs and debt is in USD, certain operating costs, primarily relating to personnel and administrative costs, and other liabilities are in other currencies than USD, including in EUR and NOK. Although the Group will attempt to achieve a match of incoming and outgoing cash flows in each currency it is exposed to, or, from time to time attempt to enter into currency hedging arrangements, it will never achieve a 100% hedge and exchange rate fluctuation risk will be present. Accordingly, fluctuations in exchange rates could result in financial losses for the Group.

## 2.2 Risks Relating to the Group's Industry

***The offshore market has in the recent past experienced a downturn and there is a risk the Group will experience low fleet utilization when the vessels' long term contracts expires, and that the demand for its other products will be low.***

The offshore market in which the Group operates has recently experienced a downturn. The market for offshore vessels has in the recent past been characterized by supply exceeding demand. As a consequence of low fleet utilization and rates achieved, many vessels in this segment have generated revenue below operating expenses. Should this downturn continue, there is a risk that the Group will experience low fleet utilization, as well as low demand for the other services offered by the Group. Any of this would materially and adversely affect the Group's business, financial conditions, results from operations, cash flow and prospects.

***The Group's, and the Joint Venture Entities', business, results from operations, financial condition and prospects depend on the level of activity in the offshore oil and gas industry, which is significantly affected by, amongst other things, volatile oil and gas prices, and may be materially adversely affected by further decline in offshore oil and gas exploration, development and production.***

Oil and gas prices are volatile and are affected by numerous factors beyond the Group's control, including, but not limited to, the following factors:

- worldwide demand for natural gas and oil;
- the cost of exploring for, developing, producing, transporting and distributing oil and gas;
- expectations regarding future energy prices – for both oil and gas and other sources of energy;
- the ability of the Organization of Petroleum Exporting Countries (OPEC) to set and maintain production and impact pricing;
- level of worldwide production;
- government laws and regulations, including environmental protection laws and regulations;
- the development and exploitation of alternative fuels, and the competitive, social and political position of oil and gas as a source of energy compared with other energy sources;
- local and international political, economic and weather conditions;
- political and military conflicts; and
- the development and exploitation of alternative energy sources.

The demand for the Group's, and the Joint Venture Entities', services depend on the level of activity and expenditure in the oil and gas industry, which is directly affected by trends in oil and gas prices. Any prolonged reduction in the oil and gas industry could lead to reduced levels of exploration, development and production activity, which may in turn have a material adverse effect on the Group's, and the Joint Venture Entities', business, financial conditions, results of operations and cash flow.

***An over-supply of offshore support vessels may adversely affect the Group's, and the Joint Venture Entities', competitive position and lead to a reduction in the rates the Group, and the Joint Venture Entities, can charge for their services.***

In the past, significant spikes in oil and gas prices have led to high level of offshore support vessel construction orders. Significant spikes in oil and gas prices are currently, and could in the future be, followed by periods of sharp and sudden declines in oil and gas prices, which in turn result in, and currently has resulted in, significant decline in utilisation and charter rates, and an increase in the number of layed-up vessels.

As new vessels are absorbed into the market, the supply of offshore support vessels will increase. Such increased supply could lead to a reduction in the utilisation and charter rates of existing. It typically takes approximately 12-24 months from an offshore support vessel is ordered until delivery, depending on its complexity and the backlog at the shipyards. A strong market outlook may be counterbalanced by too high newbuilding activity, which may lead to a stronger growth in the supply of vessels than in the demand for vessels. The Group, and the Joint Venture Entities, may also experience an over-supply of vessels in their market segments as a result of competitors shifting their offshore support vessels into those regions where the Group's, or the Joint Venture Entities', vessels are located. Over-supply of vessels in the industry may lead to a reduction in the rates the Group, or the Joint Venture Entities, can charge for its services which would have an adverse effect on the Group's, and the Joint Venture Entities', business, results of operations, cash flows financial conditions and/or prospects.

***The industries in which the Group, and the Joint Venture Entities, operate are competitive, and if the Group does not compete effectively, the Group's, and the Joint Venture Entities', operating results may be harmed.***

The offshore supply service industry, and the market for marine equipment and cable logistics, are highly competitive and fragmented. The Group, and the Joint Venture Entities, face competition from several large companies, as well as numerous small companies that compete on a local basis. The Group's, and the Joint Venture Entities', larger competitors may have greater resources to better withstand industry downturns and to compete more effectively on the basis of technology, geographic scope and to retain skilled personnel. An existing competitor or new market entrant could introduce new products or services with better features, performance, prices or other characteristics than the Group's, or the Joint Venture Entities', products and services, and reduce the demand for the Group's, or the Joint Venture Entities', services. Further, other potential competitors not currently offering competitive products or services, or not currently operating within the Group's, or the Joint Venture Entities', geographical scope, may expand their offerings to compete with the Group or the Joint Venture Entities. Competitive pressure or other factors may result in significant price competition, particularly during industry downturns, which could have a material adverse effect on the Group's, or the Joint Venture Entities', results of operations and financial condition. Some of the Group's, and the Joint Venture Entities', larger competitors have the operating flexibility to endure such price competition for a longer period of time than the Group and the Joint Venture Entities. In addition, competition among vessel services and equipment providers is affected by each provider's reputation for safety and quality. For all of these reasons there is a risk that the Group, or the Joint Venture Entities, are not able to compete successfully and that competition will result in reduced sales, reduced margins or losses, which in turn will harm the Group's, or the Joint Venture Entities', business.

***Changes in governmental laws and regulations relating to the oil and gas industry could hinder or delay the Group's, or the Joint Venture Entities', operations, increase the Group's, or the Joint Venture Entities', operating costs, reduce demand for its services and/or restrict the Group's, or the Joint Venture Entities', ability to provide its services or operate its vessels.***

The Group's, and the Joint Venture Entities', services are affected by governmental laws and regulations. The industries in which the Group, and the Joint Venture Entities, operate are dependent on demand for services from the oil and gas industry and, accordingly, is indirectly also affected by changing laws and regulations relating to the shipping oil and gas business and/or the energy business in general. The laws and regulations affecting the Group's, and the Joint Venture Entities', business and services include laws and regulations relating to protection of the environment; quality, health and safety; import-export quotas, wage and price controls, imposition of trade barriers and other forms of government regulation and economic conditions; and taxation.

The Group, and the Joint Venture Entities, and their customers are required to invest financial and managerial resources to comply with these laws and regulations. The Group cannot predict the future costs of compliance, and any new laws or regulations could materially increase the Group's, or the Joint Venture Entities', expenditures in the future.

***The Group's, and the Joint Venture Entities', business involves numerous operating hazards and if a significant accident or other event, which is not fully covered by insurance or any recoverable indemnity, occurs, it could materially and adversely affect the Group's, or the relevant Joint Venture Entity's, business, results of operations, cash flows, financial condition and/or prospects.***

The Group's, and the Joint Venture Entities', business involves numerous operational hazards, which may cause personal injury or loss of life, severe damage to or destruction of property and equipment, pollution or environmental damage, claims by third parties or customers and suspension of operations which could adversely affect the Group's, or the Joint Venture Entities', results of operations, cash flows and financial conditions.

The Group's, and the Joint Venture Entities', operations are subject to hazards inherent in the industry where it operates, service down time on its vessels, equipment defects, fires, explosions and pollution. These hazards can cause personal injury or loss of life, severe damage to or destruction of property and equipment, pollution or environmental damage, claims by employees, third parties or customers and suspension of operations. The operation of the Group's, and the Joint Venture Entities', vessels is also subject to hazards inherent in marine operations, such as capsizing, sinking, grounding, collision, damage from severe weather and marine life infestations. Operations may also be suspended because of machinery breakdowns, abnormal conditions, failure of subcontractors to perform or supply goods or services or personnel shortages. Although the Group, and the Joint Venture Entities', in the opinion of the Group have insurance arrangements in place in accordance with industry practise, all risks may not be adequately insured against, any particular claim may not be paid and its insurance coverage will not in all situations provide sufficient funds to protect the Group, or the Joint Venture Entities, from all liabilities that could result from its operations. Any claims

covered by insurance would be subject to deductibles, and since it is possible that a large number of claims may be brought, the aggregate amount of these deductibles could be material.

The Group, or the Joint Venture Entities, may be unable to procure adequate insurance coverage at commercially reasonable rates in the future. For example, more stringent environmental regulations have in the past led to increased costs, and in the future may result in the lack of availability, of insurance against risks of environmental damage or pollution.

The amount of the Group's, or the Joint Venture Entities', insurance cover may be less than the related impact on enterprise value after a loss. The Group's, and the Joint Venture Entities', coverage includes policy limits. As a result, the Group, and the Joint Venture Entities', retains the risk through self-insurance for any losses in excess of these limits. Any such lack of reimbursement may cause the Group, or the Joint Venture Entities, to incur substantial costs. In addition, the Group, or the Joint Venture Entities, could decide to retain substantially more risk through self-insurance in the future. Moreover, no assurance can be made that the Group, or the Joint Venture Entities, has, or will be able to maintain in the future, adequate insurance against certain risks. If a significant accident or other event occurs and is not fully covered by the Group's, or the Joint Venture Entities', insurance or any enforceable or recoverable indemnity from a client, it would adversely affect the Group's, or the Joint Venture Entities', financial position, results of operations and/or cash flows.

***The Group, or the Joint Venture Entities, may be subject to contractual environmental liability and liability under environmental laws and regulations, which could have a material adverse effect on the Group's, or the Joint Venture Entities', business, results from operations, cash flows, financial condition and/or prospects.***

The Group's, or the Joint Venture Entities', operations could result in damage to the environment, particularly through spillage of fuel, lubricants or other chemicals and substances used in operations, or extensive uncontrolled fires. Pollution and environmental risks are generally not totally insurable. Any uninsured or underinsured loss could harm the Group's, or the Joint Venture Entities', business and financial condition. In addition, the Group's, or the Joint Venture Entities', insurance may be voidable by the insurers as a result of certain of the Group's, or the Joint Venture Entities', actions, such as the Group's, or the Joint Venture Entities', vessels failing to maintain certification with applicable maritime self-regulatory organizations.

***The Group, and the Joint Venture Entities, operate in various jurisdictions, thereby exposing the Group, and the Joint Venture Entities, to risk inherent in international operations.***

The Group, and the Joint Venture Entities, operate worldwide, including in Mexico, Venezuela and Angola. The Group, and the Joint Venture Entities, will from time to time operate in various jurisdictions and such international operations involve additional risks, including risks of:

- terrorist acts, war, civil disturbances and acts of piracy;
- seizure, nationalization, expropriation or appropriation of property or equipment, including vessels;
- political unrest;
- labour unrest and strikes;
- the inability to repatriate income or capital;
- complications associated with repairing and replacing equipment in remote locations;
- impositions of embargos;
- import-export quotas, wage and price controls, impositions of trade barriers and other forms of government regulation and economic conditions that are beyond the Group's control;
- regulatory or financial requirements to comply with foreign bureaucratic actions; and
- changes in taxation policies.

For example, the Group operates the FSV Mantarraya II and the FSV Tiburon II, on a long-term bareboat charter to a charterer, Inversiones Setin, in Venezuela, through the joint venture entity Oceanteam Mexico SA de CV. However, Inversiones Setin failed to comply with its contractual obligations, and in 2017 Oceanteam unsuccessfully attempted to regain possession of the vessels through legal proceedings. Despite Oceanteam's management considering all options for recovery of the vessels, there is a risk that, due to the political unrest in the country, the unreliability of the judicial process and the risk of confiscation of the vessels, the vessels might not be recovered. The total value of the assets has been written off.

In addition, international operations are subject to the various laws and regulations in various countries and jurisdictions, including laws and regulations relating to:

- the vessels and the equipment requirements;
- repatriation of foreign earnings;
- oil and gas exploration and development;
- taxation of offshore earnings and the earnings of expatriate personnel;
- custom duties on the importation of vessels and related equipment;
- requirements for local registration or ownership of vessels by nationals of the country of operations in certain countries; and
- the use and compensation of local employees and suppliers by foreign contractors.

Some foreign governments favour or effectively require (i) the awarding of contracts to local contractors or to vessels owned by their own citizens, (ii) the use of a local agent, or (iii) foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction. These practices may materially adversely affect the Group's ability to compete in those regions.

***Uncertainty relating to the development of the world economy may reduce demand for the Group's, and the Joint Venture Entities', services or result in contract delays or cancellations.***

The Group, and the Joint Venture Entities, depend on their existing and prospective customers' willingness and ability to make operating and capital expenditure to explore, develop and produce oil and gas or renewable energy resources offshore. Limitations on the availability of capital or higher costs of capital for financing, or the desire to preserve liquidity, may cause these to make additional reductions in future capital budgets and outlays. Such adjustments could reduce demand for the Group's, and the Joint Venture Entities, products and services and increase the Group's, and the Joint Venture Entities, costs of capital, which could adversely affect its results of operations, cash flows and present market value.

***The Group, and the Joint Venture Entities, operate in a marine environment, which is subject to the forces of nature as well as environmental and climatological risks that could cause damage to, loss of, or suspension of operations by the Group's, or the Joint Venture Entities', vessels and could result in reduced levels of offshore activity.***

The Group's, and the Joint Venture Entities', vessels are subject to risks particular to marine operations, including capsizing, grounding, sinking, collision and loss and damage from severe weather, storms, fire, earthquakes, tsunamis or explosions. Any of the foregoing circumstances could result in damage to, or destruction of, vessels or equipment, personal injury and property damage, suspension of operations or environmental damage.

Litigation from any such event may result in the Group, and the Joint Venture Entities, being named as defendant in a lawsuit asserting large claims. Moreover, the loss of any one vessel could result in the Group's, and the Joint Venture Entities', inability to meet contract deadlines or improve vessel utilization, which could damage the relationship with key customers, result in opportunity costs to the Group, or the Joint Venture Entities, and have a material adverse effect on the Groups', or the Joint Venture Entities', business, result of operations, cash flow, financial condition or prospects.

Furthermore, adverse weather conditions usually result in low levels of offshore activity. Additionally, during certain periods of the year, the Group's, or the Joint Venture Entities', vessels may encounter adverse weather conditions such as hurricanes or storms. During periods of curtailed activity due to adverse weather conditions, the Group, or the Joint Venture Entities, could continue to incur operating expenses, but its revenues from operations may be delayed or reduced.

Stricter safety and environmental protection requirements could lead to increased costs of compliance, additional regulatory oversight and control with respect to offshore activities, a potential ban or restriction on oil and gas exploration in certain offshore areas, as a result of the Deepwater Horizon incident in the Gulf of Mexico, and an increase in insurance premiums for casualty insurance that may be more difficult to obtain. Any such development could reduce exploration activity and thus the demand for the Group's, or the Joint Venture Entities', services in the area.

***Risk of terrorist attacks, civil wars, act of piracy, revolutions and natural disasters may limit or disrupt the Group's, or the Joint Venture Entities', operations or cause disruption to financial and commercial markets.***

Terrorist attacks, civil wars, acts of piracy, revolutions and natural disasters have caused instability in the world's financial and commercial markets, which in turn has contributed to high levels of volatility in prices for, among other things, oil and gas. Continuing instability may cause further disruption to financial and commercial markets and contribute to even higher volatility in prices. In addition, acts of terrorism, civil war, acts of piracy, revolutions and

natural disasters could limit or disrupt the Group's, or the Joint Venture Entities', operations, including disruptions from evacuation of personnel, cancellation of contracts or the loss of personnel or assets, and thereby have a material adverse effect on the Group's, or the Joint Venture Entities', business, results of operations, cash flow and financial condition. Increased incidents of such events may also lead to higher insurance premiums for the Group's, and the Joint Venture Entities', vessels.

***The Group, and the Joint Venture Entities, may be subject to litigation that could have a material adverse effect on the Group's, or the Joint Venture Entities', business, results of operations, cash flow and/or financial conditions, because of potential negative outcomes, the cost associated with prosecuting or defending such lawsuits, and the diversion of management's attention to these matters.***

The operating hazards inherent in the Group's, and the Joint Venture Entities', business may expose the Group, and the Joint Venture Entities, to litigation, including personal injury litigation, contractual litigation with clients or other contract counterparties, intellectual property litigation, tax or securities litigation, and maritime lawsuits including the possible arrest of the Group's, or the Joint Venture Entities', vessels. For example, in an attempt to regain possession of the FSV Tiburon II and the Mantarraya II, the Group initiated legal proceedings towards Inversiones Setin Venezuela due to Inversiones Setin Venezuela being in breach of the bareboat charter contract with the Group. However, the legal proceedings were unsuccessful, (see section 15—"Legal and Arbitration Proceedings"). The Group cannot predict with certainty the outcome or effect of any claim or litigation matter, including any further litigation with Inversiones Setin Venezuela.

Any current, or future, litigation may have a material adverse effect on the Group's, or the Joint Venture Entities', business and/or financial position because of potential negative outcomes, the cost associated with prosecuting or defending such lawsuits, and the diversion of management's attention to these matters.

### **2.3 Risks Relating to the Shares**

***The price of the Shares may fluctuate significantly.***

The trading price of the Shares in the Company could fluctuate significantly in response to a number of factors beyond the Group's control, including variations in operating results, adverse business developments, changes in financial estimates and investment recommendations or ratings by securities analysts, publicity about the Group, future sales of Shares by the Company's largest shareholders or primary insiders, the Group's assets and services or its competitors, unforeseen liabilities, changes to the regulatory environment in which the Group operates or general market conditions. In recent years, the stock market has generally experienced price and volume fluctuations, and specifically in respect of the Company, the trading price of the Company's Shares have fallen significantly.

***The Company does not have a history of paying dividends and is currently prevented from paying dividends under its financing arrangements.***

The Company does not have a history of paying dividends, and it is unlikely that the Company will be in a position to pay dividends in the short to medium term. The Company anticipates that future earnings will be retained to fund operations, debt service requirements and other corporate needs. Accordingly, investors are not likely to receive a return on their investment in the Shares of the Company through the payment of dividends.

***There can be no assurance that shareholders residing or domiciled in the United States or other jurisdictions than Norway will be able to participate in future capital increases or rights offerings.***

Issuance of new Shares to shareholders who are citizens or residents of the United States upon the exercise of preferential rights in any future capital increases or rights offerings may require the Group to file a registration statement in the United States under United States securities laws. Should the Group in such a situation decide not to file a registration statement, the Group's US shareholders may not be able to exercise their preferential rights. If a US shareholder is ineligible to participate in a rights offering, such shareholder would not receive the rights at all and the rights would be sold on the shareholder's behalf by the Group if deemed appropriate by the Group.

***Further issuance of shares or other securities may dilute the holdings of shareholders and could materially affect the price of the shares.***

It is possible that the Group may in the future decide to offer additional Shares or other securities in order to finance new capital-intensive projects, in connection with unanticipated liabilities, liquidity needs, continued downturn in the Group's markets or expenses or for any other purpose. If the Group raises additional funds by issuing additional securities, holdings of existing shareholders may be diluted. Future subscription of shares may be limited to certain nationals outside the United States.

### **3 RESPONSIBILITY STATEMENT**

The board of directors of Oceanteam ASA accepts responsibility for the information contained in this Prospectus. The members of the board of directors confirm that, having taken all reasonable care to ensure that such is the case, the information contained in this Prospectus is, to the best of their knowledge, in accordance with the facts and contains no omissions likely to affect its import.

30 January 2019

#### **The board of directors of Oceanteam ASA**

Kornelis Jan Willem Cordia (chairman)  
Karin Antoinette Yvonne Govaert  
Hendrik Johannes Jesse

## 4 GENERAL INFORMATION

This Section provides general information on the presentation of financial and other information, as well as the use of forward-looking statements, in this Prospectus. You should read this information carefully before continuing.

### 4.1 Proportionate Disclosure Regime

As the Company qualifies as a "small or medium size enterprise", or an "SME", and as a "company with reduced market capitalisation", or a "Small Cap Issuer", the level of disclosure in this Prospectus is proportionate to this type of issuer cf. EC Commission Regulation EC/486/2012 (the "**Proportionate Disclosure Regime**").

### 4.2 Cautionary Note Regarding Forward-Looking Statements

This Prospectus includes forward-looking statements that reflect the Company's current views with respect to future events and financial and operational performance; including, but not limited to, statements relating to the risks specific to the Group's business, future earnings from contracts, the ability to distribute dividends, the solution to contractual disagreements with counterparties, the implementation of strategic initiatives as well as other statements relating to the Group's future business development and economic performance. These forward-looking statements can be identified by the use of forward-looking terminology; including the terms "assumes", "projects", "forecasts", "estimates", "expects", "anticipates", "believes", "plans", "intends", "may", "might", "will", "would", "can", "could", "should" or, in each case, their negative or other variations or comparable terminology. These forward-looking statements are not historical facts. They appear in a number of places throughout this Prospectus; Section 7—"Industry Overview", Section 11—"Dividends and Dividend Policy" and include statements regarding the Company's intentions, beliefs or current expectations concerning, among other things, goals, objectives, financial condition and results of operations, liquidity, outlook and prospects, growth, strategies, impact of regulatory initiatives, capital resources and capital expenditure and dividend targets, and the industry trends and developments in the markets in which the Company operates.

Prospective investors in the Shares are cautioned that forward-looking statements are not guarantees of future performance and that the Group's actual financial position, operating results and liquidity, and the development of the industry in which the Company operates may differ materially from those contained in or suggested by the forward-looking statements contained in this Prospectus. The Company cannot guarantee that the intentions, beliefs or current expectations that these forward-looking statements are based will occur.

By their nature, forward-looking statements involve and are subject to known and unknown risks, uncertainties and assumptions as they relate to events and depend on circumstances that may or may not occur in the future. Because of these known and unknown risks, uncertainties and assumptions, the outcome may differ materially from those set out in the forward-looking statements. Should one or more of these risks and uncertainties materialise, or should any underlying assumption prove to be incorrect, the Group's business, actual financial condition, results of operations, cash flows or prospects could differ materially from that described herein as anticipated, believed, estimated or expected.

The information contained in this Prospectus, including the information set out under Section 2—"Risk Factors", identifies additional factors that could affect the Group's financial position, operating results, liquidity and performance. Prospective investors in the Shares are urged to read all sections of this Prospectus and, in particular, Section 2—"Risk Factors" for a more complete discussion of the factors that could affect the Group's future performance and the industry in which the Group operates when considering an investment in the Shares.

Except as required according to Section 7-15 of the Norwegian Securities Trading Act, the Company undertakes no obligation to publicly update or publicly revise any forward-looking statement, whether as a result of new information, future events or otherwise. All subsequent written and oral forward-looking statements attributable to the Company or to persons acting on the Company's behalf are expressly qualified in their entirety by the cautionary statements referred to above and contained elsewhere in this Prospectus.

### 4.3 Presentation of Financial and Other Information

#### Financial Information

The Group's audited consolidated financial statements as of and for the years ended 31 December 2017 and 2016 (the "**Full-Year Financial Statements**"), and the unaudited consolidated financial statements as at and for the six months ended 30 June 2018 and 2017 (the "**Interim Financial Statements**", and collectively with the Full-Year

Financial Statements, the "**Financial Statements**"), which are incorporated by reference into this Prospectus, see Section 20—"Information Incorporated by Reference; Documents on Display", have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("**IFRS**") and International Accounting Standard 34 "Interim Financial Reporting ("**IAS 34**")", respectively.

The Company prepares its financial statements in USD.

### **Sources of Industry and Market Data**

To the extent not otherwise indicated, the information contained in this Prospectus on the market environment, market developments, growth rates, market trends, market positions, industry trends, competition in the industry in which the Group operates and similar information are estimates based on data compiled by professional organisations, consultants and analysts; in addition to market data from other external and publicly available sources as well as the Company's knowledge of the markets.

While the Company has compiled, extracted and reproduced such market and other industry data from external sources, the Company has not independently verified the correctness of such data. Thus, the Company takes no responsibility for the correctness of such data. The Company cautions prospective investors not to place undue reliance on the above mentioned data.

The Company confirms that where information has been sourced from a third party, such information has been accurately reproduced and that as far as the Company is aware and is able to ascertain from information published by that third party, no facts have been omitted that would render the reproduced information inaccurate or misleading. Where information sourced from third parties has been presented, the source of such information has been identified.

In addition, although the Company believes its internal estimates to be reasonable, such estimates have not been verified by any independent sources and the Company cannot assure prospective investors as to their accuracy or that a third party using different methods to assemble, analyse or compute market data would obtain the same results. The Company does not intend to or assume any obligations to update industry or market data set forth in this Prospectus.

Finally, behaviour, preferences and trends in the marketplace tend to change. As a result, prospective investors should be aware that data in this Prospectus and estimates based on those data may not be reliable indicators of future results.

### **Other Information**

In this Prospectus, all references to "**NOK**" are to the lawful currency of Norway, and all references to "**U.S. dollar**", "**US\$**", "**USD**", or "**\$**" are to the lawful currency of the United States of America.

In this Prospectus all references to "**EU**" are to the European Union and its Member States as of the date of this Prospectus; all references to "**EEA**" are to the European Economic Area and its member states as of the date of this Prospectus; and all references to "**US**", "**U.S.**" or "**United States**" are to the United States of America.

Certain figures included in this Prospectus have been subject to rounding adjustments. Accordingly, figures shown for the same category presented in different tables may vary slightly.

## 5 THE SECOND BOND DEBT CONVERSION

This Section provides summary information on the Second Bond Debt Conversion. This section should be read in conjunction with other parts of this Prospectus, in particular Section 2—"Risk Factors", Section 9—"Capital Resources", Section 9—"Capitalisation and Indebtedness" and Section 6—"Business Overview".

### 5.1 Background

On 20 October 2016, following a period of serious financial restraints caused by the Group's capital structure, Oceanteam announced that it was in the process of developing a restructuring plan and had initiated constructive dialogue with its stakeholders to shape its financial restructuring process and improve its financial flexibility in a challenging market situation. These discussions led to a restructuring of the Company during first half year 2018 (the "**Restructuring**") which included, among other things, the following inter-linked transactions:

- On 24 April 2018, the Company completed a conversion of USD 62,073,564 of its debt (the "**First Bond Debt Conversion**") under the Bond Loan to 620,735,700 Shares in the Company, each with a par value NOK 0.50, leaving USD 5,000,000 of the Bond Loan outstanding. 111,600,000 of the Shares issued in the First Bond Debt Conversion were later, as part of the Restructuring agreements, transferred from the bondholders pro rata to Corinvest B.V. ("**Corinvest**"), a company controlled by Mr. Kornelis Jan Willem Cordia (the "**Cordia Placement**").
- On 8 May 2018, the Company issued 40,000,000 Shares in the Company, par value NOK 0.50 each, to Corinvest (the "**Corinvest Shares**") in conjunction with the Cordia Placement against cash proceeds of NOK 20,000,000, which was technically carried out by the grant of Corinvest of a short-term loan of NOK 20,000,000 which was converted into equity. In conjunction therewith, Corinvest received 111,600,000 of the Shares issued in the First Bond Debt Conversion.
- On 8 May 2018, the Company further issued 10,000,000 Shares in the Company, par value NOK 0.50 each, to Feastwood Holding Limited, a company controlled by the Halbesma family, pursuant to a conversion and confirmation of settlement of all claims of Mr. Haico Halbesma and Mr. Hessel Halbesma and any of their companies and/or affiliates against the Group. The claims were settled against NOK 5,000,000.
- On 23 April 2018, the Company and Stichting Value Partners Family Office ("**Value Partners**") entered into a loan agreement pursuant to which Value Partners agreed to provide an unsecured loan in an amount of USD 1,500,000 to the Company (the "**Value Partners Loan**").

#### The First Bond Debt Conversion

On 23 April, in a revised notice for a written bondholders' resolution, the Company put forward a restructuring proposal which, amongst other, included a conversion of USD 61,633,052 of the principal amount under the Bond Loan and accrued interest as per 28 February 2018 of USD 440,518, being USD 62,073,564 in total, into 620,735,700 new shares in the Company, each with par value of NOK 0.50, and so that any interest accruing from and including 28 February 2018 to and including the effective date, which occurred on 24 April 2018 would be waived. The First Bond Debt Conversion was proposed to be effectuated by a share capital increase directed at Nordic Trustee AS, on behalf of the bondholders, and the new shares would be issued at a subscription amount of USD 0.10 per share, with a total subscription amount of USD 62,073,564. The bondholders would receive 509,135,700 of the new shares, whilst it had been agreed with Cordia that a company controlled by Cordia (ultimately Corinvest) would receive 111,600,000 shares from the First Bond Debt Conversion on a pro rata basis from the bondholders. Following the First Bond Debt Conversion, USD 5,000,000 of the Bond Loan would remain outstanding.

The Proposal was approved by the bondholders with the requisite majority on 23 April 2018. The First Bond Debt Conversion was registered with the Norwegian Register of Business Enterprises (Nw. *Foretaksregisteret*) on 24 April 2018.

#### The Cordia Placement

As an integral part of the Restructuring, and in order to raise new funds to ensure the future operations of the Company, the Company announced on 9 April 2018 that it had reached a preliminary agreement with Cordia to participate in an equity issue in the Company in an amount of NOK 20,000,000

The Company and Corinvest entered into a loan agreement on 23 April 2018, pursuant to which Corinvest agreed to provide an unsecured loan to the Company in an amount of NOK 20,000,000 (the "**Corinvest Loan**"). The Corinvest Loan was transferred to Advokatfirmaet Grette AS' client account on the same date. On 25 April 2018, the board of the

directors used the authorisation granted at an extraordinary general meeting of the Company on 13 April 2018 (the "**Shareholders Meeting**") to resolve a share capital increase directed at Corinvest by conversion of the Corinvest Loan into 40,000,000 new shares in the Company, each with a par value of NOK 0.50. The Cordia Placement was registered with the Norwegian Register of Business Enterprises (Nw. *Foretaksregisteret*) on 8 May 2018.

In addition to the shares received by Corinvest following the conversion of the Corinvest Loan, 111,600,000 shares issued in the First Bond Debt Conversion were transferred pro rata from the bondholders to Corinvest. Accordingly, Corinvest received 151,600,000 shares as a result of the Restructuring.

### **The Halbesma Claims Settlement**

On 13 April 2018, the Company announced that it had reached an agreement with Mr. Haico Halbesma and Mr. Hessel Halbesma and the companies affiliated with them, confirming the settlement of all claims of Mr. Haico Halbesma and Mr. Hessel Halbesma and any of their companies and/or affiliates (the "**Halbesma Claims Settlement**") and thereby securing their support of the Restructuring. The Halbesma Claims Settlement entailed that any and all claims from Haico Halbesma, Hessel Halbesma, Feastwood Holding Limited, Feastwood Holdings Limited, Heer Holland B.V., Toha Invest B.V., Challenger Management Services SAM and any of their affiliates had been fully and finally settled against NOK 5,000,000 to be converted into 10,000,000 new shares (the "**Halbesma Shares**") in the Company at an issue price of NOK 0.50 per share after the First Bond Debt Conversion.

On 25 April 2018, the Board of the Directors used the authorisation granted at the Shareholders Meeting to resolve a share capital increase directed at Feastwood Holding Limited by conversion of NOK 5,000,000 in claims into 10,000,000 new shares in the Company, each with a par value of NOK 0.50. The share capital increase was registered with the Norwegian Register of Business Enterprises (Nw. *Foretaksregisteret*) on 8 May 2018.

### **The Value Partners Loan**

The Value Partners Loan is an unsecured loan to the Company in an amount of USD 1,500,000 with a maturity date falling six months after disbursement of the loan and carrying 7 % interest. The Value Partners loan was provided to the Company pursuant to a loan agreement entered into between the Company and Value Partners on 23 April 2018. Originally, the maturity date on the loan was in October 2018, however, during June 2018, the Company and the lender agreed to extend maturity until 23 October 2019.

## **5.2 The Second Bond Debt Conversion**

On 19 October 2018, the Company announced that it had secured a shareholder's loan of USD 1,500,000. The loan however, was subject to the precondition that the remaining Bond Loan would be converted into equity in the Company. A conversion of the remaining Bond Loan would improve the Issuer's balance sheet and enable the Issuer to fund its future investments on more favourable terms.

In a notice of a written bondholders' resolution dated 24 October 2018 the Company put forward a proposal to convert the outstanding bonds of USD 5,175,523, including the additional bonds issued as settlement of the PIK Interest thereon to, but excluding, 24 October 2018, (the "**Conversion Amount**"), into shares in the Company. The proposed Second Bond Debt Conversion was to be carried out on substantially the same terms as the Conversion, however so that the subscription price per share would be NOK 0.50. Any PIK Interest accruing from and including 24 October 2018 was to be waived, which would leave the Bond Loan repaid in its entirety. The Second Bond Debt Conversion was proposed to be effectuated through a share capital increase directed at Nordic Trustee AS, on behalf of the bondholders, and the new shares would be issued at a subscription amount of NOK 0.50 per share. The Proposal was approved by the bondholders with the requisite majority on 7 November 2018.

The Second Bond Debt Conversion was subject to approval from the general meeting. In order to strengthen the Company's equity and reduce its financial costs under the Bond Loan, the board of directors presented for approval the Second Bond Debt Conversion to the shareholders and proposed that the general meeting resolved a share capital increase directed at Nordic Trustee AS on behalf of and for subsequent allocation to the bondholders under the Bond Loan. The share capital increase was to be implemented by issuing new shares. The Company's share contribution claim shall be settled by way of set-off of USD 5,175,523 of the Bond Loan, including accrued interest, and the preferential rights of the existing shareholders were therefore set aside.

The Second Bond Debt Conversion was approved by the general meeting at an extraordinary general meeting held on 30 November 2018. Upon approval of the general meeting and pursuant to the USD/NOK exchange rate of 1

USD to NOK 8.5464 of the Norwegian Central Bank published on 29 November 2018, the total outstanding amount to be converted under the Bond Loan was NOK 44,232,089.7672. In order to issue whole shares with a nominal amount of NOK 0.50 following conversion from USD to NOK, the bondholders waived an aggregate amount of the equivalent to NOK 0.2672 of their claims, and the amount to be converted was set at NOK 44,232,089.5, and the Company's share capital was increased with NOK 44,232,089.5 by issuing 88,464,179 new shares. The new Shares were subscribed for by Nordic Trustee on a separate subscription form on 4 December 2018 and issued on 12 December 2018. The Second Bond Debt Conversion was effectuated on 19 December 2018. Following the Second Bond Debt Conversion, there are no bonds outstanding. The Second Bond Debt Conversion was registered with the Norwegian Register of Business Enterprises (Nw. *Foretaksregisteret*) on 12 December 2018.

### **5.3 The Second Corinvest Loan**

Following the Second Bond Debt Conversion, Corinvest granted a loan of USD 1,500,000 to the Company on substantially the same terms as the Value Partners Loan and carrying 7 % interest with a repayment date 20 December 2019.

### **5.4 Dilutive Effect of the Second Bond Debt Conversion**

The Second Bond Debt Conversion resulted in an immediate dilution of the share capital of approximately 11.2%.

### **5.5 Listing of the Shares Issued in Connection with the Second Bond Debt Conversion**

The 88,464,179 Shares issued as part of the Second Bond Debt Conversion have been created pursuant to the Norwegian Public Limited Liability Companies Act as validly issued and fully paid and are governed by Norwegian law. The Company's shares issued prior to the Second Bond Debt Conversion are listed on the Oslo Stock Exchange. Pending publication of this Prospectus, the Shares issued in the Second Bond Debt Conversion, have been registered with the Norwegian Central Securities Depository, or the VPS, on an International Securities Identification Number ("**ISIN**") (ISIN NO0010839384) separate from the ordinary ISIN of the Shares of the Company (ISIN NO0010317316) as a result of legal requirements. Accordingly, these Shares have not been tradable on the Oslo Stock Exchange. Following the publication of this Prospectus, the Shares issued in the Second Bond Debt Conversion will be registered on the ordinary ISIN of the Company's Shares, i.e. ISIN NO0010317316, in the VPS, and be tradable on the Oslo Stock Exchange.

### **5.6 Net Proceeds and Estimated Expenses**

The Second Bond Debt Conversion resulted in the conversion of USD 5,175,523 of the Bond Loan and the conversion of all claims between the Company and the bondholders into equity. The Company estimates the total expenses related to the Second Bond Debt Conversion to approximately NOK 551,810 consisting of legal and auditing fees, and other advisory fees in conjunction with the conversion.

### **5.7 Principal Continuing Financing Arrangements**

Following the Second Bond Debt Conversion, and as of the date hereof, the Group is party to the following principal continuing financing arrangements:

- The Value Partners Loan, with a principal amount of USD 1,500,000.
- The Second Corinvest Loan, with a principal amount of USD 1,500,000.
- 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 ("**The Bourbon Oceanteam 4 and Bourbon Oceanteam 101 Facility**"). The Bourbon Oceanteam 4 and Bourbon Oceanteam 101 Facility is only partly consolidated into the Groups 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 30 June 2018, the balance of the Bourbon Oceanteam 4 and Bourbon Oceanteam 101 Facility which is consolidated in the Group's Financial Statements was USD 34.4 million.

In addition, joint venture entities in which the Group has non-controlling interests are parties to the following principal continuing financing arrangements:

- The joint venture entity Oceanteam Bourbon 101 AS, in which the Group holds 50% of the voting rights and 50% of the equity and has the right to appoint two out of five board members, as borrower, is party to the Bourbon Oceanteam 4 and Bourbon Oceanteam 101 Facility. As of 30 June 2018, the balance of the Bourbon Oceanteam 4 and Bourbon Oceanteam 101 Facility which is not consolidated into the Groups Financial Statements was USD 28.05 million.
- The joint venture entity DOT Shipping AS, in which the Group holds 40% of the equity and 50% of the voting rights, is, as borrower, party to a loan agreement with GE Capital CEF Mexico, S de R.L. de C.V. (the "**DOT Loan**"). As of 30 June 2018, the balance of the DOT Loan was USD 5,111,332.

For further information on the Group's continuing financing arrangements, see Section 10.2 "Capital Resources—Borrowings".

## 6 BUSINESS OVERVIEW

This Section provides an overview of the business of the Group as of the date of this Prospectus. The following discussion contains forward-looking statements that reflect the Company's plans and estimates; see Section 4.1 "General Information—Cautionary Note Regarding Forward-Looking Statements". You should read this Section in conjunction with the other parts of this Prospectus, in particular Section 2—"Risk Factors".

### 6.1 Introduction

Oceanteam is an offshore service provider, providing offshore vessels, cable storage and handling equipment and other associated services. The Group provides:

- support to offshore contractors through its fleet of partly and controlling interest owned offshore support and fast support vessels (Oceanteam Shipping business segment); and
- support to transmission system operators through its power cable storage and handling solutions, specialised engineering expertise and integrated cable logistics services (Oceanteam Solutions business segment).

Oceanteam supports its clients in economically and technically challenging projects in the oil and gas and renewables industries. The Group operates in different markets and geographical areas, combining a pool of special-purpose equipment and engineering know-how with its fleet of partly and wholly owned offshore support and fast support vessels. This enables the Group to deliver complex offshore support (cable, pipeline and umbilical installations, transportation and storage projects) as a single service (one-stop shop).

Oceanteam has offices in Amsterdam and Velsen in the Netherlands. The corporate headquarter is in Bergen, Norway. The Group is well positioned in growth basins, including Gulf of Mexico, Latin America, West Africa, Asia-Pacific and the North Sea.

### 6.2 The Fleet

Oceanteam has ownership interests in a fleet of offshore support and fast support vessels. The fleet consists of:

- two high-end large deepwater offshore Construction Service Vessels ("CSVs"), the CSV "Southern Ocean" and the CSV "Bourbon Oceanteam 101", which are jointly owned by Bourbon Offshore Norway AS and the Group through two different joint venture companies with 50/50% equity interest;
- two Fast Support Vessels ("FSVs"), the FSV "Cobos" and the FSV "Iacos", which are owned by DOT Shipping AS, a joint venture company owned by Grupo Diavaz of Mexico and the Group, in which the Group holds a 40% equity interest; and
- two FSVs, the FSV "Mantarraya II" and the FSV "Tiburón II", which are owned by Oceanteam Mexico SA de CV, in which the Group holds a controlling interest.

The Group's fleet is currently working under time charter or bareboat charter contracts. Under a time charter contract, the ship owner is responsible for keeping the ship manned and equipped and capable of carrying out the charterer's orders. The charterer is responsible for the commercial employment of the ship during the contract period, meaning that the owner has a claim for remuneration whether or not the ship is traded. Under a bareboat charter, no administration or technical maintenance is included as part of the agreement. The charterer has possession and full control of the vessel, along with the financial responsibility for it. Thus, the charterer is not only responsible for the commercial employment of the ship, but the charterer also equips, crews and trades the vessel for his own account.

Life expectancy of the vessels are 20-25 years.

## CSV Southern Ocean

CSV Southern Ocean has been on a long-term bareboat charter with Fugro TSM Australia since its delivery in 2010, and was under a suspension contract starting November 2017 with Fugro TSM Australia until 31 December 2018. During 2018, Fugro TSM continued to use the vessel under separate charterparty for various short term projects. With effective date of 24 August 2018 McDermott has contracted CSV Southern Ocean for their subsea installation project off the East Cost of India, which is expected to be completed in the second quarter of 2019. The vessel went on-hire on 26 November 2018.

Vessel type..... CSV  
 Built ..... 2010  
 Yard Metalships & Docks, Vigo, Spain  
 Key features ..... DP2 Construction Support / Flexible Product Installation vessel which combines a moon pool, large cranes (1 x 250 and 1 x 100 ton, heave compensated), 2400 square meters of deck space, extensive accommodation and excellent seafaring capabilities, enabling the vessel to be utilised for field support, construction, installation and IRM.



Oceanteam ownership interest ..... Equity interest in JV entity: 50%  
 Voting rights in JV entity: 50%<sup>(1)</sup>

<sup>(1)</sup> See Section 6.5 "—Joint Ventures" for further information on the joint venture arrangement relating to this vessel.

## CSV Bourbon Oceanteam 101

CSV Bourbon Oceanteam 101 is working on long-term time charter contract in Angola for Sonasurf and TOTAL SA through back-to-back agreements with Bourbon subsidiaries Bourbon Offshore Gaia SAS and Sonasurf International Shipping. The contract expires in August 2019 and has options for extension (2x1 year options). The contract contains a termination for convenience clause on behalf of Total SA

Vessel type..... CSV  
 Built ..... 2007  
 Yard Metalships & Docks, Vigo, Spain  
 Key features ..... DP2 Construction Support / Flexible Product Installation vessel. The ship is 125 meters at length. Its excellent seafaring capabilities, large cranes, moon pool, 2000 square meters deck area and extensive accommodation enables the vessel to be utilised for field support, construction, installation and IRM support.



Oceanteam ownership interest ..... Equity interest in JV entity: 50%  
 Voting rights in JV entity: 50%<sup>(1)</sup>

<sup>(1)</sup> See Section 6.5" —Joint Ventures" for further information on the joint venture arrangement relating to this vessel.

## FSV Cobos

FSV Cobos has been working under a long term time charter contract in Mexico with a subsidiary of Grupo Diavaz. The contract, which started in March 2015 is for a firm period of seven years, but due to a contract cancellation by the ultimate client, PEMEX, the vessel is now idle and the JV partners are considering various redeployment options in Mexico and worldwide. Due to the decline of the Mexican offshore market, the charter income has decreased significantly over 2017. During 2018 Diavaz and Oceanteam have been in a constructive dialogue to find a new contractual structure.

Vessel type..... FSV  
Built ..... 2014  
Yard ..... Strategic Marine  
Key features ..... The vessel can accommodate 96 passengers with a service speed of 25 Knots. In addition to this the vessel has a 110 m<sup>2</sup> clear working deck with a cargo capacity of 40 tonnes, and a structural strength of 2 t/m<sup>2</sup>  
  
Oceanteam  
ownership interest ..... Equity interest in JV entity: 40%  
Voting rights in JV entity: 50%<sup>(1)</sup>



<sup>(1)</sup> See Section 6.5 "—Joint Ventures" for further information on the joint venture arrangement relating to this vessel.

## FSV Iacos

FSV Iacos has been working under a long term time charter contract in Mexico with a subsidiary of Grupo Diavaz. The contract, which started in March 2015 is for a firm period of seven years, but due to a contract cancellation by the ultimate client, PEMEX, the vessel is now idle and the JV partners are considering various options in Mexico and worldwide. During 2018 Diavaz and Oceanteam have been in a constructive dialogue to find a new contractual structure.

Vessel type..... FSV  
Built ..... 2014  
Yard ..... Strategic Marine  
Key features ..... Designed to meet the strict Mexican requirements. The vessel can accommodate 96 passengers with a service speed of 25 Knots. In addition to this the vessel has a 110 m<sup>2</sup> clear working deck with a cargo capacity of 40 tonnes, and a structural strength of 2 t/m<sup>2</sup>  
  
Oceanteam  
ownership interest ..... Equity interest in JV entity: 40%  
Voting rights in JV entity: 50%<sup>(1)</sup>



<sup>(1)</sup> See Section 6.5 "—Joint Ventures" for further information on the joint venture arrangement relating to this vessel.

## FSV Mantarraya II

FSV Mantarraya II, together with FSV Tiburon II, are under bareboat charter with Inversiones Setin Venezuela. However, Inversiones Setin is in breach of its obligations under the contract and the Group has not received the charter hire due thereunder. In 2017 the Company unsuccessfully attempted to regain possession of the vessels through legal proceedings against Inversiones Setin, see Section 15—"Legal and Arbitration Proceedings". The Company's management is considering all options for recovery of the vessels, however, due to the uncertain political situation and the unreliability of the judicial process, the total value of the vessels has been written off.

Vessel type..... FSV  
 Built ..... 2006  
 Yard ..... Damen  
 Key features ..... Axebow design. The ship is able to accommodate 75 persons. Suitable for moderate environment (Hs<2.5m)



Oceanteam ownership interest ..... 90% equity interest<sup>(1)</sup>

<sup>(1)</sup> Oceanteam holds 49% of the ordinary shares in the vessel owning entity Oceanteam Mexico S.A. de C.V. Through share class structures Oceanteam holds a 90% equity interest and is considered to have control of the vessel owning entity.

### FSV Tiburon II

FSV Mantarraya II, together with FSV Tiburon II, are under bareboat charter with Inversiones Setin Venezuela. However, Inversiones Setin is in breach of its obligations under the contract and the Group has not received the charter hire due thereunder. In 2017 the Company unsuccessfully attempted to regain possession of the vessels through legal proceedings against Inversiones Setin, see Section 15—"Legal and Arbitration Proceedings". The Company's management is considering all options for recovery of the vessels, however, due to the uncertain political situation and the unreliability of the judicial process, the total value of the vessels has been written off.

Vessel type..... FSV  
 Built ..... 2006  
 Yard ..... Damen  
 Key features ..... Axebow design. The ship is able to accommodate 75 persons. Suitable for moderate environment (Hs<2.5m)



Oceanteam ownership interest ..... 90% equity interest<sup>(1)</sup>

<sup>(1)</sup> Oceanteam holds 49% of the ordinary shares in the vessel owning entity Oceanteam Mexico S.A. de C.V. Through share class structures Oceanteam holds a 90% equity interest and is considered to have control of the vessel owning entity.

### 6.3 Vessel Contract Backlog

The chart below provides an overview of the contract status for each of the vessels in the fleet.

Vessel	Counterparty	Contract type	Firm period	Optional period
CSV Bourbon Oceanteam 101	Sonasurf and TOTAL SA	Time charter	August 2019	August 2021 (2x1 year)
CSV Southern Ocean	McDermott India	Bareboat and Services agreements	Q2 2019	—
FSV Cobos	Constructora Subaquatica Diavaz	Idle <sup>(1)</sup>	—	—
FSV Icacos	Constructora Subaquatica Diavaz	Idle <sup>(1)</sup>	—	—
FSV Mantarraya II <sup>(2)</sup>	Inversiones Setin <sup>(2)</sup>	— <sup>(2)</sup>	— <sup>(2)</sup>	— <sup>(2)</sup>
FSV Tiburon II <sup>(2)</sup>	Inversiones Setin <sup>(2)</sup>	— <sup>(2)</sup>	— <sup>(2)</sup>	— <sup>(2)</sup>

<sup>(1)</sup> FSV Cobos and FSV Icacos was working under a long term time charter contract in Mexico with a subsidiary of Grupo Diavaz which started in March 2015 for a firm period of seven years. However, due to a contract cancellation by the ultimate client, PEMEX, the vessel is now idle. During 2018 Diavaz and Oceanteam have been in a constructive dialogue to find a new contractual structure.

<sup>(2)</sup> FSV Mantarraya II and FSV Tiburon II are under bareboat charter with Inversiones Setin Venezuela, however, since Inversiones Setin is in breach of its obligations under the contract and the Group has not received the

charter hire due thereunder. In 2017 the Company unsuccessfully attempted to regain possession of the vessels through legal proceedings against Inversiones Setin, see Section 15—"Legal and Arbitration Proceedings". The Company's management is considering all options for recovery of the vessels, however, due to the uncertain political situation and the unreliability of the judicial process, the total value of the vessels has been written off.

## 6.4 Solutions Business

Through its Oceanteam Solutions business segment, the Group provides a complete set of high quality equipment suitable for offshore cable laying, umbilical installations, on- and offshore storage and transport. Oceanteam Solutions designs, builds and owns a large pool of demountable turntables, tensioners and other auxiliary equipment. The company operates from its deep water base in Velsen, the Netherlands and supplies and rents to a broad client base around the world to support their offshore cable, pipeline and umbilical installations, transport and storage projects.

### Rental Equipment

The Group offers, in particular, the following rental equipment:

- *Turntables*: The Group is specialised in building and operating demountable cable carousel systems with capacities between 1000 and 5300 tons. The Group can design and produce turntables in various sizes, for onshore and offshore use and for a variety of cables, umbilicals, pipes or flowlines. The Group's turntables can be built in fewer than three months. The Group's turntable series is designed for quick mobilisation with limited deck load. All system components are "plug and play" and interchangeable. The modular systems are delivered to the mobilisation site in 40 ft containers. This means that the equipment can be transported by road and sea and taken to any port in a cost effective and time efficient manner.
- *Tensioners*: The Group has four 10t tensioners for the installation of power cables and umbilicals. The tensioners are delivered with a control cabin and HPU. These robust systems can be easily bolted or welded to the deck and can be transported by road. The Group can also supply a 15t caterpillar tensioner for the installation of a variety of products with a diameter ranging from 70 - 630mm.
- *Reels*: The Group supplies different sizes of storage reels with drive systems that can handle up to 500t of cables, umbilicals, pipes or flowlines. Reels up to 125t are modular and can be transported by road. In addition, cable handling and storage equipment as well as experienced cable handling crew are readily available.

### Cable and Umbilical Storage & Handling Solutions

The Oceanteam Solutions business focuses on the worldwide transport, handling and storage services in close collaboration with the Group's other business units. The division has a long track record in cable and umbilical services. It has a pool of experienced staff plus equipment, vessels and engineering capabilities to provide a complete range of DNV ISO certified solutions. The Group successfully executed over 50 cable transport, handling and storage projects. It currently offers facilities in Europe, the Middle East and Asia and is expanding its network.

### Design Engineering Partnership with KCI

The Group has a partnership with KCI the engineers B.V. ("KCI"), previously owned by Oceanteam but divested in January 2018. This multidisciplinary engineering firm provides full design, engineering and consultancy services to the oil and gas and offshore renewables industries.

By working closely together with KCI, Oceanteam can tackle all its customers' design and engineering challenges.

### Sample Past and Present Projects

The Group has been involved in a wide range of offshore cable, pipeline and umbilical installations, transportation projects and storage systems for a variety of clients in the oil, gas and offshore renewables markets. This includes the following projects:

- *Cable transport from Norway to the Netherlands* for one of the biggest UK energy companies, which was successfully performed in September/ October 2018 in cooperation with Blue Offshore. Mobilisation and demobilisation of the barge, tug vessel and equipment was executed by Oceanteam Solutions.

- *Rotterdam cable storage and handling project.* This project started in October 2017 and was terminated in July 2018.. In this storage project, Oceanteam Solutions delivered a barge with a 5300t carousel, loading tower and tensioners for cable storage alongside client's quay. Spooling was performed by the Group's cable handling crew.
- *Greece cable transport and handling project:* This project started in August 2017. This was a contract to supply a cable manufacturer a vessel with a 1100t turntable on it for cable transport from Greece to Denmark. Mobilisation and demobilisation of the vessel and the equipment was executed by Oceanteam Solutions. Spooling was performed by the Group's cable handling crew.
- *Cable laying project in North Sea:* This project started in July 2017. This was a contract with a Dutch contractor for supplying a 2000t demountable turntable for a cable laying project in the North Sea. The mobilisation and demobilisation of the equipment onto client's vessel took place at the Group's own facility in Velsen and the Group accommodated professional operators for the complete project. Oceanteam Solutions provided the equipment, together with KCI, custom fit to the client's specifications.
- *Velsen cable storage and handling project:* This project started in May 2017. This is a long-term storage project where Oceanteam Solutions delivered two demountable carousels one 1100t Carousel and one upgraded from 4000t to 5300t Carousel, according to the client's cable specifications. Spooling was performed by the Group's cable handling crew.
- *Velsen cable storage, handling and splicing:* This project started in 2016. Through this project the Group supplied a German contractor a 4000t and 1100t onshore turntable system, personnel for cable handling, a workshop and accompanying equipment for a cable storage and splicing project. The turntable and additional equipment are being used for storage of cables at Oceanteam's facilities in Velsen and for cable loadouts.
- *South Korea cable transports and handling:* This project started in 2016. Through this project the Group supplied a Korean client two 2000t demountable turntables for cable transport to Europe and personnel for cable handling. The turntables and additional equipment were used for transport of multiple cables and cable loadouts in South Korea and Europe. Furthermore, Oceanteam Solutions executed the mobilisation and demobilisation of the equipment in Singapore.
- *Zeebrugge cable storage and handling:* This project started in 2016. This was a contract to supply a 2500t onshore turntable system, personnel for cable handling and accompanying equipment for a long-term storage project. The turntable and additional equipment will be used for storage of cables at Zeebrugge and for cable loadouts. Mobilisation and demobilisation of the equipment in Zeebrugge will also be executed by Oceanteam Solutions.
- *Cable laying project in Germany:* This project started in 2016 and has been currently extended to Mid 2019. The scope under the original contract with the German contractor for supplying a lay spread for a cable laying project in Germany was subsequently extended and the lay spread currently includes a 2000T and a 4000T modular turntables and loading towers with built-in tensioner. Oceanteam Solutions provided the equipment, together with KCI, custom fit to the client's specifications.
- *Cable laying project in Mexico:* This project was carried out in 2015. The lay spread consisted of a 10T tensioner, spooling machine, reel, level winder and winch and was operated by Oceanteam Solutions' operators.
- *Westermeerwind cable laying project:* This project was carried out in 2014. This was a contract to supply a Dutch contractor a portal with built in powered quadrant for the Westermeerwind near shore wind farm project. The portal was used in conjunction with four separate cable tanks, for which purpose it can be translated from one end of the supply barge to the other.
- *Gemini Offshore Wind Farm cable storage project:* This project was carried out during 2014-2015. This was a contract to supply a Dutch contractor with a 3000t demountable onshore turntable system and accompanying equipment for a long-term storage project. The turntable and additional equipment was used for storage of cables at Eemshaven, The Netherlands for the Gemini Offshore Wind Farm. Oceanteam Solutions has also executed the mobilisation and demobilisation of the equipment to Eemshaven, the Netherlands.
- *Long-term cable storage project:* This project started in 2014. This is a long-term contract to supply a Dutch energy company with port facilities, offloading and storage of cables at Oceanteam Solutions' cable storage facility in Velsen. The cables were transferred from the vessel into Oceanteam Solutions' cable basket for storage of up to 25 years. During the years more cables are expected to be stored.
- *Project regarding transport of cables South Korea – Qatar:* This project was carried out during 2014 and 2015. This was a contract to supply a cable manufacturer two times a 4000t modular turntable system and accompanying equipment for a long-term project. The turntables and additional equipment were used for the transportation of cables from the cable manufacturer in South Korea to the project port of Doha, Qatar. To ensure smooth transportation and loading Oceanteam also supplied operators. Oceanteam Solutions also executed mobilisation and demobilisation of the equipment in South Korea and Qatar.
- *Safaniya oil field cable transport project:* This project was carried out in 2014. This was a contract to supply a 1500t modular turntable system and a 10t tensioner. The turntable and additional equipment were used to

transport cables for the Safaniya oil field. Oceanteam Solutions performed mobilisation of the equipment onto client's vessel at its yard in Velsen, The Netherlands.

- *Long-term cable storage project:* This project started in 2014. The project contract is a long-term contract to supply a German energy company with port facilities, offloading and storage of cables at Oceanteam Solutions' cable storage facility in Velsen. The cables were transferred from the vessel into Oceanteam Solutions' cable basket for storage of up to 25 years. During the years more cables are expected to be stored.
- *Cable laying project Brazil:* This project was carried out during 2014 and 2015. This was a contracts to supply a UK contractor with a 2000t modular turntable system and loading tower with built-in 15t tensioner. The turntable and the additional equipment were used on the Polar Onyx Vessel for the installation of flexibles, which took place in 2014 and 2015 in Brazil. Oceanteam Solutions also supplied operators to ensure smooth operations.
- *Cable laying project in the Netherlands:* This project was carried out during 2012-2014, under a long-term contract to supply a 1250t modular turntable to be mobilised onboard Solstad Offshore ASA's CSV Normand Flower for offshore renewables operations in the Southern North Sea.

## **6.5 Joint Ventures**

### **The Oceanteam Bourbon 4 Joint Venture**

Oceanteam's ownership interest in the CSV Southern Ocean is through the Oceanteam Bourbon 4 AS Joint Venture, i.e. Oceanteam's and Bourbon Offshore Norway AS' joint ownership of Oceanteam Bourbon 4 AS , which is the corporate entity owning the vessel and which is party to the bareboat charter contract (suspension contract) for the vessel with Fugro TSM Australia.

Pursuant to a shareholder agreement between Oceanteam and Bourbon Offshore Norway AS, Oceanteam's equity interest in Oceanteam Bourbon 4 AS is 50%, however such that Oceanteam is entitled to elect three out of five of the directors of Oceanteam Bourbon 4 AS.

### **The CSV Bourbon Oceanteam 101 Joint Venture**

Oceanteam's ownership interest in the CSV Bourbon Oceanteam 101 is through the Oceanteam Bourbon 4 Joint Venture, i.e. Oceanteam's and Bourbon Offshore Norway AS' joint ownership of Bourbon Oceanteam 101 AS , which is the corporate entity owning the vessel and which, through two back-to-back agreements with parties from the Bourbon group, contracts the vessel to TOTAL S.A. in Angola.

Pursuant to a shareholder agreement between Oceanteam and Bourbon Offshore Norway AS, Oceanteam's equity interest in Oceanteam Bourbon 101 AS shall be 50%, however such that Oceanteam shall be entitled to elect two out of five of the directors of the Oceanteam Bourbon 101 AS.

### **The Oceanteam Bourbon Investments Joint Venture**

Oceanteam is in a joint venture with Bourbon Offshore Norway AS, the Oceanteam Bourbon Investments Joint Venture, through the joint ownership of Oceanteam Bourbon Investments AS (50/50), for the purposes of renting equipment to the CSV Southern Ocean. Oceanteam and Bourbon Offshore Norway AS each have 50% equity interest and 50% of the voting rights.

### **The DOT Joint Venture Arrangements**

Oceanteam is in a joint venture structure with Grupo Diavaz S.A.P.I. de C.V. and Oil and Gas Maritime Services B.V., through the joint ownership of DOT Holding AS, DOT Shipping AS, DOT Shipping B.V, Diavaz Oceanteam Servicios Navieros, S.A.P.I. de C.V, Norhol S.A.P.I. de C.V. SOFOM and DOT Radiance PTE LTD, with respect to the joint ownership of FSV Cobos and FSV Icacos, owned by the corporate entity DOT Shipping AS. FSV Cobos and FSV Icacos are chartered by the Joint Venture entity Diavaz Oceanteam Servicios Navieros, S.A.P.I. de C.V. under bareboat charter contracts with Constructora Subaquatica Diavaz S.A. de C.V., a company of the Diavaz group of companies. DOT Radiance PTE LTD. is a joint venture company with Radiance Offshore Holdings Pte. Ltd. in which Oceanteam participates through DOT Holdings AS. Pursuant to a shareholder agreement between Oceanteam and Diavaz, Oceanteam's equity interest and voting rights in the DOT entities are 40% and Oceanteam is entitled to appoint two out of four directors in the DOT entities.

## The Oceanteam Mexico Joint Venture Arrangements

Through Oceanteam Mexico B.V. Oceanteam is holding interest in the joint venture company Oceanteam Mexico S.A. de C.V. with Mr. Joaquin Romero. Oceanteam Mexico S.A. de C.V. is the corporate entity owning the vessels Tiburon II and Mantarraya II. Oceanteam holds 49% of the ordinary shares in Oceanteam Mexico S.A. de C.V. however, through class N shares it holds 90% of the equity in the company.

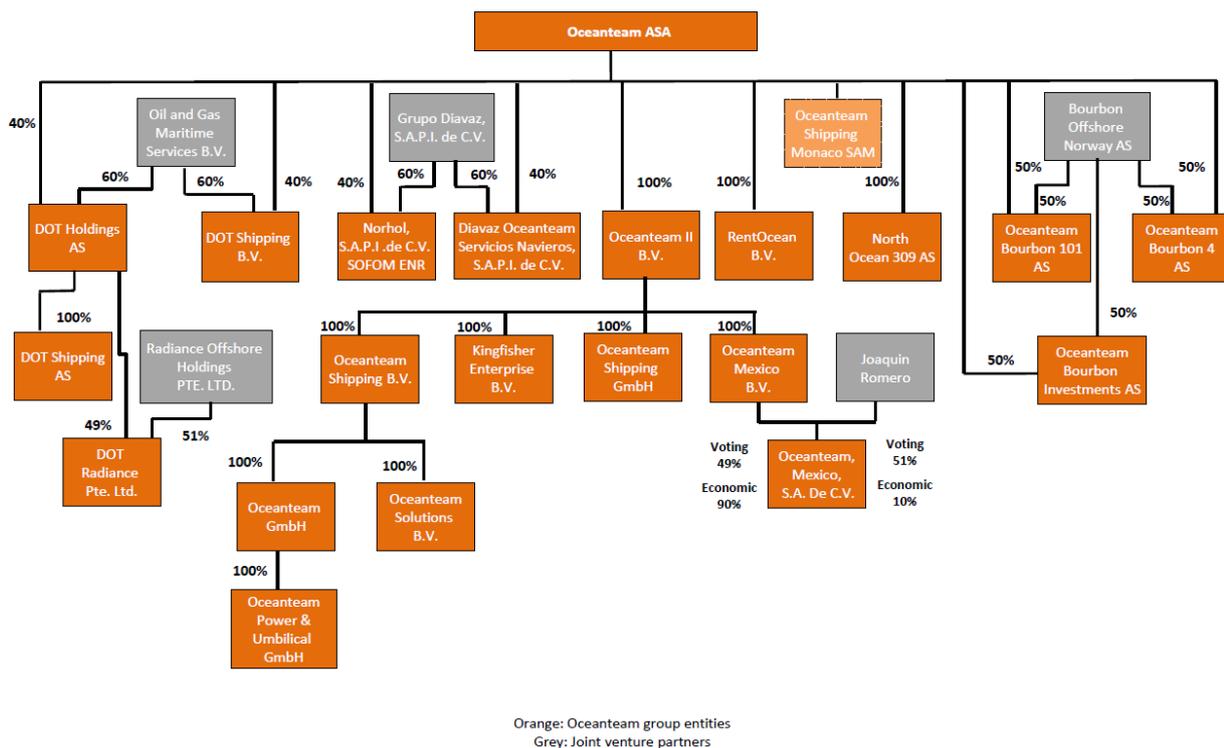
### 6.6 Corporate Structure Overview

The Company is the parent company in the Oceanteam Group. The Group has offices in Amsterdam and Velsen in the Netherlands and in Mexico. The corporate headquarter is in Bergen, Norway. The Company has 10 direct subsidiaries, of which 4 are fully owned by the Company. The direct subsidiaries are located in Norway, in the Netherlands and in Mexico. Part of the direct subsidiaries of the Company are joint venture entities; DOT Holdings AS, Oceanteam Bourbon Investments AS, Oceanteam Bourbon AS and Oceanteam Bourbon 101 AS located in Norway, DOT Shipping B.V in the Netherlands and Norhol S.A.P.I de C.V. and Diavaz Oceanteam Servicios Navieros S.A.P.I de C.V. located in Mexico.

The Group's Solutions functions are carried out through the Dutch indirect subsidiaries, whilst the Group's shipping activities are carried out through the joint venture entities.

The chart below shows the current legal structure of the Group plus investments in joint venture entities, and where the principal assets of the Group are held. Oceanteam's ownership interest is as indicated.

### Oceanteam structure – December 2018



## 6.7 History and Development

Set out below is a summary of the principal events in the history and development of the Oceanteam Group.

- |                 |   |
|-----------------|---|
| 2005 .....      | <ul style="list-style-type: none"> <li>• In 2005, Oceanteam Holding B.V. sold its IMR division to DeepOcean ASA. The trenching and flexible business was not part of the activities taken over by DeepOcean, and Oceanteam Holding B.V. formed the Company to continue this business.</li> <li>• Further in 2005, the Company was awarded a flagship wind farm installation project offshore the Netherlands and was pre-qualified for tender lists within target markets and amongst target clients.</li> </ul>  |
| 2006 .....      | <ul style="list-style-type: none"> <li>• In 2006, Oceanteam took delivery of new and state-of-the-art lay and burial equipment for the installation of power cables, umbilicals and flexible pipelines for use on third party vessels.</li> <li>• Later, in 2006, Oceanteam commenced the chartering of a DP2 cable lay vessel, and also signed a contract with Bourbon for the Company's, at that time, newbuilding, the CSV North Ocean 101 (today CSV Bourbon Oceanteam 101).</li> </ul>   |
| 2007 .....      | <ul style="list-style-type: none"> <li>• In 2007, the share of Oceanteam were listed on the Oslo Stock Exchange.</li> <li>• Oceanteam took delivery of the first vessel named Bourbon Oceanteam 101 in December 2007.</li> </ul>  |
| 2009 .....      | Oceanteam took delivery of its second vessel named North Ocean 102 in January 2009.   |
| 2010 .....      | Oceanteam took delivery of the fourth vessel named Bourbon Oceanteam 104. The third vessel, North Ocean 103, had been sold prior to the delivery of the fourth vessel Bourbon Ocean team 104.   |
| 2011—2012 ..... | Oceanteam took delivery of the fifth vessel North Ocean 105.  |
| 2014—2015       | The FSV Cobos and FSV Icacos were built during 2014 and delivered.in 2015.  |
| 2017            | <ul style="list-style-type: none"> <li>• In June 2017, the North Ocean 105 was sold to the JV partner McDermott.</li> <li>• In June 2017, the financial restructuring of Bond Loan was finalised.</li> <li>• In July 2017, the banking loan facility for the CSV Bourbon Oceanteam 101 and CSV Southern Ocean was been extended for a period of 5 years</li> </ul>  |
| 2018 .....      | <ul style="list-style-type: none"> <li>• During April 2018, the Company entered into agreements with various stakeholders, in particular holders of bonds in the Bond Loan for conversion into Shares of the Company's debt under the Bond Loan and Mr. Haico and Hessel Halbesma for settlement of their and their affiliates' claims against the Group, in addition to an agreement with Cordia for a directed share issue providing the Company NOK 20 million in cash proceeds, in addition to the various other restructuring items as further discussed in Section 5.1 "The Second Bond Debt Conversion—Background"</li> <li>• During November 2018 the Company converted the remaining USD [ ] of the Bond Loan into equity in the Company, leaving the Bond Loan redeemed in its entirety.</li> </ul> |

- During December 2018, the Company secured a new shareholder's loan of USD 1,500,000, as further described in Section 10.2 "Capital Resources—Borrowings".

## **6.8 Dependency on Patents, Licences and Contracts**

It is the Group's opinion that the Group's existing business or profitability is not dependent upon any patents or licences. It is further the opinion of the Group that the Group's business or profitability is not materially dependent on any single contract, other than the JV partnership with Bourbon as further described in section 6.5 "—Joint Ventures".

## **6.9 Significant Changes Affecting the Group's Operations Since Last Two Audited Financial Statements**

Other than the implementation of the Restructuring and the Second Bond Debt Conversion as described in Section 5—"The Second Bond Debt Conversion", the Group has not experienced any changes or trends that are considered significant to the Group's operations since 1 January 2016 and up to the date of this Prospectus.

## 7 INDUSTRY OVERVIEW

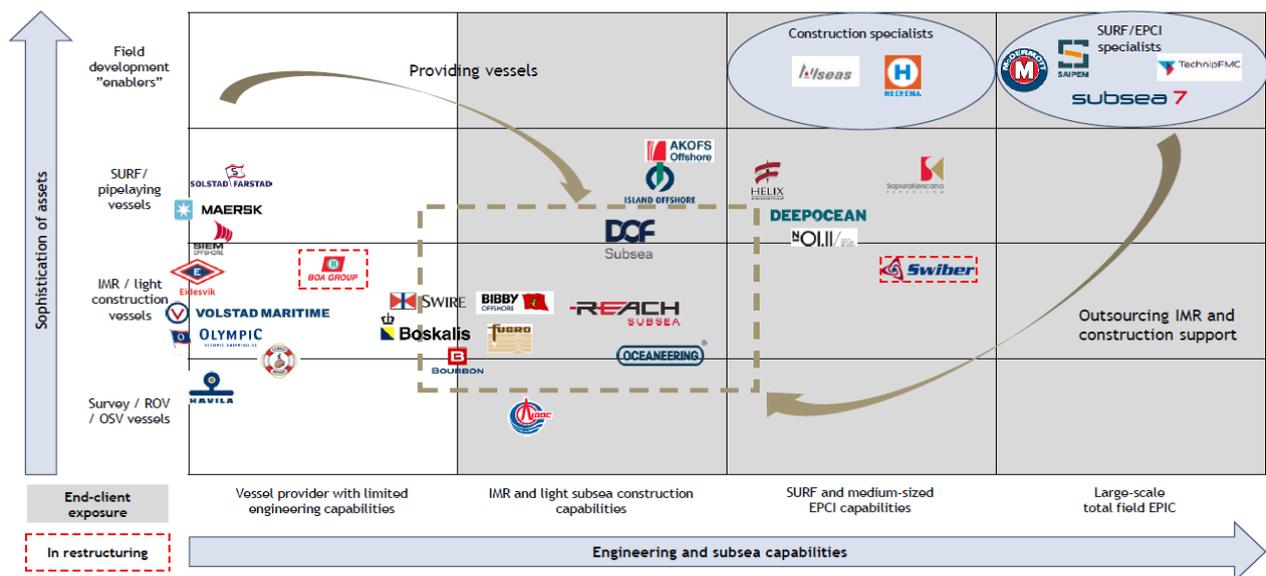
This Section discusses the industry and markets in which the Group operates. Certain of the information in this Section relating to market environment, market developments, growth rates, market trends, industry trends, competition and similar information are estimates based on data compiled by professional organisations, consultants and analysts; in addition to market data from other external and publicly available sources, and the Company's knowledge of the markets, see Section 4.2 "General Information—Presentation of Financial and Other Information—Sources of Industry and Market Data". The following discussion contains forward-looking statements, see Section 4.1 "General Information—Cautionary Note Regarding Forward-Looking Statements". Any forecast information and other forward-looking statements in this Section are not guarantees of future outcomes and these future outcomes could differ materially from current expectations. Numerous factors could cause or contribute to such differences, see Section 2—"Risk Factors" for further details.

### 7.1 Introduction

The offshore oil and gas services market is generally split in three segments: 1) the offshore drilling market, including jack-ups, floaters and drill ships; 2) the subsea market, including a large and diverse group of offshore construction and installation vessels; and 3) the offshore support vessels (OSV) market, including anchor handling tug supply (AHTS) vessels, platform supply (PSV) vessels. In addition there are various niche segments being more specialised, such as fast support (FSV) vessels.

Oceanteam is an offshore marine contracting company active in the subsea and offshore wind markets. The Group delivers high spec assets and unique services to the oil and gas industry and the offshore wind industry. In the oil and gas segment, clients are both the oil and gas companies and the main contractors to these companies. In the offshore wind segment, clients are both the owners/developers of wind farms and the main contractors to these companies. Through its Oceanteam Shipping division, Oceanteam owns, charters and manages two high-end deepwater offshore construction support vessels (CSVs) and four fast support vessels (FSVs). Through its Oceanteam Solutions division, Oceanteam provides a complete set of high quality rental equipment (turntables, tensioners and reels) and solutions for on- and offshore storage and transport in relation to offshore wind.

In the subsea segment, companies can be plot in a chart along two axes (source: Arctic Securities Research, offshore oil services, on the way to recovery, June 2018). Along the x-axis, companies are plot according their level of in-house engineering and subsea capabilities. On the y-axis, the same companies are plot according their sophistication of assets. Oceanteam's two CSV vessels are at the top-end of their category. Oceanteam is not displayed in the table below, but the vessels are comparable to the top-end vessels owned by DOF Subsea. Oceanteam has, through its partner Bourbon, light subsea construction capabilities, but currently does not own these capabilities in-house.



The FSVs are primarily used for their high speeds to carry passengers and small volumes of cargo to offshore facilities.

The Group's principal geographical markets are Asia-Pacific, the Gulf of Mexico and West Africa. However, both vessels could work worldwide, including the North Sea. Most of the time, the vessels work on deepwater developments. For the cable solutions the principal markets are Europe and Asia.

## 7.2 The Global Offshore Marine Contracting Fleet

The global offshore marine contracting fleet currently consists of approximately 636 vessels, or 527 vessels if the cold-stacked are excluded (source: IHS Markit Offshore Installation Report (GSB/ROVSV), May 2018).

Based on current work activities, the fleet can be split in several subsegments performing a wide range of services related to installation of new platforms and subsea infrastructure, such as mooring systems, subsea umbilicals, risers and flowlines (SURF) and installation of subsea production systems (SPS), the inspection, maintenance and repair (IMR) of such infrastructure, decommissioning and removal work, pipe laying, cable laying, diving support, ROV survey work, and heavy lifting.

Of the 527 vessels, 336 vessels are construction support vessels (CSV). This market segment encompasses activities undertaken by four type of vessels: a) 76 diving support vessels (DSV), b) 209 remotely operated vehicle (ROV) support vessels (ROVSV), c) 33 multi-service / multi-purpose support vessels (MPSV), and d) 18 well intervention vessels. In addition to the CSVs, there are 132 pipe lay vessels and 59 heavy lift vessels.

The distinction between the different type of CSV vessels is not absolute, and vessels can move in and out of neighbouring categories on basis of their mission equipment. Most larger CSV vessels are ultimately suitable for a temporary or permanent conversion to pipelay, cable lay or dive support vessel. For specific long-term contracts, the CSV vessels are often modified to meet the project requirements which may include installation of ROV's, dive chambers or pipelay equipment. Because of the fact that CSVs lend themselves to such temporary conversions, the CSV fleet is not accurately demarcated: they may be categorised as multi-purpose vessels, ROV support vessels, diving support vessels or flex lay vessel. The common denominator for a high-end CSV would at least include: dynamic positioning, a powerful knuckleboom subsea crane with automatic heave compensation, helideck, large open deck and large accommodation. Both Oceanteam/Bourbon's two vessels meet this criteria.

When considering the fleet of high-end CSVs (which in this context means as DP2 or DP3, 100+ tons subsea crane, 1200+sqm deck area, maximum 20 years of age), fitted with a subsea cranes of 100mt and above, at least 1,000 square meters of deck area and accommodation for at least 100 persons on board, analysis from a leading world ships database estimates that the global fleet of high-end CSVs consist of approximately 70 to 90 vessels, mostly ROVSVs and MPSVs.

IHS has categorized Bourbon/Oceanteam's Southern Ocean as a multi-service vessel and the 101 as a ROV support vessel given the current type of work they are performing. Our two CSV vessels can do construction work, subsea installation, umbilical laying, ROV operations and surveying. Both vessels belong to the largest vessels in their class, with deck area of 2,400 m<sup>2</sup> and 2,000 m<sup>2</sup> and offshore cranes 250 and 150 tonnes respectively.

In recent years ship newbuilding activity has decreased significantly. It is expected that attrition of the fleet will continue over the next 18 months as older vessels will be scrapped, especially those which are cold stacked, while the order book is now heading towards zero. The Bourbon/Oceanteam's 101 vessel was delivered in 2007. Of the 209 ROV support vessels, 118 are younger and 90 older than the 101. The Bourbon/Oceanteam's Southern Ocean vessel was delivered in 2010. Of the 33 multi-services support vessels, 14 are younger and 18 older than the 101.

The total number of owners / managers of the combined ROV support and multi-purpose fleet (242 vessels) is about one hundred. Most managers own, charter, or manage one or two vessels. The manager with the largest fleet under ownership/management is our partner Bourbon with 17 vessels. The second largest is SolstadFarstad with 16 vessels. On the third place stands DOF Subsea with 15 vessels in these two sub-categories. Fifteen companies have each five or more vessels, in aggregate 117 vessels or about half of the global fleet.

Taking only the vessels delivered as of 2007 into account, i.e. the year the Bourbon/Oceanteam's 101 was delivered, the fleet of 242 vessels decreases to 173. The fifteen largest players own or manage 82 of these vessels. Through its joint venture with Bourbon, Oceanteam belong to this top group of subsea players.

According to the IHS Markit Offshore Installation Report, as per May 2018, 88 ROV support and multi-purpose vessels were idle out of a total of 242 vessels or 36 percent of the fleet in these sub-categories. Both Bourbon/Oceanteam

vessels were contracted at that date. Taking only the vessels delivered as of 2007 into account, the number of idle vessels decreases to 58 vessels or 33 percent.

The vessels may also be utilized within certain non-oil and gas related segments, e.g. the offshore wind industry. Although to a far lesser extent, CSVs are also engaged in offshore renewable projects, with a specific role in the installation of offshore power transmission cables.

Day rates fluctuate over time. Moreover, given the wide range of size, scope, age and capabilities of the vessels, charter rates reflect these characteristics, making it difficult to come to one bench-mark day rate. Companies chartering specific construction vessels can do this on a project basis or on a longer term basis. Activity deteriorated severely since 2014, having reached a through in 2017. Currently, work activity is slowly recovering. While oil companies are accelerating their new business development activities to develop new oil and gas fields, notably offshore, work on legacy fields being sanctioned before 2015 is slowly coming to an end as most field construction has completed and the fields have come onstream. Hence, we expect utilization first to gradually improve before we see a more rapid improvement. During this first period, day rates will still be competitive, slightly above cash break-even. However, as of 2019, we expect that day rates will improve structurally.

### **7.3 Demand and Key Drivers for the Offshore Support Vessel Industry**

The key demand driver for offshore support vessels is the level of activity and investments in the offshore oil and gas sector. The oil companies' exploration and production activities, normally referred to as "E&P spending", are based on the world's demand for oil and gas. Spending could be split-out in four categories.

The first one is the capex investments for new sanctioned greenfield and brownfield field developments. After a number of years of low activity due to the low oil prices, the oil companies are now sanctioning more new project developments in the offshore space. A further increase in Final Investment Decisions (FIDs) is projected for the coming years.

The second category is the large market for inspections of existing producing fields and the maintenance and repair of existing production platforms, pipelines and under water manifolds, templates and infrastructure. This includes opex and capex investments. Today, there is a growing maintenance requirement on existing production units, installations, subsea trees and pipelines worldwide due to ageing and corrosion and need for repair and upgrading.

The third category entails decommissioning and removal of old retired platforms and infrastructure. Once a field is depleted and production is permanently stopped, the production platforms have to be removed by law. Given that increasingly more fields come to their end of economic or technical life, this market is growing fast.

The final category includes unforeseen, in many cases emergency, remedial work (e.g. in the US Gulf after hurricane damages).

All these four categories, of which the first two are the largest, are important areas of work for offshore marine contractors. Together, the actual level of activity sanctioned by the oil and gas companies and the number of awards has great influence on the demand for offshore construction support vessels.

### **Oil Demand and Supply**

Global oil demand will touch the 100 million b/d mark for the first time in the fourth quarter of this year. Due to low oil prices since 2014, annual demand growth has been robust. According the IEA, demand growth has been 8.3 million b/d in aggregate between 2013 and 2018, or 1.4 million b/d per year on average.

Economic growth is a significant indicator for the trend in oil demand, as it typically reflects increased commercial and personal transportation activities, but also the growth in petro-chemicals.

Continued economic expansion results in a continuation of the current pad of high demand growth. The IEA estimates 1.5 million b/d growth in 2019. Different scenarios forecast world liquids demand (including biofuels) of between 104 and 107 million b/d in 2025.

Supply growth currently comes predominantly from three regions: the United States of America, the Middle East and Russia. Three other growth areas are Canada, Brazil and Guyana, the latter two important deepwater regions. New

supplies are absolutely necessary to meet growing oil demand in the years to come and to replace volumes lost from fields of which production is in decline.

Supply-demand balances are managed through oil inventories and spare production capacity availability in OPEC countries and Russia. Stock drawings generally result in higher oil prices, especially if spare capacity is limited and perceived risks for unplanned outages are high. This could be further exacerbated by falling Iranian supplies on buyer's sanction concerns. Building stocks generally result in lower oil prices. Currently, the supply-demand balance is tight. Effective production spare capacity as between OPEC and Russia appears to be less than 1 million b/d at present. This market tightness has come as US shale oil production growth has been handicapped by pipeline bottlenecks.

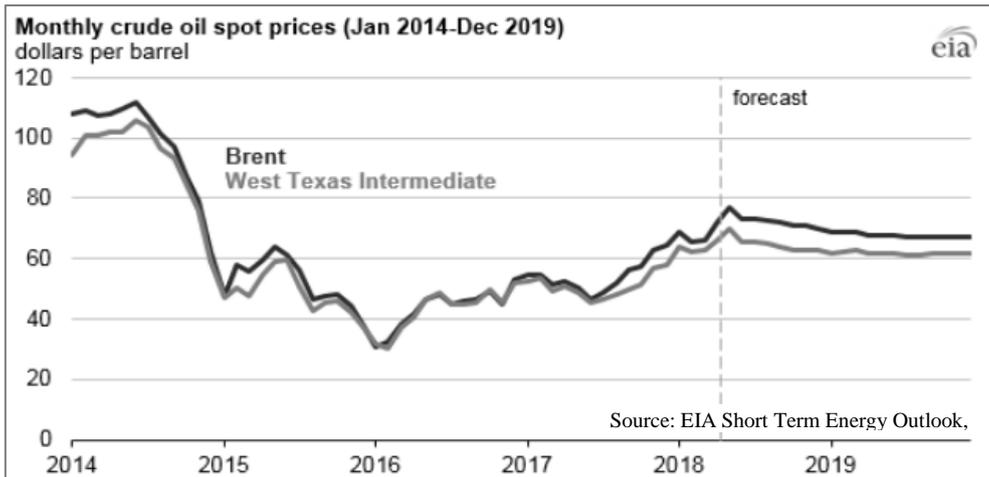
While currently the market is tight, and oil market shock absorbers are very thin right now, 2019 onwards looks set up to be better supplied as non-OPEC production continues to rise in the US (shale oil), Brazil, Canada, and elsewhere, ahead of demand growth. The possibility of slower-than-expected economic growth arising from escalating trade war concerns create downside risk to the oil demand growth forecast. Large adjustments of the demand growth forecast within the year could translate in a material price change as we have witnessed in 2014. Upside risk could come from the 'Fragile Five' oil producers, Iran, Iraq, Libya, Nigeria and Venezuela, who could see their supply challenged.

Post 2020, there is a looming risk that the oil markets will structurally tighten. In a perfect world new sources of supply come online at the right time to meet changes in oil demand and keep the system in equilibrium. This smooth matching of supply and demand minimizes oil price volatility. However, the oil and gas industry has brought their investments in new production capacity materially down since the oil price collapse in 2014. In the coming years, new supplies seem to be enough to balance with growth in oil demand, especially from US shale and ongoing developments in Russia, some Gulf States in the Middle East, Canada, Brazil and Guyana. However, post 2020, analyses of world production on a field-by-field basis shows a gap is emerging, which could lead to a supply shock and consequently much higher oil prices (in order to push demand growth down). This gap is unlikely to be closed from growing US shale oil production alone. Also adding expected supply growth from sanctioned and soon to be sanctioned projects in the earlier mentioned countries will not close the emerging gap between 2021 and 2027. At the same time, it is naïve to assume the 'Fragile Five' will all see their production growing fast simultaneously in an unconstrained way. Therefore in a base case scenario a material gap remains that needs to be filled from conventional crude oil fields that yet have to be approved beyond the ones in the forementioned countries already included in our comprehensive supply-demand analysis. Many of these yet-to-be-approved projects are found offshore, notably in deepwater. Thus in order to avoid a supply crunch in the first years of the next decade, oil companies have to invest more in the upstream segment of the industry and have to sanction more E&P projects. Amongst others, the EIA and IEA predict that more investments are needed to ensure future oil supply will meet the robust demand growth beyond 2019. If indeed these approvals materialize, it is foreseen that the work activity levels in the CSV market will improve, resulting in higher utilization rates and sound charter rates for the vessels.

## **Oil Price Development**

In the years 2011 to 2013, oil prices (Brent) traded in the USD 90/bbl to USD 120/bbl range, with yearly averages being stable around USD 110/bbl. This was a supportive level for an increasing spending environment. In mid 2014 the oil price peaked at around USD 115/bbl and from there the oil price saw a dramatic fall amid an oversupplied global oil market due to, among other things, a rapid growth in US shale oil production. Over the last four years the oil price has declined to prices in a bandwidth between USD 40 to USD 60/bbl. After briefly touching a low of around USD 30/bbl at the beginning of 2016, the price for Brent crude has moved up to around USD 65/bbl as of the date of this Prospectus.

The EIA's price forecast for 2018 and 2019 is a fairly stable USD 71/bbl for 2018 and USD 68/bbl for 2019.

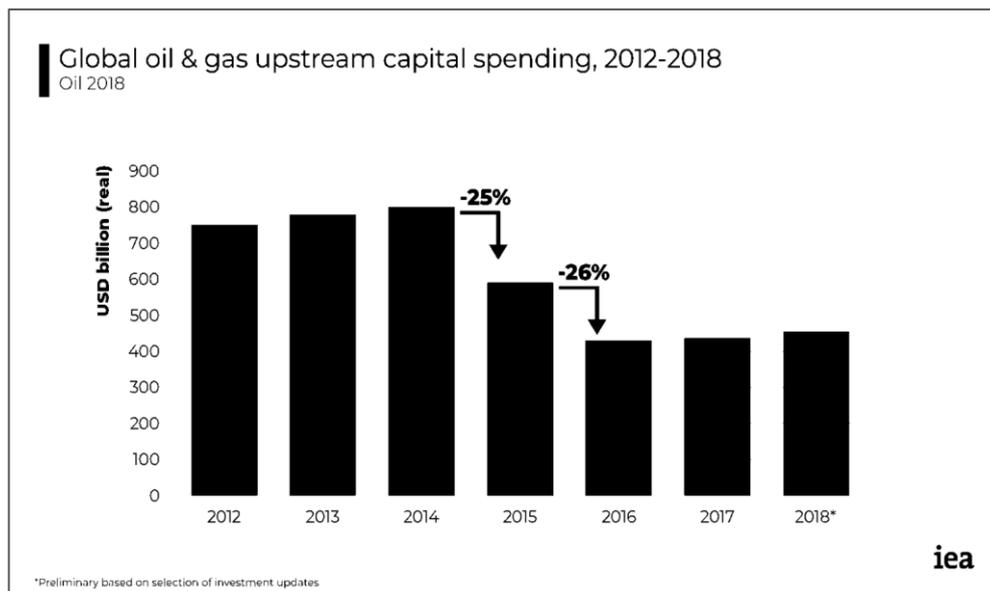


Source: Data from EIA (<https://www.eia.gov/todayinenergy/detail.php?id=34492>)

### Global Upstream E&P Spending

The level of E&P spending is a function of the prevailing oil prices. Naturally, the dramatic fall in the oil price forced oil companies to reduce their investments and overall offshore activity. With years of stable oil prices above USD 100/bbl, the oil companies budgeting prices increased and hence, when the oil price dropped many projects that previously were profitable came under review and were postponed. Spending in exploration and production (E&P) showed a dramatic drop of 25% in 2015 and again in 2016. The low oil price environment during 2015 and 2016 increased focus on cost efficiency among oil companies and suppliers, leading to reduced break-even prices on many projects. Combined with increasing oil prices, this should provide support for increased investment activity.

Upstream E&P Investment flatlined in 2017, and early data suggests only a modest recovery in 2018. The US shale sector responded quickly to rising prices in 2017 and investment is overwhelmingly focused on light tight oil (LTO) global upstream E&P Spending assets. However, beyond 2020 IEA expects that present levels of upstream investment may prove to be inadequate and the use of the spare capacity held by Saudi Arabia will again become an important factor in providing stability to global oil markets.



Source: Data from IEA (<https://www.iea.org/oil2018/>)

## Offshore E&P Spending

Annual offshore E&P capex was on average USD 150 billion over the last ten years. The highest annual capex investment of USD 187 billion took place in 2014. The lowest of USD 111 billion in 2017, a decrease of 40 percent. Offshore capex will see slight gains in 2018 to USD 116 billion. Offshore has started recovering, with several projects sanctioned towards the end of 2017 and through the first half of 2018. Nevertheless, overall spending remains relatively low, as rising spending on new projects sanctioned over the last year is offset by ongoing field development projects being completed. In addition, lower costs and efficiency improvements are also contributing to offshore spending remaining at low levels. While new project sanctions are on the rise, the average size and scope of the contracts for the ones being sanctioned remain smaller than we have seen during 2011 – 2014.

Offshore Capex is expected to recover more firmly as we enter the next decade. In 2018, shallow water E&P capex will be USD 58 billion, and is expected to increase to USD 76 billion in 2022. Deep water E&P capex will also be USD 58 billion, and is expected to increase to USD 81 billion in 2022, a 40 percent rise (IHS Makit, Global Upstream Spending, 5. September 2018, issue 26).

### 7.4 Overview of the Subsea and CSV Market

#### General

The returning appetite for offshore is clearly shown in the recently published E&P surveys conducted by industry analysts and securities research firms including Pareto, DNB, Arctic Securities, Goldman Sachs, Citi Bank, Barclays, Bernstein, IHS, Wood Mackenzie, IEA, and EIA. Although a USD/subsea tree value is an imperfect measure of contract size, it is still an industry standard for comparing subsea projects, and the number of subsea tree awards in the pipeline works well as a demand proxy for subsea work in general.

The installed base of subsea trees has increased steadily over the past decades. Between 2005 and the first half of 2018, 3,566 subsea trees have been awarded according to IHS, or on average 310 per year. By year-end 2017, the installed base of subsea trees was slightly over 6,000 trees. The highest number of awards was with 553 trees in 2013. 2016 marked the bottom for subsea tree awards with 83 announced to the market. In 2017, 174 trees were awarded, representing a rise of 70% year-on-year. 2018 will mark a substantial uptick in activity levels with another 168 trees to be ordered in addition to the 98 already order in the first six months of the year. Bases on a 1:1 well-to-subsea-tree assumption, 2019-2021 are expected to see about 1,000 subsea tree awards, with an upside of 1,200 (source: Pareto Securities Research). Besides new tree awards, approximately 20 percent of installed trees are older than 20 years, an age where they need additional maintenance and repair. Looking 5 years down the road, this set of aging trees is to increase to 40 percent. Hence going forward, it is believed the oil companies will also allocate more spending towards maintenance of their subsea infrastructure as relatively small investments could yield high returns.

As shown in the chart here above in the introduction section 7.1, the offshore subsea services industry is dominated by a handful of highly-specialized contractors, such as Subsea 7, Technip, Saipem, and McDermott who operate their own CSV's as well as chartered-in vessels. These contractors are typically offering the services of CSV's as part of a large offshore project scope, including project management, engineering, procurement and (sub)contracting, commissioning, in addition to vessels, mission equipment and subsea components. Three of the four companies have reduced their fleet over the last years and follow an asset-light strategy. It is not foreseen that this will be reversed once the market picks up, meaning that it is expected that they will make more use of chartered-in vessels.

#### Offshore Installation Outlook

The capex spending on offshore installation (CSV/DSV/ROVSV) is only a small part of the total offshore E&P capex spending. As mentioned earlier, 2018 total offshore E&P capex is USD 116 billion. The largest segments are drilling and well services followed by the construction of topsides. The 2018 offshore installation capex is USD 2.9 billion (excludes heavy lift and pipelay). This has come down from USD 5.1 billion in 2013. The trough was USD 2.5 billion in both 2016 and in 2017. For the following years the capex spending is forecasted to increase to USD 3.3 billion in 2019; USD 3.7 billion in 2020; USD 3.8 billion in 2021; and USD 4.1 billion in 2022 (source: IHS). The largest spending is taking place in Europe (USD 1.2 billion per year on average), followed by Asia Pacific (USD 0.8 billion); Latin America (USD 0.7 billion); and Africa (USD 0.5 billion).

The demand for DSVs bottomed out in 2017, falling to 13,439 vessel days worldwide, down from a peak of 23,812 vessel days in 2013 and its lowest level since 2006. This is expected to increase to 18,327 vessel days in 2022.

With respect to the Oceanteam/Bourbon 101 vessel, the demand for ROVSVs bottomed out in 2017, falling to 32,513 vessel days worldwide, down from a peak of 43,376 vessel days in 2013 (-25 percent) and its lowest level since 2009. In 2018 the number of vessel days in this category will be 38,630, a 19 percent rise compared to 2017. Already in 2019 a similar level of vessel days is expected as in 2013 when the latest peak was reached. In 2020, the number of vessel days is forecasted to rise further to 47,000 days. In 2021 this will be over 48,000 days and in 2022, it is expected that this will be around 50,500 days.

With respect to the Oceanteam/Bourbon Southern Ocean vessel, the demand for multi-service vessels will bottom out one year this year at 3,020 vessel days worldwide, down from a peak of 5,335 vessel days in 2014 (-40 percent) and its lowest level since 2005. 2019 will see a big improvement with 4,114 vessel days (+ 36 percent). In 2020, the number of vessel days is forecasted to rise further to 4,511 days. In 2021 this will be over 4,634 days and in 2022, it is expected that this will be around 5,000 days.

As a result of increased vessel days forecasted in both categories, utilization rates will improve materially if these forecasts come out.

## **7.5 Overview of the FSV Market**

The offshore fast supply vessels (FSVs) market is a very local, fragmented market. The market for offshore fast supply vessels (FSVs), is heavily oversupplied, and there is a need to address this imbalance on the supply side in order to improve utilization and vessel rates in the current low oil price environment.

The global offshore FSV market, by application, is segmented into shallow water and deepwater. The shallow water segment was the larger market owing to its lower operational costs. As soon as oil prices recover, an increased demand for FSVs for shallow water projects is expected. However, the deepwater sector might be expected to make a significant contribution to the market, and exploration activities for new large reserves in deepwater fields will help to increase the demand for FSVs.

## **7.6 Overview of the Market for Cable Solutions**

Oceanteam Solutions facilitates the submarine cable industry by offering its clients a full and integrated range of equipment and services for offshore cable, on- and offshore cable storage, cable handling, and cable transport. The company operates from its deepwater base in Velsen, the Netherlands, and supplies and rents demountable turntables and auxiliary equipment to a broad client base around the world.

Over the coming years Oceanteam Solutions aims to become the preferred supplier of rental equipment and associated services within the offshore renewables and oil and gas industry, for handling of subsea cables and flexible products, with a main focus on cable transport, cable handling and cable storage.

Oceanteam Solutions' market analysis shows that:

- in the array cable and export cable market in Asia and Europe, a significant growth is expected the coming years.
- in Europe, due to the length and complexity of interconnector projects, only a handful of manufacturers can provide high standard high capacity cable solutions. Projects that do not source manufacturers, vessels and equipment at the right time can expect delays and increased costs;
- cable storage locations need to be strategic in terms of reducing sailing time and improving accessibility whilst also being cost competitive, especially for long term storage plans;
- the additional days sailing needed to access storage locations further from the project are unlikely to outweigh high rental costs for space and equipment;
- cable manufacturing remains a competitive, niche market, with a select few being able to contend in the offshore wind sector. We have to look at cable manufacturers as (potential) clients for our transport and storage services.

## 8 CAPITALISATION AND INDEBTEDNESS

This Section provides information about the Group's capitalisation and net financial indebtedness. The "Actual As of 30 June 2018" columns set out the Company's unaudited capitalisation and indebtedness as of 30 June 2018 on the basis of the last unaudited and published Interim Financial Statements. The "As Adjusted" columns set out the Company's unaudited capitalisation and indebtedness on an adjusted basis to show the estimated effect of:

- The Second Corinvest Loan, as further described in Section 10.2 "Capital Resources—Borrowings"
- The Second Bond Debt Conversion, as further described in Section 5—"The Second Bond Debt Conversion"
- The issuance of 1,000,000 new Shares to Mrs. Pos, as further described in section 14.1 "Related Party Transactions—Related Party Transactions"

### 8.1 Capitalisation

*USD million*

	Actual As of 30 June 2018 (Unaudited)	Adjustment	As adjusted (Unaudited)
Total current debt <sup>(1)</sup> :	<b>44,551</b>	<b>1,500<sup>(5)</sup></b>	<b>46,051</b>
—Guaranteed and secured <sup>(2)</sup> .....	33,929		33,929
—Guaranteed but unsecured .....	-		-
—Secured but unguaranteed .....	-		-
—Unguaranteed and unsecured .....	10,622 <sup>(3)</sup>	1,500 <sup>(5)</sup>	12,122
Total non-current debt (excluding current portion of long-term de	<b>3,483</b>	<b>(3,483)<sup>(6)</sup></b>	-
—Guaranteed and secured .....	-		-
—Guaranteed but unsecured .....	-		-
—Secured but unguaranteed .....	3,483 <sup>(4)</sup>	(3,483) <sup>(6)</sup>	-
—Unguaranteed and unsecured .....	-		-
Shareholders' equity:			
—Share capital .....	45,316	5,236 <sup>(7)(8)</sup>	50,552
—Share premium account .....	23,526		23,526
—Other reserves .....	(14,785)	(1,753) <sup>(9)</sup>	(16,538)
—Non-controlling interests .....	23,308		23,308
Total capitalisation .....	<b>125,398</b>	<b>1,500<sup>(10)</sup></b>	<b>126,899</b>

<sup>(1)</sup> For accounting purposes all the Group's interest bearing debt is booked as first year installments in the financial report for the six months ended 30 June 2018 due to default under the Oceanteam Bourbon 101 Facility.

<sup>(2)</sup> USD 33.9 million relates to the Bourbon Oceanteam 4 and Bourbon Oceanteam 101 Facility, which is secured by pledges in the CSV vessels, pledges on the shares in Oceanteam Bourbon 101 AS and Oceanteam Bourbon 4 AS and various factoring and assignment agreements and Guaranteed by the Company and Bourbon Offshore Norway AS.

<sup>(3)</sup> USD 1.52 million relates to the Value Partners loan, which is unsecured and unguaranteed. Approx. USD 9,101 relates to other current liabilities, such as trade payables, public charges etc.

<sup>(4)</sup> USD 3.483 million relates to the Bond Loan, which is secured by pledges on the shares in Oceanteam Bourbon 101 AS and Oceanteam Bourbon 4 AS.

<sup>(5)</sup> Adjusted for USD 1.5 million relating to the Second Corinvest Loan which is unsecured and unguaranteed. The Second Corinvest Loan matures at 20 December 2019.

<sup>(6)</sup> Adjusted for the redemption of the Bond Loan through the Second Bond Debt Conversion.

<sup>(7)</sup> Adjusted for USD 5,175,523, converted into NOK 44,232,089.5 based on the USD/NOK exchange rate of USD 1 to NOK 8.5464 published by the Norwegian Central Bank on 29 November 2018, relating to the issuance of 88,464,179 new Shares, each with a par value of NOK 0.5 pursuant to the Second Bond Debt Conversion.

<sup>(8)</sup> Adjusted for NOK 500,000 relating to the settlement of all claims by Mrs. Pos and Cenzo Holding B.V and the Group (as further described in section 14.1 "Related Party Transactions—Related Party Transactions" by the issuance of 1,000,000 each with a par value of NOK 0.5. The amount is converted into USD 60,249 based on the USD/NOK exchange rate of USD 1 to NOK 8,2988 published by the Norwegian Central Bank on 7 November 2018, the date of the board resolution to increase the share capital.

<sup>(9)</sup> Adjusted for final amortization of the fair value of the Bond Loan in accordance with IAS 39

(10) Sum of the changes listed in note <sup>(5)-(9)</sup> above.

## 8.2 Net Financial Indebtedness

USD million

	Actual As of June 30 2018 (Unaudited)	Adjustment	As Adjusted (Unaudited)
A. Cash	9,368	1,500 <sup>(5)</sup>	10,868
B. Cash equivalents	-		-
C. Trading securities	-		-
D. Liquidity (A)+(B)+(C)	<u>9,368</u>	<u>1,500</u>	<u>10,868</u>
E. Current financial receivables	7,079		7,079
F. Current bank debt	-		-
G. Current portion of non-current debt <sup>(1)(2)</sup>	(33,929)		(33,929)
H. Other current financial debt	(10,622) <sup>(3)</sup>	(1,500) <sup>(5)</sup>	(12,122)
I. Current financial debt (F)+(G)+(H)	<u>(44,551)</u>		<u>(46,051)</u>
J. Net current financial indebtedness (I)-(E)-(D)	<u>(28,104)</u>		<u>(28,104)</u>
K. Non-current bank loans	-		-
L. Bonds issued	(3,483) <sup>(4)</sup>	3,483 <sup>(6)</sup>	-
M. Other non-current loans	-		-
N. Non-current financial indebtedness (K)+(L)+(M)	<u>(3,483)</u>		<u>-</u>
O. Net financial indebtedness (J)+(N)	<u>(31,587)</u>	<u>(3,483)</u>	<u>(28,104)</u>

- (1) For accounting purposes all the Group's interest bearing debt is booked as first year installments in the financial report for the six months ended 30 June 2018 due to default under the Oceanteam Bourbon 101 Facility.
- (2) USD 33.9 million relates to the Bourbon Oceanteam 4 and Bourbon Oceanteam 101 Facility, which is secured by pledges in the CSV vessels, pledges on the shares in Oceanteam Bourbon 101 AS and Oceanteam Bourbon 4 AS and various factoring and assignment agreements and Guaranteed by the Company, Bourbon Offshore SAS and Bourbon Offshore Norway AS. The outstanding balance of the Bourbon Oceanteam 4 and Bourbon Oceanteam 101 Facility is USD 34.4 million. The USD 33.9 million represents the net sum of the outstanding amount under the Bourbon Oceanteam 4 and Bourbon Oceanteam 101 Facility less the capitalized costs for refinancing the Bond Loan.
- (3) USD 1.52 million relates to the Value Partners loan, which is unsecured and unguaranteed. As the Value Partners Loan originally matured in October 2018, the loan is booked as a current liability in the Group's Interim Financial Statement as of and for the six months ended 30 June 2018. However, the Company was granted an extension during June 2018 until October 2019. Approx. USD 9,101 relates to other current liabilities, such as trade payables, public charges etc.
- (4) USD 3.483 million relates to the Bond Loan, which is secured by pledges on the shares in Oceanteam Bourbon 101 AS and Oceanteam Bourbon 4 AS.
- (5) Adjusted for USD 1.5 million relating to the Second Corinvest Loan which is unsecured and unguaranteed. The Second Corinvest Loan matures at 20 December 2019.
- (6) Adjusted for the redemption of the Bond Loan through the Second Bond Debt Conversion.

## 8.3 Indirect and Contingent Indebtedness

The Company has issued a parent company guarantee to the buyers of KCI the engineering B.V. effective for a period of 60 months from January, with a maximum liability for the Company of EUR 700,000. For further information of the Company's divestment of KCI, see Section 10.4 "Capital Resources—Recent Divestments".

Other than the above, the Group does not have any indirect or contingent indebtedness.

## 9 SELECTED FINANCIAL INFORMATION

The selected financial information included in the tables in this Section has been extracted from the Company's unaudited Interim Financial Statements as of and for the six months ended 30 June 2018 and 2017, and the audited consolidated Full-Year Financial Statements as of and for the years ended 31 December 2017 and 2016. The Financial Statements have been prepared in accordance with IFRS. The Interim Financial Statements have been prepared in accordance with IAS 34. The Interim Financial statements do not include all the information and disclosures required in Full-Year Financial Statements, and should be read in conjunction with the Group's Full-Year Financial Statements. The selected financial information included herein should be read in connection with, and is qualified in its entirety by reference to, the Interim Financial Statements and the Full-Year Financial Statements which are incorporated by reference in this Prospectus, see Section 20—"Information Incorporated by Reference".

### 9.1 Change in Accounting Policy

As at 31 December 2017, the Company has changed the accounting policy for the CSV vessels from the revaluation model to the cost model, as the outcome of previous valuations has proven to be arbitrary. Under the revaluation model the assets were carried at a revaluated amount, being its fair value at the date of revaluation less subsequent depreciations and impairments. Under the cost model, the assets are carried at cost less accumulated depreciation and impairment. The CSV vessels are, on a recurring basis, investigated for indications of impairment, and, at a minimum every year, an impairment test where the carrying amount of the vessels and the recovering amount is compared is performed.

The change in accounting policy has been applied retrospectively by adjusting the opening balance of each affected component of equity for the earliest period prior presented.

### 9.2 Significant Recent Changes in the Group's Financial Position Since the Last Reported Balance Sheet

Since 31 December 2017, the following significant changes in respect of the Group's financial position have occurred:

- in February 2018 the Company's Shares were suspended from trading at the Oslo Stock Exchange following a notification from the Financial Supervisory Authority of Norway that the preliminary 2017 financial results do not give a true and fair view of Oceanteam's financial situation. The suspension ended following publication of Oceanteam's annual accounts for 2017 and trading commenced on 9 July 2018;
- the First Bond Debt Conversion, i.e. the conversion of USD 62,073,564 of the Company's debt under the Bond Loan into 620,735,700 Shares, leaving USD 5,000,000 (principal amount) of the bonds under the Bond Loan outstanding after the Restructuring;
- the increase of the Company's share capital from NOK 14,769,629.5 to NOK 350,164,479.50 following the First Bond Debt Conversion, the Cordia Placement and the Halbesma Settlement;
- the Cordia Placement, a part of which was the issuance of 40,000,000 Shares in the Company against receipt by the Company of the associated cash proceeds of NOK 20,000,000, which was technically carried out by the grant of Corinvest of a short-term loan of NOK 20,000,000 which was converted into equity;
- the Halbesma Settlement, i.e. the issuance of 10,000,000 Shares against a conversion and settlement of all claims of Mr. Haico Halbesma and Mr. Hessel Halbesma and any of their companies and/or affiliates, reducing the liabilities in the balance sheet of the Group by USD 545,293;
- the provision of the Value Partners Loan, i.e. the borrowing by the Company of USD 1,500,000 under a unsecured loan with a maturity date extended to 23 October 2019 and carrying a 7% PIK interest;
- the deposit of NOK 3,000,000 to cover estimated cost in relation to the corporate investigation, as further described in Section 14.2 "Related Party Transactions; Corporate Investigation—Corporate Investigation".
- the sale of the Group's 100 % ownership stake in KCI the engineers B.V with an effective date 1 January 2018 (see Section 10.4 "Capital Resources—Recent Divestments", for proceeds of EUR 3,410,294.
- entering into shareholders loan with Corinvest BV for USD 1,500,000 with a maturity date 20 December 2019 and interest of 7%.
- the Second Bond Debt Conversion as specified in Section 5.2—"Second Bond Debt Conversion" converting all outstanding bonds and PIK interest into shares of the Company was completed on 19 December 2018 leaving no bonds outstanding

The Restructuring and the other material significant changes referred to above, with exception of the latest changes: Second Bond Debt Conversion and the shareholder's loan of Corinvest, are reflected in the Group's last published unaudited consolidated Interim Financial Statement as of and for the six months ended 30 June 2018, and in

the selected financial information below for the six months ended 30 June 2018. For further information about the Restructuring and the Second Bond Debt Conversion, see Section 5—"The Second Bond Debt Conversion".

Since 30 June 2018, which is the date of the Group's last reported balance sheet, the following significant changes in respect of the Group's financial position have occurred:

- following the publication of the Company's Financial Statement for the year ending 31 December 2017 on 6 July 2018, the Oslo Stock Exchange lifted the suspension from trading on the Company's shares. Trading commenced on 9 July 2018;
- in July 2018, Oceanteam and Diavaz started negotiations regarding the contracting structure of the DOT entities, which is still ongoing.
- On 24 September 2018 Bergen City Court passed a ruling for the Company to deposit an additional NOK 3,000,000 on account of estimated investigation costs (see Section 14.2 "Related Party Transactions; Corporate Investigation—Corporate Investigation").
- entering into shareholders loan with Corinvest BV for USD 1,500,000 with a maturity date 20 December 2019 and interest of 7%.
- the Second Bond Debt Conversion as specified in Section 5.2—"Second Bond Debt Conversion" converting all outstanding bonds and PIK interest into shares of the Company was completed on 19 December 2018 leaving no bonds outstanding.

As at the date of this Prospectus, there has been no other significant change in the financial or trading position of the group which has occurred since the end of the last financial period for which either audited financial information or interim financial information has been published.

### 9.3 Trend information

There has been no material adverse change in the prospects of the Company since the date of the Company's last published audited financial statement, as at 31 December 2017. Further, the Company has no information about known trends, uncertainties, demands, commitments or events since 31 December 2018, that are reasonably likely to have a material adverse effect on the Company's prospects at least within the current financial year.

### 9.4 Selected Income Statement Information

The table below sets out a summary of the Company's unaudited consolidated income statement information as of and for the six months ended 30 June 2018 and 2017, and the Company's audited consolidated income statement information as of and for the years ended 31 December 2017 and 2016.

As the Company has changed the accounting policy for the CSV vessels from the revaluation model to the cost model, as the outcome of previous valuations has proven to be arbitrary, see Section 9.1 "—Change in Accounting Policy", the consolidated income statement information as of and for the six months ended 30 June 2017 and as of and for the year ended 31 December 2016 has been restated.

*USD million*

	Six Months Ended 30 June (Unaudited)		Year Ended 31 December (Audited)	
	2018	2017 (Restated)	2017	2016 (Restated)
<b>Income statement</b>				
Revenue .....	11,962	12,740	25,620	31,300
Net income from associates/joint ventures .....	<b>751</b>	<b>415</b>	(1,208)	7,994
<b>Total operating income .....</b>	<b>12,713</b>	<b>13,155</b>	<b>24,411</b>	<b>39,294</b>
Operating costs .....	(3,936)	(2,577)	(6,340)	(7,946)
General and administration.....	(3,043)	(3,325)	(8,265)	(11,330)
Depreciation and amortisation .....	(2,694)	(6,984)	(7,069)	9,665
Write off/Impairment.....	(100)	(2,706)	(26,835)	(8,465)
<b>Total operating expenses.....</b>	<b>(9,772)</b>	<b>(15,591)</b>	<b>(48,509)</b>	<b>(37,406)</b>
<b>Operating profit (loss) .....</b>	<b>2,941</b>	<b>(2,436)</b>	<b>(24,098)</b>	<b>1,888</b>
Financial income .....	-	29,699	26,678	170
Financial expense .....	(4,202)	(7,050)	(11,644)	(11,506)

USD million

	Six Months Ended 30 June (Unaudited)		Year Ended 31 December (Audited)	
	2018	2017 (Restated)	2017	2016 (Restated)
Foreign exchange gain / (loss) .....	(190)	(365)	(687)	(7)
<b>Net finance</b> .....	<b>(4,391)</b>	<b>22,284</b>	<b>(14,347)</b>	<b>(11,344)</b>
<b>Ordinary profit (loss) before taxes</b> .....	<b>(1,450)</b>	<b>19,848</b>	<b>(9,751)</b>	<b>(9,456)</b>
Tax expense .....	-	-	(1,750)	(2,286)
<b>Profit (loss) from continuing operations</b> .....	<b>(1,450)</b>	<b>19,848</b>	<b>(11,501)</b>	<b>(11,742)</b>
Loss from discontinued operations .....	-	(252)	(514)	(3,341)
<b>Profit for the period</b> .....	<b>(1,450)</b>	<b>19,596</b>	<b>(12,015)</b>	<b>(15,083)</b>
<b>Consolidated statement of profit or loss and other comprehensive income</b>				
Other comprehensive income .....	-	-	-	-
Other comprehensive income/costs .....	-	-	-	-
<b>Total comprehensive income for the year</b> .....	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<i>Profit (loss) attributable to:</i>				
Equity holders of parent .....	(2,520)	15,418	(7,321)	(14,508)
Non-controlling interests .....	1,070	4,177	(4,693)	1,926
<b>Profit (loss)</b> .....	<b>(1,450)</b>	<b>19,596</b>	<b>(12,015)</b>	<b>(12,583)</b>
<i>Total comprehensive income attributable to:</i>				
Equity holders of parent .....	(2,520)	15,418	(7,321)	(14,508)
Non-controlling interests .....	1,070	4,177	(4,693)	1,926
<b>Total comprehensive income for the period</b> .....	<b>(1,450)</b>	<b>(19,596)</b>	<b>(12,015)</b>	<b>(12,583)</b>
<b>Earnings per share (in USD)</b>				
Basic earnings per share .....	(0.00)	0.74	(0.45)	(0.46)
Dilutive earnings per share .....	(0.00)	0.74	(0.45)	(0.46)
Weighted average of shares during the year .....	-	-	26,634	26,634

## 9.5 Selected Balance Sheet Information

The table below sets out a summary of the Company's unaudited consolidated balance sheet information as of and for the six months ended 30 June 2018 and 2017, and the Company's audited balance sheet information as of and for the years ended 31 December 2017 and 2016.

As the Company has changed the accounting policy for the CSV vessels from the revaluation model to the cost model, as the outcome of previous valuations has proven to be arbitrary, see Section 9.1 "—Change in Accounting Policy", the balance sheet information as of and for the year ended 31 December 2016 has been restated.

USD million

	Six Months ended 30 June (Unaudited)	Year Ended 31 December (Audited)	
	2018	2017	2016 (Restated)
<b>Assets</b>			
<b>Non-current assets – property, plant and equipment</b>			
Investment in associates and joint ventures .....	8,630	7,878	12,740
Vessels and equipment .....	<b>99,071</b>	101,684	129,917
<b>Total</b> .....	<b>107,701</b>	<b>109,562</b>	<b>142,657</b>
<b>Non-Current Assets – Other</b>			
Deferred tax assets .....	1,250	1,250	3,000
Intangible assets .....	(0)	-	1,336
Goodwill .....	-	-	9,300
<b>Total</b> .....	<b>1,250</b>	<b>1,250</b>	<b>13,636</b>
<b>Total non-current assets</b> .....	<b>108,951</b>	<b>110,812</b>	<b>156,293</b>
<b>Current assets</b>			

USD million

	Six Months ended 30 June (Unaudited)		Year Ended 31 December (Audited)	
	2018	2017	2016 (Restated)	
Trade receivables .....	2,776	3,010	4,828	
Other receivables .....	4,303	2,793	11,307	
<b>Total receivables .....</b>	<b>7,079</b>	<b>5,802</b>	<b>16,135</b>	
Cash and cash equivalents .....	9,368	7,301	3,514	
Assets held for sale .....	-	6,580	-	
<b>Total current assets .....</b>	<b>16,447</b>	<b>19,683</b>	<b>19,649</b>	
<b>Total assets .....</b>	<b>125,398</b>	<b>130,495</b>	<b>175,942</b>	
<b>Equity and liabilities</b>				
<b>Share capital .....</b>	<b>45,572</b>	<b>2,595</b>	<b>2,595</b>	
Treasury shares .....	(256)	(256)	(257)	
Share premium .....	23,526	1,304	1,304	
Reserves .....	(14,785)	11,121	18,442	
Revaluation reserve .....	-	-	-	
<b>Equity attributable to owners of the Company .....</b>	<b>54,057</b>	<b>14,764</b>	<b>22,084</b>	
Non-controlling interests .....	23,308	22,238	26,931	
<b>Total non-controlling interest .....</b>	<b>23,308</b>	<b>22,238</b>	<b>26,931</b>	
<b>Total equity .....</b>	<b>77,356</b>	<b>37,002</b>	<b>49,015</b>	
Loans and borrowings .....	3,483	39,720	-	
<b>Total non-recurring liabilities .....</b>	<b>3,483</b>	<b>39,720</b>	<b>-</b>	
First year instalments .....	35,449	37,919	105,560	
Trade payables .....	3,198	5,065	6,356	
Tax payable .....	25	29	(65)	
Public charges .....	138	199	353	
Liabilities for sale .....	-	2,641	-	
Other current liabilities .....	5,741	7,921	14,723	
<b>Total current liabilities .....</b>	<b>44,551</b>	<b>53,773</b>	<b>126,927</b>	
<b>Total liabilities .....</b>	<b>48,033</b>	<b>93,493</b>	<b>126,927</b>	
<b>Total equity and liabilities .....</b>	<b>125,398</b>	<b>130,495</b>	<b>175,942</b>	

## 9.6 Selected Cash Flow Information

The table below sets out a summary of the Company's unaudited consolidated cash flow information as of and for the six months ended 30 June 2018 and 2017, and the Company's audited consolidated cash flow information as of and for the years ended 31 December 2017 and 2016.

USD million

	Six Months Ended 30 June (Unaudited)		Year Ended 31 December (Audited)	
	2018	2017	2017	2016
<b>Ordinary profit (loss) before taxes and revaluation .....</b>	<b>(1,450)</b>	<b>19,596</b>	<b>(11,501)</b>	<b>(23,333)</b>
Tax .....	(0)	-	1,750	2,286
<b>Ordinary profit (loss) after tax .....</b>	<b>(1,450)</b>	<b>19,596</b>	<b>(9,751)</b>	<b>(21,047)</b>
Depreciation and amortization of tangible assets .....	2,694	6,984	7,069	9,048
Tax paid .....	(4)	65	93	22
Net income of associates .....	(751)	(415)	1,208	(9,986)
Write off assets .....	100	2,706	26,835	1,635
Revaluation of bond loan .....	1,778	(29,785)	(26,677)	-
Change in trade receivables .....	233	29,785	1,818	570
Change in other receivables .....	2,429	368	8,515	1,211
Change in trade payables .....	(1,867)	683	(1,290)	1,476
Change in other accruals .....	(2,241)	(99)	(4,315)	4,091
Items classified as investing/financing activities .....	-	-	-	(346)

<i>USD million</i>	<b>Six Months Ended 30 June (Unaudited)</b>		<b>Year Ended 31 December (Audited)</b>	
	<b>2018</b>	<b>2017</b>	<b>2017</b>	<b>2016</b>
Cash in from dividends.....	-	-	2,700	6,250
Paid interests .....	-	-	-	1,390
Effects from change in accounting principles and other changes .....	(194)	(149)	(1,978)	20,765
<b>Net cash flow from operating activities.....</b>	<b>727</b>	<b>1,245</b>	<b>4,226</b>	<b>15,079</b>
Cash out due to investments .....	(95)	(395)	(556)	(3,080)
Cash in due to disposals .....	14	60	542	-
Cash in due to investments .....	-	10,652	-	1,350
<b>Net cash flow from investing activities.....</b>	<b>(82)</b>	<b>10,317</b>	<b>(14)</b>	<b>(1,730)</b>
Issuance of new debt .....	1,520	-	9,429	30
Repayment of debt.....	(3,989)	(6,929)	(9,854)	(10,773)
Dividend paid/decrease in paid-in capital to non-controlling interest .....	-	-	-	(3,825)
<b>Net cash flow from financing activities .....</b>	<b>(2,470)</b>	<b>(6,929)</b>	<b>(425)</b>	<b>(14,568)</b>
Conversion bond loan to equity .....	(38,770)	-	-	-
Issued new shares .....	42,977	-	-	-
Changes in equity related to conversion .....	(1,161)	-	-	-
<b>Net cash from changes in share issue .....</b>	<b>3,064</b>	<b>-</b>	<b>-</b>	<b>-</b>
Effect of changes to exchange rates on cash and cash equivalents .....	-	-	-	-
<b>Net change in cash and cash equivalents .....</b>	<b>1,221</b>	<b>4,633</b>	<b>3,787</b>	<b>(1,220)</b>
<b>Cash and equivalents at start of period .....</b>	<b>8,147</b>	<b>3,514</b>	<b>3,514</b>	<b>4,733</b>
<b>Cash and equivalents at end of period .....</b>	<b>9,368<sup>(2)</sup></b>	<b>8,147</b>	<b>7,301</b>	<b>3,514</b>

(1) Restricted cash is USD 7.4 million.

(2) In addition to the cash equivalent per 30 June 2018, the Group held treasury shares of approximately USD 0.2 million in current market value.

## 9.7 Selected Changes in Equity Information

The table below sets out a summary of the Company's unaudited consolidated changes in equity as of and for the six months ended 30 June 2018 and 2017, and the Company's audited consolidated changes in equity information for as of and for the years ended 31 December 2017 and 2016.

As the Company has changed the accounting policy for the CSV vessels from the revaluation model to the cost model, as the outcome of previous valuations has proven to be arbitrary, see Section 9.1 "—Change in Accounting Policy", the consolidated changes in equity information as of and for the year ended 31 December 2016 has been restated.

<i>USD million</i>	<b>Six Months Ended 30 June (Unaudited)</b>		<b>Year Ended 31 December (Audited)</b>	
	<b>2018</b>	<b>2017</b>	<b>2017</b>	<b>2016 (Restated)</b>
<b>Equity at period opening balance (number of shares: 29,593,259)</b>	<b>37,002</b>	<b>49,015</b>	<b>49,015</b>	<b>63,602</b>
Profit after tax majority .....	(1,450)	(12,015)	(12,015)	11,742)
Profit after tax minority .....	-	-	-	-
Revaluation of assets .....	-	-	-	-
Translation differences .....	-	-	-	(2,500)
Transactions with owners of the Company, recognised directly to equity.....	-	-	-	-
Dividends to non-controlling interests .....	-	-	-	-
Change prior year .....	-	-	-	(346)

USD million

	Six Months Ended 30 June (Unaudited)		Year Ended 31 December (Audited)	
	2018	2017	2017	2016 (Restated)
	Treasury shares .....	-	2	2
Issued new shares .....	42,977	-	-	-
Share premium related to issued new shares .....	22,222	-	-	-
Conversion of bond loan fair value adjustment .....	(23,386)	-	-	-
<b>Equity at period end (number of shares: 700,328,959).....</b>	<b>77,365</b>	<b>37,002</b>	<b>37,002</b>	<b>49,015</b>

### Consolidated statement of changes in equity

USD million

	Share Capital	Treasury Shares	Share Premi um	Transla- tion reserve	Other Equity	Total Other Equity	Revaluat ion Reserve	Non- Controlli ng Interests	Total Equity
<b>Equity at 1 January 2018 ..</b>	<b>2,595</b>	<b>(257)</b>	<b>1,304</b>	-	<b>11,122</b>	<b>11,122</b>	-	<b>22,238</b>	<b>37,002</b>
Profit and loss .....	-	-	-	-	(2,520)	(2,520)	-	1,070	(1,450)
Coverage of previous losses.	-	-	-	-	-	-	-	-	-
Other comprehensive income .....	-	-	-	-	-	-	-	-	-
Effect of revaluation model .	-	-	-	-	-	-	-	-	-
Tax on revaluation reserve...	-	-	-	-	-	-	-	-	-
Translation differences.....	-	-	-	-	-	-	-	-	-
<b>Total comprehensive income .....</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2,520)</b>	<b>(2,520)</b>	<b>-</b>	<b>1,070</b>	<b>(1,450)</b>
<b>Contributions by and distributions to owners.....</b>									
Other equity related to unwinding bond loan .....	49,977	-	22,222	-	-	-	-	-	65,199
Conversion of bond loan fair value adjustment .....	-	-	-	-	(23,386)	(23,386)	-	-	(23,386)
Contributions by and distributions to owners .....	-	-	-	-	-	-	-	-	-
<b>Equity per 30 June 2018....</b>	<b>45,572</b>	<b>(256)</b>	<b>23,526</b>	-	<b>(14,785)</b>	<b>(14,785)</b>	-	<b>23,308</b>	<b>77,365</b>
<b>Equity at 31 December 2016 .....</b>	<b>2,595</b>	<b>(257)</b>	<b>1,304</b>	-	<b>18,443</b>	<b>18,443</b>	-	<b>26,931</b>	<b>49,015</b>
Profit and loss .....	-	-	-	-	(7,321)	(7,321)	-	(4,693)	(12,015)
Coverage of previous losses.	-	-	-	-	-	-	-	-	-
Other comprehensive income .....	-	-	-	-	-	-	-	-	-
Effect of revaluation model .	-	-	-	-	-	-	-	-	-
Tax on revaluation reserve...	-	-	-	-	-	-	-	-	-
Translation differences.....	-	-	-	-	-	-	-	-	-
<b>Total comprehensive income .....</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(7,321)</b>	<b>(7,321)</b>	<b>-</b>	<b>(4,693)</b>	<b>(12,015)</b>
<b>Contributions by and distributions to owners</b>									
Change in non-controlling interests .....	-	-	-	-	-	-	-	-	-
Write off/impairment .....	-	-	-	-	-	-	-	-	-
Investments .....	-	-	-	-	-	-	-	-	-
Issue of ordinary shares.....	-	1	-	-	-	-	-	-	1
<b>Equity per 31 December 2017 .....</b>	<b>2,595</b>	<b>(256)</b>	<b>1,304</b>	-	<b>11,120</b>	<b>11,120</b>	-	<b>22,238</b>	<b>37,002</b>
<b>Equity at 1 January 2016 ..</b>	<b>2,595</b>	<b>(257)</b>	<b>1,304</b>	-	<b>39,754</b>	<b>39,754</b>	<b>(12,472)</b>	<b>23,965</b>	<b>54,889</b>
Changes in restated balance as at 1 January 2016.....	-	-	-	-	(7,299)	(7,299)	12,472	3,450	8,713
Restated equity at 1 January 2016 .....	2,595	(257)	1,304	-	32,455	32,455	-	27,505	63,602
Profit and loss .....	-	-	-	-	(13,667)	(13,667)	-	1,926	(12,088)

Coverage of previous losses.....	-	-	-	-	-	-	-	-	-
Other comprehensive income.....	-	-	-	-	-	-	-	-	-
Changes prior year.....	-	-	-	-	(346)	(346)	-	-	(346)
Translation differences.....	-	-	-	-	-	-	-	-	-
<b>Total comprehensive income.....</b>	-	-	-	-	<b>(14,013)</b>	<b>(14,013)</b>	-	<b>1,926</b>	<b>(12,088)</b>
<b>Contributions by and distributions to owners</b>									
Change in non-controlling interests.....	-	-	-	-	-	-	-	-	-
Dividends to non-controlling interests.....	-	-	-	-	-	-	-	(2,500)	(2,500)
Investments.....	-	-	-	-	-	-	-	-	-
Issue of ordinary shares.....	-	-	-	-	-	-	-	-	-
<b>Equity per 31 December 2016.....</b>	<b>2,595</b>	<b>(257)</b>	<b>1,304</b>	-	<b>18,443</b>	<b>18,443</b>	-	<b>26,931</b>	<b>49,015</b>

## 9.8 Selected Segment Information

The Group is organised in two business segments for reporting purposes: "Oceanteam Shipping", consisting of the Group's vessels and related business, and "Oceanteam Solutions", consisting of the Group's engineering and equipment business. The table below set out certain selected information about the Group's consolidated operating revenues and operating profit/(loss) for each of the Group's business segments for the six months ended 30 June 2018 and 2017, and for the years ended 31 December 2017 and 2016.

As the Company has changed the accounting policy for the CSV vessels from the revaluation model to the cost model, as the outcome of previous valuations has proven to be arbitrary, see Section 9.1 "—Change in Accounting Policy", the selected segment information as of and for the six months ended 2017 has been restated.

USD million

	<b>Oceanteam Shipping</b>			
	<b>Six Months Ended 30 June</b>		<b>Year Ended 31 December</b>	
	<b>(Unaudited)</b>		<b>(Audited)</b>	
	<b>2017</b>		<b>2017</b>	<b>2016</b>
	<b>2018</b>	<b>(Restated)</b>		
Revenue.....	7,387	10,150	19,576	20,328
Net income from associates/joint ventures.....	751	415	(1,208)	7,994
Operating cost.....	(1,781)	(961)	(557)	(550)
G&A.....	(1,911)	(2,065)	(6,497)	(8,615)
<b>EBITDA.....</b>	<b>4,445</b>	<b>7,539</b>	<b>11,314</b>	<b>19,157</b>
Intersegment revenue.....	40	40	1,022	1,227
Intersegment cost.....	(315)	(286)	(597)	(587)
Depreciation and amortisation.....	(2,175)	(5,917)	(5,386)	(7,616)
Write off/impairment.....	(100)	(2,640)	(20,491)	(8,263)
<b>Reportable segment operating profit.....</b>	<b>1,896</b>	<b>(1,264)</b>	<b>(14,138)</b>	<b>3,918</b>
Financial income.....	0	29,861	28,822	986
Financial expense.....	(4,169)	(6,748)	(11,230)	(11,145)
Foreign exchange effects.....	(101)	(134)	(322)	(107)
<b>Net finance.....</b>	<b>(4,270)</b>	<b>22,979</b>	<b>17,270</b>	<b>(10,266)</b>
<b>Pre-tax profit/(loss).....</b>	<b>(2,374)</b>	<b>21,715</b>	<b>3,132</b>	<b>(6,348)</b>
Income tax.....	-	-	-	(121)
<b>Net result from continuing operations.....</b>	<b>(2,374)</b>	<b>21,715</b>	<b>3,132</b>	<b>(6,469)</b>
<b>Net result from discontinuing operations.....</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net result for the period.....</b>	<b>(2,374)</b>	<b>21,715</b>	<b>3,132</b>	<b>(6,469)</b>

USD million

Oceanteam  
Solutions

	Six Months Ended 30 June (Unaudited)		Year Ended 31 December (Audited)	
	2017		2017	2016
	2018	(Restated)		
Revenue.....	4,575	2,589	6,044	10,972
Net income from associates/joint ventures .....	-	-	-	-
Operating cost.....	(2,154)	(1,616)	(5,783)	(7,396)
G&A.....	(1,132)	(1,259)	(1,769)	(2,716)
<b>EBITDA .....</b>	<b>1,289</b>	<b>(286)</b>	<b>(1,508)</b>	<b>861</b>
Intersegment revenue.....	315	286	597	587
Intersegment cost.....	(40)	(40)	(1,022)	(1,227)
Depreciation and amortisation.....	(520)	(1,067)	(1,683)	(2,049)
Write off/impairment.....	-	66	(6,344)	(202)
<b>Reportable segment profit .....</b>	<b>1,045</b>	<b>(1,172)</b>	<b>(9,960)</b>	<b>(2,030)</b>
Financial income .....	0	(162)	(2,144)	(817)
Financial expense .....	(33)	(302)	(414)	(362)
Foreign exchange effects.....	(88)	(231)	(365)	100
<b>Net finance .....</b>	<b>(121)</b>	<b>(695)</b>	<b>(2,923)</b>	<b>(1,078)</b>
<b>Pre-tax profit/(loss).....</b>	<b>924</b>	<b>(1,867)</b>	<b>(12,883)</b>	<b>(3,108)</b>
Income tax .....	-	-	(1,750)	(2,164)
<b>Net result from continuing operations .....</b>	<b>924</b>	<b>(1,867)</b>	<b>(14,633)</b>	<b>(5,272)</b>
<b>Net result from discontinuing operations .....</b>	<b>-</b>	<b>(252)</b>	<b>(514)</b>	<b>(841)</b>
<b>Net result for the period .....</b>	<b>924</b>	<b>(2,120)</b>	<b>(15,147)</b>	<b>(6,113)</b>

USD million

Total Both  
Reporting Segments

	Six Months Ended 30 June (Unaudited)		Year Ended 31 December (Audited)	
	2017		2017	2016
	2018	(Restated)		
Revenue.....	11,962	12,740	25,620	31,300
Net income from associates/joint ventures .....	751	415	(1,208)	7,994
Operating cost.....	(3,936)	(2,577)	(6,340)	(7,946)
G&A.....	(3,043)	(3,325)	(8,265)	(11,330)
<b>EBITDA .....</b>	<b>5,735</b>	<b>7,254</b>	<b>9,806</b>	<b>20,018</b>
Intersegment revenue.....	355	327	1,619	1,814
Intersegment cost.....	(355)	(327)	(1,619)	(1,814)
Depreciation and amortisation.....	(2,694)	(6,984)	(7,069)	(9,665)
Write off/impairment.....	(100)	(2,706)	<b>(26,835)</b>	(8,465)
<b>Reportable segment operating profit .....</b>	<b>2,941</b>	<b>(2,436)</b>	<b>(24,098)</b>	<b>1,888</b>
Financial income .....	0	29,699	26,678	170
Financial expense .....	(4,202)	(7,050)	(11,644)	(11,506)
Foreign exchange effects.....	(190)	(365)	(687)	(7)
<b>Net finance .....</b>	<b>(4,391)</b>	<b>22,284</b>	<b>14,347</b>	<b>(11,344)</b>
<b>Pre-tax profit/(loss).....</b>	<b>(1,450)</b>	<b>19,848</b>	<b>(9,751)</b>	<b>(9,456)</b>
Income tax .....	-	-	(1,750)	(2,286)
<b>Net result from continuing operations .....</b>	<b>(1,450)</b>	<b>19,848</b>	<b>(11,501)</b>	<b>(11,742)</b>
<b>Net result from discontinuing operations .....</b>	<b>-</b>	<b>(252)</b>	<b>(514)</b>	<b>(841)</b>
<b>Net result for the period .....</b>	<b>(1,450)</b>	<b>19,596</b>	<b>(12,015)</b>	<b>(12,583)</b>

The Group reports revenue split by the geography on the basis of the location of the Group's customers and the Group's assets. The table below set out certain selected information about the Group's revenues split by geography for the years ended 31 December 2017 and 2016.

USD million

	Year Ended 31 December	
	2017	2016
<b>Revenue</b>		
Far East and Australia .....	19,576	20,328
Europe .....	6,044	10,972
South America .....	-	-
<b>Total</b> .....	<b>25,620</b>	<b>31,300</b>
<b>Net income from joint ventures and associates</b>		
Australia and Africa .....	(1,170)	10,500
South America.....	(38)	(2,506)
<b>Total</b> .....	<b>(1,208)</b>	<b>7,994</b>

## 9.9 Auditor and Audit Reports

The Company's independent auditor is RSM Norge AS, which has its registered address at Filipstad Brygge 1, 0252 Oslo, Norway. RSM Norge AS is a member of The Norwegian Institute of Public Accountants (Nw. Den Norske Revisorforening). RSM Norge AS has been the Company's auditor since 13 April 2018.

During the period from inception of the Company and until 16 November 2017, the Company's auditor was KPMG AS. As of 14 November 2017, KPMG AS withdrew their audit engagement with the Company as a result of disagreement between KPMG AS and the Company relating to sufficient audit documentation regarding going concern, documentation on related party transactions, as well as disagreement between the Company and KPMG AS relating to audit costs. Following KPMG AS' withdrawal, and as a result of the Company being unable to find a willing replacement auditor, the Company was on 20 January 2018 notified by the Norwegian Registry of Business Enterprises of its obligation to engage an auditor within four weeks from receipt of the notice, in lieu of which the Norwegian Registry of Business Enterprises would, as required by law, file a request to the Bergen District Court to effectuate a forced liquidation of the Company. Following requests from the Company to the Norwegian Registry of Business Enterprises to defer the filing for a forced liquidation, and ultimately, agreements between the Company and various stakeholders for the implementation of the Restructuring, the Company was able to engage RSM Norge AS as its auditor.

As a result of the Company not having an auditor during the period from 14 November 2017 to 13 April 2018, the severe financial situation of the Company during this period, shifts in CFO, CEO and other key positions in the Company prior to and during this period, the Company was not able to issue its audited financial statements as of and for the year ended 31 December 2017 before 6 July 2018.

The following Financial Statements, incorporated by reference into this Prospectus (see Section 20—"Information Incorporated by Reference"), have been audited by RSM Norge AS and KPMG AS, respectively:

- The Company's consolidated financial statements as of and for the year ended 31 December 2017 were audited by RSM Norge AS, as set out in its audit report (which is incorporated by reference into this Prospectus, see Section 20—"Information Incorporated by Reference").
- The Company's consolidated financial statements as of and for the year ended 31 December 2016 were audited by KPMG AS, as set out in its audit report (which is incorporated by reference into this Prospectus, see Section 20—"Information Incorporated by Reference").

KPMG AS' audit report on the Company's consolidated financial statements as of and for the year ended 31 December 2016 expressed a qualified opinion as follows (extract from KPMG AS' audit report):

*"Qualified opinion*

*We have audited the financial statements of Oceanteam ASA. The financial statements comprise:*

- *The financial statements of the parent company Oceanteam ASA (the "Company"), which comprise the statement of financial position as at 31 December 2016, and the income statement 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 statement of profit and loss and other comprehensive income, statement of changes in equity, cash flow statement for the years 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 laws and regulations, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report.*
- *Except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements of the Company give a true and fair view of the financial position of the Group as at 31 December 2016, 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.*
- *Except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2016, 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 Qualified Opinion*

*We have not been able to obtain sufficient audit evidence over the completeness of the statement from management regarding transactions with related parties. Consequently, we have not been able to establish whether there are undisclosed related party transactions or assess the impact of these on the consolidated financial statements of the Group and the financial statements of the Company.*

*We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing (IAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of 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 qualified opinion."*

Further, in the audit report on the Company's consolidated financial statements as of and for the year ended 31 December 2016, KPMG made an emphasis of matter in relation to correction of errors in the previous period and related to qualification from board members as follows:

#### *"Emphasis of matter related to correction of errors in the previous period*

*The Group states in note 29 and the Company states in note 22 that errors have been identified in the financial statements for 2015. The errors have been corrected by restating each of the affected financial statement line items for prior periods. This matter does not affect our opinion on the financial statements.*

#### *Emphasis of matter related to qualification from Board member*

*Bote de Vries became member of the Board og Directors of the Company on 9 May 2017. He was not involved with the Company during 2016 nor in the first quarter 2017. Bote de Cries has performed certain procedures over the financial statements of Oceanteam ASA. Due to the short time frame of his involvement and the complexity of the financial situation of the Company and the Group, Bote de Vries states that he has not been able to independently confirm that the financial statements have been prepared in accordance with the Norwegian Accounting Act. This matter does not affect our opinion on the financial statements."*

As set out in the extract from KPMG AS' audit report, the reasons for the audit report being qualified related to:

- Lack of sufficient audit evidence over the completeness of the statement from management regarding transactions with related parties.

Further, as set out in the extract from KPMG AS' audit report, the reason for the emphasis of matter related to:

- One of the board members, Mr. Borte de Vries, not being able to independently confirm that the financial statements were prepared in accordance with the Norwegian Accounting Act, due to his short time of involvement in the Company and the complexity of the financial situation of the Company and the Group.

As part of the Restructuring, the Company settled all claims from Mr. Hessel Halbesma, Haico Halbesma and/or their affiliates by acknowledging NOK 5,000,000 of these claims (settled by issuance of 10,000,000 Shares to Feastwood Holding Limited). The settlement included confirmations to the effect that all claims against the Company or any of its subsidiaries and affiliates, irrespective of whether such claims had been invoiced, disputed and/or were due, from Mr. Hessel Halbesma, Mr. Haico Halbesma, Feastwood Holding Limited, Heer Holland B.V., Toha Invest B.V., Challenger Management Services SAM and any of their affiliates were deemed to have been fully and finally settled.

RSM Norge AS' audit report on the Company's consolidated financial statements as of and for the year ended 31 December 2017, expressed a qualified opinion as follows (extract from RSM Norge AS' audit report):

*"Qualified opinion*

*We have audited the financial statements of Oceanteam ASA. The financial statements comprise:*

- *The financial statements of the parent company, which comprise the balance sheet as at 31 December 2017, and the income statement, statement of changes in equity and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and*
- *The financial statements of the group, which comprise the balance sheet as at 31 December 2017 and income statement, statement of changes in equity, cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.*

*In our opinion:*

- *The financial statements are prepared in accordance with laws and regulations, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report.*
- *The accompanying financial statements give a true and fair view of the financial position of the parent company as at 31 December 2017, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.*
- *The accompanying financial statements present fairly, in all material respects, the financial position of the group as at 31 December 2017, 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 Qualified Opinion*

*Oceanteam ASA's investment in KCI The Engineers B.V. was sold in January 2018. In the financial statement of the group KCI The Engineers B.V. is a fully consolidated subsidiary and is recognized as discontinued operation in accordance with IFRS 5 with USD 6.6 million as asset held for sale and USD 2.7 million as liabilities held for sale in the balance sheet per 31 December 2017, and a negative result of USD 0.5 million is included in Oceanteam's result for the year then ended. We have not been able to obtain sufficient and appropriate audit evidence for the recognized amounts, and the disclosure of cash flow from discontinued business, of Oceanteam's investment in KCI The Engineers B.V as this company has not been subject to an audit at the time for our opinion and because the cash flow from discontinued business is not disclosed. Consequently, we have not been able to establish whether these amounts would require adjustment or conclude on the cash flow effect from continued business in 2017.*

*The Group has chosen to change the accounting policy for valuation of the construction support vessels from the revaluation model to the cost model in IAS 16 Property, plant and equipment. The change in accounting policy have been applied retrospectively according to IAS 18 Accounting Policies, Changes in Accounting Estimates and Errors. We have not been able to obtain sufficient and appropriate audit evidence related to whether the retrospective effects should be presented in the income statement for 2016 or opening balance 1 January 2016. For 2016 and 2017 we have not been able to obtain sufficient and appropriate audit evidence related to the classification of effects between write off / impairment and net income from associates/joint ventures.*

*We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including 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 qualified opinion."*

As set out in the extract from RSM Norge AS' audit report, the reasons for the audit report being qualified related to:

- Lack of sufficient and appropriate audit evidence for recognised amounts, and the disclosure of cash flow from discontinued business, of Oceanteam's investment in KCI the engineers B.V. as this company had not been subject to an audit at the time of RSM's audit opinion, and because the cash flow from discontinued business was not disclosed. The reasons for the lack of the requested audit evidence was as set out in the audit report; that KCI had not been subject to an audit at the time of RSM's audit opinion.
- Lack of sufficient and appropriate audit evidence related to whether the retrospective effects of change of the accounting policy for valuation of the construction support vessels from the revaluation model to the cost model in IAS 16 Property, plant and equipment should be presented in the income statement for 2016 or opening balance 1 January 2016. The reasons for the lack of the requested audit evidence resulted from reconciliations from the past that were not properly documented.
- Lack of sufficient and appropriate audit evidence related to the classification of effects between write off / impairment and net income from associates / joint ventures. The reasons for the lack of the requested audit evidence resulted from reconciliations from past reclassifications which were not properly documented and allocated in the financial accounts.

## 10 CAPITAL RESOURCES

This Section provides an overview of the capital resources of the Group, in addition to information on investments and divestments. You should read this Section in conjunction with the other parts of this Prospectus, in particular Section 2—"Risk Factors" and Section 5—"The Second Bond Debt Conversion".

### 10.1 Sources and Use of Funds; Liquidity

In the period from 1 January 2016 to the date of this Prospectus, the Group's primary sources of liquidity have been net proceeds from borrowings, equity injection through the Cordia Placement, net proceeds from divestments, as well as cash inflows from operations, whereas the principal uses of funds have been related to service of financial obligations under the Group's borrowing arrangements and working capital.

Net cash flow from operating activities amounted to USD 4.2 million in 2017, compared to USD 15.1 million in 2016. Net cash flow from investing activities was USD 0.0 million in 2017 against negative USD 1.7 million in the preceding year. Net cash outflow for financing activities was USD 0.4 million in 2017, compared to USD 14.6 million in 2016. Net change in cash and equivalents was positive with USD 3.8 million in 2017, compared to negative USD 1.2 million in 2016.

The Group experienced a cash liquidity squeeze in 2017, which in the later part of the year resulted in the need to halt interest payments for the Bond Loan and to refinance and restructure the credits outstanding at Group level as well as at its subsidiaries. The First Bond Debt Conversion, see Section 5.1 "The Second Bond Debt Conversion—Background", and re-negotiated terms under the asset backed finance facility relating to CSV Southern Ocean and CSV Bourbon Oceanteam 101 (the Bourbon Oceanteam 4 and Bourbon Oceanteam 101 Facility) partially addressed this situation. The re-negotiated terms of the Bourbon Oceanteam 4 and Bourbon Oceanteam 101 Facility entailed that conditions in these facilities changed.

In addition, during 2017 and in the beginning of 2018, the Group completed the North Ocean 105 Divestment and the KCI Divestment, respectively; see Section 10.4 "—Recent Divestments". The proceeds from the North Ocean 105 Divestment and the KCI Divestment were used to repay secured loan facilities as well as critical vendors and to fund a consultant to review the Group's cost structure and improve efficiency and lower the cost level by a significant amount.

Net cash flow from operating activities amounted to USD 0.73 million for the six months period ended 30 June 2018, compared to USD 1.24 million for the same period in 2017. Net cash flow from investing activities was USD (0.08) million for the six months period ended 30 June 2018, against USD 10.32 million for the same period in the preceding year. Net cash outflow for financing activities was USD (2.47) million for the six months period ended 30 June 2018, compared to USD (6.93) million for the same period in 2017. Net change in cash and equivalents was USD 1.22 million as of 30 June 2018, compared to USD 4.63 million as of 30 June 2017.

During the first half of 2018, the following significant events in respect of the Group occurred:

- the First Bond Debt Conversion, i.e. the conversion of USD 62,073,564 of the Company's debt under the Bond Loan into 620,735,700 Shares, leaving USD 5,000,000 (principal amount) of the bonds under the Bond Loan outstanding after the Restructuring;
- the Cordia Placement, a part of which was the issuance of 40,000,000 Shares in the Company against receipt by the Company of the associated cash proceeds of NOK 20,000,000, which was technically carried out by the grant of Corinvest of a short-term loan of NOK 20,000,000 which was converted into equity;
- the Halbesma Settlement, i.e. the issuance of 10,000,000 Shares against a conversion and settlement of all claims of Mr. Haico Halbesma and Mr. Hessel Halbesma and any of their companies and/or affiliates, reducing liabilities in the balance sheet of the Group by USD 545,293;
- the provision of the Value Partners Loan, i.e. the borrowing by the Company of USD 1,500,000 under a unsecured loan with a maturity date falling on 23 October 2019 and carrying a 7% interest;
- the deposit of NOK 3,000,000 to cover estimated cost in relation to the corporate investigation, as further described in Section 14—"Related Party Transactions; Corporate Investigation—Corporate Investigation".
- the sale of the Group's 100 % ownership stake in KCI the engineers with an effective date 1 January 2018 (see Section 10.4 "—Recent Divestments");

Since 30 June 2018, which is the date of the Group's last reported balance sheet, the following significant events in respect of the Group has occurred:

- the Second Bond Debt Conversion, i.e. the conversion of USD 5,175,523 of the Company's debt under the Bond Loan into 88,464,179 Shares in the Company, leaving no bonds outstanding under the Bond Loan;
- the provision of the Second Corinvest Loan, i.e. the borrowing by the Company of USD 1,500,000 under a unsecured loan with maturity 20 December 2019.

Save for the provision of the Second Corinvest Loan of USD 1,500,000 there have been no other significant changes in the Group's cash position since 30 June 2018.

The Group's response to the continued downturn in its markets and liquidity risk has been to establish cost savings programs and delay capital investments, in addition to the Restructuring and re-negotiating the term of the Bourbon Oceanteam 4 and Bourbon Oceanteam 101 Facility. The aim of the Restructuring was to maintain value preservation and financial flexibility while enabling value creation for all stakeholders. The Group has not been able to withdraw dividends from its joint ventures within the Shipping segment where cash flows and joint venture specific loan covenants allowed such dividend payments. During the first half of 2018 new equity for USD 2.5 million came into the Company, along with the short term loan of USD 1.5 million in order to prevent a constrained cash flow. The Company is of the opinion that the Restructuring and agreement on revised conditions of the Bourbon Oceanteam 4 and Bourbon Oceanteam 101 Facility, in particular, will prevent the Company from similar bottle necks in the future cash flow. The redemption of the Bond Loan has substantially reduced the interest volume for the Group.

The Group has financial obligations coming due both to credit institutions and to vendors. Reviewing the financial obligations to credit institutions, these are limited in number and in size, the balance of secured bank debt being USD 34.42 million. 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 joint ventures with Bourbon; the risk is primarily that disbursements out of the joint venture entities will be less than in previous periods rather than any other risk. In the joint venture with Diavaz, DOT, the risks presently is that the Group needs to support these companies with additional funds in part because of lack of earnings and in part resulting from investment commitments of the joint venture companies in the DOT structure.

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 Company has from the Shipping and the Solutions operations. The medium term risks relate to aggregation of smaller vendors as mentioned but with greater focus on Solutions weak segment performance and on DOT financial support. As the Solutions operations is experiencing weaker than expected activity and pricing for its services; cash flow variances medium term are focused on performance from this segment and required cash support to DOT. This medium risk has been managed as a result of visibility and clarity of proceeds from the Northern Ocean 105 Divestment. Long term risks relate to performance of the Solutions operations, to required financial support of DOT and to cost containment at group level on specific service costs.

The operations of the Mexican / Venezuelan office of the Group have been ceased. Both the FSV Tiburon II and the FSV Mantarraya II have been confiscated due to legal proceedings with several vendors. The revenue from the Shipping operations and earnings stream from the main CSV contracts are highly predictable. Risks related to the Shipping segment principally relates to renewing of contracts when these expire; however past history has shown that even in poor market Oceanteam and Bourbon have been able to find immediate employment for Oceanteam's main assets.

Additionally, Oceanteam depends on cash flows from dividends, interest payments, management fees and loan repayment from subsidiaries and the joint venture companies. In addition to this, the Company has set achievable cost reduction objectives for operational expenditures and corporate expenses.

As of 30 June 2018, the Group had a cash position of USD 9.37 million, of which approximately USD 7.4 million normally was restricted or pledged as collateral. The restrictions relates to the joint ventures with Bourbon, as a result of covenants under the Southern Ocean Facility (see Section 10.2 "— Borrowings").

As of the date of this Prospectus, the Company is not aware of any restrictions on the use of the Group's capital resources, other than restrictions discussed above. These restriction have in the past, and may in the future, materially affect, directly or indirectly, the Group's operations.

## 10.2 Borrowings

### The Bond Loan

Pursuant to the Second Bond Debt Conversion completed on 19 December 2018 (as further described in Section 5—"The Second Bond Debt Conversion") there are no more outstanding bonds.

### The Second Corinvest Loan

The Second Corinvest Loan is an unsecured loan to the Company in an amount of USD 1,500,000 with a maturity date 20 December 2019 and carrying 7% interest. The Second Corinvest Loan was provided to the Company pursuant to a loan agreement entered into between the Company and Corinvest B.V. on 21 December 2018. The Second Corinvest Loan does not include any restrictive covenants.

### The Value Partners Loan

The Value Partners Loan is an unsecured loan to the Company in an amount of USD 1,500,000 with a maturity date falling six months after disbursement of the loan and carrying 7% interest. The Value Partners loan was provided to the Company pursuant to a loan agreement entered into between the Company and Value Partners on 23 April 2018. The Value Partners Loan does not include any restrictive covenants. Originally, the maturity date on the loan was 23 October 2018, however, during June 2018, the Company and the lender agreed to extend maturity until 23 October 2019, if, for whatever reason, the repayment of the loan is not feasible.

### The Oceanteam Bourbon 4 and Oceanteam Bourbon 101 Facility

The Oceanteam Bourbon 4 and Oceanteam Bourbon 101 Facility is a credit and guarantee facility with Oceanteam Bourbon 4 AS and Oceanteam Bourbon 101 AS as borrowers, Sparebank 1 SMN Bank, DVB Bank SE Nordic and NIBC Bank N.V as lenders and Sparebank 1 SMN Bank as facility agent, for an amount of USD 137 million ("**The Oceanteam Bourbon 4 and Oceanteam Bourbon 101 Facility**"). As at 30 June 2018, the loan had an outstanding balance of USD 62.9 million, of which 34.4 is consolidated in the Group's accounts. The current interest rate is 3 month LIBOR + 3.75% margin p.a.. According to a swap agreement entered into with Sparebank 1 SMN Bank, 50% of the principal will be repaid with a fixed interest rate of 0.815% + 3.40% margin. The loan shall be repaid in quarterly instalments of USD 3.675 million. The Oceanteam Bourbon 4 and Oceanteam Bourbon 101 Facility is secured by pledges on the shares in Oceanteam Bourbon 101 AS and Oceanteam Bourbon 4 AS, pledges on the CSV vessels and pledges on various factoring an assignment agreements.

Key covenants include, amongst other things:

- Free cash of minimum USD 500,000.
- Working capital to be positive at all times.
- Market value adjusted equity of minimum 25%.
- A vessel value to loan value ratio of minimum 135%.
- The facility agreement includes cross default and change of control provisions.
- Dividends from cash generated by the borrower to its parent companies is subject to approval by the lenders, whereas such approval remains outstanding at present.

Oceanteam Bourbon 4 AS is classified as a subsidiary and fully consolidated in the Group's Financial Statements. Oceanteam Bourbon 101 AS, however, is classified as an associated company, as the Company is only entitled to appoint two out of three directors. Due to the different classifications of the Company's interest in the entities, for accounting purposes, USD 34.4 million of the Oceanteam Bourbon 4 and Oceanteam Bourbon 101 Facility is allocated to Oceanteam Bourbon 4 AS and consolidated in the Group's Financial Statements, and USD 28.05 million is allocated to Oceanteam Bourbon 101 AS and not included in the Group's Financial Statements.

As at 30 June 2018, the Group was in compliance with financial covenants under the Oceanteam Bourbon 4 and Oceanteam Bourbon 101 Facility. However, the Group is in cross default as the Group's joint venture party in respect of the Bourbon JVs, Bourbon Offshore Norway AS, in February 2018 notified the Group that it was in breach of covenants under its financing arrangements due to non-payment of interest and instalments. Further, the Company is in breach of covenants under the Bond Loan agreement as at 31 December 2017, which also triggers cross default under the Southern Ocean Facility.

## The DOT Loan

The DOT Loan, with DOT Shipping AS as borrower and GE Capital CEF Mexico, S. de R.L. de C.V as lender, had a balance of USD 5.11 million as of 30 June 2018. The loan carries an interest rate of 5.95%. Constructora Subacatica Diavaz, S.A de C.V and Diavaz Oceanteam Servicios Navieros, S.A.P.I.C.V have guaranteed the loan. The DOT Loan is not included in the Group's accounts as the Group's interest in DOT Shipping AS is classified as an investment in joint venture.

### 10.3 Recent Investing Activities

The Group's principal recent investing activities, i.e. since 1 January 2016, relate to the Solutions business.

For the six months ending 30 June 2018, the Group's capital expenditure relating to investing activities amounted to approximately USD 0.08 million, which related to Solutions equipment.

For the year ended 31 December, 2017, the Group's capital expenditure relating to investing activities amounted to approximately USD 0.4 million, which related to Solutions equipment.

For the year ended 31 December, 2016, the Group's capital expenditure relating to investing activities amounted to approximately USD 3.08 million, which mainly related to Solutions equipment (98%).

The Southern Ocean has been upgraded in Q4 2018 in order to comply with the requirements of the Special Purpose Ship (SPS) Code 2008 in addition to the normal maintenance works that were performed in Singapore. The investment amounted to approximately USD 0.9 million and was financed through available capital.

As of the date of this Prospectus the Group does not have any investments that are in progress, and there exist no future investments on which the management bodies of the Group have already made firm commitments.

### 10.4 Recent Divestments

In the period from 1 January 2016 to the date of this Prospectus, the Group has carried out two divestments:

- *Divestment of KCI the engineers B.V.* On 3 January 2018, the Company entered into an agreement with Royal IHC to sell the Company's 100% ownership stake in the Dutch based engineering and consultancy company KCI the engineers B.V. ("**KCI**") for an estimated price of USD 3.4 million (the "**KCI Divestment**"). The transaction was completed on 15 January 2018. Following the divestment, the Company will continue to have access to all intellectual property in relation to the Company's vessels, carousels and other assets. Furthermore, pursuant to a long term service level agreement, the Company continues to have access to KCI's engineering capabilities, providing the Company all necessary engineering support to pursue further growth of the Group's Solutions and Shipping business. The net proceeds from the transaction was used to improve the Group's liquidity, cover certain restructuring costs and to repay debt.
- *Divestment of 25% ownership stake in PLV North Ocean 105 AS.* On June 20, 2017, the Company received a written notice from its, at that time, joint venture partner J.Ray McDermott (Norway) AS ("**McDermott**"), in respect of a joint venture for the ownership of the pipe lay vessel PLV North Ocean 105, pursuant to which McDermott exercised its option to purchase PLV North Ocean 105 through acquiring the Company's 25% ownership stake in the vessel-owning company North Ocean 105 AS (the "**North Ocean 105 Divestment**"). The transaction was closed on 20 June 2017. The 25% ownership stake in North Ocean 105 AS was sold as part of the Company's financial restructuring plan and to allow the Company to further develop its existing market activities and to take advantage of new business opportunities. The proceeds from the transaction was used for payment of working capital to critical vendors, to repay debt, to cover transaction costs in relation to amendment and restatement of the bond agreement relating to the Bond Loan and to cover certain other restructuring costs, and for general corporate purposes.

### 10.5 Off-Balance Sheet Arrangements

As of the date of this Prospectus the Group is not subject to any off-balance sheet arrangements which have had, or are reasonably likely to have, a current or future material effect on the Group's financial condition.

## 10.6 Working Capital Statement

For the purposes of the below working capital statement, and in accordance with EC Regulation 809/2004 and ancillary regulation (the "**Working Capital Statement Rules**"), the term "working capital" means the Group's ability to access cash and other available liquid resources in order to meet its liabilities as they fall due, and "present requirements" means a period of twelve months from the date of this Prospectus.

The Company is of the opinion that the working capital available to the Group is sufficient for the Group's present requirements for the period covering 12 months from the date of this Prospectus.

## 11 DIVIDENDS AND DIVIDEND POLICY

This Section provides information about the dividend policy and dividend history of the Company, as well as certain legal constraints on the distribution of dividends under the Norwegian Public Limited Liability Companies Act (Nw. allmennaksjeloven). For a discussion of certain financial covenants under the Company's borrowing arrangements which may restrict distribution of dividends, see Section 10.2 "Capital Resources—Borrowings".

### 11.1 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. Following a period of severe financial difficulty, the restructured Oceanteam will focus on obtaining a sound financial structure, reflecting, among other things, the offshore market fluctuations. The Company is currently increasing its business activities and expects to distribute only limited, if any, dividends during the next few years. In the long-term, the Company aims at paying dividends to its shareholders.

The Company did not declare any dividends for the years ended 31 December 2017 or 2016.

### 11.2 Legal Constraints on the Distribution of Dividends

Dividends may be paid in cash, or in some instances, in kind. The Norwegian Public Limited Liability Companies Act provides the following constraints on the distribution of dividends applicable to the Company:

- Section 8-1 of the Norwegian Public Limited Liability Companies Act provides that the Company may distribute dividends to the extent that the Company's net assets following the distribution cover (i) the share capital, (ii) the reserve for valuation variances and (iii) the reserve for unrealised gains. The amount of any receivable held by the Company which is secured by a pledge over Shares in the Company, as well as the aggregate amount of credit and security which, pursuant to Section 8-7 to Section 8-10 of the Norwegian Public Limited Liability Companies Act fall within the limits of distributable equity, shall be deducted from the distributable amount. The calculation of the distributable equity shall be made on the basis of the balance sheet included in the approved annual accounts for the last financial year, provided however that the registered share capital as of the date of the resolution to distribute dividends, shall be applied. Following the approval of the annual accounts for the last financial year, the General Meeting may also authorise the Board of Directors to declare dividends on the basis of the Company's annual accounts. Dividends may also be resolved by the General Meeting based on an interim balance sheet which has been prepared and audited in accordance with the provisions applying to the annual accounts and with a balance sheet date not further into the past than six months before the date of the General Meeting's resolution.
- Dividends can only be distributed to the extent that the Company's equity and liquidity following the distribution is considered sound.

The Norwegian Public Limited Liability Companies Act does not provide for any time limit after which entitlement to dividends lapses. Subject to various exceptions, Norwegian law provides a limitation period of three years from the date on which an obligation is due. There are no dividend restrictions or specific procedures for non-Norwegian resident shareholders to claim dividends. For a description of withholding tax on dividends applicable to non-Norwegian residents, see Section 18—"Norwegian Taxation".

## 12 MAJOR SHAREHOLDERS

The table below shows the Company's largest shareholders as recorded in the VPS as at the date of this Prospectus. In so far as known to the Company, these are the only shareholders that, directly or indirectly, have an interest in the Company's share capital or voting rights, which is notifiable under the Norwegian Securities Trading Act (other than members of the administrative, management and supervisory bodies of the Company), i.e. a holding in excess of 5% of the share capital of the Company.

	<u>% Holding</u>
Corinvest B.V. ....	21,65
H.M. van Heijst.....	21,70
Stockhorn S.à r.l. ....	5,12
Royal London Asset Management Ltd .....	5.1092
Double Haven Asia Absolute Bond Master Fund .....	5.12

To the knowledge of the Company, there are no arrangements which may at a subsequent date result in a change of control of the Company. Further, to the knowledge of the Company, the Company is not directly or indirectly owned or controlled by a single shareholder or a group of shareholders acting in concert. The Company has not implemented any specific measures to prevent abuse of control from any major shareholder. However, certain provisions of the Norwegian Limited Liability Companies Act and other legislation relevant to the Company aim to prevent such abuse, see Section 16—"Corporate Information; the Shares and Share Capital".

## 13 BOARD OF DIRECTORS, MANAGEMENT, CORPORATE GOVERNANCE AND EMPLOYEES

This Section provides summary information about the board of directors and the executive management of the Company and disclosures about their employment arrangements with the Company and other relations with the Company, summary information about the certain other corporate bodies and the governance of the Company, as well as employee data.

### 13.1 Overview

The board of directors is responsible for the overall management of the Company and may exercise all the powers of the Company. In accordance with Norwegian law, the board of directors is responsible for, among other things, supervising the general and day-to-day management of the Company's business; ensuring proper organisation, preparing plans and budgets for its activities; ensuring that the Company's activities, accounts and asset management are subject to adequate controls and to undertake investigations necessary to ensure compliance with its duties. The board of directors may delegate such matters as it seems fit to the executive management of the Group (the "**Management**").

The Company's Management is responsible for the day-to-day management of the Company's operations in accordance with instructions set out by the board of directors.

### 13.2 Board of Directors and Management

#### Board of Directors

The Company's articles of association (the "**Articles of Association**") provide that the Company's board of directors shall consist of a three (3) members. The Company's board of directors is currently composed of Kornelis Jan Willem Cordia (Chairman), Karin Antoinette Yvonne Govaert (Director) and Jan-Hein Jesse (Director). The names and positions of the members of the board of directors, including the new directors, and the terms for which they have been elected, are set out in the table below.

	<u>Position</u>	<u>Served Since</u>	<u>Expiry of Term of Office</u>
Kornelis Jan Willem Cordia.....	Chairman	13 April 2018	13 April 2020
Karin Antoinette Yvonne Govaert .....	Director	13 April 2018	13 April 2020
Hendrik Johannes Jesse .....	Director	12 July 2018	12 July 2020

The Company's registered business address, Tveiteråsvegen 12, 5232 Paradis, Norway, serves as c/o address for the members of the board of directors in relation to their directorship of the Company.

The composition of the Company's board of directors is in compliance with the independence requirements of the Norwegian Code of Practice of 23 October 2012 (the "**Norwegian Corporate Governance Code**"). The Norwegian Corporate Governance Code provides that a board member is generally considered to be independent when he or she does not have any personal, material business or other contacts that may influence the decisions he or she makes as a board member.

Set out below are brief biographies of the board members.

#### Kornelis Jan Willem Cordia, Chairman

Mr. Cordia is a private investor with a background in Economics and Business Administration. Mr Cordia holds several board and advisory board positions in the Oil & Gas Industry, including, amongst other, the following: board member of Workships Group B.V (2006), board member of Combifloat B.V (2013) and board member of Kerrco Inc (2017). From 2006 to -2014 he was CEO of The Seafox Group (offshore services provider). Mr. Cordia is founder and Managing Partner of Invaco Management B.V., an investment firm based in Amsterdam. He is also an advisor to Parcom Capital and member of the investor committee of Connected Capital, both private equity firms.

Current directorships and senior management

positions..... Workships Ggroup B.V, Combifloat B.V (2013). Kerrco Inc.

Previous directorships and senior management

positions during the last five years ..... The Seafox Group (CEO).

### **Karin Antoinette Yvonne Govaert, Director**

Mrs. Govaert is one of the founders and director of short sea shipping company Rivermaas (founded in 2010). In addition to investing in the coastal shipping segment, Rivermaas is active as a technical manager. Mrs. Govaert started her career at Seatrade Reefer Chartering. In 2000 she co-founded an e-procurement platform in the shipping market. Subsequently, she carried out various assignments for companies in the maritime reefer and bulk segments, as well as in logistics. As from 2008 she looked after the shipping interests of two family offices. Mrs. Govaert holds a degree in Economics from the Erasmus University Rotterdam. In 2013 she obtained her Master's degree in Finance (Tias Nimbas). In addition to Rivermaas, Mrs. Govaert holds a position as Investment Manager at the Rotterdam Port Fund.

Current directorships and senior management positions..... Rivermaas (director), the Rotterdam Port Fund (board member), Center for Personalized Cancer Treatment (member of the patient council).

Previous directorships and senior management positions during the last five years ..... n/a.

### **Hendrik Johannes Jesse, Director**

Mr. Jesse is an active private investor and advisor to offshore and oil companies and has a background in Economics. He is the founder of JOSCO Energy Finance and Strategy Consultancy and has a commercial, technical and financial background. Mr. Jesse is an expert in new business development, corporate finance, M&A and corporate strategy.

Mr. Jesse holds several positions in different industries among which: non-executive director and global advisor for Centerbridge Partners , non-executive director and global advisor for AT Capital Singapore, consultant for OneUp (digital technologies in the energy and commodity space). Further, Mr. Jesse holds advisory positions in the following institutions: International Energy Agency (expert); Clingendael International Energy Programme (Associate Fellow); Ministry of Economic Affairs, (member of Chief Economist Roundtable Group); JP Morgan Center for Commodities (member of the Editorial Advisory Board for the GCARD) University of Colorado Denver Business School.

Current directorships and senior management positions..... JOSCO Energy Finance and Strategy Consultancy (founder), Centerbridge Partners (non-executive director and global advisor), AT Capital Singapore (non-executive director and global advisor ).

Previous directorships and senior management positions during the last five years ..... Heerema Marine Contractors (CFO), Royal Dutch Shell (Senior Acquisitions & Divestments Manager), ING Bank (Head of Energy Finance), Chase Manhattan Bank (Commodity Finance Manager).

### **Management**

The Company's management team consists of two (2) individuals. The names of the members of the management as at the date of this Prospectus, and their respective positions, are set out in the table below.

	<b>Position</b>
Leidus Bosman .....	CEO
Hendrik Hazenoot .....	Interim CFO

The Company's registered business address, Tveiteråsvegen 12, 5232 Paradis, Norway, serves as c/o address for the members of the management in relation to their positions in the Company.

Set out below are brief biographies of the members of the Management of the Company, along with disclosures about the companies and partnerships of which each member of Management has been member of the administrative, management and supervisory bodies in the previous five years, not including directorships and executive management positions in the Company or its subsidiaries.

### **Diederik Legger, Advisor to the Board of Directors**

Mr. Diederik Legger is an offshore and shipping financial professional and has a background in Economics. Mr. Legger has acted as Director of Oceanteam ASA from July 2017 to May 2018, and fulfilled the function Interim CEO from May 2018 until October 2018. Mr. Legger is currently acting as advisor to the Board of Directors.

Mr. Legger holds several director and business development positions in the offshore and shipping business. Mr. Legger is business development director for Marlow Navigation and Offshore in the Netherlands and Turkey(2016). Since 2015, Mr. Legger is partner of Marstrat B.V. strategic development and ship management company.

Current directorships and senior management positions..... Marlow Navigation and Offshore (Business Development Director, Netherlands and Turkey), Mastrat B.V. (Partner).  
Previous directorships and senior management positions during the last five years ..... Avra Towage B.V. (Partner and General Manager).

### **Leidus Bosman, CEO**

Mr. Leidus Bosman is an offshore and shipping professional and has a background in Business Economics. Mr. Bosman was appointed as CEO of Oceanteam ASA in October 2018.

Mr. Bosman has held several managing director and financial positions in the offshore, shipping and transport business.

Current directorships and senior management positions..... n/a.  
Previous directorships and senior management positions during the last five years ..... Seafox Contractors B.V. (Managing Director).

### **Hendrik Hazenoot, Interim CFO**

Mr. Hazenoot is a financial professional and has a background in Accountancy. Mr. Hazenot assumed the position of interim CFO on 23 August 2018. Mr. Hazenoot has held financial management positions in trading, construction and real estate companies.

Current directorships and senior management positions..... Invaco Management B.V. (Investment Manager), Flora4You GmbH (director), Si Technologies International B.V. (director)  
Previous directorships and senior management positions during the last five years ..... Juniflor Flower Trading Africa (director), Adriaan van Erk Bouw B.V. (director), Metterwoon Vastgoed B.V. (director)

## **13.3 Remuneration**

The compensation for the members of the board of directors for their services as directors is determined on an annual basis, for the coming year, by the shareholders at the annual general meeting. For the year ended 31 December 2017, the directors remuneration was NOK 300,000 for the Chairman and NOK 200,000 for each of the other directors.

The table below sets out a summary of the remuneration paid to the members of the board of directors for the year ended 31 December 2017. Mr. Hessel Halbesma was the chairman of the board during 2017, but Mr. Halbesma left the Group during first quarter 2018. Further, Bote de Vires served as director from 9 May 2017 until 10 July 2017, and James Hill served as director until 9 May 2017. Mrs. Pos resigned as director on 23 March 2018.

	<b>Board Remuneration for the Year Ended 31 December 2017 (USD)</b>
Hessel Halbesma, Chairman (resigned) .....	448,000 <sup>(1)</sup>
James Wingett Hill, Director (resigned) .....	50,000 <sup>(2)</sup>
Bote de Vries, Director (resigned) .....	26,000 <sup>(3)</sup>
Catharina Petronella Johanna Pos, Director (resigned) .....	111,000 <sup>(4)</sup>
Diederik Legger, Director (resigned) .....	124,000 <sup>(5)</sup>

- (1) Mr. Halbesma received a yearly fee of USD 37,000 for acting as chairman of the board. In addition, Mr. Halbesma invoiced USD 412,000 for consultancy services for the year ending December 31, 2017.
- (2) Mr. Hill received a fee of USD 12,000 for acting as director of the board. In addition, Mr. Hill received USD 38,000 in other remuneration for the year ending December 31, 2017.
- (3) Mr. de Vries received a board fee of USD 4,000. In addition, Mr. de Vries received USD 22,000 in other wages/fees for the year ending 31 December 2017.
- (4) Mrs. Pos received a yearly fee of USD 27,000 for acting as director of the board. In addition, Mrs. Pos invoiced USD 86,000 for consultancy services for the year ending 31 December 2017.
- (5) Mr. Legger received a fee for acting as director of USD 57,000. In addition, Mr. Legger receives an annual salary of USD 120,000, comprising to USD 67,000 for his time served in the year ending 31 December 2017.

The table below sets out a summary of the remuneration paid to the members of Management of the Group for the year ended 31 December 2017. During 2017, Mr. Haico Halbesma was the Group CEO. Mr. Halbesma left the Group in the first quarter 2018. Further, during 6 months of 2017 Mr. Wilhelm Bøhn was the Group's CFO, on a consultancy basis pursuant to a consultancy contract, until his contract was terminated; whilst Mr. Jos van Dijk was the Group's CFO from 1 October 2017, until August 2018 (3 months during 2017).

	<b>Management Remuneration for the Year Ended 31 December 2017 (USD)</b>
Haico Halbesma, Former CEO .....	409,000
Wilhelm Bøhn, Former CFO .....	887,000
Jos van Dijk, Former CFO .....	50,000

None of the members of Management or the board of directors have rights to benefits upon termination of contract.

The Group has not granted any loans to, or issued any guarantees for the benefit of, any of the members of the current members of the board of directors or the current members of Management. Other than as disclosed above, none of the members of the board of directors or the Management have contracts providing benefits upon termination of their positions as Directors or otherwise.

All Group employees, including members of Management, employed before or during 2014, are included in the Group incentive plan, through which the employees can be awarded phantom shares in the Company. The awarding of phantom shares are decided by the board of directors. A phantom share award was last executed in 2014 and expired 30 September 2016. The valuation was equal to the 20 days average closing price on the Oslo Stock Exchange. As at 30 June 2018, the Group has a registered liability of USD 7,000 for unpaid phantom shares to employees.

The Group employs pension arrangements for the members of Management in accordance with requirements that are applicable in the jurisdiction in which the relevant employee is employed. The Group has arranged for a defined contribution plan that give employees the right to receive future pension payments depending how the amount contributed is administrated by the insurance company. For the year ended December 31, 2017, the Company had pension related expenditures for its Management and Group employees of USD 100,000.

### 13.4 Shares and Other Securities Held by the Board and Members of Management

The table below sets forth the number of shares and other securities issued by the Company beneficially owned by each of the Company's board members and members of Management as of the date of this Prospectus.

	<u>Position</u>	<u>Shares</u>	<u>Other Securities</u>
<i>Board member</i>			
Kornelis Jan Willem Cordia.....	Chairman	151,600,000 <sup>(1)</sup>	—
Karin Antoinette Yvonne Govaert .....	Director	—	—
Hendrik Johannes Jesse.....	Director	—	—
<i>Management</i>			
Leidus Bosman.....	CEO	—	—
Hendrik Hazenoot .....	Interim CFO	—	—

<sup>(1)</sup> Held through Corinvest, a company ultimately controlled by Mr. Kornelis Jan Willem Cordia.

There are currently no restrictions on the disposal of the board members' or members of Management's holding of Shares or other securities in the Company.

### 13.5 Disclosure About Conflict of Interest, Etc.

As of the date of this Prospectus, the Company is not aware of any potential conflict of interest between the Management's and the Directors' duties to the Company and their private interests and/or other duties.

Other than in respect of Mr. Kornelis Jan Willem Cordia, which through Corinvest is among the largest shareholders of the Company, there is currently no arrangement or understanding with major shareholders, customers, suppliers or others, pursuant to which any member of the administrative, management, supervisory bodies or executive management has been selected as a member of the administrative, management or supervisory bodies or member of senior management of the Company.

There are no family relations between any of the Company's board members or Management.

### 13.6 Disclosure About Convictions in Relation to Fraudulent Offences

No member of the current board of directors or the current management of the Company have for the previous five years preceding the date of this Prospectus:

- any convictions in relation to indictable offences or convictions in relation to fraudulent offences;
- received any official public incrimination and/or sanctions by any statutory or regulatory authorities (including designated professional bodies) or ever been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of a company or from acting in the management or conduct of the affairs of any company; or
- been declared bankrupt or been associated with any bankruptcy, receivership or liquidation in his capacity as a founder, director or senior manager of a company.

### 13.7 Nomination Committee

The Company does not currently have a nomination committee. The board of directors will consider whether the implementation of a nomination committee will be appropriate in the future.

### 13.8 Audit Committee

The Company has an audit committee consisting of two directors of the board. The audit committee is elected by the board of directors and serves until it is replaced. The primary function of the audit committee is to assist the board of directors in fulfilling its oversight responsibilities for the Group with respect to:

- accounting and financial reporting;

- assessment and management of risk and the related internal control environment;
- compliance with laws and regulations; and
- internal and external audit process.

The Company's audit committee consists of:

	<u>Member Since</u>
Hendrik Johannes Jesse (Chairman) .....	2018
Karin Antoinette Yvonne Govaert (Member) .....	2018

### 13.9 Corporate Governance

The Company's corporate governance principles are based on, and comply with, the Norwegian Corporate Governance Code, with the following exceptions:

- the Company has not appointed a nomination and remuneration committee, as in the Company's opinion, it is a costly arrangement, considering the size of the Company;;
- as a consequence of the Company's auditor resigning in November 2017, and the Company being without a registered auditor for parts of 2017 and 2018, the Company was delayed in closing and publishing its annual accounts for 2017. The Company, alongside its newly appointed auditor RSM Norge AS, is currently scrutinizing its risk management systems to avoid similar incidents in the future;
- the Company has not had satisfactory routines in relation to related party transactions. The Company acknowledges the need to improve such routines, but ensures that all material related party transactions have been disclosed to all shareholders through shareholder meetings and the annual accounts, and that all such transactions have been made at arm's length. A further measure taken by the Company has been to update the code of ethics adopted by the board of directors in September 2017, which applies to all employees, covering topics such as bribery and facilitation payments, conflict of interest, fair competition as well as gifts and hospitality; and
- the Company has, in the past, not had fully independent board members, as some of the Company's board members have received additional remuneration from the Company pursuant to certain consultancy agreements, in addition to the director's fee. The Company has terminated such consultancy agreements with members of the board and is, at the date of this Prospectus, in compliance with the Norwegian Corporate Governance Code at this point.

### 13.10 Employees

The table below set out the number of employees of the Group, and certain other employee data, as of or for the periods indicated.

	<u>As of and for the Year Ended</u>	
	<u>2018</u>	<u>2017</u>
Average number of FTEs during the period .....	15	17
(1) Excluding employees employed in KCI the engineers B.V. due to reclassification as "asset for sale"		

Other than the incentive plan through which employees employed before or during 2014 can be awarded phantom shares in the Company, as further described above in Section 13.3 "Board of directors; Management, Corporate Governance and Employees—Remuneration", the Group has no other arrangements for involving the employees in the capital of the Group.

## **14 RELATED PARTY TRANSACTIONS; CORPORATE INVESTIGATION**

This Section provides information about and certain transactions which the Group is, or has been, subject to with its related parties, as well as an ongoing corporate investigation which is ongoing regarding certain of these transactions. For the purposes of the following disclosures of related party transactions, "related parties" are those that are considered as related parties of the Group pursuant to IAS 24 "Related Party Disclosures".

### **14.1 Related Party Transactions**

This Section provides information about certain transactions to which the Group is, or has been, subject to with its related parties during the years ended 31 December 2017 and 2016 and up to the date of this Prospectus. For the purposes of the following disclosures of related party transactions, "related parties" are those that are considered as related parties of the Group pursuant to IAS 24 "Related Party Disclosures".

Mrs. Catharina Petronella Johanna Pos is a former director of the Company. In addition to serving as director of the board, Mrs. Pos has been providing consultancy services to the Group through her controlled company Cenzo B.V. For the years ending 31 December 2017 and 2016, respectively, the transactions between the Group and Mrs. Pos, the yearly board fee excluded, amounted to a total of USD 86,000 and USD 124,000. For the six months ended 30 June 2018, the transactions amounted to USD 17,000 related to board fees. In May 2018, the Group, Mrs. Pos and Cenzo Holding B.V. agreed to settle all claims by Mrs. Pos and Cenzo Holding B.V and the Group by way of a settlement amount of NOK 500,000. The settlement amount was to be settled through a right and obligation to subscribe for 1,000,000 shares in the Company at a subscription price of NOK 0.50 through a share capital increase by conversion of the settlement amount into equity. The shares were issued in November 2018.

Former CEO, Mr. Meindert van Genderen, provided management consultancy services to the Group through his controlled company Seaconmy B.V. For the six months ended 30 June 2018, the transactions between the Group and Seaconmy B.V. amounted to a total of USD 23,000.

Former CEO, Mr. Meindert van Genderen and former interim CEO Diederik Legger has provided management consultancy services through the company Marstrat B.V. For the six months ended 30 June 2018, the transactions between the Group and Marstrat B.V. amounted to a total of USD 38,000 with respect to consultancy services provided by Mr. van Genderen and USD 23,000 for consultancy services provided by Mr. Legger.

Mr. James Wingett Hill is a former director of the board of the Company. In addition, Mr. Hill has a 33 % ownership stake in Groom Hill, who has invoiced the Group for board fees and consultancy services. For the years ending 31 December 2017 and 2016, respectively, the transactions between the Group and Groom Hill, the yearly board fee excluded, amounted to a total of USD 38,000 and USD 118,000.

Annerieke Vonk, a long term partner of Mr. Haico Halbesma, former CEO of the Company, and Mr. Haico Halbesma rented their private apartment to Group employees. For the years ending 31 December 2017 and 2016, respectively, the transactions between the Group and Annerieke Vonk amounted to a total of USD 4,000 and USD 25,000.

Mr. Wilhelm Bøhn, former interim CFO of the Company, provided consultancy services through his controlled company, Imperator AS. The transactions between the Group and Imperator AS amounted to a total of USD 887,000 for the year ending 31 December 2018.

Former Chairman of the board, Mr. Hessel Halbesma, is also shareholder in the company Heleos Energy Holding B.V. For the year ended 31 December 2016, the Group reported an income of USD 199,000 from Heleos Technology GmbH, which related to the usage of KCI the engineers BV's engineering services.

Mr. Haico Halbesma is the former CEO of the Company., Mr. Haico Halbesma has been providing management consulting services for the function of CEO to the Group through his controlled company, Heer Holland BV. For the six months ended 30 June 2018, the transactions between the Group and Heer Holland BV amounted to a total of USD 111,000. For the year ending 31 December 2017 and 2016, respectively, the transactions between the Group and Heer Holland BV amounted to a total of USD 409,000 and USD 392,000.

Further, as a consequence of the successful completion of the restructuring strategy, Mr. Haico Halbesma's controlled company, Feastwood Holdings Limited became entitled to a bond and bank loan bonus of EUR 300,000. The bonus, however, was withdrawn upon Mr. Haico Halbesma's request, which was approved by the board of directors on

15 December 2017. During the year ending 31 December 2016, Feastwood Holdings Limited invoiced an amount of USD 691,000 for various consultancy services.

Former chairman, Mr. Hessel Halbesma, and former CEO, Mr. Haico Halbesma, controlled the company Feastwood Holding Ltd, through which they invoiced services to the Group. The services provided through Feastwood Holding Ltd. included, amongst others, board services, exclusive access to personal network and business partners, maintenance and development of partnership agreements, sourcing and strategic development related to financing the group and general support to various management functions within the Group. The transactions between the Group Feastwood Holding Ltd. (1) amounted to a total of USD 49,000 for the six months ending 30 June 2018 and USD 412,000 and USD 1,855,000 respectively, for the years ending 31 December 2017, 2016 and 2015 respectively. Further, the Group had recharges related to disbursements for an amount of USD 28,000 for the six months ended 30 June 2018 and USD 385,000 and USD 190,000 for the years ended 31 December 2017 and 2016 respectively.

Former chairman, Mr. Hessel Halbesma, and former CEO, Mr. Haico Halbesma, have provided communication services to the Group for an amount of USD 33,000 and USD 96,000 for the years ending 31 December 2017 and 2016 respectively, through their controlled company Challenger Management Services S.A.M..

Former chairman, Mr. Hessel Halbesma, and former CEO, Mr. Haico Halbesma, have been invoicing the Group for the rental of office space through their controlled company Toha Invest BV. For the years ending 31 December 2017 and 2016 respectively, the transactions between the Group and Toha Invest BV amounted to a total of USD 349,000 and USD 305,000 respectively. For the six months ended 30 June 2018, the transactions amounted to USD 4,000. The rental agreement was terminated per 31 March 2017.

Former chairman, Mr. Hessel Halbesma, and former CEO, Mr. Haico Halbesma, have been invoicing, amongst other, consultancy work, IT maintenance and licensing fees, through their controlled company 4C Offshore Ltd. for an amount of USD 29,000 for the six months ended 30 June 2018, and USD 222,000 and USD 223,000 for the years ending 31 December 2017 and 2016, respectively.

On 13 April 2018, the Group, Mr. Haico Halbesma, Mr. Hessel Halbesma, Feastwood Holding Ltd., Feastwood Holdings Limited, Heer Holland B.V., Toha Invest B.V., and Challenger Management Services S.A.M reached a settlement agreement in which the parties agreed to settle all claims by the Halbesma family and their affiliates by way of a settlement amount of NOK 5,000,000. The settlement amount was settled through a right and obligation to subscribe for 10,000,000 shares in the Company at a subscription price of NOK 0.50 through a share capital increase by conversion of the settlement amount into equity. Feastwood Holding Limited subscribed for 10,000,000 shares in the Company on 4 May 2018. The settlement amount will lead to a loss for the Group of approximately USD 58,497, which is not reflected in the financial statements as of and for the year ended 31 December 2017.

In addition, the Group has made various transactions with non-consolidated companies, amounting to the following balance as at 31 December 2017:

<i>USD million</i>	<b>Interest Income</b>		<b>Management Fee Income</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
Oceanteam Bourbon 101 AS	-	2	217	35
Oceanteam Bourbon Investments AS	22	33	12	12
North Ocean 105 AS	94	200	-	-

## 14.2 Corporate Investigation

At the annual general meeting of the Company which was held on 30 June 2017, the shareholders resolved to approve the annual accounts for 2016 against the votes of 24.88% of the attending shareholders. Following the annual general meeting, shareholders representing more than 1/20 of the share capital in the Company summoned an extraordinary general meeting in order to pass upon a proposal for a corporate investigation pursuant to the Norwegian Limited Liability Companies Act section 5-25 (1). The scope of the proposed investigation concerned related party transactions between the Group and members, at that time, of the board of directors and the CEO. The extraordinary general meeting was held on 4 August 2017 and the proposal to initiate an investigation was rejected with 75,27 % of the votes against the votes of 24.75% of the attending shareholders who supported such investigation. Following the rejection of the proposed investigation, on 20 August 2017, one of the Company's minority shareholders filed a petition to the Bergen District Court (Nw. Bergen tingrett) to initiate a court sanctioned corporate investigation of the Company

pursuant to the Norwegian Public Limited Liability Companies Act section 5-25 second paragraph. On 8 February, 2018, the Bergen District Court passed a ruling to initiate such corporate investigation of certain related party transactions in the Company.

The corporate investigation commenced around 20 February 2018, when the Bergen District Court appointed Nicolai Skridshol from the law firm Advokatfirmaet Stenstrup Stordrange DA to conduct the investigation. The investigation is, as of the date of this Prospectus, ongoing, and, as of the date of this Prospectus, the Company does not have knowledge as to whether the investigation has uncovered any findings or as to when the results of the investigation is scheduled to be disclosed.

The mandate for the investigator, as set out in the ruling from the Bergen District Court dated 8 February 2018, and as later specified by Mr. Skridshol, is to (i) investigate the factual circumstances, in the time period from 1 January 2013 until 31 December 2017, related to (a) related party transactions and agreements between the Company and Mr. Haico Halbesma, Mr. Hessel Halbesma and members of the board of directors, and between their respective related parties and the Company, referred to in the Company's auditor statement, annual accounts and the auditors communication with the Company, (b) whether there are other related party transactions or agreements than those investigated pursuant to (a), and (c) travel expenses covered by the Company and other forms of remuneration from the Company to Mr. Haico Halbesma, Mr. Hessel Halbesma and members of the board of directors; and (ii) to conduct a legal assessment of whether the factual circumstances uncovered through (i) are in violation the provisions governing related party transactions in the Norwegian Public Limited Liability Companies Act.

Pursuant to the Norwegian Public Limited Liability Companies Act, the costs of these types of corporate investigations are for the account of the company under investigation. In accordance with the ruling of the Bergen District Court, the Company has deposited NOK 3,000,000 on account of estimated investigation costs. Further, on 24 September 2018, pursuant to a motion by Mr. Skridshol, Bergen City Court passed a ruling for the Company to deposit an additional NOK 3,000,000 on account of estimated investigation costs. On 23 January, pursuant to a second motion by Mr. Skridshol, Bergen District Court passed a ruling for the Company to deposit an additional NOK 3,000,000 on account of estimated investigation costs.

## **15 LEGAL AND ARBITRATION PROCEEDINGS**

From time to time, the Group may be involved in litigation, disputes and other legal proceedings arising in the normal course of its business.

### **Dispute with 4C Offshore Limited**

In August 2018, 4C Offshore Limited filed a complaint towards the Company to appear before the Conciliation Board, claiming settlement of alleged claims of approximately GBP 265,000 and EUR 6,782, interest excluded. The Company is of the opinion that the complaint is unwarranted, as all claims were settled through the Halbesma Settlement. The Conciliation Board rejected to further handle the case, and per January 2019, 4C Offshore Limited has filed a petition before the Oslo City Court (Nw: Oslo tingrett) and before the court in Amsterdam, the Netherlands. As at the date of this Prospectus the dispute has not been settled, and the outcome cannot be predicted with certainty.

### **Dispute with Former Managing Director Oceanteam Solutions**

In November 2017, a former employee (Mr. A. van Doorn), initiated a law suit towards Oceanteam Shipping B.V regarding unpaid bonus and phantom shares, claiming an amount of EUR 120,000 plus statutory interest. In the same procedure, Oceanteam Shipping B.V. claims an amount of EUR 765,000 net for penalties (due for the alleged breach of contractual obligations) and research costs (forensic investigation on the outcome of which the penalty claim is based). The claim against Mr. Van Doorn may be higher if the damages incurred as a result of said breach turns out to be higher than the penalty-amount. The court has ruled that Mr. van Doorn must provide evidence to support his core defence statement. Witness hearings took place in November 2018 and will continue in January 2019. As the outcome of the witness hearing is a crucial element in this procedure it is impossible to provide an assessment on the possible judgement of the court, however, the exposure of Oceanteam Shipping B.V. shall not exceed the above mentioned sums.

Other than as disclosed above, the Group is not, nor has it been during the course of the twelve months preceding the date of this Prospectus, involved in any material governmental, legal or arbitration proceedings (and the Company is not aware of any such proceedings which are pending or threatened) which may have, or have had in the recent past, significant effects on the Group's financial position or profitability.

## 16 CORPORATE INFORMATION; THE SHARES AND SHARE CAPITAL

The following is a summary of certain corporate information and other information relating to the Company, the Shares and share capital of the Company, summaries of certain provisions of the Company's Articles of Association and applicable Norwegian law in effect as of the date of this Prospectus, including the Norwegian Public Limited Liability Companies Act (Nw. *allmennaksjeloven*). This summary does not purport to be complete and is qualified in its entirety by Company's Articles of Association and applicable Norwegian law.

### 16.1 Incorporation, Company Registration Number, Registered Office and Other Company Data

The Company, Oceanteam ASA, is a Norwegian public limited liability company (Nw. *allmennaksjeselskap* or ASA), incorporated under the laws of Norway and in accordance with the Norwegian Public Limited Liability Companies Act. The Company's business registration number is 988788945. The Company was incorporated on 27 October 2005 by Oceanteam Holding B.V.

The head office of the Company, and the Company's registered address is at Tveitaråsveien 12, 5232 Paradis, Norway. Its telephone number is +47 55 10 82 40, and its web-site is [www.oceanteam.nl](http://www.oceanteam.nl).

### 16.2 Information on Holdings

The following table sets out information about the entities in which the Company, as of the date of this Prospectus, holds (directly or indirectly) more than 10% of the outstanding capital and votes (dormant companies are not included).

	<b>Country of Incorporation</b>	<b>Registered Office</b>	<b>% Holding</b>
Oceanteam II B. V.	Netherlands	Amsterdam, Netherlands	100
RentOcean B.V.	Netherlands	Amsterdam, Netherlands	100
North Ocean 309 AS	Norway	Bergen, Norway	100
Oceanteam Bourbon 4 AS	Norway	Bergen, Norway	50
Oceanteam Shipping B.V.	Netherlands	Amsterdam, Netherlands	100
Oceanteam Mexico B.V.	Netherlands	Amsterdam, Netherlands	100
Oceanteam Mexico S.A. de C.V.	Mexico	Cd del Carmen, Mexico	90 <sup>(1)</sup>
DOT Holdings AS	Norway	Bergen, Norway	40
DOT Shipping BV	Netherlands	Amsterdam, Netherlands	40
Norhol S.A.P.I. de C.V.	Mexico	Mexico City, Mexico	40
Diavaz Oceanteam Servicios Navieros S.A.P.I. de C.V.	Mexico	Mexico City, Mexico	40
Oceanteam Bourbon 101 AS	Norway	Bergen, Norway	50
Oceanteam Bourbon Investments AS	Norway	Bergen, Norway	50
Oceanteam Solutions B.V.	Netherlands	Amsterdam, Netherlands	100
DOT Shipping AS	Norway	Bergen, Norway	40 <sup>(2)</sup>
DOT Radiance Pte Ltd	Singapore	Singapore	20 <sup>(3)</sup>

<sup>(1)</sup> The Group holds 90% of the outstanding capital and 49% of the voting rights.

<sup>(2)</sup> The Group holds 40% of the outstanding capital and 60% of the voting rights.

<sup>(3)</sup> The Group holds approximately 20% through DOT Holdings AS.

### 16.3 Share Capital and Recent Share Capital Development

As of the date of this Prospectus, the Company's share capital is NOK 394,896,569, divided into 789,793,138 shares, each Share having a par value of NOK 0.5.

As of 1 January 2016, which is the date of commencement of the period covered by the historical financial information included in this Prospectus, the Company's share capital was NOK 14,796,629.50, divided into 29,593,259 Shares. On 24 April 2018, the Company's share capital was increased with NOK 310,367,850 to 325,164,479.5, by the issuance of 620,735,700 Shares as a result of the First Bond Debt Conversion. On 8 May 2018, the Company's share capital was increased with NOK 25,000,000, by the issuance of 50,000,000 Shares in connection with the Cordia Placement and the Halbesma Claims Settlement. Accordingly, More than 10% of the share capital has been paid for

with assets other than cash. On 7 November 2018 the Board of Directors, pursuant to a power of attorney granted by the shareholders of the Company, has issued 1,000,000 shares pursuant to the settlement agreement with Ms. Pos as indicated in section 14.1 "Related Parties' Transactions". On 12 December 2018 the Company's share capital was increased with NOK 44,232,089.50 to NOK 394,896,569 by the issuance of 88,464,179 shares in connection with the Second Bond Debt Conversion.

All of the Company's Shares have been created under the Norwegian Public Limited Liability Companies Act as validly issued and fully paid. The Company has one share class in issue and all Shares in the Company rank in parity with one another and carry one vote per Share.

As of the date of this Prospectus, the Company holds 2,934,176 Shares in treasury, with a book value of NOK 1,923,562 (USD 234,438) and each having a nominal value of NOK 0.50.

#### **16.4 Admission to Trading and VPS Registrar**

The Company's Shares are registered in book-entry form in the VPS. The company's register of shareholders in VPS is administrated by Danske Bank, Registrar Department, company address Søndra Gate 15, 7011 Trondheim.

701,328,959 of the Company's Shares are registered under ISIN NO0010317316 and listed on the Oslo Stock Exchange. The Shares issued in the Second Bond Debt Conversion are registered with the Norwegian Central Securities Depository, or the VPS, under ISIN NO0010839384 separate from the ordinary ISIN of the Shares of the Company and are expected to be admitted to trading on the Oslo Stock Exchange pending publication of this Prospectus. The Company has not applied for admission to trading of the Shares on any other stock exchange or regulated market.

#### **16.5 Authorisations to Increase the Share Capital and to Issue Shares and Other Instruments**

At the extraordinary general meeting of the Company held on 30 November 2018, the board of directors was given an authorisation to increase the Company's share capital with up to NOK 188,271,046 by issuing new Shares in the Company in order to finance transactions. The authorisation expires on 30 November 2020.

#### **16.6 Other Financial Instruments**

As of the date of this Prospectus, the Company does not have any warrants, convertible loans, options or other instruments convertible into Shares in issue.

#### **16.7 Shareholder Rights**

Norwegian law permits a Norwegian public limited liability company to issue different types of shares (e.g. several classes of shares). In such case the resolution by the shareholders at a general meeting must specify the different rights, preferences and privileges of each class of shares and the total par value of each class of shares and the total value of all classes of shares combined. The Company has one class of Shares in issue, and in accordance with the Norwegian Public Limited Liability Companies Act all Shares in that class provide equal rights in the Company, including the right to any dividend. Each Share in the Company carries one vote. The rights attaching to the Shares are described in Section 16.9 "—Certain Aspects of Norwegian Corporate Law".

#### **16.8 Articles of Association**

Pursuant to Section 3 of the Articles of Association, 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. Pursuant to Section 5 of the Articles of Association, the board of directors of the company shall consist of 3 directors as from time to time resolved by the general meeting. There are no conditions imposed by the Articles of Association which set out more stringent conditions for the exercise of rights attaching to the Shares than required by statutory law.

The Company's Articles of Association as of the date of this Prospectus read as follows (office translation from Norwegian):

## **ARTICLES OF ASSOCIATION OCEANTEAM ASA**

### § 1 – Company Name

The name of the company is Oceanteam ASA. The company is a Public Limited Liability Company.

### § 2 – Registered office

The company's registered office is located in the municipality of Bergen.

### § 3 – Company's business

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.

### § 4 – Share capital

The share capital of the company is NOK 394,896,569 divided into 789,793,138 shares with a nominal value of NOK 0.5 each.

### § 5 – Board of directors

The board of directors of the company shall consist of 3 directors as from time to time resolved by the general meeting.

### § 6 – Signatory rights

The chairman of the board of directors and one director jointly may sign for and on behalf of the company.

The board of directors may grant power of procuration.

### § 7 – General Meeting

The ordinary general meeting shall deal with and decide upon the following matters:

Approval of the annual accounts and the annual report, including distribution of dividend.

Any other business to be transacted at the general meeting by law or in accordance with the Articles of Association.

The general meeting is summoned by the board of directors. Summons to be dispatched in writing to all shareholders with known address. Notice may be given by mail, facsimile or other electronic means (e-mail).

Documents regarding matters that shall be discussed at the general meeting, including documents where there is a statutory requirement to include or attach them to the notice of the general meeting, need not to be sent to the shareholder if the documents are available at the company's internet website. A shareholder may nevertheless request to have sent documents regarding matters to be discussed at the general meeting.

### § 8 – Shareholders' right to attend the general meeting

Shareholders wishing to attend the general meeting must notify the company within a certain time limit stated in the summons, which must not expire earlier than five days before the general meeting.

Shareholders failing to notify the company within the specified time limit may be denied access to the meeting.

Shareholders may only attend and vote at the general meeting provided that their ownership of shares has been registered in the shareholders' register at least five business days prior to the general meeting.

#### § 9 – Transferability of the shares

Transfer of shares does not require the consent of the company, and the shareholders do not have pre-emption rights.

\* \* \*

## 16.9 Certain Aspects of Norwegian Corporate Law

### General Meetings

In accordance with Norwegian law, the annual general meeting of the Company's shareholders is required to be held each year on or prior to 30 June. Norwegian law requires that written notice of general meetings setting forth the time, date and agenda of the meeting is sent to all shareholders whose addresses are known at least three weeks prior to the date of the meeting. A shareholder may vote at the general meeting either in person or by proxy. All of the Company's shareholders who are registered in the register of shareholders maintained with the VPS as of the date of the general meeting, or who have otherwise reported and documented ownership to Shares, are entitled to participate at general meetings, without any requirement of pre-registration. The Company's Articles of Association do however provide that the board of directors can require shareholders to pre-register in order to participate at general meetings if that is specified in the notice for the general meeting. Such date for pre-registration shall in any event not fall later than five (5) days prior to the general meeting.

Apart from the annual general meeting, extraordinary general meetings of shareholders may be held if the board of directors considers it necessary. An extraordinary general meeting of shareholders must also be convened for the consideration of specific matters at the written request of the Company's auditor or of shareholders representing a total of at least 5% of the Company's share capital. The requirements for notice and admission to the annual general meeting of the Company's shareholders also apply for extraordinary general meetings of shareholders.

### Voting Rights; Amendments to the Articles of Association

Each of the Company's Shares carry one vote. In general, decisions that shareholders are entitled to make under Norwegian law or the Company's Articles of Association may be made by a simple majority of the votes cast. In the case of elections, the persons who obtain the greatest number of votes cast are elected. However, as required under Norwegian law, certain decisions, including resolutions to derogate from the shareholders preferential rights to subscribe in connection with any share issue in the Company, to approve a merger or demerger of the Company, to amend the Articles of Association, to authorise an increase or reduction in the share capital, to authorise an issuance of convertible loans or warrants by the Company or to authorise the board of directors to purchase the Shares and hold them as treasury shares or to dissolve the Company, must receive the approval of at least two-thirds of the aggregate number of votes cast as well as at least two-thirds of the share capital represented at a general meeting. Norwegian law further requires that certain decisions, which have the effect of substantially altering the rights and preferences of any shares or class of shares, receive the approval by the holders of such shares or class of shares as well as the majority required for amending the Articles of Association.

Decisions that (i) would reduce the rights of some or all of the Company's shareholders in respect of dividend payments or other rights to assets or (ii) restrict the transferability of the Shares, require that at least 90% of the share capital represented at the general meeting of the Company's shareholders in question vote in favour of the resolution, as well as the majority required for amending the Articles of Association. Certain types of changes in the rights of shareholders require the consent of all shareholders affected thereby as well as the majority required for amending the Articles of Association.

In general, only shareholders registered in the VPS are entitled to vote on Shares. Neither beneficial owners of Shares that are registered in the name of a nominee are generally not entitled to vote on Shares under Norwegian law, nor are persons who are designated in the VPS register as the holder of such Shares as nominees.

There are no quorum requirements that apply to the general meetings of the shareholders of the Company.

## **Rights to Dividends and Liquidation Proceeds**

All Shares carry equal rights to dividends as well as to the Company's assets and potential surplus in the event of liquidation. Resolutions regarding dividends are suggested by the board of directors on a discretionary basis and passed by the General Meeting. All shareholders registered as shareholders in the shareholder register maintained with VPS on the record date adopted by the General Meeting are entitled to receive dividends. Dividends are normally distributed to shareholders as a cash payment per share through VPS, but may also be paid out in a manner other than cash (in-kind dividend). If shareholders cannot be reached through VPS, such shareholder still retains its claim on the Company to the dividend amount, subject to a statutory limitation of ten years. Upon the expiry of the limitation period, the dividend amount shall pass to the Company.

There are no restrictions on the right to dividends for shareholders domiciled outside Norway. Under Norwegian foreign exchange controls currently in effect, transfers of capital to and from Norway are not subject to prior government approval except for the physical transfer of payments in currency, which is restricted to licensed banks. Consequently, a non-Norwegian resident may receive dividend payments without Norwegian exchange control consent if such payment is made only through a licensed bank.

For information about certain legal constraints on the distribution of dividends, see Section 11.2 "Dividends and Dividend Policy—Legal Constraints on the Distribution of Dividends".

## **Additional Issuances and Preferential Rights**

If the Company issues any new Shares, including bonus issues, the Company's Articles of Association must be amended, which requires the same vote as other amendments to its Articles of Association. In addition, under Norwegian law, the Company's shareholders have preferential rights to subscribe for new Shares issued by the Company. Preferential rights may be derogated from by resolution at a general meeting passed by the same vote required to approve amendments to the Articles of Association. A derogation of the shareholders' preferential rights in respect of bonus issues requires the approval of all outstanding Shares.

At a general meeting the Company's shareholders may, by the same vote as is required for amending the Articles of Association, authorise the board of directors to issue new Shares, and to derogate from the preferential rights of shareholders in connection with such issuances. Such authorisation may be effective for a maximum of two years, and the par value of the Shares to be issued may not exceed 50% of the registered nominal share capital when the authorisation is registered with the Norwegian Register of Business Enterprises.

Under Norwegian law, the Company may increase its share capital by bonus issues, subject to approval by the Company's shareholders, by transfer of equity capital from the Company's distributable equity or from the Company's share premium reserve to nominal share capital, and thus the share capital increase does not require any payment by the shareholders. Any bonus issues may be effectuated either by issuing new shares to the Company's existing shareholders or by increasing the par value of the Company's outstanding Shares.

## **Minority Rights**

Norwegian law sets forth a number of protections for minority shareholders of the Company, including, but not limited to those described in this paragraph and the description of general meetings as set out above under the caption "—General Meetings". Any of the Company's shareholders may petition Norwegian courts to have a decision by the board of directors or the Company's shareholders made at the general meeting declared invalid on the grounds that it unreasonably favours certain shareholders or third parties to the detriment of other shareholders or the Company itself. The Company's shareholders may require the courts to dissolve the Company as a result of such decisions. Minority shareholders holding 5% or more of the Company's share capital have a right to demand in writing that the Company's board of directors convene an extraordinary general meeting to discuss or resolve specific matters. In addition, any of the Company's shareholders may in writing demand that the Company place an item on the agenda for any general meeting as long as the Company is notified in time for such item to be included in the notice of the meeting. If the notice already has been issued when such a written demand is presented, a renewed notice must be issued if at least two weeks remain before the general meeting is to be held.

## **Rights of Redemption and Repurchase of Shares**

The share capital of the Company may be reduced by reducing the par value of the Shares or by cancelling Shares. Such a decision requires the approval of at least two-thirds of the votes cast and at least two-thirds of the share

capital represented at a general meeting of the Company's shareholders. Redemption of individual Shares requires the consent of the holders of the Shares to be redeemed.

The Company may purchase its own Shares provided that the board of directors has been granted an authorisation to do so by the shareholders at a general meeting of the Company's shareholders with the approval of at least two-thirds of the votes cast and at least two-thirds of the share capital represented at the meeting. The aggregate par value of treasury shares so acquired, and held by the Company must not exceed 10% of the Company's share capital, and treasury shares may only be acquired if the Company's distributable equity, according to the latest adopted balance sheet, exceeds the consideration to be paid for the shares. An authorisation cannot be granted for a period exceeding 18 months.

### **Shareholder Vote on Certain Reorganisations**

A decision to merge with another company or to demerge requires a resolution by the shareholders at a general meeting passed by at least two-thirds of the votes cast and at least two-thirds of the share capital represented at the meeting. A merger plan, or demerger plan signed by the board of directors along with certain other required documentation, would have to be sent to all the Company's shareholders at least one month prior to the general meeting held to pass upon the matter.

### **Liability of Directors**

Members of the board of directors owe a fiduciary duty to the Company and its shareholders. Such fiduciary duty requires that the directors act in the best interests of the Company when exercising their powers as directors, and that they generally show loyalty and care towards the Company. The principal task of the directors, in their capacities of directors, is to safeguard the interests of the Company.

Members of the board of directors may each be held liable for any damage they negligently or wilfully cause the Company. Norwegian law permits the shareholders at general meetings to discharge any such person from liability, but such discharge is not binding on the Company if substantially correct and complete information was not provided to the shareholders prior to passing upon the matter. If a resolution to discharge the Company's directors from liability or not to pursue claims against such a person has been passed by a general meeting of the Company's shareholders with a smaller majority than that required to amend the Company's Articles of Association, shareholders representing more than 10% of the share capital or, if there are more than 100 shareholders, more than 10% of the shareholders may pursue the claim on the Company's behalf and in its name. The cost of any such action is not the Company's responsibility but can be recovered from any proceeds that the Company receives as a result of the action. If the decision to discharge any of the directors from liability or not to pursue claims against the directors is made by such a majority as is necessary to amend the Articles of Association, the minority shareholders cannot pursue such claim in the Company's name.

### **Indemnification of Directors**

Neither Norwegian law nor the Articles of Association of the Company contains any provision concerning indemnification by the Company of the members of the board of directors. The Company is permitted to purchase, and has purchased, insurance to cover the Company's directors against certain liabilities that they may incur in their capacity as such.

### **Distribution of Assets on Liquidation**

Under Norwegian law, the Company may be wound-up by a resolution of the Company's shareholders at the general meeting passed by at least two-thirds of the votes cast and at least two-thirds of the share capital represented at the meeting. In the event of a liquidation, the Shares rank equally in respect of return on capital by the Company, if any.

## **17 SECURITIES TRADING IN NORWAY**

The following is a summary of certain information in respect of trading and settlement of shares on the Oslo Stock Exchange, securities registration in Norway and certain provisions of applicable Norwegian securities law in effect as of the date of this Prospectus. This summary does not purport to be complete and is qualified in its entirety by Norwegian law.

### **17.1 Trading and Settlement**

Trading of equities on the Oslo Stock Exchange is carried out in the electronic trading system Millennium Exchange. This trading system is in use by all markets operated by the London Stock Exchange, including Borsa Italiana, as well as the Johannesburg Stock Exchange.

Official trading on the Oslo Stock Exchange takes place between 9:00 hours CET and 16:20 hours CET each trading day, with pre-trade period between 08:15 hours (CET) and 09:00 hours (CET), closing auction from 16:20 hours (CET) to 16:25 hours (CET) and a post-trade period from 16:25 hours (CET) to 17:30 hours (CET). Reporting of after exchange trades can be done until 17:30 hours (CET).

The settlement period for trading on the Oslo Stock Exchange is two trading days (T+2). This means that securities will be settled on the investor's account in the VPS two days after the transaction, and that the seller will receive payment after two days.

Oslo Clearing ASA, a wholly-owned subsidiary of SIX x-clear AG, a company in the SIX group, has a license from the Norwegian FSA to act as a central clearing service, and has from 18 June 2010 offered clearing and counterparty services for equity trading on the Oslo Stock Exchange.

Investment services in Norway may only be provided by Norwegian investment firms holding a license under the Norwegian Securities Trading Act, branches of investment firms from a member state of the EEA or investment firms from outside the EEA that have been licensed to operate in Norway. Investment firms in an EEA member state may also provide cross-border investment services into Norway.

### **17.2 Information, Control and Surveillance**

Under Norwegian law, the Oslo Stock Exchange is required to perform a number of surveillance and control functions. The Surveillance and Corporate Control unit of the Oslo Stock Exchange monitors all market activity on a continuous basis. Market surveillance systems are largely automated, promptly warning department personnel of abnormal market developments.

Under Norwegian law, an issuer with its shares listed on a Norwegian regulated market must promptly release any inside information (that is, precise information about financial instruments, the issuer thereof or other matters that are likely to have a significant effect on the price of the relevant financial instruments or related financial instruments, and that are not publicly available or commonly known in the market). An issuer may, however, delay the release of such information in order not to prejudice its legitimate interests, provided that it is able to ensure the confidentiality of the information and that the delayed release would not be likely to mislead the public. The Oslo Stock Exchange may levy fines on issuers violating these requirements.

### **17.3 The VPS and Transfer of Shares**

The Company's shareholder register is operated through the VPS. The VPS is the Norwegian paperless centralised securities register. It is a computerised bookkeeping system in which the ownership of, and all transactions relating to, Norwegian listed shares must be recorded. The VPS and the Oslo Stock Exchange are both wholly owned by Oslo Børs VPS Holding ASA.

All transactions relating to securities registered with the VPS are made through computerised book entries. No physical share certificates are, or may be, issued. The VPS confirms each entry by sending a transcript to the registered shareholder irrespective of any beneficial ownership. To give effect to such entries, the individual shareholder must establish a share account with a Norwegian account agent. Norwegian banks, authorised securities brokers in Norway and Norwegian branches of credit institutions established within the EEA are allowed to act as account agents.

The entry of a transaction in the VPS is *prima facie* evidence in determining the legal rights of parties as against the issuing company or any third party claiming an interest in the given security.

The VPS is liable for any loss suffered as a result of faulty registration or an amendment to, or deletion of, rights in respect of registered securities unless the error is caused by matters outside the VPS's control which the VPS could not reasonably be expected to avoid or overcome the consequences of. Damages payable by the VPS may, however, be reduced in the event of contributory negligence by the aggrieved party.

The VPS must provide information to the Norwegian FSA on an on-going basis, as well as any information that the Norwegian FSA requests. Further, Norwegian tax authorities may require certain information from the VPS regarding any individual's holdings of securities, including information about dividends and interest payments.

#### **17.4 Shareholder Register**

Under Norwegian law, shares are registered in the name of the beneficial owner of the shares. As a general rule, there are no arrangements for nominee registration, and Norwegian shareholders are not allowed to register their shares in the VPS through a nominee. However, foreign shareholders may register their shares in the VPS in the name of a nominee (bank or other nominee) approved by the Norwegian FSA. An approved and registered nominee has a duty to provide information on demand about beneficial shareholders to the issuer and to the Norwegian authorities. In case of registration by nominees, the registration in the VPS must show that the registered owner is a nominee. A registered nominee has the right to receive dividends and other distributions but cannot vote on shares at general meetings on behalf of the beneficial owners.

#### **17.5 Foreign Investment in Norwegian Shares**

Foreign investors may trade shares listed on the Oslo Stock Exchange through any broker that is a member of the Oslo Stock Exchange, whether Norwegian or foreign.

#### **17.6 Disclosure Obligations**

If a person's, entity's or consolidated group's proportion of the total issued shares and/or rights to shares in an issuer with its shares listed on a regulated market in Norway (with Norway as its home state, which will be the case for the Company) reaches, exceeds or falls below the respective thresholds of 5%, 10%, 15%, 20%, 25%, 1/3, 50%, 2/3 or 90% of the share capital or the voting rights of that issuer, the person, entity or group in question has an obligation under the Norwegian Securities Trading Act to notify the Oslo Stock Exchange and the issuer immediately. The same applies if the disclosure thresholds are passed due to other circumstances, such as a change in the company's share capital.

#### **17.7 Insider Trading**

According to Norwegian law, subscription for, purchase, sale or exchange of financial instruments that are listed, or subject to the application for listing, on a Norwegian regulated market, or incitement to such dispositions, must not be undertaken by anyone who has inside information, as defined in the Norwegian Securities Trading Act. The same applies to the entry into, purchase, sale or exchange of options or futures/forward contracts or equivalent rights whose value is connected to such financial instruments or incitement to such dispositions.

#### **17.8 Mandatory Offer Requirement**

The Norwegian Securities Trading Act requires any person, entity or consolidated group that becomes the owner of shares representing more than one-third of the voting rights of a Norwegian issuer with its shares listed on a Norwegian regulated market to, within four weeks, make an unconditional general offer for the purchase of the remaining shares in that issuer. A mandatory offer obligation may also be triggered where a party acquires the right to become the owner of shares that, together with the party's own shareholding, represent more than one-third of the voting rights in the issuer and the Oslo Stock Exchange decides that this is regarded as an effective acquisition of the shares in question.

The mandatory offer obligation ceases to apply if the person, entity or consolidated group sells the portion of the shares that exceeds the relevant threshold within four weeks of the date on which the mandatory offer obligation was triggered.

When a mandatory offer obligation is triggered, the person subject to the obligation is required to immediately notify the Oslo Stock Exchange and the issuer in question accordingly. The notification is required to state whether an offer will be made to acquire the remaining shares in the issuer or whether a sale will take place. As a rule, a notification to the effect that an offer will be made cannot be retracted. The offer is subject to approval by the Oslo Stock Exchange, in its capacity as Take-over Authority of Norway, before the offer is submitted to the shareholders or made public.

The offer price per share must be at least as high as the highest price paid or agreed to be paid by the offeror for the shares in the six-month period prior to the date the threshold was exceeded. If the acquirer acquires or agrees to acquire additional shares at a higher price prior to the expiration of the mandatory offer period, the acquirer is required to restate its offer at such higher price. A mandatory offer must be in cash or contain a cash alternative at least equivalent to any other consideration offered.

In case of failure to make a mandatory offer or to sell the portion of the shares that exceeds the relevant mandatory offer threshold within four weeks, the Oslo Stock Exchange may force the acquirer to sell the shares exceeding the threshold by public auction. Moreover, a shareholder who fails to make an offer may not, as long as the mandatory offer obligation remains in unfulfilled, exercise rights in the issuer, such as voting on shares at general meetings of the Company's shareholders, without the consent of a majority of the remaining shareholders. The shareholder may, however, exercise his rights to dividends and pre-emption rights in the event of a share capital increase. If the shareholder neglects his duty to make a mandatory offer, the Oslo Stock Exchange may impose a cumulative daily fine that accrues until the circumstance has been rectified.

Any person, entity or consolidated group that owns shares representing more than one-third of the votes in a Norwegian issuer with its shares listed on a Norwegian regulated market is required to make an offer to purchase the remaining shares of the issuer (repeated offer obligation) if the person, entity or consolidated group through acquisition becomes the owner of shares representing 40% or more of the votes in the issuer. The same applies correspondingly if the person, entity or consolidated group through acquisition becomes the owner of shares representing 50% or more of the votes in the issuer. The mandatory offer obligation ceases to apply if the person, entity or consolidated group sells the portion of the shares which exceeds the relevant threshold within four weeks of the date on which the mandatory offer obligation was triggered.

Any person, entity or consolidated group that has passed any of the above mentioned thresholds in such a way as not to trigger the mandatory bid obligation, and has therefore not previously made an offer for the remaining shares in the company in accordance with the mandatory offer rules is, as a main rule, required to make a mandatory offer in the event of a subsequent acquisition of shares in the company.

## **17.9 Compulsory Acquisition**

Pursuant to the Norwegian Public Limited Liability Companies Act and the Norwegian Securities Trading Act, a shareholder who, directly or through subsidiaries, acquires shares representing 90% or more of the total number of issued shares in a Norwegian public limited liability company, as well as 90% or more of the total voting rights, has a right, and each remaining minority shareholder of the issuer has a right to require such majority shareholder, to effect a compulsory acquisition for cash of the shares not already owned by such majority shareholder. Through such compulsory acquisition the majority shareholder becomes the owner of the remaining shares with immediate effect.

If a shareholder acquires shares representing 90% or more of the total number of issued shares, as well 90% or more of the total voting rights, through a voluntary offer in accordance with the Norwegian Securities Trading Act, a compulsory acquisition can, subject to the following conditions, be carried out without such shareholder being obliged to make a mandatory offer: (i) the compulsory acquisition is commenced no later than four weeks after the acquisition of shares through the voluntary offer, (ii) the price offered per share is equal to or higher than what the offer price would have been in a mandatory offer, and (iii) the settlement is guaranteed by a financial institution authorised to provide such guarantees in Norway.

A majority shareholder who effects a compulsory acquisition is required to offer the minority shareholders a specific price per share, the determination of which is at the discretion of the majority shareholder. However, where the offeror, after making a mandatory or voluntary offer, has acquired 90% or more of the voting shares of an issuer and a corresponding proportion of the votes that can be cast at the general meeting, and the offeror pursuant to Section 4-25 of the Public Limited Liability Companies Act completes a compulsory acquisition of the remaining shares within three months after the expiry of the offer period, it follows from the Norwegian Securities Trading Act that the redemption price shall be determined on the basis of the offer price for the mandatory and/or voluntary offer unless specific reasons indicate that another price is the fair price.

Should any minority shareholder not accept the offered price, such minority shareholder may, within a specified deadline of not less than two months, request that the price be set by a Norwegian court. The cost of such court procedure will, as a general rule, be the responsibility of the majority shareholder, and the relevant court will have full discretion in determining the consideration to be paid to the minority shareholder as a result of the compulsory acquisition.

Absent a request for a Norwegian court to set the price, or any other objection to the price being offered in a compulsory acquisition, the minority shareholders would be deemed to have accepted the offered price after the expiry of the specified deadline for raising objections to the price offered in the compulsory acquisition.

#### **17.10 Foreign Exchange Controls**

There are currently no foreign exchange control restrictions in Norway that would potentially restrict the payment of dividends to a shareholder outside Norway, and there are currently no restrictions that would affect the right of shareholders of a Norwegian issuer who are not residents in Norway to dispose of their shares and receive the proceeds from a disposal outside Norway. There is no maximum transferable amount either to or from Norway, although transferring banks are required to submit reports on foreign currency exchange transactions into and out of Norway into a central data register maintained by the Norwegian customs and excise authorities. The Norwegian police, tax authorities, customs and excise authorities, the National Insurance Administration and the Norwegian FSA have electronic access to the data in this register.

## 18 NORWEGIAN TAXATION

This Section describes certain tax rules in Norway applicable to shareholders who are resident in Norway for tax purposes ("**Norwegian Shareholders**") and to shareholders who are not resident in Norway for tax purposes ("**Foreign Shareholders**"). The statements herein regarding taxation are based on the laws in force in Norway as of the date of this Prospectus and are subject to any changes in law occurring after such date. Such changes could be made on a retrospective basis. The following summary does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase, own or dispose of the Shares, and it does not address foreign tax law. Investors are advised to consult their own tax advisors concerning the overall tax consequences of their ownership of Shares. The statements only apply to shareholders who are beneficial owners of Shares. Please note that for the purpose of the summary below, references to Norwegian Shareholders or Foreign Shareholders refers to the tax residency rather than the nationality of the shareholder.

### 18.1 Norwegian Shareholders

#### Taxation of Dividends

Norwegian corporate shareholders (i.e. limited liability companies and similar entities) ("**Norwegian Corporate Shareholders**") are comprised by the participation exemption, and thus generally exempt from tax on dividends received on shares from Norwegian limited liability. However, according to this method, only 3% of the dividend income on shares in Norwegian limited liability companies shall be taxed as ordinary income (23% flat rate), implying that such dividends are effectively taxed at a rate of 0.69%.

Dividends distributed to Norwegian individual shareholders (i.e. other shareholders than Norwegian Corporate Shareholders) ("**Norwegian Individual Shareholders**") are taxable for such shareholder at an effective rate of 30.76% to the extent the distributed dividend exceeds a statutory tax-free allowance (i.e. dividends received, less the tax free allowance, shall be multiplied with 1.33 which are then included as ordinary income taxable at a flat rate of 23%). The tax-free allowance shall be computed for each individual shareholder on the basis of the cost price of each of the shares multiplied by a risk-free interest rate. The risk-free interest rate will be calculated every income year and is allocated to the shareholder owing the share on 31 December of the relevant income year. Any part of the calculated tax-free allowance one year exceeding the dividend distributed on the share ("unused allowance") may be carried forward and set off against future dividends received on (or gains upon realisation of, see below) the same share. Any unused allowance will also be added to the basis of computation of the tax-free allowance on the same share the following year.

#### Taxation of Capital Gains

Sale, redemption or other disposal of shares is considered as a realisation for Norwegian tax purposes.

Capital gains generated by Norwegian Corporate Shareholders through a realisation of shares in Norwegian limited liability companies are comprised by the participation exemption and therefore tax exempt. Net losses from realisation of shares are not tax deductible for Norwegian Corporate Shareholders.

Norwegian Individual Shareholders are taxable in Norway for capital gains on the realisation of shares, and have a corresponding right to deduct losses. This applies irrespective of how long the shares have been owned by the individual shareholder and irrespective of how many shares that are realised. Gains are taxable as ordinary income in the year of realisation, and losses can be deducted from ordinary income in the year of realisation. The current effective tax rate for gain or loss related to shares realised by Norwegian Individual Shareholders is 30.76%. Under current tax rules, gain or loss is calculated per share, as the difference between the consideration received and the tax value of the share. The tax value of each share is based on the individual shareholder's purchase price for the share. Costs incurred in connection with the acquisition or realisation of the shares will be deductible in the year of sale. Unused tax-free allowance connected to a share may be deducted from a capital gain on the same share, but may not lead to or increase a deductible loss. Further, unused tax-free allowance may not be set off against gains from realisation of the other shares.

If a Norwegian shareholder realises shares acquired at different times, the shares that were first acquired will be deemed as first sold (the "first in first out"-principle) upon calculating taxable gain or loss. Costs incurred in connection with the purchase and sale of shares may be deducted in the year of sale.

A shareholder who ceases to be tax resident in Norway due to domestic law or tax treaty provisions may become subject to Norwegian exit taxation of capital gains related to shares in certain circumstances.

## **Net Wealth Tax**

The value of shares is taken into account for net wealth tax purposes in for Norwegian Individual Shareholders in Norway. Currently, the net wealth tax rate is 0.85% of the value assessed to the extent the value of the shares exceeds a statutory tax-free allowance. For assessment purposes, the value shares listed on the Oslo Stock Exchange are equal to 80% of the quoted value as of 1 January in the year of the assessment

Norwegian limited liability companies and similar entities are exempted from net wealth tax.

## **18.2 Foreign Shareholders**

### **Taxation of Dividends**

Dividends paid from a Norwegian limited liability company to Foreign Shareholders are subject to Norwegian withholding tax at a rate of 25% unless the recipient qualifies for a reduced rate according to an applicable tax treaty or other specific regulations. Norway has entered into tax treaties with a number of countries and withholding tax is normally set at 15% under these treaties. The shareholder's home country may give credit for the Norwegian withholding tax imposed on the dividend.

Foreign corporate shareholders (i.e. limited liability companies and similar entities) ("**Foreign Corporate Shareholders**") who are genuinely established and carry out genuine economic activities within the EEA are not subject to Norwegian withholding tax.

Dividends paid to foreign individual shareholders (i.e. other shareholders than Foreign Corporate Shareholders) ("**Foreign Individual Shareholders**") are as a main rule subject to Norwegian withholding tax at a rate of 25%, unless a lower rate has been agreed in an applicable tax treaty. If the individual shareholder is resident within the EEA, the shareholder may apply to the tax authorities for a refund if the tax withheld by the distributing company exceeds the tax that would have been levied according to the regulations described above for Norwegian Individual Shareholders.

In accordance with the present administrative system in Norway, a distributing company will generally deduct withholding tax at the applicable rate when dividends are paid directly to an eligible Foreign Shareholder, based on information registered with the VPS. Dividends paid to Foreign Shareholders in respect of nominee registered shares are not eligible for reduced treaty withholding tax rate at the time of payment unless the nominee, by agreeing to provide certain information regarding beneficial owner, has obtained approval for reduced treaty withholding tax rate from the Central Office for Foreign Tax Affairs.

Foreign Shareholders should consult their own advisers regarding the availability of treaty benefits in respect of dividend payments.

### **Taxation of Capital Gains**

Gains from realisation of shares by Foreign Shareholders will not be subject to tax in Norway unless the Foreign Shareholders are holding the shares in connection with a business which the shareholder takes part in or carries out in Norway. Such taxation may be limited according to an applicable tax treaty.

## **Net Wealth Tax**

Foreign Shareholders are not subject to Norwegian net wealth tax with respect to the Shares, unless the shareholder is an individual, and the shareholding is effectively connected with a business which the shareholder takes part in or carries out in Norway. Such taxation may be limited according to an applicable tax treaty.

## **18.3 Transfer Taxes Etc.; VAT**

No transfer taxes, stamp duty or similar taxes are currently imposed in Norway on purchase, disposal or redemption of shares. Further, there is no VAT on transfer of shares.

## **18.4 Inheritance Tax**

A transfer of shares through inheritance or as a gift does not give rise to inheritance tax in Norway.

## 20 INFORMATION INCORPORATED BY REFERENCE

The Commission Regulation (EC) no. 809/2004 implementing Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 regarding information contained in prospectuses as well as the format, incorporation by reference and publication of such prospectuses and dissemination of advertisements, allow the Company to incorporate by reference information into this Prospectus. The Group's Financial Statements as of and for the years ended 31 December 2017 and 2016, and the audit reports in respect of these Financial Statements, and the Group's Interim Financial Statements as of and for the six months ended 30 June 2018 and 2017, are incorporated by reference into this Prospectus as set out in the cross reference table below. Accordingly, this Prospectus is to be read in conjunction with the information referred to in the cross reference table below. The Financial Statements and the Interim Financial Statements are available at [www. Oceanteam.nl](http://www.Oceanteam.nl).

### Cross Reference Table

The information in this Prospectus should be read in connection with the following cross-reference table. References in the table to "Annex" and "Item" are references to the disclosure requirement as set forth in Commission Regulation (EC) no. 809/2004 implementing Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003, by reference to such Annex (and Item therein) of Commission Regulation (EC) no. 809/2004.

Item	Minimum Disclosure Requirement for the Prospectus (Annex 1)	Reference Document	Part of Reference Document Incorporated by Reference (Page(s) of Reference Document)
20.1	Audited historical financial information.....	<p>Annual Report 2017:</p> <p><a href="http://www.oceanteam.nl/financials/investors/reports-and-presentations/9">http://www.oceanteam.nl/financials/investors/reports-and-presentations/9</a></p> <p>Click document entitled "Annual report 2017"</p> <p>Annual Report 2016:</p> <p><a href="http://www.oceanteam.nl/financials/investors/reports-and-presentations/9">http://www.oceanteam.nl/financials/investors/reports-and-presentations/9</a></p> <p>Click document entitled "Annual Report 2016"</p>	<p>Income statement: page 14-15</p> <p>Balance sheet: pages 16-17</p> <p>Shareholders equity: page 19-20</p> <p>Cash flow analysis: 18</p> <p>Operating segment information: page 37-38</p> <p>Accounting principles and notes: 21-64</p> <p>Income statement: page 49-50</p> <p>Balance sheet: pages 51-52</p> <p>Shareholders equity: page 54-55</p> <p>Cash flow analysis: page 53</p> <p>Operating segment information: page 74</p> <p>Accounting principles and notes: 57-</p>
20.4	Audit Reports .....	<p>Audit Report 2017:</p> <p><a href="http://www.oceanteam.nl/financials/investors/reports-and-presentations/9">http://www.oceanteam.nl/financials/investors/reports-and-presentations/9</a></p> <p>Click document entitled "Annual report 2017"</p> <p>Audit Report 2016:</p> <p><a href="http://www.oceanteam.nl/financials/investors/reports-and-presentations/9">http://www.oceanteam.nl/financials/investors/reports-and-presentations/9</a></p> <p>Click document entitled "Annual Report 2016"</p>	<p>Pages: 88-92</p> <p>Pages: 131-137</p>
20.6	Interim unaudited historical financial information.....	<p>Half Year Report January-June 2018</p>	<p>Income statement: page 11-12</p> <p>Balance sheet: pages 14-15</p> <p>Shareholders equity: page 16</p> <p>Cash flow statement: page 17</p>

[http://www.oceanteam.nl/financia  
ls/investors/reports-and-  
presentations/9](http://www.oceanteam.nl/financia<br/>ls/investors/reports-and-<br/>presentations/9)

Click document entitled "H1 2018  
report"  
Half Year Report January-June  
2017:

[http://www.oceanteam.nl/financia  
ls/investors/reports-and-  
presentations/9](http://www.oceanteam.nl/financia<br/>ls/investors/reports-and-<br/>presentations/9)

Click document entitled  
"H1 2017 report"

Operating segment information:  
page 20  
Accounting principles and notes:  
pages 18-30

Income statement: pages 21-22  
Balance sheet: pages 23-24  
Shareholders equity: pages 25-26  
Cash flow analysis: page 27  
Operating segment information:  
page 31  
Accounting principles and notes:  
pages 30-42

The non-incorporated parts of the documents incorporated by reference are not relevant.

The Financial Statements and the related audit reports, and the Interim Financial Statements are available in their entirety at Company's web-site: [www.oceanteam.nl](http://www.oceanteam.nl).

## **21 ADDITIONAL INFORMATION**

### **Advisers**

Advokatfirmaet Grette AS has acted as legal advisor to the Company in connection with the Restructuring.

### **Documents on Display**

For twelve months from the date of this Prospectus, copies of the following documents will be available for inspection at the Company's registered office during normal business hours from Monday through Friday each week (except public holidays):

- The Company's Articles of Association.
- The Company's Financial Statements as of and for the years ended 31 December 2017 and 2016; and
- The Company's Interim Financial Statements as of and for the six months ended 30 June 2018 and 2017; and
- This Prospectus.

## 22 DEFINITIONS AND GLOSSARY

### Defined Terms

Articles of Association .....	The Company's articles of association.
Bond Agreement.....	The loan agreement for the Bond Loan.
First Bond Debt Conversion .....	The conversion of USD 62,073,564 of the Company's debt under the Bond Loan into 620,735,700 Shares in Oceanteam ASA, each with a par value of NOK 0.50.
Bond Loan .....	The FRN Oceanteam ASA Senior Callable Bond 2012/2017 (ISIN NO 001 066201.8).
Bondholder Shares.....	88,464,179 ordinary shares in the Company issued pursuant to the Second Bond Debt Conversion.
Company.....	Oceanteam ASA.
Cordia .....	Mr. Kornelis Jan Willem Cordia
Cordia Placement.....	The pro rata transfer from the bondholders in the Bond Loan of a total of 111,600,000 of Shares to Corinvest.
Corinvest.....	Corinvest B.V.
Corinvest Shares .....	40,000,000 ordinary shares in the Company, each with a par value of NOK 0.50, issued pursuant to a direct placement at Corinvest in conjunction with the Cordia Placement.
CSVs.....	Construction Service Vessels.
DOT Loan.....	A loan agreement with DOT Shipping AS as borrower and GE Capital CEF Mexico, S de R.L. de C.V. as lender.
EC Regulation 809/2004.....	Commission regulation (EC) No 809/2004 of 29 April 2004 implementing Directive 2003/71/EC of the European Parliament and of the Council as regards information contained in prospectuses as well as the format, incorporation by reference and publication of such prospectuses and dissemination of advertisements.
EEA .....	European Economic Area.
EU.....	The European Union.
Financial Statements.....	The Full-Year Financial Statements and the Interim Financial Statements collectively.
Foreign Corporate Shareholders .....	Foreign corporate shareholders (i.e. foreign limited liability companies and similar entities).
Foreign Individual Shareholders.....	Other foreign shareholders than Foreign Corporate Shareholders.
FSVs .....	Fast support vessels.
Full-Year Financial Statements .....	The Group's audited consolidated financial statements as of and for the years ended 31 December 2017 and 2016.
Group.....	The Company and its consolidated subsidiaries.
Halbesma Claims Settlement .....	The conversion and confirmation of settlement of all claims of Mr. Haico Halbesma and Mr. Hessel Halbesma and any of their companies and/or affiliates to the Halbesma Shares.
Halbesma Shares .....	10,000,000 ordinary shares in the Company, each with a par value of NOK 0.50 already issued pursuant to the Halbesma Settlement.
IAS 34.....	International Accounting Standard 34 "Interim Financial Reporting.
IFRS.....	International Financial Reporting Standards as adopted by the European Union.
Interim Financial Statements .....	The unaudited consolidated financial statements as at and for the six months ended 30 June 2018 and 2017.
Joint Venture Entities	The joint ventures, or joint venture like set-ups, in which the Group is a party.
ISIN .....	International Securities Identification Number.

KCI .....	KCI the engineers B.V.
Management .....	The executive management of the Group.
McDermott .....	J.Ray McDermott (Norway).
NOK .....	The lawful currency of Norway.
North Ocean 105 Divestment .....	The divestment of the ownership of the pipe lay vessel PLV North Ocean 105 through the divestment of the Company's 25% ownership stake in the vessel owning company North Ocean 105 AS.
Norwegian Corporate Governance Code .....	The Norwegian Code of Practice of 23 October 2012.
Norwegian FSA .....	The Financial Supervisory Authority of Norway ( <i>Nw. Finanstilsynet</i> ).
Norwegian Corporate Shareholders .....	Norwegian corporate shareholders (i.e. limited liability companies and similar entities).
Norwegian Individual Shareholders .....	Other shareholders than Norwegian Corporate Shareholders.
Norwegian Securities Trading Act .....	The Norwegian Securities Trading Act of 29 June 2007 no. 75.
Oceanteam .....	Oceanteam ASA
Oceanteam Bourbon 4 and Oceanteam Bourbon 101 Facility	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
Oslo Stock Exchange .....	Oslo Børs (a stock exchange operated by Oslo Børs ASA)
PIK .....	Paid in kind.
Proportionate Disclosure Regime .....	The level of disclosure proportionate to small or medium sized enterprises and small cap issuers cf. EC Commission Regulation EC/486/2012.
Proposal .....	The proposal put forward in the 23 April Bondholder Notice.
Prospectus .....	This prospectus.
Prospectus Directive .....	Commission Regulation (EC) no. 809/2004 implementing Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 regarding information contained in prospectuses.
Restructuring .....	The First Bond Debt Conversion, the Cordia Placement, the Halbesma Claims Settlement and certain other restructuring items all forming part of a restructuring of the Group.
Second Bond Debt Conversion	Conversion of USD 5,175,523 of the Company's debt into 88,464,179 shares
Second Corinvest Loan	Following the Second Bond Debt Conversion, Corinvest has granted a loan of USD 1,500,000 to the Company on substantially the same terms as the Value Partners Loan and carrying 7 % interest with a repayment date 20 December 2019
Shareholders Meeting .....	The extraordinary general meeting of the Company to be held on 13 April 2018.
Shares	The ordinary shares in the Company, each with a nominal value of 0.50.
United States .....	The United States of America.
US .....	The United States of America.
U.S. ....	The United States of America.
USD .....	The lawful currency of the United States of America.
U.S. Dollar .....	The lawful currency of the United States of America.
Value Partners .....	Stitching Value Partners Family Office.
Value Partners Loan .....	A loan agreement pursuant to which Value Partners agreed to provide an unsecured loan in an amount of USD 1,500,000 to the Company.

Working Capital Statement Rules..... EC Regulation 809/2004 and ancillary regulation.

**Abbreviations and Acronyms**

AHTS	Anchor Handling Tug Supply.
CSV	Construction Support Vessel.
DSV	Diving Support Vessel.
EIA	U.S. Energy Information Administration.
E&P	Exploration and Production.
FIDs	Final Investment Decisions.
FSV	Fast Support Vessel.
IEA	International Energy Agency.
IHS	
IMR	Inspection Maintenance and Repair Vessel.
MPSV	Multi-Purpose Intervention Vessel.
OSV	Offshore Support Vessel.
PSV	Platform Support Vessel.
ROV	Remotely Operated Vehicle.
ROVSV	Remotely Operated Vehicle Support Vessel.

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## **REGISTERED OFFICE AND ADVISERS**

### **Registered Office:**

#### **Oceanteam ASA**

Tveiteråsvegen 12

5232 Paradis

Norway

Telephone: +47 55 10 82 40

[www.oceanteam.nl](http://www.oceanteam.nl)

### **Legal Adviser:**

(as to Norwegian Law)

#### **Advokatfirmaet Grette AS**

Filipstad Brygge 2

P.O. Box 1397 Vika

N-0114 Oslo

Norway