



**Listing of 8,048,000 shares issued in connection with a Private Placement
Subsequent Offering and listing of up to 5,163,934 Offer Shares, each with a nominal value of NOK 0.10, at a Subscription Price of NOK 6.10 per Offer Share,
with Subscription Rights for Eligible Shareholders**

Subscription Period for the Subsequent Offering: From and including 22 April 2021 at 09:00 hours CET to 16:30 hours (CET) on 29 April 2021

The information in this prospectus (the "**Prospectus**") relates to (i) the listing on Oslo Børs by AqualisBraemar LOC ASA, ("**AqualisBraemar LOC**" or "the "**Company**"), a public limited company incorporated under the laws of Norway (together with its consolidated subsidiaries, the "**Group**") of 8,048,000 new shares in the Company, each with a nominal value of NOK 0.10 (the "**Private Placement Shares**"), issued in connection with a private placement comprising a total of 22,131,148 new shares, completed on 16 December at a subscription price of NOK 6.10 per share (the "**Subscription Price**"), and (ii) the subsequent offering (the "**Subsequent Offering**") and listing on Oslo Børs of up to 5,163,934 new shares in the Company, each with a nominal of NOK 0.10 (the "**Offer Shares**" and, together with the Private Placement Shares, the "**New Shares**") to be issued at the Subscription Price.

The shareholders of the Company as of 20 November 2020 (and being registered as such in the Norwegian Central Securities Depository (the "**VPS**") on 24 November 2020 pursuant to the two days' settlement procedure (the "**Record Date**") (each an "**Existing Shareholder**"), who were not allocated shares in the Private Placement and who are not resident in a jurisdiction where such offering would be unlawful, or for jurisdictions other than Norway, would require any filing, registration or similar action (the "**Eligible Shareholders**"), will be granted non-transferable subscription rights (the "**Subscription Rights**") that, subject to applicable law, give a right to subscribe for and be allocated Offer Shares at the Subscription Price. The Subscription Rights will be registered on each Eligible Shareholder's VPS account.

Each Eligible Shareholder will be granted 0.2648 Subscription Right for each existing share registered as held by such Eligible Shareholder as of the Record Date, rounded down to the nearest whole Subscription Right. Subscription Rights acquired during the trading period for the Subscription Rights as set out above carry the same rights as the Subscription Rights received by the Eligible Shareholders. Each Subscription Right will, subject to applicable law, give the right to subscribe for, and be allocated, one (1) Offer Share in the Subsequent Offering. Over-subscription will be permitted, but no Shareholder will be allocated more than its pro-rata share of the aggregate number of Shares issued under the Private Placement and the Subsequent Offer. Subscription without Subscription Rights will not be permitted. The subscription period will commence 22 April 2021 at 09:00 hours CET and expire at 16:30 hours (CET) on 29 April 2021 (the "**Subscription Period**").

Subscription Rights that are not used to subscribe for Offer Shares before the expiry of the Subscription Period will have no value and will lapse without compensation to the holder.

The Company's existing Shares are, and the New Shares will be, listed on the Oslo Børs under the ticker code "AQUA". Except where the context otherwise requires, references in this Prospectus to "**Shares**" will be deemed to include the existing shares in the Company and the New Shares. All of the existing Shares, including the Private Placement Shares, are, and the Offer Shares will be, registered in the VPS in book-entry form. All of the issued Shares rank pari passu with one another and each carry one vote.

Investing in the Company's Shares involves a high degree of risk. See Section 2 "Risk factors" and Section 4 "General information".

The Subscription Rights and the Offer Shares are being offered only in those jurisdictions in which, and only to those persons to whom, offers and sales of the Offer Shares (pursuant to the exercise of Subscription Rights) and the Subscription Rights may lawfully be made and, for other jurisdictions than Norway, would not require any filing, registration or similar action.

The Subscription Rights and the Offer Shares have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), or under the securities laws of any state or other jurisdiction in the United States, and are being offered and sold under exemption to registration under the U.S. Securities Act. The Subscription Rights cannot be exercised for Offer Shares by U.S. persons except, under certain circumstances, by U.S. persons that are "qualified institutional buyers" ("**QIBs**") as defined under Rule 144A ("**Rule 144A**") under the U.S. Securities Act. The Subscription Rights and the Offer Shares are being offered to non-U.S. persons under Regulation S under the U.S. Securities Act ("**Regulation S**"). The Offer Shares and the Subscription Rights may not be offered or sold except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in compliance with any applicable securities law of any state or other jurisdiction of the United States.

For more information regarding restrictions in relation to the Private Placement and Subsequent Offering pursuant to this Prospectus, see Section 14 "Selling and Transfer Restrictions".

The due date for the payment of the Offer Shares is expected to be on or about 5 May 2021. Delivery of the Offer Shares is expected to take place on or about 7 May 2021 through the facilities of the VPS. Trading in the Private Placement Shares on Oslo Børs is expected to commence on or about 22 April 2021, while trading in the Offer Shares on Oslo Børs is expected to commence on or about 7 May 2021.

Managers

Clarksons Platou Securities AS

SpareBank 1 Markets AS

Nordea Bank Abp, filial i Norge

The date of this Prospectus is 21 April 2020

IMPORTANT INFORMATION

This Prospectus has been prepared for use in connection with (i) the Subsequent Offering and (ii) the listing of the New Shares on Oslo Børs. Please see Section 16 "Definitions and Glossary" for definitions of terms used throughout this Prospectus.

The 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 Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2014/71/EC, as amended, and as implemented in Norway in accordance with section 7-1 of the Norwegian Securities Trading Act (the "**EU Prospectus Regulation**"). This Prospectus has been prepared solely in the English language. The Financial Supervisory Authority of Norway (the "**Norwegian FSA**") has reviewed and approved this Prospectus in accordance with sections 7-7 and 7-8 of the Norwegian Securities Trading Act. The Norwegian FSA has not controlled or approved the accuracy or completeness of the information given in this Prospectus. The approval given 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 or referred to in this Prospectus. The Prospectus was approved on 21 April 2021. The Prospectus is valid for a period of twelve months from the date of approval by the Norwegian FSA.

No person is authorised to give information or to make any representation concerning the Group or in connection with the Private Placement, the Subsequent Offering or the sale of Offer Shares other than as contained in this Prospectus. If any such information is given or made, it must not be relied upon as having been authorised by the Company or the Managers or by any of the affiliates, advisors or selling agents of any of the foregoing.

No action to approve, register or file the Prospectus has been made outside Norway. The distribution of this Prospectus and the offer and sale of the Offer Shares and the granting or use of the Subscription Rights in certain jurisdictions may be restricted by law. This Prospectus does not constitute an offer of, or an invitation to purchase, any of the Offer Shares or use the Subscription Rights to subscribe for Offer Shares in any jurisdiction in which such offer, sale or subscription would be unlawful. Neither this Prospectus nor any advertisement or any other offering material may be distributed or published in any jurisdiction except under circumstances that will result in compliance with applicable laws and regulations. Persons in possession of this Prospectus are required to inform themselves about and to observe any such restrictions. For further information on the sale and transfer restrictions of the Offer Shares, see Section 14 "Selling and Transfer Restrictions".

The information contained herein is current as at the date hereof and subject to change, completion and amendment without notice. In accordance with Article 23 of the EU Prospectus Regulation, significant new factors, material mistakes or inaccuracies relating to the information included in this Prospectus, which are capable of affecting the assessment of the Offer Shares between the time of approval of this Prospectus by the Norwegian FSA and the listing of the Shares on Oslo Børs, will be included in a supplement to this Prospectus. Neither the publication nor distribution of this Prospectus, nor the granting of any Subscription Rights nor any sale of Offer Shares made hereunder, 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.

In making an investment decision, each investor must rely on their own examination, and analysis of, and enquiry into the Group and the terms of the Subsequent Offering, including the merits and risks involved. None of the Company or the Managers, or any of their respective representatives or advisers, is making any representation to any offeree or purchaser of the Offer Shares or holder of Subscription Rights regarding the legality or suitability of an investment in the Offer Shares or the Subscription Rights

by such offeree or purchaser under the laws applicable to such offeree or purchaser. Each investor should consult with his or her own advisors as to the legal, tax, business, financial and related aspects of a purchase of the Offer Shares or the use of the Subscription Rights to subscribe for Offer Shares.

This Prospectus and the terms and conditions of the Private Placement or the Subsequent Offering as set out herein, and any sale and purchase of Offer Shares and the granting and use of the Subscription rights hereunder, shall be governed by and construed in accordance with Norwegian law. The courts of Norway, with Oslo as legal venue, shall have exclusive jurisdiction to settle any dispute which may arise out of or in connection with the Subsequent Offering, the listing of the Private Placement Shares or this Prospectus.

All Sections of the Prospectus should be read in context with the information included in Section 4 "General information".

NOTICE TO INVESTORS IN THE UNITED STATES

Because of the following restrictions, prospective investors are advised to consult legal counsel prior to making any offer, resale, pledge or other transfer of the Offer Shares or the Subscription Rights. The Offer Shares and the Subscription Rights have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction in the United States and may not be offered, sold, pledged or otherwise transferred within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in compliance with any applicable state securities laws. Accordingly, the Offer Shares or the Subscription Rights will not be offered or sold within the United States, except in reliance on an exemption from the registration requirements of the U.S. Securities Act. The Offer Shares shall be offered outside the United States in compliance with Regulation S. Prospective purchasers are hereby notified that sellers of Offer Shares may be relying on the exemption from the provisions of section 5 of the U.S. Securities Act provided by Rule 144A under the U.S. Securities Act. See Section 14 "Selling and Transfer Restrictions".

Any Shares offered or sold in the United States will be subject to certain transfer restrictions as set forth under Section 14 "Selling and Transfer Restrictions".

The securities offered hereby have not been recommended by any United States federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not passed upon the merits of the Private Placement or the Subsequent Offering or confirmed the accuracy or determined the adequacy of this Prospectus. Any representation to the contrary is a criminal offense under the laws of the United States.

In the United States, this Prospectus is being furnished on a confidential basis solely for the purposes of enabling a prospective investor to consider purchasing the particular securities described herein. The information contained in this Prospectus has been provided by the Company and other sources identified herein. Distribution of this Prospectus to any person other than the offeree specified by the Managers or their representatives, and those persons, if any, retained to advise such offeree with respect thereto, is unauthorised and any disclosure of its contents, without prior written consent of the Company, is prohibited. This Prospectus is personal to each offeree and does not constitute an offer to any other person or to the public generally to purchase Offer Shares or subscribe for or otherwise acquire the Offer Shares.

To the extent that the Managers intends to effect any offers or sales of Subscription Rights or Offer Shares in the United States or to U.S. persons, they will do so through its respective U.S. registered broker dealer affiliate, pursuant to applicable U.S. securities laws. Nordea will only be participating in the Subsequent Offering outside of the United States. No action taken by the Company or any of the other the Managers in the United States shall be attributed to Nordea.

NOTICE TO UNITED KINGDOM INVESTORS

This Prospectus is only being distributed to and is only directed at (i) persons who are outside the United Kingdom (the "**UK**") or (ii) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "**Order**") or (iii) high net worth companies, and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as "**Relevant Persons**"). The Offer Shares are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such Shares will be engaged in only with, Relevant Persons. Any person who is not a Relevant Person should not act or rely on this Prospectus or any of its contents. Nordea Bank Abp, which is under the supervision of the European Central Bank together with the Finnish Financial Supervisory Authority, and authorised by the Prudential Regulation Authority ("PRA") and regulated in the United Kingdom by the PRA and the Financial Conduct Authority ("FCA"), is acting exclusively for the Company and no one else in connection with the Subsequent Offering. Nordea will not regard any other person (whether or not a recipient of this document) as a client in relation to the Subsequent Offering and will not be responsible to anyone other than the Company for providing the protections afforded to its clients nor for the giving of advice in relation to the Subsequent Offering or any other transaction, matter or arrangement referred to in this Prospectus.

The Managers shall (i) only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 (the "**FSMA**") received by it in connection with the issue or sale of the Offer Shares in circumstances in which section 21(1) of the FSMA does not apply to the Company and (ii) comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Offer Shares, from or otherwise involving the United Kingdom.

NOTICE TO INVESTORS IN THE EEA

In any member state of the European Economic Area (the "**EEA**") that has implemented the EU Prospectus Regulation, other than Norway (each, a "**Relevant Member State**"), this communication is only addressed to and is only directed at qualified investors in that Member State within the meaning of the EU Prospectus Regulation. The Prospectus has been prepared on the basis that all offers of Offer Shares and Subscription Rights outside Norway will be made pursuant to an exemption under the EU Prospectus Regulation from the requirement to produce a prospectus for offer of securities. Accordingly, any person making or intending to make any offer within the EEA of Offer Shares or Subscription Rights which is the subject of the Subsequent Offering contemplated in this Prospectus within any EEA member state (other than Norway) should only do so in circumstances in which no obligation arises for the Company or any of the Managers to publish a prospectus or a supplement to a prospectus under the EU Prospectus Regulation for such offer. Neither the Company nor the Managers have authorised, nor do they authorise, the making of any offer of Shares or Subscription Rights through any financial intermediary, other than offers made by Managers which constitute the final placement of Offer Shares contemplated in this Prospectus.

Each person in a Relevant Member State other than, in the case of paragraph (a), persons receiving offers contemplated in this Prospectus in Norway who receives any communication in respect of, or who acquires any Offer Shares under, the offers contemplated in this Prospectus will be deemed to have represented, warranted and agreed to and with the Managers and the Company that:

- a) it is a qualified investor as defined in the EU Prospectus Regulation; and
- b) in the case of any Offer Shares acquired by it as a financial intermediary, as that term is used in Article 3(2) of the EU Prospectus Regulation, (i) such Offer acquired by it in the Subsequent Offering have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Relevant Member State other than qualified investors, as that

term is defined in the EU Prospectus Regulation, or in circumstances in which the prior consent of the Managers has been given to the offer or resale; or (ii) where such Offer Shares have been acquired by it on behalf of persons in any Relevant Member State other than qualified investors, the offer of those Offer Shares to it is not treated under the EU Prospectus Regulations having been made to such persons.

For the purposes of this provision, the expression an "offer to the public" in relation to any of the Offer Shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any security to be offered so as to enable an investor to decide to purchase any of the Offer Shares, as the same may be varied in that Relevant Member State by any measure implementing the EU Prospectus Regulation in that Relevant Member State, and the expression "EU Prospectus Regulation" means Regulation (EU) 2017/1129 (and amendments thereto, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in each Relevant Member State.

See Section 14 "Selling and Transfer Restrictions" for certain other notices to investors.

ENFORCEMENT OF CIVIL LIABILITIES

The Company is a public limited company incorporated under the laws of Norway. As a result, the rights of holders of the Company's Shares will be governed by Norwegian law and the Company's articles of association (the "**Articles of Association**"). The rights of shareholders under Norwegian law may differ from the rights of shareholders of companies incorporated in other jurisdictions. The Company's directors and the Group's executive officers are not residents of the United States, and a substantial portion of the Company's assets are located outside the United States. As a result, it may be difficult for investors in the United States to effect service of process on the Company or its directors or the Group's executive officers in the United States or to enforce in the United States judgments obtained in U.S. courts against the Company or those persons based on the civil liability provisions of the federal securities laws of the United States or other laws of the United States or any state thereof. Uncertainty exists as to whether courts in Norway will enforce judgments obtained in other jurisdictions, including the United States, against the Company or its directors or the Group's officers under the securities laws of those jurisdictions or entertain actions in Norway against the Company or its directors or officers under the securities laws of other jurisdictions. The United States and Norway do not currently have a treaty providing for reciprocal recognition and enforcement of judgements (other than arbitral awards) in civil and commercial matters. In addition, awards of punitive damages in actions brought in the United States or elsewhere may not be enforceable in Norway. Similar limitations may also apply in any other jurisdictions than the United States.

AVAILABLE INFORMATION

The Company has agreed that, for so long as any of the Offer Shares are "restricted securities" within the meaning of Rule 144(a)(3) under the U.S. Securities Act, it will during any period in which it is neither subject to Sections 13 or 15(d) of the U.S. Securities Exchange Act of 1934, as amended (the "U.S. Exchange Act"), nor exempt from reporting pursuant to Rule 12g3-2(b) under the U.S. Exchange Act, provide to any holder or beneficial owners of Shares, or to any prospective purchaser designated by any such registered holder, upon the request of such holder, beneficial owner or prospective owner, the information required to be delivered pursuant to Rule 144A(d)(4) of the U.S. Securities Act.

GDPR (THE GENERAL DATA PROTECTION REGULATION) AND THE NORWEGIAN DATA PROTECTION ACT OF 15 JUNE 2018/DATA PROTECTION:

As data controllers, each of the Managers processes personal data to deliver the products and services that are agreed between the parties and for other purposes, such as to comply with laws and other regulations. The personal data will be processed as long as necessary for the purposes and will

subsequently be deleted unless there is a statutory duty to keep it. For detailed information on each Manager's processing of personal data, please review such Manager's privacy policy, which is available on its website or by contacting the relevant Manager. The privacy policy contains information about the rights in connection with the processing of personal data, such as the access to information, rectification, data portability, etc. If the applicant is a corporate customer, such customer shall forward the relevant Manager's privacy policy to the individuals whose personal data it discloses to the Managers.

INFORMATION TO DISTRIBUTORS

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("**MiFID II**"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the "**Product Governance Requirements**"), and disclaiming all and any liability, which any "manufacturer" (for the purposes of the Product Governance Requirements) may otherwise have with respect thereto, the Shares have been subject to a product approval process, which has determined that they each are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II (the "**Positive Target Market**"); and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the "**Appropriate Channels for Distribution**"). Distributors should note that: the price of the Shares may decline and investors could lose all or part of their investment; the Shares offer no guaranteed income and no capital protection; and an investment in the Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. Conversely, an investment in the Shares is not compatible with investors looking for full capital protection or full repayment of the amount invested or having no risk tolerance, or investors requiring a fully guaranteed income or fully predictable return profile (the "**Negative Target Market**", and, together with the Positive Target Market, the "**Target Market Assessment**").

The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Subsequent Offering.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Shares.

Each distributor is responsible for undertaking its own target market assessment in respect of the Shares and determining appropriate distribution channels.

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1. SUMMARY

Introduction

Warnings	<p>This summary should be read as an introduction to the Prospectus. Any decision to invest in the securities should be based on a consideration of the Prospectus by the investor. An investment in the Company's Shares involves inherent risk and the investor could lose all or part of its invested capital.</p> <p>Where a claim relating to the information in this Prospectus is brought before a court, the plaintiff investor might, under national law, 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 where the summary is misleading, inaccurate or inconsistent, when read together with the other parts of the Prospectus, or where 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.</p>
The securities	<p>The Company has one class of shares in issue. The existing Shares are registered in book-entry form with the VPS and ISIN NO0010715394.</p>
The issuer	<p>The Company's registration number in the Norwegian Register of Business Enterprises (Nw. Foretaksregisteret) is 913 757 424 and its LEI is 5967007LIEEXZXH86O96. The Company's registered office is located at Fridtjof Nansens plass 8, 0160 Oslo, Norway, and the Company's main telephone number at that address is +47 414 33 560. The Group's website can be found at https://aqualisbraemar.com/.</p>
and offeror(s)	<p>The Company, as issuer, is the offeror of the New Shares. See the item above for information about the Company.</p>

Key information on the issuer

Who is the issuer?

Corporate information	<p>AqualisBraemar LOC ASA, is a public limited liability company organized and existing under the laws of Norway pursuant to the Norwegian Public Limited Liability Companies Act of 13 June 1997 no. 45 (the "Norwegian Public Limited Companies Act"). The Company was incorporated in Norway on 2 June 2014, and the Company's registration number in the Norwegian Register of Business Enterprises is 913 757 424 and its LEI is 5967007LIEEXZXH86O96.</p>
Principal activities	<p>AqualisBraemar LOC ASA, is a global independent offshore energy and marine consultancy firm, with a total of 880 employees (including subcontractors on a 100% utilisation basis), offering independent consultancy services to the offshore energy (oil & gas and renewables), shipping and insurance industries in 39 countries all over the world.</p> <p>The Company has 4 main business lines: (i) Offshore; (ii) Renewables; (iii) Marine; and (iv) Adjusting.</p> <p>The Offshore business line provides specialised offshore, marine and engineering consultancy services, focusing on the shallow and deep-water offshore segments of the oil and gas industry. Its multi-disciplinary engineering and marine teams are recognized in the industry for their competence and experience. The employees work closely with clients to understand their requirements, identify solutions and to execute their projects and marine operations in a timely, cost effective and safe manner. The client base consists of primarily of offshore asset owners, oil companies, EPC contractors, financial institutions, insurance companies and investors</p> <p>The Renewables business line provide independent services to the offshore renewables industry. Through the brands OWC, Innosea and Longitude, the Company is a well-recognised service provider of consultancy services for offshore wind and other offshore renewable projects. Through the LOC brand, the Company is a recognised provider of marine warranty services to the offshore wind industry. The company's core team possess strong industry expertise which dates back to the first offshore wind farm development project in the UK. Since then, the Company has been involved in the majority of the major offshore wind projects which have been developed in the UK and the rest of Europe. The client base consists primarily of offshore wind farm developers, utilities, vessel owners, financial institutions, insurance companies and investors.</p>

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The Marine business line provides investigation, evidence gathering and analytical services for insurers, P&I clubs and ship-owners, through a global network of surveyors and specialist consultants. Key to this is their ability to respond quickly to enable the prompt settlement of valid claims.

The Adjusting business line specialises in issues surrounding incident investigation, cause analysis and potential policy and contractual response to an incident. More specifically, the Adjusting unit provides independent advice to the international insurance community and evaluates repair/rebuild scope and costs following an insurance claim as a result of an incident. The Adjusting unit provides its services primarily to the energy, marine, mining, renewables, power & utilities industries.

The Group has established a presence in most major marine and offshore energy centres. The global presence allows the business to respond quickly when high-end marine or engineering consultancy is required. Although some of the offices have special focus on certain areas of operations, all service offerings are provided to the oil and gas market and insurance companies across all regions and for renewables to selected regions.

Major shareholders Shareholders owning 5% or more of the Shares have an interest in the Company's share capital which is notifiable pursuant to the Norwegian Securities Trading Act. As of the date of this Prospectus, four shareholders own more than 5% of the issued Shares:

#	Shareholder name	No. of shares	Percentage (%)
1	Gross Management AS	14,790,351	16.0
2	Braemar Shipping Services Plc	9,640,621	10.4
3	Holmen Spesialfond	9,240,763	10.0
4	Bjørn Stray	5,017,743	5.4

Key managing directors

The Company's executive management comprise of the following members:

Name	Position	Served since
David Wells	Chief Executive Officer	2012
Dean Zuzic	Chief Financial Officer	2020
Reuben Segal	Chief Operating Officer	2013
Svein Staalen	General Counsel	2020

Statutory auditor

The Company's auditor is PricewaterhouseCoopers AS ("PwC"), with business registration number 987 009 713 in the Norwegian Register of Business Enterprises and registered address at Dronning Eufemias gate 71, 0194 Oslo, Norway.

What is the key financial information regarding the issuer?

Selected key historical financial information for the Company

The following tables present key historical financial information for the Company. It should be noted that the Company changed name to AqualisBraemar LOC ASA (previously named AqualisBraemar ASA). Further and as described other places in the Prospectus, the Company completed the acquisition of the LOC Group 23 December 2020, which acquisition is fully reflected in the consolidated statement of financial position as at 31 December 2020.

Consolidated Statement of Profit or Loss

Amounts in USD thousands	Year ended 31 December	
	2019 Audited ^(a)	2020 Unaudited ^(b)
Total revenues	54,792	77,015
Operating profit (loss)	(332)	2,946
Profit (loss) before income tax	9,900	2,507
Profit (loss) after tax	9,037	1,513

(a) Extracted from the Company's Financial Statements

(b) Extracted from the Company's Interim Financial Statements

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Consolidated Statement of Financial Position

<i>Amounts in USD thousands</i>	As at 31 December	
	2019 Audited ^(a)	2020 Unaudited ^(b)
Total assets	63,557	119,036
Total equity	47,364	64,597
Total liabilities	16,193	53,718
Total equity and liabilities	63,557	119,036

(a) Extracted from the Company's Financial Statements

(b) Extracted from the Company's Interim Financial Statements

Consolidated Statement of Cash Flow

<i>Amounts in USD thousands</i>	Year ended 31 December	
	2019 Audited ^(a)	2020 Unaudited ^(b)
Cash flow from (used in) operating activities	(2,665)	8,4774
Cash flow from (used in) investing activities	2,864	(14,751)
Cash flow from (used in) financing activities	5,270	25,811

(a) Extracted from the Company's Financial Statements

(b) Extracted from the Company's Interim Financial Statements

Selected key pro forma financial information for the Group

The table below sets out the unaudited pro forma condensed statement of income for the Group for the year ended 31 December 2020 and should be read in conjunction with the accompanying notes in Section 7 "Unaudited pro forma condensed financial information" of this Prospectus.

<i>Amounts in USD thousands</i>	AqualisBraemar LOC ASA Unaudited ^(a)	LOC Group Unaudited	Pro forma adjustments Unaudited	Pro forma Unaudited
Total revenues	77,015	62,436		139,451
Operating profit (loss)	2,946	2,979		5,925
Profit (loss) before income tax	2,507	1,960	(130)	4,337
Profit (loss) after tax	1,513	661	(86)	2,088

What are the key risks that are specific to the issuer?

- | | |
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| Material risk factors | <ul style="list-style-type: none"> • The demand for the Group's services is affected by declines in maritime and offshore activity associated with depressed oil and natural gas prices. Any prolonged periods of reduced capital expenditures by oil and gas and offshore companies would likely reduce the demand for the services offered by the Group. • The Group operates internationally, which makes it especially vulnerable to political and governmental changes and changes in the legal environment in several countries and jurisdictions. Operating in 39 jurisdictions, the Group must pay continuously high attention to such changes. • The Group's core business is inherently a high-risk industry, exposing the Group to severe and fatal accidents and omissions, which potentially may not be adequately covered by the Group's insurances. Such accidents may also affect the Group's ability to attract and retain qualified personnel and clients, damage the Group's reputation, and consequently severely adversely affect the Group's financial condition. • As the Group's core business is highly dependent on the overall level of activity and capital spending by oil and gas and offshore companies (which is inherently fluctuating and outside the Group's control), the Group needs to pay particular attention to both its short term and long-term liquidity need. • The Group's services are mainly project based, and it has few long-term commitments. Moreover, the long-term commitments that the Group has can be terminated on a relatively short notice. Hence, the |
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Group is dependent on continuously winning and retaining business. Furthermore, the Group's contract structure implies that there is limited visibility for the Group's future revenue.

- The current market for attracting highly qualified engineers and mariners is challenging. Due to the shortage of skilled and qualified staff, the Group may not be able to identify and attract, nor retain, qualified staff in the future.
- The Group depends on the performance of business partners and third-party subcontractors in order to perform services in compliance with the contractual requirements, which makes it vulnerable to damage caused by such business partners and third-party subcontractors, and to their failure to deliver their services according to the negotiated terms.

Key information on the securities

What are the main features of the securities?

Type, class and ISIN	All the existing Shares, including the Private Placement Shares, are, and the Offer Shares will be, common shares in the Company and have been created under the Norwegian Public Limited Companies Act. The Shares are registered in book-entry form with the VPS and have ISIN NO0010715394.
Currency, par value and number of securities	The Shares will be traded in NOK. As at the date of this Prospectus, the Company's share capital, including the completed share capital increases in relation to the Private Placement, is NOK 9,254,758.30 divided into 92,547,583 Shares, each with a nominal value of NOK 0.10.
Rights attached 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 provide equal rights in the Company. Each of the Shares carries one vote.
Transfer restrictions	The Shares are freely transferable. The Articles of Association do not provide for any restrictions on the transfer of Shares, or a right of first refusal for the Shares. Share transfers are not subject to approval by the Board of Directors.
Dividend and dividend policy	The table below shows the amount of dividend distributed per Share in 2019, 2020 and as at the date of this Prospectus in 2021.

NOK	2021 (as at the date of this Prospectus)	2020	2019
Amount of dividend per Share	-	NOK 0.40	-

Where will the securities be traded?

The Company's existing Shares are, and the Private Placement Shares and the Offer Shares will be, traded on Oslo Børs.

Key information on the offer of securities to the public and/or the admission to trading on a regulated market

Under which conditions and timetable can I invest in the security?

Terms and conditions of the offering

The Subsequent Offering consists of an offer by the Company to issue up to 5,163,934 Offer Shares, each with a nominal value of NOK 0.10, at a Subscription Price of NOK 6.10 per Offer Share, being equal to the subscription price in the Private Placement. Subject to all Offer Shares being issued, the Subsequent Offering will result in approximately NOK 31,499,997.40 million in gross proceeds to the Company.

The purpose of the Subsequent Offering is to enable the Eligible Shareholders to subscribe for Shares in the Company at the same price as in the Private Placement, thus limiting the dilution of their shareholding. Eligible Shareholders are shareholders of the Company as of 20 November 2020 (as registered in the VPS on the Record Date) who (i) were not allocated shares in the Private Placement and (ii) are not resident in a jurisdiction where such offering would be unlawful, or for jurisdictions other than Norway, would require any filing, registration or similar action.

Eligible Shareholders will be granted non-transferable Subscription Rights that, subject to applicable laws, provide the right to subscribe for, and be allocated, Offer Shares in the Subsequent Offering. Over-subscription will be permitted, but no Shareholder will be allocated more than its pro-rata share of the

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aggregate number of Shares issued under the Private Placement and the Subsequent Offer. Subscription without Subscription Rights will not be permitted.

Each Eligible Shareholder will, subject to applicable securities laws, be granted 0.2648 Subscription Right for each Share registered as held by such Eligible Shareholder on the Record Date, rounded down to the nearest whole Subscription Right. Each whole Subscription Right will, subject to applicable securities laws, give the right to subscribe for and be allocated one Offer Share in the Subsequent Offering.

The Subscription Rights will be credited to and registered on each Eligible Shareholder's VPS account on or about 7 May 2021 under the ISIN NO0010715394. The Subscription Rights will be distributed free of charge to Eligible Shareholders. The Subscription Rights are non-transferable.

The Subscription Period will commence on 22 April 2021 at 09:00 hours (CET) and end on 29 April 2021 at 16:30 hours (CET). The Subscription Period cannot be shortened, but the board of directors may extend the Subscription Period if this is required by law as a result of the publication of a supplemental prospectus. Subscription of Offer Shares shall be made on a separate subscription form.

The Subscription Rights must be used to subscribe for Offer Shares before the expiry of the Subscription Period on 29 April 2021 at 16:30 hours (CET). Subscription Rights that are not exercised before 16:30 hours (CET) on 29 April 2021 will have no value and will lapse without compensation to the holder. Holders of Subscription Rights should note that subscriptions for Offer Shares must be made in accordance with the procedures set out in this Prospectus and the Subscription Form (as defined below) attached hereto and that the Subscription Rights does not in itself constitute a subscription of Offer Shares.

The payment for Offer Shares allocated to a subscriber falls due on or about 5 May 2021. Delivery of the Offer Shares is expected to take place on or about 7 May 2021 through the facilities of the VPS.

Admission to trading

The Shares are listed on Oslo Børs under ISIN NO0010715394 and ticker code "AQUA". Trading in the Private Placement Shares is subject to publication of the Prospectus and transfer of those shares to the Company's ordinary ISIN, expected to commence on or about 22 April 2021. The Offer Shares will be listed on Oslo Børs as soon as the share capital increase pertaining to the Subsequent Offering has been registered with the Norwegian Register of Business Enterprises and the Offer Shares have been registered in the VPS. This is expected to take place on or about 7 May 2021.

The Offer Shares may not be transferred or traded before they are fully paid and said registrations in the Norwegian Register of Business Enterprises and the VPS have taken place.

Dilution plan

Allocation of the Offer Shares will take place on or about 3 May 2021 in accordance with the following criteria:

- (i) Allocation will be made to subscribers based on the number of Subscription Rights validly exercised when subscribing for new Shares in the Subscription Period. Each Subscription Right will give the right to subscribe for and be allocated one (1) Offer Share.
- (ii) Over-subscription is permitted, but no Shareholder will be allocated more than its pro-rata share of the aggregate number of Shares issued under the Private Placement and the Subsequent Offer.
- (iii) Subscription without subscription rights is not permitted.

No fractional Shares will be allocated.

Dilution

The following table shows a comparison of participation in the Company's share capital and voting rights for existing shareholders before and after the Private Placement and the Subsequent Offering, with the assumption that all the Offer Shares are issued:

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	Prior to the Private Placement and the Subsequent Offering	After the Private Placement	After the Private Placement and the Subsequent Offering (assuming that Eligible Shareholders do not subscribe for Offer Shares)	After the Private Placement and the Subsequent Offering (assuming that Eligible Shareholders subscribe for Offer Shares in accordance with their allocated Subscription Rights)
Number of Shares prior to the Private Placement and the Subsequent Offering	70,416,435	70,416,435	70,416,435	70,416,435
Private placement	-	22,131,148	22,131,148	22,131,148
Subsequent Offering	-	-	5,163,934	5,163,934
Total number of Shares each with a par value of NOK 0.10	70,416,435	92,547,583	97,711,517	97,711,517
% dilution		23.9	27.9	8.9

Who is the offeror and/or the person asking for admission to trading?

Brief description of the offeror(s) Not applicable. The Company is asking for admission to trading of the New Shares and offering the Offer Shares.

Why is the Prospectus being produced?

Reasons for the offer/admission to trading The Prospectus has been prepared in order to facilitate the listing of the New Shares on Oslo Børs and to facilitate for the offering of the Offer Shares. The purpose of the Subsequent Offering is to enable the Eligible Shareholders to subscribe for Shares in the Company at the same price as in the Private Placement, thus limiting the dilution of their shareholding.

Use of proceeds The expected net proceeds from the Subsequent Offering, will be used for growth capital and general corporate purposes.

Underwriting agreements Not applicable. There is no underwriting in the Subsequent Offering.

Conflicts of interest Clarkson Platou Securities AS, Nordea Bank Abp, filial i Norge and SpareBank 1 Markets (the "**Managers**") or their affiliates have provided from time to time, and may provide in the future, investment and commercial banking services to the Company and its affiliates in the ordinary course of business, for which they may have received and may continue to receive customary fees and commissions. The Managers, their employees and any affiliate may currently own Shares in the Company. Further, in connection with the Subsequent Offering, the Managers, their employees and any affiliate acting as an investor for their own accounts may receive Subscription Rights (if they are Eligible Shareholders) and may exercise their rights to take up such Subscription Rights and acquire Offer Shares, and, in that capacity, may retain, purchase or sell Offer Shares and any other securities of the Company or other investments for their own account and may offer or sell such securities (or other investments) otherwise than in connection with the Subsequent Offering. The Managers do not intend to disclose the extent of any such investments or transactions otherwise than in accordance with any legal or regulatory obligation to do so.

Further, the Managers receive a fee in connection with the Private Placement and the Subsequent Offering, and, as such, had an interest in the Private Placement and will have an interest in the Subsequent Offering. As per the date of the Prospectus, Nordea is a lender of the Group, see section 5.13.3 "Presentation of the Group – Material Agreements – Nordea Facility Agreement".

2. RISK FACTORS

An investment in the Shares involves inherent risk. Before making an investment decision with respect to the Shares, investors should carefully consider the risk factors and all information contained in this Prospectus, including the Financial Statements and related notes. The risks and uncertainties described in this Section 2 "Risk factors" are the principal known risks and uncertainties faced by the Company as of the date hereof that the Company believes are the material risks relevant to an investment in the Shares. An investment in the Shares is suitable only for investors who understand the risks associated with this type of investment and who can afford to lose all or part of their investment.

The risk factors included in this Section 2 "Risk factors" are presented in a limited number of categories, where each risk factor is placed in the most appropriate category based on the nature of the risk it represents. Within each category, the risk factors deemed most material for the Group, taking into account their potential negative effect for the Company and its subsidiaries and the probability of their occurrence, are set out first. This does not mean that the remaining risk factors are ranked in order of their materiality or comprehensibility, nor based on a probability of their occurrence. The absence of negative past experience associated with a given risk factor does not mean that the risks and uncertainties described herein should not be considered prior to making an investment decision in respect of the Shares.

If any of the following risks were to materialize, individually or together with other circumstances, they could have a material and adverse effect on the Company and/or its business, results of operations, cash flows, financial condition and/or prospects, which may cause a decline in the value and trading price of the Shares, resulting in the loss of all or part of an investment in the same. Additional factors of which the Company is currently unaware, or which it currently deems not to be risks, may also have corresponding negative effects.

2.1 Risks related to the business of the Group

2.1.1 Dependence on the level of demand from oil and gas and offshore companies

The Group's operations will over time depend on the level of activity and capital spending by oil & gas and offshore companies, which in turn could cause the Group's revenues and margins to decline and limit its future growth prospects. The demand for the Group's services is affected by declines in maritime and offshore activity associated with depressed oil and natural gas prices. The demand for offshore exploration, development and production has been closely linked to the price of oil and gas. Even the perceived risk of a decline in the oil or natural gas prices often causes exploration and production companies to reduce their spending. Historically, oil and natural gas prices have been very volatile depending on a range of factors outside the Group's control, including but not limited to:

- 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 Organization of Petroleum Exporting Countries ("OPEC") to set and maintain production and impact pricing;
- level of world-wide production;
- government laws and regulations, including environmental protection laws and regulations;
- the development of 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.

There is a risk associated with a possible long-term drop in the oil price, affecting the profitability of the development of new offshore fields. Any prolonged periods of reduced capital expenditures by oil and gas and offshore companies would likely reduce the demand for the services offered by the Group,

which could have a material adverse effect on the Group's business, revenue, profit and financial condition. Furthermore, the Group is also heavily involved in day-to-day offshore operations which provide recurring day to day income. Generally, as overall conditions in the oil and gas and offshore industries deteriorate, demand for the services offered by the Group may decrease.

2.1.2 Economic downturns

The offshore oil and gas and renewable industries are exposed to the general global economic activity. A worldwide economic downturn could reduce the availability of credit to fund offshore business operations globally. This could again lower the demand for the Group's services and lead to an austerity approach from the oil and gas and offshore renewable companies. As the Group's services are mainly project based, the Group is more exposed to market fluctuations than companies with long term commitments and a more regular workflow. Furthermore, a sustained or deep recession could further limit economic activity and thus result in an additional decrease in energy consumption, which in turn could cause the Group's revenues and margins to decline and limit its future growth prospects.

Economic downturns may result in customers delaying, limiting or cancelling proposed and existing projects. The Group may also experience difficulties in maintaining favourable pricing and payment terms, in addition to delayed payment by customers of the Group's invoices and disputes in relation thereto. Any inability to collect invoices in a timely manner may lead to an increase in the Group's accounts receivables and to increased write-offs of uncollectible invoices.

A result of decreased demand for the type of services the Group provides, service providers are competing more heavily to provide their services to the same customers, which may add further pressure on growth and prices. All of the above risk factors may have a material adverse effect on the Group's business, revenue, profit and financial condition.

2.1.3 Competitive industry

The global offshore consultancy market is highly competitive, which may limit the Group's ability to maintain or increase its market share. Its current and future competitors may have greater financial and other resources and may be better positioned to withstand and adjust to changing market conditions and developments. Hence, the Group may not be able to maintain its current competitive position in the market. Additionally, the Group also competes with several smaller companies capable of performing effectively on a regional or local basis. These competitors may be able to better withstand economic and/or industry downturns and compete on the basis of price, all of which could affect the Group's position in the market which, in turn, could lead to reduction in revenues and profit margins.

2.1.4 The Group depends on the performance of business partners and third-party subcontractors Under contracts with its customers, the Group may be depending on business partners and third-party subcontractors, in order to perform services timely and in compliance with the contractual requirements. To the extent that the Group cannot engage business partners or subcontractors at reasonable costs, or if the amount that the Group is required to pay exceeds its estimates, its ability to complete a project in a timely fashion, or at a profit, may be impaired. In addition, if a business partner or a subcontractor is unable to deliver its services according to the negotiated terms for any reason, including the deterioration of its financial condition, the Group may be required to buy the services from another source at a higher price.

Furthermore, a business partner or a subcontractor could cause damage, for which the Group could be held liable by its customer or a third party, with limited right or possibility for the Group to claim recourse from such business partner or subcontractor.

Each of these factors may have a material adverse effect on the Group's business, revenue, financial condition and reputation in the market

2.1.5 Risk related to performance failure on projects

The Group usually commits to its customers that it will complete projects by a scheduled date and that a project, when completed, will achieve specified performance standards. If the project is not completed by the scheduled date or the Group fails to meet required performance standards or to (duly) perform other contractual obligations, the Group may be liable to pay compensation or damages for breach of

contract, incur significant additional costs or incur a loss or penalties (as a result of, for example, civil liability), and payment of the Group's invoices may be delayed. Performance on projects can also be affected by a number of factors beyond the Group's control, including unavoidable delays from governmental inaction, public opposition, inability to obtain financing, weather conditions, unavailability of materials, changes in the project scope of services requested by its customers, industrial accidents, environmental hazards, labour disruptions and other factors. In some cases, the Group may also be subject to agreed-upon financial damages if it fails to meet performance standards.

The Group generally enters into contracts where under their potential liability towards customers for errors and damage is limited, and whereby the Group's insurance coverage is aligned with the risk profile under such contracts. However, for some projects, either because it is not deemed commercially possible or for other reasons, agreed limitations on the Group's liability is not obtained, and the liability under such contracts therefore has the potential of becoming extensive and disproportionate, in addition to significantly exceed the Group's insurance coverage. Furthermore, agreed limitations on the Group's liability are generally not applicable and insurance coverage is limited, in case errors or damage is caused by gross negligence or wilful misconduct (*Nw: grov uaktsomhet eller forsett*). If a customer should succeed with a claim towards the Group based on such assumption, then the potential liability of the Group may become equally extensive and disproportionate.

The Group also regularly enters into contracts with international customers whereby the contracts are governed by local law and where under local courts or arbitration tribunals are agreed to have jurisdiction. Although, the Group may seek legal advice for such contracts to assess the risk profile, there is an inherent risk that legal concepts or liability regimes which the Group generally is comfortable with, may have different content or be applied differently under such local laws and in such jurisdictions. This implies that the risk profile under such contracts may differ from what is expected or catered for, and that potential liability can be significantly higher than for example under contracts entered into in the Norwegian market.

The above risk factors may have material adverse effect on the Group's business, revenue, financial condition and market reputation.

2.1.6 Political, regulatory and compliance risk

The Group operates in several jurisdictions with a challenging and ever-developing political and regulatory climate. The Group must pay high attention to changes in the political, legislative, fiscal and/or regulatory framework governing the activities of the Group, the oil and gas companies, oil service companies, offshore companies, construction yards and/or important suppliers or service providers on which the Group depends. Changes and developments in the political or regulatory landscape could have a material adverse impact on the Group's business, the markets in which it operates, and its financial condition.

The oil and gas industry is regularly on the geopolitical agenda, and is especially exposed to both political and regulatory changes and developments. Such changes and developments may have a material adverse effect on the Group's business, revenue, profit and financial condition.

The Group is subject to laws and regulations in several jurisdictions relating to areas such as, but not limited to, environment, health and safety, construction, procurement, administrative, accounting, corporate governance, market disclosure, tax, employment and data protection. Such laws and regulations may be subject to change and interpretation. It may not be possible for the Group to detect or prevent every violation in every jurisdiction where the Group carries out its business operations, or in which its employees, hired-in personnel, sub-contractors or joint venture partners are located. Failure to comply with laws and regulations and changes in laws and regulations may have a material adverse effect on the Group's business, revenue, profit and financial condition.

2.1.7 Risk related to misconduct and other non-compliance

By way of its operations in 39 separate jurisdictions, each of which with separate local laws and regulations, the Group is particularly exposed to risks related to non-compliance or misconduct. Such non-compliance or misconduct could include, but is not limited to, failure to comply with government procurement regulations, competition laws and regulations, regulations regarding the protection of classified information, regulations prohibiting bribery and other foreign corrupt practices, regulations regarding the pricing of labour and other costs in government contracts, regulations on lobbying or similar activities, regulations pertaining to the internal controls over financial reporting, environmental laws and any other applicable laws or regulations.

The Group's internal controls are subject to inherent limitations, including that they do not fully eliminate the risk of human error or intentional misconduct from employees or other individuals involved in the Group's operations. It is also possible that these controls could be intentionally circumvented or become inadequate because of changed conditions. As a result, the Group cannot ensure that its controls will protect it from reckless or criminal acts committed by its employees, hired-in personnel, agents, subcontractors, partners, and others. Failure to comply with applicable laws or regulations or acts of misconduct could subject the Group to fines and penalties and suspension or exclusion from tender competitions or liability under ongoing contracts, any or all of which could harm the Group's business and reputation, subject the Group to administrative, criminal and civil enforcement actions and materially adversely affect its revenue, profit, financial condition and market reputation.

2.1.8 Continued access to qualified personnel and resources

The Group's business and prospects depend to a significant extent on the continued services of its key personnel in its various business areas, and at the same time the Group's ability to attract highly qualified engineers and mariners. Hence, the Group is dependent on both its ability to retain and attract key personnel. The loss of any of the current members of its senior management or other key personnel or the inability to retain a sufficient number of qualified employees could adversely affect its business and results of operations as the Group is dependent on the support of current key personnel to ensure the successful integration of new personnel into existing operations. Further, the current market for attracting highly qualified engineers and mariners is challenging and the challenging market affects the Group, as it is dependent on retaining highly skilled employees. Due to the shortage of skilled and qualified staff, the Group may not be able to identify and attract, nor retain, qualified staff in the future. This could adversely affect its business and results of operations.

2.1.9 The Group may not be able to maintain an adequate utilization of its workforce

The cost of providing services, including the extent to which the Group utilises its workforce, affects its profitability. The rate at which the Group utilises its workforce is affected by a number of factors, including:

- The Group's ability to transfer employees between projects;
- The Group's ability to forecast demand for its services and thereby maintain an appropriate headcount;
- The Group's ability to manage attrition; and
- The Group's ability to match the skill sets of its employees to the needs of the marketplace.

If the Company over-utilises its workforce, the Group's employees may become disengaged which will lead to increase in the rate of employee attrition. If the Group under-utilises its workforce, its profit margin, profit and financial condition may adversely be affected.

Due to the inherent volatile character of the demand for offshore services, it may be especially difficult for the Group to forecast demand for its services. Thus, the Group's exposure to the above described risk will be greater than for companies involved in less volatile industries.

The above risk factors may have a material adverse effect on the Group's business, revenue, profit and financial condition.

2.1.10 Risks related to insufficient insurance coverage

The core business of the Group is within an area which is particularly exposed to accidents and omissions of inherently severe nature, and although the Group maintains general liability insurance coverage and professional indemnity and project risk insurance coverage, including coverage for errors and omissions, there is no assurance that insurance or indemnifications will adequately protect the Group against liability from any or all consequences of such events. Further, any claim that may be brought against the Group could result in a court judgment or settlement of a nature or in an amount that is not covered, in whole or in part, by the Group's insurance or that it is in excess of the limits of the Company's insurance coverage. The Group's insurance policies also have various exclusions, and the Group may be subject to a product liability claim for which the Company has no coverage. The Group's exposure to risk related to insufficient insurance coverage is increased as a result of its presence in a broad range of jurisdictions with various different regulations and requirements,

The Group will have to pay any amounts awarded by a court or negotiated in a settlement that exceed the Company's coverage limitations or that are not covered by the Group's insurance, and the Group may not have, or be able to obtain, sufficient capital to pay such amounts. This may have a material adverse effect on the Group's business, revenue, profit and financial condition.

2.1.11 Cancellation of contracts

The cancellation of contracts (due to late delivery, non-performance or otherwise) or postponement of one or more contracts, can have a material adverse impact on the earnings of the Group. This risk is more inherent for the Group than other companies within the oil and gas sector, as the Group's services are mainly project based. Cancellation of contracts could thus have a more immediate and materially adverse effect than for companies with more long term commitments and a more regular work flow.

2.1.12 Contracts expiring and contract renewals

The Group's services are mainly project based, and it has few long-term commitments. The Group has established a relatively broad customer base and is only to a limited extent dependent upon a few large customers within the marine, adjusting and offshore oil and gas and renewable industries. However, the Group's financial condition and results of operations could be damaged if these customers interrupt or curtail their activities or terminate their contracts with the Group, fail to renew existing contracts or refuse to award new contracts to the Group while, at the same time, the Group is not able to enter into new contracts with new customers at comparable terms. Moreover, the long-term commitments that the Group has can be terminated on a relatively short notice. Hence, due to the project-based character of the Group's services, the Group's exposure to such risk is greater than for companies with long term commitments and a more regular workflow. For the same reason the Group is dependent on continuously winning and retaining business. Furthermore, the Group's contract structure implies that there is limited visibility for the Group's future revenue. There can be no assurance that the Group will be able to renew its existing customer contracts, or that any such future agreements will be on terms equally favourable to the Group as is currently the case. During depressed market conditions, a customer may no longer need the services that are currently under contract or may be able to obtain comparable service at a lower rate. As a result, customers may seek to renegotiate the terms of their existing contracts or avoid their obligations under those contracts. Hence, the Group's inability to compete successfully may reduce its profitability.

2.1.13 Environmental risk

Environmental and energy matters have been the focus of increased scientific and political scrutiny and are subject to various legal requirements. Legal requirements concerning these issues could potentially reduce demand for oil and natural gas, which again could affect the demand for the Group's services. Furthermore, the activities of the Group are subject to environmental rules and regulations pursuant to international conventions and national legislation in relevant jurisdictions. Failure to comply with environmental rules and regulations may cause damage to the external environment, suspend operations and may result in fines, penalties and/or claims by authorities and customers. To the extent

the Group is held liable for such breach of environmental rules and regulations, it may have an adverse effect on its operations and financial conditions.

2.1.14 Accidents

The inherent high risk involved in the Group's core business increases the Group's exposure to accidents of a severe and grave nature, with potentially fatal consequences for the Group's personnel and consultants. An accident involving one or more of the Group's personnel, and most importantly its consequence and indirect effect, could severely adversely affect the Group's business and reputation. An accident may also expose the Group for legal claims, including claims for indemnification of material size and severity, thus potentially adversely affect the Group's financial condition and liquidity. Further, a severe accident which directly or indirectly affects the Group may make it more difficult for the Group to attract and keep qualified personnel, sub-contractors and clients.

2.1.15 Legal claims and disputes

The numerous hazards inherent in the Group's business increase its exposure to claims and disputes. Legal claims within the Group's areas of operation are often complex and of material size and severity and may require both dedicated personnel and man hours in addition to economic provisions for several years. Legal claims and disputes could thus materially adversely affect the Group's business, financial condition, results of operation and liquidity.

2.1.16 Risks related to changes in tax laws and other regulations

As the Group is operating in 39 jurisdictions, each of which with separate local laws and regulations, the Group is particularly exposed to changes in tax laws and other regulations. Such tax laws and regulations may further be subject to change, varying interpretations and inconsistent enforcement, which could have a material adverse effect on the Group's profit and financial condition. It is possible that tax authorities in the countries in which the Group operates will introduce additional tax measures, depending on factors outside the Group's control. The introduction of any such provisions may require the Group to pay additional taxes or affect the Group's overall tax efficiency. Any such additional exposure could have a material adverse effect on the Group's business, profit and financial condition.

2.1.17 The Group does business in jurisdictions that are subject to sanction regimes

The Group operates in countries which is subject to certain trade embargoes and sanctions, mainly Russia, Iran, Venezuela and Myanmar. As the Group is heavily dependent on its ability to move personnel and goods to conduct its core business, the Group must pay high attention to any changes or developments in the current applicable regimes. Further, there can be no assurance that relevant sanction regimes will not be expanded to include other countries in which the Group operates, and any such development is outside the Group's control. Failure to comply with sanctions could result in material fines and penalties, and severely damage the Group's reputation. This could negatively affect the market price of the Shares. While the Group believes that it is in compliance with all applicable sanctions and embargo laws and regulations, and intends to maintain such compliance, there can be no assurance that the Group will be in compliance in the future, particularly as the scope of certain laws may be unclear and may be subject to changing interpretations.

2.2 Financial risk

2.2.1 Cyclical risks

The demand for the Group's services is especially sensitive to fluctuations in the market, due to their project-based character, while most of its costs are fixed (such as personnel expenses). Failure to counteract cyclical movements by bringing stability to its revenue and reducing its costs may have a material adverse effect on the Group's business, revenue profit and financial condition.

2.2.2 Risks related to payment under customer contracts

Many of its contracts require the Group to satisfy specified design, engineering, procurement or construction milestones to receive payment. As a result, under these types of arrangements, the Group may incur costs, or perform significant amounts of work, prior to payment. If a customer determines not to proceed with the completion of a project before a milestone is reached, the Group may encounter

difficulties in collecting payment of amounts due to it or costs incurred by it. This may have a material adverse effect on the Group's business, revenue, profit and financial condition.

2.2.3 Liquidity risk

The Group's ability to continue its core operations is dependent on close and adequate monitoring of the Group's cash flow to ensure that it has sufficient cash available on demand to meet expected operational expenses, including the servicing of financial obligations. As the Group's core business is highly dependent on the overall level of activity and capital spending by oil & gas and offshore companies (which is inherently fluctuating and outside the Group's control), the Group needs to pay particular attention to both its short term and long-term liquidity need. Further, the Group's contract structure implies that there is limited visibility for the Group's future revenue, thus increasing the Group's need to pay particular attention to its current and future liquidity need.

Further, as the Group's future liquidity depends on a number of factors, such as actual operational expenses, future acquisitions and other investments and costs of personnel, the Group may not be able to adequately assess and foresee its future cash requirement. The Group's liquidity is subject to uncertainty with respect to inter alia future earnings, working capital fluctuations and outcome of legal claims and disputes, and several of the factors which will affect the Group's liquidity need, such as changes in tax laws and regulations, is inherently outside the Group's control. A limited liquidity position may have a material adverse effect on the Group's business, financial condition, results of operation, and worst case, force the Group to cease its operations.

2.2.4 The Group is subject to exchange rate risk.

The Company's and its Norwegian subsidiaries' operational costs are primarily in NOK, whilst the Company's foreign subsidiaries' cost base primarily is in their local currencies. Although, the companies in the Group generate most of their income in the same currency as their operational costs, they will also from time to time generate income under currencies which differ from the currency of their operational costs. To some extent the Group is thus exposed to currency exchange fluctuations. If the Group continues to expand its market positions in other countries, or expands its business to new markets, it will be further exposed to such fluctuations. Currency exchange rates are determined by forces of supply and demand on the currency exchange markets, which again are affected by the international balance of payments, economic and financial conditions and expectations, government intervention, speculation and other factors. Fluctuations in exchange rates may have a material adverse effect on the Group's business, revenue, profit and financial conditions.

2.3 Risks related to the Transaction

2.3.1 The Company has acquired an ongoing business with a number of exposures relating to the period prior to closing

By the acquisition of the LOC Group, the Company acquired liabilities and other exposures relating to that business and which stems from periods prior to Closing. The Company's protection against such liabilities and other exposures under the Sale and Purchase Agreement is limited both by the scope of the warranties provided by the sellers and by the amount and time limitations applicable to these warranties (see Section 6.5 "Warranties of the Seller" for further details about the warranties, which are in line with customary warranties for transactions). Although customary due diligence investigations have been concluded in relation to the acquisition, the acquisition of the LOC Group represents a risk for the Group with regards to undiscovered and / or unknown liabilities and other exposures. Such unknown liabilities or exposures may have a material adverse effect on the business, results of operations, cash flows, financial conditions and/or prospects of the Company.

2.3.2 The Company may not achieve the expected benefits of the Transaction

In order for the acquisition to be successful, the Company must succeed in integrating LOC Group into the Group in a manner not negatively affecting the businesses and enabling the Group to achieve the desired economic effects. The Company will face foreseen and unforeseen risks and challenges when integrating LOC Group into its existing business. The Company's ability to benefit from enhanced business opportunities is dependent on business conditions in future periods that cannot be predicted or measured with certainty. The Company cannot be certain that the integration of LOC Group into its existing business will result in the expected benefits from anticipated business opportunities, revenue

enhancements or cost synergies or that such results can be achieved in the timeframe expected. Future business conditions and events may reduce, eliminate or delay the Company's ability to realize them. Further, the growth and operating strategies for the combined group may not be successful. The Company may fail to realize the anticipated benefits of the Transaction due to integration and other challenges, including, but not limited to:

- complications consolidating corporate and administrative infrastructures, information technology, communications and other systems;
- difficulties retaining employees;
- inability to coordinate staff across office network, marketing and other functions;
- potential disruption of ongoing businesses or inconsistencies in standards, controls, procedures and policies which could have a material adverse effect on the ability to maintain relationships with customers, suppliers or creditors;
- diversion of management's attention and resources from ongoing business concerns; and
- difficulties mitigating contingent and assumed liabilities.

The inability to benefit from business opportunities, experience revenue and overall growth or to meet the expected cost of integrating LOC Group, or inability to achieve them within the expected timeframe, could have a material adverse effect on the Company's business, financial condition, operating results and/or cash flows.

3. RESPONSIBILITY FOR THE PROSPECTUS

This Prospectus has been prepared in connection with the Subsequent Offering described herein and the listing of the New Shares on Oslo Børs.

The Board of Directors of AqualisBraemar LOC ASA accepts responsibility for the information contained in this Prospectus. The members of the Board of Directors confirm that the information contained in the Prospectus is, to the best of their knowledge, in accordance with the facts and contains no omission likely to affect its import.

Oslo, 21 April 2021

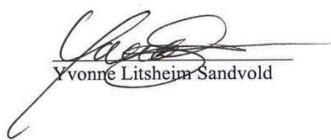
The Board of Directors of AqualisBraemar LOC ASA



Glen Ole Rødland



Synne Syrrist



Yvonne Litsheim Sandvold



Reuben Segal



Ronald Charles Series

4. GENERAL INFORMATION

4.1 The approval of this Prospectus by the Norwegian Financial Supervisory Authority

The Financial Supervisory Authority of Norway (Nw. Finanstilsynet) (the "**Norwegian FSA**") has reviewed and approved this Prospectus, as competent authority under Regulation (EU) 2017/1129 (the "**EU Prospectus Regulation**"). The Norwegian FSA only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the EU Prospectus Regulation, and such approval should not be considered as an endorsement of the issuer or the quality of the securities that are the subject of this Prospectus. This Prospectus was approved by the Norwegian FSA on 21 April 2021. The Prospectus has been drawn up as part of a simplified prospectus in accordance with Article 14 of Regulation (EU) 2017/1129 (the EU Prospectus Regulation). Investors should make their own assessment as to the sustainability of investing in the securities.

4.2 Other important investor information

The Company has furnished the information in this Prospectus. No representation or warranty, express or implied is made by the Managers as to the accuracy, completeness or verification of the information set forth herein, and nothing contained in this Prospectus is, or shall be relied upon as, a promise or representation in this respect, whether as to the past or the future. The Managers assume no responsibility for the accuracy or completeness or the verification of this Prospectus and accordingly disclaims, to the fullest extent permitted by applicable law, any and all liability whether arising in tort, contract or otherwise which it might otherwise be found to have in respect of this Prospectus or any such statement.

None of the Company or the Managers or any of their respective affiliates, representatives or advisors, is making any representation to any offeree or purchaser of the Shares regarding the legality of an investment in the Shares by such offeree or purchaser under the laws applicable to such offeree or purchaser. Each investor should make their own assessment as to the suitability of investing in the Shares and should consult with his or her own advisors as to the legal, tax, business, financial and related aspects of an investment in the Shares.

Investing in the Offer Shares involves a high degree of risk. See Section 2 "Risk Factors".

4.3 Financial information

The Company's audited financial statements for the year ended 31 December 2019 (the "**Financial Statements**") and unaudited financial statements as of, and for the twelve month period ended 31 December 2020 (the "**Interim Financial Statements**") are included in Appendix B-C.

The Financial Statements have been prepared in accordance with International Financial Reporting Standards as adopted by the EU ("**IFRS**") and audited by PricewaterhouseCoopers AS. There were no qualifications to the independent auditor's audit opinion. The Interim Financial Statements have been prepared in accordance with IAS 34 – "**Interim financial reporting**".

The Financial Statements and the Interim Financial Statements are together referred to as the "**Financial Information**".

4.3.1 Financial information relating to significant gross change - unaudited pro forma financial information.

This Prospectus includes unaudited pro forma condensed consolidated financial information for the Group for the year ended 31 December 2020 (the "**Unaudited Pro Forma Financial Information**"), as further described in Section 7 "Unaudited Pro Forma Financial Information", in order to show what the significant effects of the Transaction (as set out in Section 6 "The Acquisition of LOC Group") might

have been had the Transaction occurred at an earlier date. Please refer to Section 7 "Unaudited Pro Forma Financial Information" for further information on the integration plan.

4.4 Presentation of other information

4.4.1 Industry and market data

This Prospectus contains statistics, data, statements and other information relating to markets, market sizes, market shares, market positions and other industry data pertaining to the Group's future business and the industries and markets in which it may operate in the future. Unless otherwise indicated, such information reflects the Company's estimates based on analysis of multiple sources, including data compiled by professional organisations, consultants and analysts and information otherwise obtained from other third-party sources, such as annual financial statements and other presentations published by listed companies operating within the same industry as the Company may do in the future. Unless otherwise indicated in the Prospectus, the basis for any statements regarding the Company's competitive position in the future is based on the Company's own assessment and knowledge of the potential market in which it may operate.

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. The Company does not intend and does not assume any obligations to update industry or market data set forth in this Prospectus.

Industry publications or reports generally state that the information they contain has been obtained from sources believed to be reliable, but the accuracy and completeness of such information is not guaranteed. The Company has not independently verified and cannot give any assurances as to the accuracy of market data contained in this Prospectus that was extracted from these industry publications or reports and reproduced herein. Market data and statistics are inherently predictive and subject to uncertainty and not necessarily reflective of actual market conditions. Such statistics are based on market research, which itself is based on sampling and subjective judgments by both the researchers and the respondents, including judgments about what types of products and transactions should be included in the relevant market.

As a result, prospective investors should be aware that statistics, data, statements and other information relating to markets, market sizes, market shares, market positions and other industry data in this Prospectus (and projections, assumptions and estimates based on such information) may not be reliable indicators of the Company's future performance and the future performance of the industry in which it operates. Such indicators are necessarily subject to a high degree of uncertainty and risk due to the limitations described above and to a variety of other factors, including those described in Section 2 "Risk factors" and elsewhere in this Prospectus.

4.4.2 Currency Presentation

In this Prospectus, all references to "**NOK**" are to the lawful currency of Norway, all references to "**USD**" are to the lawful currency of the United States of America, all references to "**GBP**" are to the lawful common currency of the United Kingdom. No representation is made that the NOK, USD or GBP amounts referred to herein could have been or could be converted into NOK, USD or GBP, as the case may be, at any particular rate, or at all.

The Group prepares its financial statements in USD (presentation currency). Unless otherwise noted, all amounts in this Prospectus are expressed in USD.

4.4.3 Rounding

Certain figures included in this Prospectus have been subject to rounding adjustments (by rounding to the nearest whole number or decimal or fraction, as the case may be). Accordingly, figures shown for the same category presented in different tables may vary slightly. As a result of rounding adjustments, the figures presented may not add up to the total amount presented.

4.4.4 Certain terms used

For definitions of certain terms and metrics used throughout this Prospectus, see Section 16 "Definitions and Glossary".

4.5 Forward-looking Statements

This Prospectus contains forward-looking statements that reflect the Company's current views with respect to future events and financial and operational performance. Such forward-looking statements include, without limitation, projections and expectations regarding the Group's future financial position, business strategy, plans and objectives, and appear in Section 5 "Presentation of the Group", and elsewhere in the Prospectus. All forward-looking statements included in the Prospectus are based on information available to the Company, and views and assessments of the Company, as at the date of this Prospectus. Except as required by the applicable stock exchange rules or applicable law, the Company does not intend, and expressly disclaims any obligation or undertaking, to publicly update, correct or revise any of the information included in this Prospectus, including forward-looking information and statements, whether to reflect changes in the Company's expectations with regard thereto or as a result of new information, future events, changes in conditions or circumstances or otherwise on which any statement in this Prospectus is based.

When used in this document, the words "anticipate", "assume", "believe", "can", "could", "estimate", "expect", "intend", "may", "might", "plan", "should", "will", "would" or, in each case, their negative, and similar expressions, as they relate to the Company, its subsidiaries or its management, are intended to identify forward-looking statements. The Company can give no assurance as to the correctness of such forward-looking statements and investors are cautioned that any forward-looking statements are not guarantees of future performance. Such forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause the actual results, performance or achievements of the Group, or, as the case may be, the industry, to materially differ from any future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Group's present and future business strategies and the environment in which the Company and its subsidiaries operate.

Factors that could cause the Group's actual results, performance or achievements to materially differ from those in the forward-looking statements include but are not limited to, the competitive nature of the markets in which the Group operates, technological developments, government regulations, changes in economic conditions or political events. These forward-looking statements reflect only the Company's views and assessment as at the date of this Prospectus. Factors that could cause the Group's actual results, performance or achievements to materially differ from those in the forward-looking statements include, but are not limited to, those described in Section 2 "Risk factors" and elsewhere in the Prospectus.

Given the aforementioned uncertainties, readers are cautioned not to place undue reliance on any of these forward-looking statements.

5. PRESENTATION OF THE GROUP

5.1 Incorporation, registered office and registration number

The Company's legal name is AqualisBraemar LOC ASA. The Company is a public limited liability company (Nw: Allmennaksjeselskap) organised and existing under the laws of Norway pursuant to the Norwegian Public Limited Companies Act. The Company was incorporated on 2 June 2014 and is registered in the Norwegian Register of Business Enterprises with business registration number 913 757 424. The Company's business address is Fridtjof Nansens plass 8, 0160 Oslo, Norway. The Company's website is <http://www.aqualisbraemar.com/>.

5.2 Legal structure

The Company is the holding company in the Group, as well as conducting certain group activities. 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).

Subsidiaries	Country of incorporation	Parent Company	Group Ownership	Voting power
AqualisBraemar Holding Limited	United Kingdom	AqualisBraemar LOC ASA	100 %	100 %
AqualisBraemar Technical Services Holdings Limited	United Kingdom	AqualisBraemar LOC ASA	100 %	100 %
Offshore Wind Consultants Limited	United Kingdom	AqualisBraemar LOC ASA	100 %	100 %
East Point Geo Ltd.	United Kingdom	AqualisBraemar LOC ASA	100 %	100 %
Aqualis Offshore Australia Pty Ltd	Australia	AqualisBraemar Holding Ltd.	100 %	100 %
Aqualis Offshore Serviços Ltda	Brazil	AqualisBraemar Holding Ltd.	100 %	100 %
AqualisBraemar Shanghai Co., Ltd	China	AqualisBraemar Holding Ltd.	100 %	100 %
AqualisBraemar Korea Limited	Republic of Korea	AqualisBraemar Holding Ltd.	100 %	100 %
Aqualis Offshore Malaysia Sdn Bhd	Malaysia	AqualisBraemar Holding Ltd.	49 %	100 %
AqualisBraemar S. De R.L. De C.V.	Mexico	AqualisBraemar Holding Ltd.	100 %	100 %
Aqualis Offshore AS	Norway	AqualisBraemar Holding Ltd.	100 %	100 %
Aqualis Braemar Marine Services LLC	Qatar	AqualisBraemar Holding Ltd.	49 %	100 %
Aqualis Offshore Pte. Ltd.	Singapore	AqualisBraemar Holding Ltd.	100 %	100 %
Aqualis Braemar Marine Services LLC	United Arab Emirates	AqualisBraemar Holding Ltd.	49 %	100 %
Aqualis Offshore UK Ltd	United Kingdom	AqualisBraemar Holding Ltd.	100 %	100 %
AqualisBraemar Inc.	United States	AqualisBraemar Holding Ltd.	100 %	100 %
Braemar Technical Services (Canada) Limited	Canada	AqualisBraemar Holding Ltd.	100 %	100 %
Braemar Technical Services LLC	Dubai, UAE	AqualisBraemar Technical Services Limited	100 %	100 %
PT AqualisBraemar Adjusting Indonesia	Indonesia	Braemar Technical Services (Adjusting) Limited	80 %	80 %
AqualisBraemar LLC	Russia	AqualisBraemar Technical Services Holdings Ltd.	100 %	100 %
Braemar Technical Services (Adjusting) Pte Limited	Singapore	AqualisBraemar Technical Services Holdings Ltd.	100 %	100 %

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AqualisBraemar Technical Services (Adjusting) Limited	United Kingdom	AqualisBraemar Technical Services Holdings Ltd.	100 %	100 %
Braemar Technical Services Inc.	United States	AqualisBraemar Technical Services Holdings Ltd.	100 %	100 %
Braemar Technical Services LLC	Abu Dhabi, UAE	AqualisBraemar Technical Services Ltd.	49 %	49 %
Braemar Salvage Association (Shanghai) Limited	China	Braemar Technical Services Pte. Ltd.	100 %	100 %
Braemar Technical Services Pte. Limited	Singapore	AqualisBraemar Pte. Ltd.	100 %	100 %
AqualisBraemar (Pty) Ltd.	South Africa	AqualisBraemar Technical Services Holdings Ltd.	100 %	100 %
Braemar Teknik Servis Denizcilik Limited Sirketi	Turkey	AqualisBraemar Technical Services Ltd.	100 %	100 %
AqualisBraemar Technical Services Limited	United Kingdom	AqualisBraemar Technical Services Holdings Ltd.	100 %	100 %
Asian Energy Services Pte Limited	Singapore	AqualisBraemar Technical Services Pte Ltd.	100 %	100 %
AqualisBraemar Pty Ltd	Australia	AqualisBraemar Pte. Ltd.	100 %	100 %
Braemar Technical Services (Offshore) Shanghai Pte Limited	China	AqualisBraemar Pte. Ltd.	100 %	100 %
AqualisBraemar India Pvt Limited	India	AqualisBraemar Technical Services Pte Ltd.	100 %	100 %
PT AqualisBraemar Offshore Indonesia	Indonesia	AqualisBraemar Pte. Ltd.	100 %	100 %
AqualisBraemar Sdn Bhd	Malaysia	AqualisBraemar Technical Services Pte Ltd.	100 %	100 %
AqualisBraemar Technical Services Pte Ltd.	Nevis	AqualisBraemar Technical Services Holdings Ltd.	100 %	100 %
AqualisBraemar Pte Ltd	Singapore	AqualisBraemar Technical Services Pte Ltd.	100 %	100 %
AqualisBraemar (Thailand) Limited	Thailand	AqualisBraemar Pte. Ltd.	100 %	100 %
AqualisBraemar Vietnam Company Ltd.	Vietnam	AqualisBraemar Technical Services Pte. Ltd.	100 %	100 %
OWC (Aqualis) GmbH	Germany	AqualisBraemar Holding Ltd.	100 %	100 %
OWC Japan Ltd.	Japan	AqualisBraemar Holding Ltd.	100 %	100 %
Offshore Wind Consultants sp. z o.o	Poland	AqualisBraemar Holding Ltd.	100 %	100 %
Offshore Wind Consultants Taiwan Co. Limited	Taiwan	AqualisBraemar Holding Ltd.	100 %	100 %
Neptune Midco 1 Ltd	United Kingdom	AqualisBraemar LOC ASA	100 %	100 %
Neptune Midco 2 Ltd	United Kingdom	Neptune Midco 1 Ltd	100 %	100 %
Neptune Bidco Ltd	United Kingdom	Neptune Midco 2 Ltd	100 %	100 %
LOC Group Ltd	United Kingdom	Neptune Bidco Ltd	100 %	100 %

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London Offshore Consultants (Holdings) Ltd	United Kingdom	LOC Group Ltd	100 %	100 %
Longitude Consultancy Holdings Ltd	United Kingdom	LOC Group Ltd	100 %	100 %
London Offshore Consultants Ltd	United Kingdom	London Offshore Consultants (Holdings) Limited	100 %	100 %
Longitude Consulting Engineers Ltd	United Kingdom	Longitude Consultancy Holdings Ltd	100 %	100 %
Longitude Engineering de Mexico SA de CV	Mexico	Longitude Consultancy Holdings Ltd (99%) Longitude Consultants Inc (1%)	100 %	100 %
Longitude Engineering Pte Ltd	Singapore	Longitude Consultancy Holdings Ltd	100 %	100 %
Longitude Consultants Inc.	USA	Longitude Consultancy Holdings Ltd	100 %	100 %
LOC JLA Inc	USA	London Offshore Consultants Inc	100 %	100 %
John Le Bourhis & Associates Inc	USA	LOC JLA Inc	100 %	100 %
LOC (Guernsey) Ltd	Guernsey	London Offshore Consultants (Holdings) Limited	100 %	100 %
London Offshore Consultants (Nigeria) Ltd	Nigeria	London Offshore Consultants (Holdings) Limited (99%) London Offshore Consultants Limited (1%)	100 %	100 %
London Offshore Consultants Pte Ltd	Singapore	London Offshore Consultants (Holdings) Limited	100 %	100 %
London Offshore Consultants (Hong Kong) Ltd	Hong Kong	London Offshore Consultants (Holdings) Limited	100 %	100 %
London Offshore Consultants Brasil Ltda	Brazil	London Offshore Consultants (Holdings) Limited (88%) London Offshore Consultants Inc (12%)	100 %	100 %
London Offshore Consultants (Qatar) LLC	Qatar	London Offshore Consultants (Guernsey) Ltd	49 %	
London Offshore Consultants (Aberdeen) Ltd	United Kingdom	London Offshore Consultants (Holdings) Limited	100 %	100 %
London Offshore Consultants Inc	USA	London Offshore Consultants (Holdings) Limited	100 %	100 %
London Offshore Consultants (Canada) Ltd	Canada	London Offshore Consultants (Holdings) Limited	100 %	100 %
London Offshore Consultants Norge A/S	Norway	London Offshore Consultants (Holdings) Limited	100 %	100 %
London Offshore Consultants Mexico SA de CV	Mexico	London Offshore Consultants (Holdings) Limited	100 %	100 %
LOC (Netherlands) BV	The Netherlands	London Offshore Consultants (Holdings) Limited	100 %	100 %
London Offshore Consultants WLL	UAE	London Offshore Consultants (Guernsey) Ltd, and	49 %	

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LOC (Tianjin) Co Ltd	China	London Offshore Consultants Pte Ltd	100 %	100 %
LOC Laem Chabang Co Ltd	Thailand	London Offshore Consultants (Holdings) Limited	99.996665 %	
LOC (Egypt) for Consultancy Service SAE	Egypt	London Offshore Consultants (Holdings) Limited	60 %	
London Offshore Consultants (India) Private Ltd	India	London Offshore Consultants (Holdings) Ltd	100 %	100 %
London Offshore Consultants (France) SARL	France	London Offshore Consultants Ltd	100 %	100 %
London Offshore Consultants (Malaysia) SDN BHD	Malaysia	London Offshore Consultants (Holdings) Limited,	49%	
London Offshore Consultants (Guernsey) Ltd	Guernsey	London Offshore Consultants (Holdings) Limited (99%)	99%	
London Offshore Consultants Korea Co Ltd	South Korea	London Offshore Consultants (Holdings) Limited	100 %	100 %
London Offshore Consultants (Australia) Pty Ltd	Australia	London Offshore Consultants (Holdings) Limited	100 %	100 %
LOC (Kazakhstan) LLP	Kazakhstan	London Offshore Consultants (Holdings) Limited	100 %	100 %
LOC (Tianjin) Risk Technology Service Co Ltd	China	LOC (Tianjin) Co Ltd	100 %	100 %
Innosea SAS	France	London Offshore Consultants (Holdings) Limited,	71.11%	
Innosea Limited	Scotland	Innosea SAS	71.11%	
LOC (Germany) GmbH	Germany	London Offshore Consultants (Holdings) Limited	100 %	100 %
LOC (Senegal)	Senegal	London Offshore Consultants (Holdings) Limited	100 %	100 %

5.3 Business and company overview

The Company is a global independent offshore energy and marine consultancy incorporated in 2014. The start-up of the Company was initiated by David Wells, Reuben Segal and Ferncliff.

The Company offers, through its subsidiaries and associates, adjusting, marine and offshore consultancy services to the renewables, oil and gas, maritime and power industries. The group employs experienced consultants in 39 countries worldwide. The Company operates under 6 different globally spanning brands:

- **AqualisBraemar:** a adjusting, marine and offshore consultancy to the energy, shipping and insurance industries.
- **AqualisBraemar Yacht Services:** a specialized marine consultancy to the superyacht market.
- **Offshore Wind Consultants:** an independent consultancy to the offshore renewables sector.
- **London Offshore Consultants:** a premier international marine and engineering consulting firm, operating in the shipping, oil & gas and renewables sectors, providing loss prevention, loss management and marine and engineering consultancy services.
- **Longitude:** an independent dedicated engineering and design consultancy to the shipping, oil & gas and renewables sectors.

- **Innosea:** an independent engineering firm specialising in offshore wind, wave and tidal energy. Innosea provides consulting and engineering services to marine renewables industry with a particular focus on fixed and floating substructure concept development and engineering, and turbine engineering and analysis.

5.4 History and important events

The Company was started on the premise of growing demand for offshore marine and engineering consultancy services and the space for a new global marine engineering consultancy after the industry consolidation that had taken place in the prior years. The Company's strategy at the onset after its incorporation was to establish a global presence in all major oil and gas regions and build up a niche engineering and marine consultancy based on recruitment of experienced marine and engineering staff. Having access to a global service offering with experienced staff is a key competitive advantage in the marine and engineering consultancy industry.

From 2013 to 2015 a number of offices were opened globally, including amongst others in Singapore, London, Houston, Rio de Janeiro, Abu Dhabi, Shanghai, Mexico City and Qatar. During the same time period, the Company made several acquisitions, including Offshore Wind Consultants, to allow it to expand geographically and to expand the service range to cover the offshore wind and solar market services.

During 2015 the market conditions in the oil & gas business started to deteriorate significantly on the basis of a sharp fall in oil prices. The demand for marine and engineering consultancy services, particularly related to new CAPEX, fell significantly in this period which put strong pressure on prices in the whole oil service industry. To adapt to the changed market conditions, the Company rationalised its business and implemented a more flexible business model to operate in a market with lower margins, lower demand and less long term contracts. Due to the recession, the Company pulled back its expansion plans and reduced staff levels.

After a challenging year in 2016, the company started off in 2017 with a business model more aligned with market conditions and with a focus on strengthening its competitive positions and its profitability. From 2017 and to 2019 the Company has opened offices in Taiwan, Australia and US and expanded its business service lines. The Company sold its investment in ADLER Solar in 2018.

In 2019, the Company acquired three business lines (Adjusting, Marine and Offshore) from Braemar Shipping Services plc ("**Braemar**"), representing the majority of the Braemar Technical Services division, and changed its name from Aqualis ASA to AqualisBraemar ASA.

In 2020 the Company acquired LOC Group from LOC Group Ltd. and changed its name from AqualisBraemar ASA to AqualisBraemar LOC ASA.

The most significant milestones in the development of the Company are summarized below:

Year	Significant event
2012	Establishment of Aqualis Offshore Ltd
2013	Offices opened in Singapore, London (UK), Houston (USA), Rio de Janeiro (Brazil), Dubai (UAE) Acquisition of Standard Engineering AS Acquisition of Aqualis Offshore Limited
2014	Incorporation of Aqualis Offshore Holding, later renamed to AqualisBraemar ASA Listed on Oslo Børs. Offices opened in Abu Dhabi (UAE), Shanghai (China), Mexico City (Mexico) Acquisition of Tristein AS and Offshore Wind Consultants Ltd
2015	Office opened in Doha (Qatar) and Kuala Lumpur (Malaysia) Acquisition of 49% in ADLER Solar GmbH
2017	Office opened in Tainan (Taiwan)
2018	OWC opens office in Taipei (Taiwan)

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	Expanded service lines to include Rig Inspection Services Sale of ADLER Solar Services GmbH Payment of first dividend of NOK 0.90/share
2019	Office opened in Perth (Australia) and Boston (USA) Acquisition of Braemar Technical Services Holdings Limited Renamed to AqualisBraemar ASA
2020	Acquisition of LOC Group Renamed to AqualisBraemar LOC ASA

5.5 Business strategy

The Company was established on the premise that there was demand from clients for a new global niche offshore marine engineering consultancy. The Group's target is high-end niche consultancy in the offshore oil & gas sector and the offshore renewable sector.

The Group has established a presence in most major marine and offshore energy centres. The global presence allows the business to respond quickly when high-end marine or engineering consultancy is required. Although some of the offices have special focus on certain areas of operations, all service offerings are provided to the oil and gas market across all regions and for renewables to selected regions.

The Company's strategy is to offer high quality services by an experienced pool of staff and contractors. The Company has adapted to retain a flexible cost and skill base to be able to more quickly adapt to changes in market requirements

The Group's strategy is to expand the marine and offshore activities through the establishment of new offices globally, widening and strengthening its global client portfolio and by adding complementary services to its existing service offering.

The oil service industry will benefit from further consolidation. The Company will continue to actively work on any value adding consolidation opportunities

5.6 Description of the Company's business units

5.6.1 Introduction

Full integration of LOC Group's business with the Company's existing business units is expected to be commenced on 21 April 2021, when both companies will start operating under a single brand, and completed during the course of 3rd / 4th quarter 2021. Please refer to Section 5.7 "Integration of the LOC Group Business" for further information on the integration plan.

As the integration process is not completed as of the date of this Prospectus, separate descriptions of the AqualisBraemar Business and the LOC Group Business is provided in this Prospectus.

5.6.2 The AqualisBraemar Business

5.6.2.1 Introduction to AqualisBraemar

Through the AqualisBraemar Business, the Company offers independent consultancy services to the offshore energy (oil & gas and renewables), shipping and insurance industries. The group employs specialist engineers, naval architects, master mariners, loss adjusters and technical consultants in 39 countries worldwide. Through the AqualisBraemar Business, the Company operates under three brands:

- **AqualisBraemar:** a global adjusting, marine and offshore consultancy to the energy, shipping and insurance industries
- **AqualisBraemar Yacht Services:** a specialised marine consultant to the superyacht market
- **Offshore Wind Consultants (“OWC”):** an independent consultancy to the offshore renewables sector,

together, the “**AqualisBraemar Brands**”.

The Company’s services are organised in four business streams; Renewables, Offshore, Marine and Adjusting as further described below.

Renewables: covers any work related to green energy. Currently, revenues from this business stream are mainly derived from engineering and consultancy services to the offshore wind industry. The Group is increasingly widening its focus into sectors such as floating solar, hydrogen and the energy transition market.

Offshore: is focused on marine and engineering consultancy services to the offshore oil and gas industry and includes marine warranty surveys, rig moving services, transport and installation, construction supervision, inspections and approvals, decommissioning and geosciences.

Marine: delivers consultancy services to the shipping industry where the Group maintains a worldwide emergency incident response and surveys capability to marine insurance industry and shipowners covering hull & machinery and P&I surveys, casualty investigations, salvage, condition surveys, risk assessments, technical due diligence and damage surveys

Adjusting: covers loss adjusting, expert witness and dispute resolution services to the onshore and offshore energy, including renewables, insurance markets in the upstream, downstream, renewables, power and utilities and other markets.

The subdivision of the Group’s business into these four business streams is, however, primarily done to record revenue and allow the Group to closely monitor the business and the Group’s activity. The Group’s employees (primarily engineers and mariners) work across the different business streams, with few resources dedicated to one business stream only.

Of the three brands mentioned above, the AqualisBraemar Yacht Services is a small specialist department (focussing on “super yachts”) within the marine (shipping) section of AqualisBraemar but is marketed as a differentiated service to mainstream shipping. All P&L derived from this department is accrued under AqualisBraemar. The third brand, OWC, is entirely focussed on the separate offshore renewables sector and is accounted for as a standalone entity, though staff from AqualisBraemar and OWC can be interchangeable on specific project work.

A more detailed description on the business conducted under each of these business streams is provided in the sections below.

The Group’s revenue is primarily generated through “call outs” and; project specific work.

“Call outs” (or so called “evergreen contracts”), e.g. Master Service Agreements, are contracts whereby the Group provides clients with services “as and when required” and such agreements are particularly prevalent where there is a constant requirement for repeat services that tend to be driven by OPEX, e.g. attending on rig moves, vessel inspections, damage surveys, rig inspections etc. Historically approximately 70% of the Group’s work was driven by “call outs” but the Group is expecting that this ratio will be reduced in favour of project specific work following the LOC Acquisition (as further described in section 6, and below),

The second revenue driver of the Group is project specific contracts, e.g. typically contracts awarded for specific projects with clearly definable scopes of work that tend to be driven by capex e.g. project offshore construction related (in particular MWS), offshore asset installations, new build construction supervision, engineering design, offshore attendances and so forth. The LOC Group (now acquired by the Group) is concentrated around Marine Warranty Survey (“**MWS**”) which tend to be long term (typically 1-5 years) capex projects, involving the construction and installation of offshore assets. Thus, following the LOC acquisition the Group expects that a higher ratio of the Group’s revenue will be earned through such project specific agreements going forward.

The Group’s clients cover a wide spectrum of the market operators, e.g. utility companies, Oil Companies, (both national oil companies and independent oil companies), asset owners (rigs / ships / yachts), financial investors, EPIC contractors and insurance companies. The Group’s client base is further described in section 5.8 below.

The Group is headquartered in London and has 67 office locations in all major marine and offshore hubs in 39 countries in Europe, Africa, Americas, Middle East, Asia and Australia. The Asia Pacific and Middle East represents the most revenue generating regions of the Group as of the date of the Prospectus.

5.6.2.2 Renewables

The Group offers services in the offshore renewables sector through Offshore Wind Consultants and AqualisBraemar. Through AqualisBraemar, the Company provides global advisory, engineering and project management consultancy services. Through Offshore Wind Consultants (OWC), the business line solely focused on offshore wind, the Company covers the full value chain of technology and projects. OWC has significant experience in the industry, dating back to the first offshore wind farm development project in the UK. The key members of the team have been involved in most of the major offshore wind projects that have been developed in the UK and the rest of Europe to date. Since the establishment in 2011, OWC has delivered assignments amounting to more than 50 Gigawatts and over 70 projects across Europe, Asia and the US.

In combination with the Group’s other services, OWC is able to deliver enhanced services to their clients by sharing knowledge, expertise, and resources, particularly where engineering and offshore attendances are required.

Key services

Through AqualisBraemar, the Company specialises in providing services to offshore renewables developers, lenders and investors. We add value to clients through our experience whether they need support to realise a project or invest into a technology or project or develop their business or technology. We can align closely with our clients’ business goals and strategies enabling us to deliver practical and innovative solutions.

We support the following offshore renewables market segments:

- Offshore wind (fixed and floating)
- Ocean energy (wave and tidal)
- Subsea cables
- Energy storage

AqualisBraemar supports the following needs:

- **Projects:** We have been involved in over a quarter of offshore wind developments globally to date. Our experienced team of offshore renewable experts take a full lifecycle approach to your project; from feasibility to operation to decommissioning/repowering.

- **Business intelligence:** Data, analysis and insightful opinion is the key for making the right business decisions. We help clients analyse and identify opportunities and gain real benefit from evidence-based insights.
- **Transactions:** We can advise on projects and technology around the world. With hands on experience of developing, constructing and realising offshore wind projects we provide real world advice on financial risks regardless of the stage of the technology or project.

The brand's service portfolio is broad and delivered by experts with deep experience. Our offshore renewables service portfolio includes:

- **Project Development Services:** We provide all the early studies necessary for constraint analysis, site selection studies and early site evaluation developing LCOE and other inputs into early DEVEX decision making.
- **Strategy, Market and Policy Studies:** Offering advice and consultancy for all current and emerging offshore renewables markets and technologies.
- **Technical Studies:** We draw on a vast range of technical expertise enabling us to provide technical studies in almost every area of interest. Some of our delivered studies cover fixed and floating foundation design, including coupled load assessments, weather downtime analysis (sequenced downtime analysis utilising Monte Carlo simulation), technical risk assessments and CAPEX and OPEX modelling.
- **Wind Measurement Advisory Services:** We combine first-hand research knowledge in the field of wind measurements with practical experience from a large number of commercial project assignments. OWC experts have provided technical and consultancy services to several floating Lidar deployments in commercial projects making OWC a technical advisory in the field of floating Lidar technology and measurements.
- **Owners Engineering:** We bring in depth design and construction experience, first-hand experience of offshore installation and all the associated technological challenges as well as bringing the lessons learnt from many other projects. We cover the entire project lifecycle and can either manage or consult on a project on clients' behalf, or supplement clients' own teams.
- **Operation & Maintenance Consultancy:** Advice on all phases and aspects of O&M including deep expertise in subsea cables. We cover emergency cable repair support, cable remediation solutions and works, scour issues, survey management. In the wider O&M space we cover operations management, technical support services, commercial management, O&M concept and strategy, modelling for OPEX, operational CAPEX, logistics, WTG availability and downtime calculations and QHSE.
- **Technical Due Diligence:** We offer specialist technical due diligence supporting the financing, acquisition, sale and refinancing of assets, technology and companies within the offshore renewables market. Owners and financial institutions can obtain an objective expert view on the actual offshore wind project performance or asset value, as an important input to the decision-making process related to loans, consolidation or acquisitions.
- **Geotechnical Engineering Services:** A core service; the OWC geotechnical team consists of engineers who have many years of experience within the offshore wind industry and possess both excellent design and analytical skills combined with direct experience of working offshore. We bring experience and expertise in Offshore geophysical and geotechnical site investigations, live interpretation of site investigation data to inform ground model updates and immediate design assessments, foundation design and installation analysis, cable route risk analysis and planning and site specific assessments for jack-up locations including leg penetration analyses. OWC combine this expertise with a number of in-house innovative tools that have reduced DEVEX & CAPEX costs on projects.

- **Project Management:** OWC provide project management service support through all stages of an offshore wind farm project. Our reputation is based on early involvement in projects; from the planning, design and engineering and then seeing our role expand to a project management service provider through the construction, installation and commissioning phases of the project. Our team can either undertake a leading role and manage a project directly on behalf of an owner, or more commonly, work as part of an integrated team with our client, managing specific packages of work and providing support and advice to all other areas of the project.
- **Engineering:** We are able to provide structural engineering services support through all stages of an offshore wind farm project. The services we can provide include: structural analysis and design for offshore WTGs and offshore substations, both fixed and floating, for all stages of the design process/projects including optioneering and concept, FEED studies, optimisation to reduce ICoE and increase profitability, and detailed design. We also have specialists in mooring lines, electrical engineering, and dynamic cable analysis.
- **Expert Witness:** Our offshore wind team bring a proven track record in forensic investigation and the provision of expert witness reports and testimony for use in dispute resolution, arbitration, mediation or in the court of law.
- **Transport & Installation / Marine Operations Consultancy:** We offer transportation & offshore installation feasibility studies, loadout engineering, harbour engineering related to seabed levelling, concrete structures, fenders, linkspans and gangways, transportation engineering, installation engineering for jack-up units going on location, jacket launching and lifting installation engineering, inspection and supervision and marine operations management.
- **Risk Management & Interface Management:** OWC provides risk and interface management through all stages of an offshore wind farm project. We apply proven and state-of-the-art risk and interface management tools and techniques such as Monte-Carlo Simulation, combined with solid experience of our team.
- **HSEQ:** OWC's multi-disciplinary background gives us a very broad experience base across different industries, continents and technical disciplines. We apply risk tools such as standardised risk profiling for projects or operations, integrated risk, planning and commercial profiling and HSE risk categorisation and benchmarking. We use such risk methods in the evaluations of marine operations, qualification of new vessel concepts, risk assessment of wind turbine maintenance tasks, wind farm diving and ROV operations and also for offshore wind helicopter operations.
- **Marine Warranty Services:** The AqualisBraemar Business' marine warranty engineers, surveyors and master mariners act to protect underwriters' or self-insured clients interests. We provide independent third party review and approval of offshore wind projects. We have extensive experience of a wide range of offshore activities from simple marine operations to challenging and complex offshore projects.

5.6.2.3 Offshore

The Company provides specialised marine and engineering consultancy services, focusing on the shallow and deep-water segments of the offshore oil & gas industry and the offshore renewables markets worldwide. Our multidisciplinary engineering and marine teams are recognised in the industry for their competence and experience. We work closely with clients to understand their requirements, identify solutions and execute their projects and marine operations in a timely, cost-effective and safe manner.

The Company specialises in the following marine and engineering services:

- Deep and shallow water installation engineering and related marine operations

- Marine operations and surveying, including rig moving and tow master services together with engineering support services
- Vessel construction supervision and owner representation
- Engineering and project management support to the renewables industry
- Third party approvals on behalf of owners and underwriters such as marine warranty and audits of dynamic positioning systems
- Concept, FEED and basic design for new-build and vessel upgrades
- Rig inspection services

The AqualisBraemar Business provides clients with global support via an extensive office network. We aim to be a reliable long-term partner for our clients.

Our team is comprised of:

- Naval Architects
- Marine Warranty Surveyors
- Marine Surveyors
- Master Mariners (Tow Masters, Rig Movers, Marine Advisors, Mooring Masters, Consultants)
- DP Practitioners
- Structural Engineers
- Geotechnical Engineers
- Civil Engineers
- Installation Engineers
- Environmental Compliance Engineers
- Project Managers/Site Superintendents
- Risk Managers/Engineers
- Mechanical Engineers
- Control System Engineers
- Subsea Engineers
- Electrical and Electro Technical Engineers

MARINE WARRANTY

The AqualisBraemar brand is well known in the insurance market by many of the key international energy underwriters. We have been approved as Marine Warranty Surveyors on projects which include offshore construction works, transportations (including float overs and heavy lift topside load-outs), jack-up rig moving and location approvals, towages and dry transportations.

Our teams of Marine Warranty Engineers, Surveyors and Master Mariners provide independent third-party review and approval of offshore projects on behalf of underwriters or self-insured clients. We have extensive experience in a wide range of offshore activities from simple marine operations to complex and challenging offshore projects which include approvals for the following operations:

- Ocean towages
- Barge transportations
- Unusual / oversized cargoes on ships
- Location Approval for MODUs
- Offshore rig move attendance onboard MODUs
- Loadout, transportation and installation of offshore platforms, topsides and sub-sea structures
- Floating construction activities, floatover, deck mating, FPSO mooring installation & TLP hook-up
- Pipelay operations

- Bridge and harbor construction activities

Typical activities may include:

- Document reviews
- Suitability surveys of offshore marine spreads
- Approval of towages, heavy lifts and installations
- Subsea operations
- Decommissioning and removal of offshore structures
- Acting as Marine Advisors to oil companies and their contractors

MARINE CONSULTANCY

We offer a wide range of marine capability to the oil & gas and maritime industries. Our mariners have many years of experience associated with drilling rigs, offshore vessels and trading vessels. We aim to assist our clients in finding practical solutions to their marine operations and projects, and/or protect their interests when sub-contracting or making asset investments.

We offer:

- Provision of Towmasters
- Provision of Marine Advisors
- Dry transportation consultancy and operations
- Vessel inspections
- Rules & regulations compliance
- Inclining experiments
- Pilotage operations
- Rig move procedures
- Suitability surveys and audits
- Pre-charter audits/surveys
- Pre-purchase surveys
- Bollard pull certifications
- Drafting and review of offshore project related procedures
- Mooring plans
- Anchor handling procedures
- Witnessing equipment trials and tests
- Towing plans and procedures
- Common Marine Inspection Document (CMID) and Offshore Vessel Inspection Database (OVID) Surveys

RIG MOVING

We offer a full range of rig moving support services for Mobile Offshore Drilling Units. We offer full engineering assessments for site-specific location approvals and provide both Marine Warranty Surveyors and Rig Movers/Towmasters for offshore attendance during jack-up and floating unit rig moves.

The following services are provided:

- Jack-up engineering studies including site-specific assessments, fatigue analysis, collision studies, earthquake assessments, and heavy lift dry transportation
- Pre-contract rig suitability engineering analyses

- Leg penetration analyses
- Site-specific location approvals
- Mooring analyses
- Transportation approvals and consultancy
- Towage approvals
- Towmaster services
- Rig movers
- Turnkey marine operations
- General rig moving consultancy
- Marine Advisor

RISK CONSULTING

The Risk Consulting team strengthens the Company's marine and engineering services with a methodological and systematic approach to risk management.

Our engineering risk management experience includes drilling and production facilities. Within marine operations we have performed numerous risk management activities within loadout, transport, anchor handling, rig move, heavy lifting, subsea and SURF installation, dynamic position (DP), hook-up, diving and ROV operations, personnel transport, vessel layup and decommissioning.

We provide the best practices for identifying and managing risks and hazards to personal safety, assets, environment and reputation both in engineering and operations. We can lead, facilitate or contribute to risk management activities such as:

- Hazard Identification Analysis (HAZID)
- Hazard and Operability Analysis (HAZOP)
- Quantitative Risk Analysis (QRA)
- Safety case studies
- Risk assessments
- Failure Mode, Effect and Criticality Analysis (FMECA)
- Carry out inspections
- Provide people who can work within a client's team to manage risk within a project

ENGINEERING

Through the AqualisBraemar Business, the Company provides a unique solutions-based approach to engineering. Our engineers aim to work with our clients as a one-stop-shop to find efficient solutions to their engineering projects.

Due to our independent status, focus is on cost-effective solutions, fit for purpose and tailoring to suit the specific needs and constraints of our client. Our offshore engineering expertise covers the life-cycle of an offshore facility from concept and basic design through installation, on to ageing platform integrity management and finally, decommissioning. We are involved in both the shallow and deep water ends of the offshore oil & gas industry and operate from the major centers of the offshore industry.

Our experienced team can provide unique solutions for many platform types including Mobile Offshore Drilling Units (MODU), Wind Turbine Installation Vessels and Liftboats, Mobile Offshore Production Units (MOPU) including FPSO, FSO, as well as other offshore installations and floating structures. Our capability covers the marine systems, structural, geotechnical and naval architectural disciplines.

- Solutions include:
- Concept designs
- FEED and pre-FEED

- Basic designs
- MODU Upgrades, modification engineering and conversion to production platforms.
- Advanced engineering studies including hydrodynamic, non-linear response, stochastic and time-domain analysis.

Our combined teams include structural engineers, marine engineers and naval architects

TRANSPORTATION & INSTALLATION

Our multi-disciplined teams of Engineers, Surveyors and Master Mariners have many years of experience in the offshore industry.

We specialise in complex marine operations and can provide valuable early planning and advice to optimise the solutions with regard to vessel and equipment selection, structural design and offshore procedures. Subsequent engineering comprises analysis and design associated with all temporary phases of a marine operation, from loadout and transportation to installation or discharge of high value offshore assets.

Such engineering includes:

- Vessel ballasting
- Global and local vessel strength
- Vessel motions and stability
- Vessel/cargo interaction
- Grillage and seafastening design
- Design of fendering and installation aids
- Dynamic lifting and rigging
- Hydrodynamic analysis
- Jacket launch and upending
- Dynamic analysis for floatover installations
- Towing analysis and design
- Geotechnical analysis
- Production of appropriate documentation

Our service then extends to offshore operation supervision and support from our qualified and experienced Marine Superintendents and Project Engineers. We draw on the services of external companies where supplementary skills or input are required, for example metocean data for transportation assessment and planning. These services are tailored to suit our clients' requirements and can be supplied as conceptual/feasibility studies, detailed engineering and operation, or verification.

We have formed strategic alliances with vessel partners, enabling us to provide package solutions for T&I projects such as platform installations, including topside float overs, and tow, positioning and hook-up of floating structures.

With these services we provide associated engineering, preparation of procedures and offshore operations management.

RIG INSPECTION

We offer a wide range of rig inspection services to the offshore oil & gas industry. Our engineers offer years of practical experience in rig inspection, providing regulatory compliance and equipment operability assurance to our clients. Our rig inspection teams develop and execute bespoke rig inspection acceptance programs specifically tailored to our clients' needs.

We specialise in the following services:

- Rig inspection and assurance

- Rig selection
- Rig stacking & reactivation assurance
- New build delivery assurance
- Rig preservation inspection
- Focused rig inspections of the following equipment:
- Well control equipment inspections
- API standard 53 compliance audits & gap analysis
- Cyber-based drilling equipment inspections
- Integrated Control Management System (ICMS) inspections and testing
- ROV inspection & assurance
- Drilling rig equipment Factory Acceptance Testing (FAT) witnessing
- Cyber Security Assessments

Our aim is to provide independent technical reviews of drilling rigs' regulatory compliance and equipment operability to ensure incident-free drilling campaigns with maximum productive time.

CONSTRUCTION SUPERVISION

Through the AqualisBraemar Business, the Company provides teams to work with the client throughout the construction or conversion of an offshore asset. The project team monitors the project to ensure that it is carried out in accordance with the contract, the specifications, clients' expectations, flag and class requirements.

The project team consists of key personnel with the necessary skills to ensure that the construction meets the build schedule. The Company provides a group of engineers and inspectors of various disciplines to be utilised at different stages of the project. In addition, dedicated planning and document control functions are provided throughout the duration of the construction phase.

Key project control activities include:

- Development and implementation of project procedures
- Review of machinery and equipment purchase orders and specifications
- Development and implementation of project execution plans
- Monitoring of work progress and testing activity
- Monitoring of quality control of each activity throughout the construction
- Attendance at formal safety meetings
- Attendance at Factory Acceptance Testing (FAT)
- Audits of subcontractors' facilities
- Attendance during sea trials and inclining experiments
- Reporting to the client on a weekly and monthly basis
- Tracking of site queries, observing safety policy, monitoring quality control measures
- Maintaining electrical & mechanical completion and commissioning records and database
- Monitoring and reporting on extras and credits

DYNAMIC POSITIONING & CRITICAL SYSTEMS

AqualisBraemar Business provides an experienced multidisciplinary team of engineering and operational resources to support the Dynamic Positioning (DP) industry. We deliver dynamic positioning services & critical systems consultancy, including DP FMEA (Failure Mode and Effects Analysis), DP audit, DP Assurance and DP project management.

Our services encompass all aspects of the DP system, from initial design consulting, procedures and documentation, proving trials, audits, incident investigation, life extension studies, maintenance and management.

Our aim is to assist our clients to operate and validate according to their units' specific industrial mission, including drilling units, project and construction vessels, DSV's, accommodation units, shuttle tankers and OSV's. Whether identifying the critical activity mode or verifying the worst case failure mode through FME(C)A, the Company aims to provide clients with independent technical reviews to enhance safe operations.

DP Services Include:

- FME(C)A
- DP FMECA proving and annual trials
- DP design review/redundancy analysis
- DP condition & suitability surveys
- DP Capability & gap analysis
- Development of ASOG, WSOG & CAMO
- DP incident investigation
- DP manuals and procedures
- DP operator competence assessment and verification
- DP project management & sea trials management
- Planning for DP conversions
- Dive Auditing and FMEA work
- Dive system FMEA
- Dive system FMEA proving trials
- Dive system auditing
- ROV auditing
- Critical systems FMEAs
- LNG code FMEAs
- Cargo control systems
- HAZID/HAZOP
- LNG bunker barges
- Analyses of cranes, bilge and ballast systems, pipelay systems and other critical systems

The AqualisBraemar Business combines world-class Dynamic Positioning with world-class Rig Inspection services. We are the only Rig Inspection service provider with dedicated DP Practitioners. Our established DP inspection Practitioners bring years of experience with both offshore drilling rigs and offshore vessels.

TECHNICAL DUE DILIGENCE

With our assistance, owners and financial institutions can obtain an objective expert view on the actual project performance or asset value, as an important input to the decision-making process related to loans, consolidation or acquisitions.

Through the AqualisBraemar Business, the Company is well placed to perform solid, independent technical due diligence services with its combination of engineers and master mariners. The engineers will have been involved from the first concepts to sail away, including yard contract negotiations, the operational phase, yard stays for repairs, upgrades, modifications and special periodic surveys. The mariners will have been in charge of vessels, rig moves, and major marine operations including vessel inspection/survey.

- Assessment of vessel requirement vs. capabilities
- Design review, professional peer review
- Assessment of owner, project management team and project plans/schedule
- CAPEX/OPEX budget evaluation

- Identify delay risks and other project risks
- Pre- and post- contract reviews
- Yard evaluation and inspection
- Verification of project progress/payment milestone audits
- Suitability survey, condition survey, assessment of vessel function
- Lifetime assessments
- Assessment of equipment preservation and re-activation

The above services are performed for the following vessels:

- Drilling units: Semi-submersibles, jack-ups, drillships and tender barges
- Production units: Ship-shaped, semi-submersibles and jack-ups
- Accommodation units: Semi-submersibles, jack-ups and tender barges
- Offshore service vessels: Anchor handlers, supply vessels, cable layers, crane vessels, liftboats, tugs, etc.
- Other vessels: Shuttle tankers, oil tankers, floating storage units, wind turbine installation vessels, barges, cargo vessels

5.6.2.4 Marine

The Company provides specialised marine and engineering consultancy, focusing on the shipping and insurance markets worldwide. Our multidisciplinary engineering and marine teams are recognised in the industry for their competence and experience. We work closely with all stakeholders in the marine industry including shipowners, underwriters, brokers, P&I clubs, financiers, lawyers, average adjusters, charterers and relevant authorities & industry bodies. We deliver worldwide emergency casualty, accident or incident response and international marine survey services.

Through the AqualisBraemar Business, the Company specialises in the following marine market services:

- Hull & Machinery surveys
- P&I surveys
- Salvage & wreck removal consultancy
- Loss of hire, War risk, ship repairs & builder liability, marine liability and other marine insurance surveys
- Casualty investigations
- Expert witness provision
- Pre risk surveys including Joint Hull (JH) shipyard, vessel and management office surveys
- Technical due diligence services on behalf of financial interests
- Cargo & damage surveys
- Ports & harbours consultancy
- Dedicated yacht team

The Company provides clients with global support via an extensive office network. We aim to be your reliable long-term partner.

Our team is comprised of:

- Dedicated case handling by GSS team
- Marine Engineers
- Master Mariners
- Naval Architects
- Salvage Masters & SCRs

- Marine Surveyors
- Risk Managers/Engineers
- Mechanical Engineers
- Civil Engineers
- Control System Engineers
- Subsea Engineers
- Electrical and Electro Technical Engineers

MARINE INSURANCE SURVEYS

The AqualisBraemar brand is well known in the marine insurance market as the market leader in hull & machinery surveys. With presence in 33 countries we are well placed to respond to marine incidents promptly to better serve our client's needs. Many of the key international marine and P&I underwriters rely on our services with brokers and assured supporting our services and having us included in many slips. We offer support to the wider industry by active involvement in industry bodies such as the LMA, JH committee, JMCC and IUMI.

With over 150 years of experience in the field we bring tradition and history combined with innovation and a modern approach to the marine claims and pre risk process.

Marine insurance services offered:

- Hull & machinery surveys
- P&I surveys
- Dedicated yacht team
- Cargo interests' surveys
- Loss of hire surveys
- Ship repairs liability surveys
- Ship builders liability surveys
- Product liability surveys
- Marine liability surveys
- Damage to fixed and floating objects including collision assessment
- Litigation & Expert witness
- Port risks
- Voyage risks
- Loss prevention services
- Personal injury
- Damage surveys of high value equipment and cargo

MARINE CONSULTANCY

We offer a wide range of marine consultancy to the wider marine and marine insurance markets. Our mariners have many years of experience associated with a variety of vessel types with many bringing further commercial experience as salvage masters, superintendents, shipyard managers, classification surveyors etc.

We offer:

- Provision of Marine Advisors
- Dedicated yacht team
- Dedicated ports and harbour consultancy capabilities
- Salvage and wreck removal services
- SCR provision
- Dry transportation consultancy and operations

- Vessel inspections
- Rules & regulations compliance
- Inclining experiments
- Pilotage operations
- Suitability surveys and audits
- Pre-charter audits/surveys
- Pre-purchase surveys
- Mooring plans

TECHNICAL DUE DILIGENCE

With our assistance, owners and financial institutions can obtain an objective expert view on the actual project performance or asset value, as an important input to the decision-making process related to loans, consolidation or acquisitions.

Through the AqualisBraemar Business, the Company is well placed to perform solid, independent technical due diligence services with its combination of engineers and master mariners. The engineers will have been involved from the first concepts to sail away, including yard contract negotiations, the operational phase, yard stays for repairs, upgrades, modifications and special periodic surveys. The mariners will have been in charge of vessels, rig moves, and major marine operations including vessel inspection/survey. Our teams can also support the sale and purchase, refinancing or restructuring of fleets and shipping companies

Technical due diligence services offered:

- Assessment of vessel requirement vs. capabilities
- Design review, professional peer review
- Assessment of owner, project management team and project plans/schedule
- CAPEX/OPEX budget evaluation
- Identify delay risks and other project risks
- Pre- and post- contract reviews
- Yard evaluation and inspection
- Verification of project progress/payment milestone audits
- Suitability survey, condition survey, assessment of vessel function
- Lifetime assessments
- Assessment of equipment preservation and re-activation

The above services are performed for the following vessels:

- Passenger vessels
- Fishing vessels
- Drilling units: Semi-submersibles, jack-ups, drillships and tender barges
- Production units: Ship-shaped, semi-submersibles and jack-ups
- Accommodation units: Semi-submersibles, jack-ups and tender barges
- Offshore service vessels: Anchor handlers, supply vessels, cable layers, crane vessels, liftboats, tugs, etc.
- Other vessels: Shuttle tankers, oil tankers, floating storage units, wind turbine installation vessels, barges, cargo vessels

AQUALISBRAEMAR YACHT SERVICES

Superyachts are a dynamic sector of the marine industry with their own unique challenges. The Company combines first-class multidisciplinary expertise, a truly worldwide presence, early response

capability and proven reliability to deliver a distinctive bespoke service with exceptional technical content.

Yacht services offered:

- Damage surveys and casualty investigations
- New construction, conversion, refit and repair and project
- Management
- Sale and purchase services
- Yacht safety and loss prevention
- Yacht specific JH143 shipyard audits

PORTS & HARBOURS

Our Ports & Harbour team specialises in providing Port Capacity and Operational Simulation studies. Utilising our dual-purpose software package BRAEVURA ©, we are able to accurately model existing and future traffic flows using AIS data to predict port capacity, berth utilisations and to assess the effects on marine traffic of proposed modifications such as the introduction of new berths, vessel types or navigation rules.

5.6.2.5 Adjusting

Our team of loss adjusters are recognised as professional and qualified by insurance and reinsurance markets worldwide. Any claim assigned is evaluated in terms of its technical challenges, specific engineering discipline(s), insurance conditions, geography, language and cultural nuances.

Classes of insurance handled include:

- Energy
- Marine
- Mining & heavy industry
- Pollution liability
- Power & utilities
- Renewables

Our in-house technical disciplines include:

- Civil engineers
- Drilling engineers
- DP engineers
- Electrical engineers
- Geotechnical engineers
- Marine engineers
- Master mariners
- Mechanical engineers
- Naval architects
- Process engineers
- Quantity surveyors
- Structural engineers
- Subsea engineers
- Wind engineers

PHILOSOPHY

We provide the most professional loss adjusting and other expert service, supplying integrated capabilities of the highest calibre, to meet the diverse demands of specialist insurance markets and their clients worldwide. The Company is becoming the benchmark for professional service levels in their sector by continuing to invest in its people and infrastructure through a combination of selective recruitment, formal training, systems development, mentoring and peer support, as well as providing the local talent on the doorstep of our clients, to service their immediate and long-term requirements. We believe our services are most effective when all parties trust and rely upon professional independence.

OUR SERVICES

The Company provide Energy, Marine and Property Insurers, Brokers and Assureds with the highest quality professional Loss Adjusting and Surveying services, enabling Insurers to reach amicable and equitable settlement of claims made by their Assureds.

This service includes:

- Immediate response, including site visits by relevant technical personnel
- Timely clear, concise communication and regular formal reporting
- Accurate reserve information revised as appropriate throughout the engagement
- Full investigation of circumstances and cause
- Advice on the suitability and cost of remedial measures
- Review of contracts with relevance to insurable interest, indemnification and subrogation
- Complete policy review, identifying terms and conditions relevant to the claim
- Review of recovery potential
- Adjustment, taking full account of policy wording, law and relevant practice
- Impartiality

Expert Witness & Consultancy

Additionally, using the skillsets available within our organisation, the Company's team also has significant experience in the provision of Expert Witness services to clients, assisting them in the resolution of disputes.

The Company also offers consultancy services to insurers, legal firms, finance houses and banks, oil majors, vessel owners and managers, regulatory bodies and other organisations that require experienced, knowledgeable and reliable expertise, delivered with integrity.

5.6.3 The LOC Group Business

5.6.3.1 Introduction to the LOC Group

LOC Group, founded in 1979, is an international marine and engineering consulting firm that operates under four brand names: London Offshore Consultants, Innosea, Longitude and JLA (John LeBourhis).

London Offshore Consultants operates in the shipping, oil and gas, and renewables sectors, providing loss prevention and loss management services, as well as marine and engineering consultancy services. Innosea is an independent engineering firm that specialises in the renewables sector. Longitude provides independent engineering and design consulting to the shipping, oil and gas and renewables sectors, while JLA delivers rig-related approval services around the globe.

Headquartered in London, the LOC Group employs 416 people and operates worldwide in over 30 offices located in Europe, Africa, Americas, Middle East, Asia and Australia. Technical personnel comprise master mariners and chartered engineers. The range of skills from metocean to geotechnical

allows the Group to provide cutting edge advice on all marine matters from the sky to seabed. The Group's clients include P&I clubs, H&M insurers, underwriters, brokers, oil and gas companies, energy utilities, field operators, developers, EPC contractors, installation contractors, drilling contractors, lawyers, shipowners, governments, and turbine and cable manufacturers.

LOC's business addresses on aspects of concept, design, engineering, transportation, installation, construction and decommissioning in the marine environment of all types of assets and upon the accidents and disputes that sometimes arise and is a recognised industry leader in all of its fields of activity.

The business conducted under each of LOC Group's brand names are described in more detail in the following.

5.6.3.2 London Offshore Consultants

London Offshore Consultants ("LOC") operates in the shipping, oil & gas and renewables sectors, providing loss prevention (marine warranty, surveys, inspections & audits, technical due diligence), loss management (marine casualties, claims, disputes and litigation) and marine and engineering consultancy services. The brand is instantly recognised for marine warranty and expertise in management and recovery of major marine casualties but over the last 4 decades has also successfully provided its independent and extensive expertise to all marine technical requirements. The brand is the pioneer in offshore wind marine warranty. In every area of its operations, it strives to set the agenda or lead the implementation. Through our LOC Digital activities, it is already helping banks monitor decarbonisation of their lending under Poseidon Principles. One of the greatest challenges in energy transition is the decarbonisation of shipping; LOC is engaged in the realisation of hydrogen powering of ships.

Key services

LOC's service portfolio is divided into the following main categories:

- **Loss Prevention:** Activities of loss prevention in the energy business concern the identification and assessment of possible accidents and losses during the design, construction, transportation and installation phases of energy related projects. LOC has acted as loss prevention advisors on behalf of underwriters, their assureds, the assureds' contractors or for self-insured clients since the 1979 and these services remain at the core of LOC's business today.

The Loss Prevention services are divided into Marine Warranty Survey Services, and Marine Surveys, Inspections & Audits:

- Marine Warranty Survey Services: LOC provides independent third-party technical review and approval of high value and/or high risk marine construction, transportation and installation project and rig operations, from the planning stages through to the physical execution.

LOC's provision of these services are supported by its large global network of international offices. This network, which comprises professionally qualified and experienced master mariners and marine and offshore discipline engineers, enables LOC to support and service both large infrastructure development projects (or mega projects) and also the smaller more country or regionally focused projects where they can supply local personnel and knowledge.

- Marine Surveys, Inspections & Audits: LOC undertakes a wide range of marine surveys, inspections and audits in all parts of the world on behalf of many different industry interests. Clients include vessel owners and managers, charterers, flag state, brokers,

banks and insurance parties. Assets assessed cover a wide variety of type, size and complexity.

- **Loss Management:** LOC's Loss Management business line provides emergency response for insurers, including technical advisory and management of the casualty, when marine assets or cargo are damaged at sea. The Loss Management business line further offers professional witness and expert testimony in case of dispute or litigation. LOC is renowned in this field having worked on many of the landmark cases including the Costa Concordia and the grounding of the containership RENA in New Zealand, and has its advantage in having some of the best-known and most experienced practitioners on its team.

The Loss Management services are divided into Claims, Disputes & Litigations, and Marine Casualty Support & Advice:

- Claims, Disputes & Litigations: LOC provides expert advice at all stages of the marine claims and disputes process, including marine accident investigation. LOC has developed a broad spectrum of marine legal services expertise, with many of its technical team having provided oral and written evidence at court and maritime arbitration proceedings.
 - Marine Casualty Support & Advice: LOC is at the forefront of responding to marine casualties and emergencies worldwide. LOC has worked on marine casualties of all scales, including some of the largest and most complex incidents in recent history. LOC's role in these situations is to provide support and advice for a variety of types of marine emergencies, from oil spills to wreck salvage operations.
- **Consulting & Engineering:** LOC's engineers are commonly engaged to assess all manner of offshore structure including floating structures such as ships, jack-up units and FPSO's, as well as fixed structures such as offshore platforms and port infrastructure.

Studies for marine operations commonly include operability assessments, extreme environment analysis and fatigue analysis.

LOC's extensive engineering expertise is delivered by a multi-disciplinary team that provides Marine and Engineering Consultancy and Engineering Services globally.

The Consulting & Engineering services are divided into Marine & Engineering Consulting and Engineering & Design Services:

- Marine & Engineering Consulting: LOC's Marine & Engineering Consulting covers a wide variety of activities, where its role is part of the marine assurance, risk assessment and risk management of an asset. The wide range of skills and disciplines available for these services have now also been deployed in Owner's Engineering activities.
- Engineering & Design Services: LOC provides engineering and design services across the shipping, oil & gas, defence and renewables sectors. LOC's multi-discipline teams can provide all levels of engineering including concept design, pre-FEED, concept select, FEED, and detailed design for all lifecycle stages of an offshore asset, whether fixed or floating. These services are usually provided under the Longitude and Innosea brands discussed below.

5.6.3.3 Longitude

Longitude Engineering ("**Longitude**"), was incorporated in 2006 to provide dedicated independent engineering and design consultancy to the shipping, oil & gas and renewables sectors. These services are provided by Longitude for all marine structures but with a particular focus on the construction,

transportation and installation phases of an offshore project. For floating and fixed structures these services are provided for the whole lifecycle, from concept to operations, life extension and decommissioning.

Longitude provides these services through offices located in six worldwide locations and utilising the wider network of LOC Group. Our staff include naval architects, structural engineers, designers, hydrodynamicists, geotechnical specialists, metocean and coastal engineers, mechanical engineers, electrical engineers and marine systems engineers, all with extensive and broad experience of the offshore renewables and oil & gas, marine, defence and small craft industries gained whilst working in various roles across the maritime industry. Not only is the geographical network of the Group utilized but also the wide range of expertise that resides in the Group, to execute complex marine projects.

Longitude's aim is to provide field operators, installation contractors, vessel owners and others involved in the industry with all the maritime engineering assistance they require to ensure their projects are successful. We consider our most important assets to be our people, our independence, and our reputation. We take a holistic view of design from the overall concept through to the smallest detail – rather than simply focusing on a craft or platform, we are dedicated to helping our client's project succeed. This client-focused perspective, combined with our agile responsiveness and ability to adapt the way we work to suit you, is what makes us unique.

Key services

Longitude's service portfolio is divided into the following main categories:

- Marine Operations Engineering
- Marine Design, Upgrade & Conversion
- Clean Shipping
- Site Investigations
- Advanced Analysis & Simulation

Each of these services is described in more detail in the following paragraphs.

Marine Operations Engineering

Across all sectors of the marine industry, the requirements of marine operations drive the design and capability of vessels and equipment. Longitude's wide experience of marine projects and access to the latest methods and technologies allows us to produce engineering, method statements and detailed procedures for all types of marine operation.

We work closely with marine contractors and therefore, we are familiar with the operating capabilities of the available marine fleet in both local and global markets. We also work closely with our clients' Marine Warranty Surveyors, to help them obtain approval for their operations.

Marine Design, Upgrade & Conversion

We have specialist teams focused on different aspects of marine design from the concept to construction of high-speed composite craft, to offshore construction ships and maritime civil structures and foundations. We bring a combination of technical design expertise, cross-market sector operational knowledge and a deep understanding of classification societies – enabling us to deliver fit-for-purpose designs.

We develop concepts for specialist or one-off complex vessels, produce drawings, develop designs, manage the tenders for construction and then supervise and monitor these on behalf of our clients.

Clean Shipping

At Longitude Engineering, we assist and support our clients on their journey through the Energy Transition by reducing the environmental impact of their assets. We work on projects utilizing technology including:

- Alternative fuels
- Hybrid power systems
- Ballast water treatment system retrofit
- Exhaust gas cleaning
- Power system optimization
- Reduced power use

Our independence and size allow us to provide the best advice for our clients without compromise in areas which are groundbreaking.

Site Investigations

The combined expertise and experience of Longitude's geotechnical engineers, coastal engineers and metocean specialists, enable us to offer a full range of engineering consulting services for the detailed assessment of relevant conditions at any given site, proposed for offshore renewables and oil and gas projects, as well as to provide services for cable, umbilical and pipeline routing and burial.

Our key services include: Cable & Pipeline Routing, Site Characterization, Survey Management, Seabed Morphology and Metocean Analysis.

Advanced Analysis & Simulation

We address the complex problems that our clients encounter and this requires us to maintain advanced analytical capabilities. We hold perpetual software licenses which we run on high-performance computer clusters and have highly trained staff to undertake activities including:

- Advanced finite element analysis
- Dynamic simulations
- Multibody hydrodynamics
- Computational fluid dynamics

5.6.3.4 INNOSEA

INNOSEA, acquired by LOC Group in 2018, is an independent engineering firm specialising in offshore renewables. Established as a technology spinout from the Ecoles Centrale de Nantes, Innosea works at the cutting edge of research and development in wind, wave and tidal energy. Innosea provides consulting and engineering services to the marine renewables industry with a particular focus on fixed and floating substructure concept development and turbine engineering and analysis.

INNOSEA's team of MRE experts includes highly qualified engineers, many with PhDs specializing in aerodynamics, hydrodynamics, structural analysis and geotechnical engineering. Using numerical modeling of offshore structures for design and engineering phases is a key asset of the company.

Key services

Innosea's services are divided into the following main categories:

- Offshore structures engineering
- Specialized consultancy studies

- Advisory, Due Diligence & Market Strategy analyses
- Research & Development for product and methodology development

INNOSEA brings a rich portfolio of specialized engineering services for offshore renewable energy projects. One of the key assets of **INNOSEA** is its vast track-record of services provided to a wide variety of technologies or project developers globally. **INNOSEA** track-record covers fixed and floating wind energy, Solar PV, tidal energy, wave energy, OTEC, Blue or Green Hydrogen projects, as well as sea-related energy storage projects.

INNOSEA is thus able to form a rapid appreciation of clients' requirements and to respond promptly and effectively to these needs, including as part of clients' multi-disciplinary teams. This enables us to tackle within the Group's Engineering taskforce, the most complex and challenging marine and engineering problems.

INNOSEA has gained a large experience portfolio through several market references in the following disciplines:

- Metocean analysis;
- Hydrodynamics;
- Naval architecture;
- Structural analysis and structural design;
- Wind turbine engineering and aeroelastic modelling;
- Integrated loads analysis of wind turbines
- Geoscience and geotechnical design;
- Moorings design and analysis;
- Umbilical design and analysis;
- Offshore Construction & Installation operations engineering.

Our services support all stages of the offshore wind and offshore renewables projects including:

- **Conceptual design:** Including R&D tasks and engineering studies
- **Feasibility/Development stage:** Selection of suitable solutions, project preliminary engineering, Site-specific design of foundations, Integrated analysis, Site conditions and design basis, Global performance analysis, LCOE/CAPEX-OPEX cost estimates
- **Design stage (FEED and Detailed):** Strong contribution to Design Basis with a focus on site conditions, Contribution to foundation and systems engineering and package management including engineering scopes for: design briefs, design methodology (from global, integrated analysis to verification of individual local components), engineering design services, WTG Integrated Loads Assessment, drawings, design optimisations, RFI/RFQ construction specifications, coordination with Certification Body, Specification and management of tank testing campaigns, Interfaces management: between WTG supplier and foundation / EPCI (WTG model, foundation model, design load cases, convergence tests).
- **Cable engineering:** Inter Array Cable engineering, cable route engineering, Static & Dynamic Umbilical cable arrangements, global behavior and loads from dynamic cable equipment/appurtenances and cross-section design.
- **Software development and distribution:** Dedicated software tools with ownership and distribution including: InWAVE, Nemoh+, PREDIN, STATIONIS, WTG Library Load models.

5.6.3.5 John Lebourhis & Associates (JLA)

John Lebourhis, acquired by LOC Group in 2017, was established in Houston, Texas in 1976 to provide high quality marine consultancy and survey services to the offshore oil and gas industry, and in particular

those activities associated with the marine loss prevention aspects of offshore construction, drilling and production operations.

Prior to being acquired by LOC Group the focus of JLA had shifted primarily to support owners & operators of Mobile Offshore Drilling Units (MODU) and the provision of approvals for Rig Moves and Rig Locations.

These approvals are delivered on a global basis from the main office in Houston

Since acquisition, the global footprint of LOC Offices and personnel have enabled JLA to provide additional services that would otherwise have gone to other 3rd party organizations and has been key in JLA retaining its core client base.

Key Services

JLA services are divided into the following main categories:

- **MODU Location Approvals**

JLA approves approximately 300 moves and location approvals each year with the vast majority of these being for Jack-Up Units, however moored semi-submersible units and dynamically positioned units are also approved. Locations are global.

These approvals are issued without the need for an attending surveyor but where this is required then JLA use the wider LOC organization to provide the surveyor.

Each Jack-Up location requires as a minimum soil penetration curves to be produced. This service is now available from JLA with the analysis undertaken by other LOC Group companies with the capability.

- **MODU Dry Transport Approval & Studies**

JLA approves dry transports (jack-ups carried on a heavy lift vessel) each year and, since acquisition, the supporting transportation analysis is undertaken in-house with the support of other LOC companies. Personnel attend for the on-loading operation while off-loading operation attendance is subject to agreement with clients and underwriters

- **Marine Warranty Surveys & Loss Prevention**

JLA supports clients with MWS/Loss prevention services for complex design and operational activities such as MODU modifications and complex ocean towages.

- **Surveys and Inspections**

JLA regularly conducts vessel inspections as part of their support to clients including, Tow Vessel inspections, Rig Move vessel inspections, MODU reactivation surveys, MODU security surveys, OVIDS and scrap voyage surveys.

5.7 Integration of the LOC Group Business

The AqualisBraemar Business and the LOC Group Business will be trading separately up until 21 April 2021. From this point the companies will trade under the combined AqualisBraemar LOC (and ABL) umbrella of companies. In advance of this date most of the 18 city locations where both Groups are co-located have already completed the co-location of staff. Post this date commencement will be made on integrating back office functions and introducing a single ERP accounting system. Expectations are for the latter to have been implemented throughout the Group by 3rd / 4th quarter 2021. More details about the future operational integration, organisation and branding of the combined Company will be announced in the first half of 2021.

5.8 Customers

The Company has a diverse client base comprising the following types of companies

- National Oil Companies (“**NOCs**”) and Independent Oil Companies (“**IOCs**”): clients include amongst others ONGC, Saudi ARAMCO, Shell, Chevron, BP and Premier Oil, Conoco Philips, Inpex and Exxon Mobil
- Rig and vessel owners: clients include amongst others companies such as Seadrill, Saipem, Shelf Drilling, Noble Drilling, Borr Drilling, Maersk Drilling, Ensco, Tidewater, Posh Teresea, Seajacks, A2Sea and Teras Offshore
- Shipyards: clients include amongst others Samsung Heavy Industries, Hyundai Heavy Industries, Lamprell and MMHC
- Offshore contractors: clients include amongst others Technip, Saipem, MODEC, QGI, Hyundai, Hereema and Petrofac
- Financial institutions and investors: clients include amongst others ABN-AMRO, DNB and ING.
- Offshore wind farm developers: clients include amongst other Mainstream Renewable Power and Orsted
- Utility companies: clients include amongst other RWE, Iberdrola, Trianel and Vattenfall
- Underwriters: clients include amongst others Chaucer, XL Catlin, Starstone, Chubb, Zurich, Swiss Re, Beazley, Aspen, Markel, Axis, Gard and QBE

The Company’s wide customer base and product offering means its business model is, in general, not dependent upon any key customers or any key segments of the industry. The Company has exposure to a wide range of niche segments within the marine, offshore and renewable industry, with a broad portfolio of customers across the global oil and gas regions, as well as the global offshore renewable market.

5.9 Factors affecting the Group

The Group’s business and operations, including the demand for its services, will over time be affected by various factors including the following:

- The level of activity and capital spending by oil & gas and offshore companies as this affects the demand for the Group’s services.
- Public emphasis on sustainable energy sources and political dedication to the use of clean and sustainable energy sources driving investments in offshore wind parks globally, as this affects the demand for the Group’s services.
- Economic fluctuations: The energy sector is exposed to the general global economic environment. An economic downturn could e.g. reduce the availability of credit to fund the marine and offshore business operations globally, and hereby reduce the demand for the Group’s services.
- Industry competition: The global offshore consultancy market is highly competitive, and any new competitors entering the market, or e.g. new pricing or product initiatives from existing competitors, may have an effect on the Group.
- Political- and regulatory amendments: Any changes in the political, legislative, fiscal and/or regulatory framework governing the activities of the Group and/or its customers could have a significant impact on the Group’s offshore operations.
- Access to competent personnel, resources and customers: The current market for attracting highly qualified engineers is challenging and thus affects the Group, as it is dependent on retaining and recruiting highly skilled employees. Any major changes in the availability of qualified mariners and engineers in the regions in which the Group operates will affect the company.

- Demand fluctuations related to seasonality: the Group's business is seasonal in certain parts of the world. Many of its customers reduce demand for the Group's services during the winter months, hurricane seasons or monsoon periods due to the possibility of adverse weather conditions.

Investors should also note that any potential future changes in the regulatory framework legislation applicable to the Group, in particular tax legislation in the various jurisdictions in which the Group operates, could have a material effect on the Group's business, financial position and results.

5.10 Trend information and external factors

The Company is not aware of trends, uncertainties, demands, commitments or events that could have a material effect on the Group's prospects for the current financial year, except for the effects of the Covid-19 pandemic.

The Covid-19 pandemic has had, and continues to have, a short-term impact on the Group's business from both a global and local perspective. On a global basis the lockdowns of 2020 had an immediate negative impact on global oil and gas consumptions, resulting in an oil price collapse and putting the oil and gas industry back into recession with resultant decrease in E&P spending by the oil and gas Companies. Further, the global trading market was affected also pressurising elements of the shipping markets. However, with the recent oil price recovery, the Group believes there are indications that E&P expenditure expectations will start to increase.

The shipping market is, at the date of this Prospectus, currently buoyant with record charter rates in certain sectors indicating an increase in global trading. This leads to expectations of increased vessel survey and inspection requirements.

From a local perspective the lockdowns have resulted in the inability to freely travel, therefore impacting the Group's ability to get on site to undertake inspections giving a reduction in instructions. However, the Group is partially protected by the Group's extensive global footprint of offices and network of surveyors which, in some cases, have benefitted through winning new clients from the inability of smaller competitors being able to get to site. In addition, in some cases, extensive quarantine periods have driven extra revenues.

Despite the oil price reduction and reduced oil and gas activity, revenue across the Group has remained relatively stable in most segments. The Group has not had a significant reduction in staff levels, nor extensive temporary layoffs at any point since the Covid-19 pandemic outbreak.

The Covid-19 pandemic still remains an issue, and the Group expects that continued travel restrictions and general delays in client decisions will limit growth through the first half of 2021. However, the Group is hopeful that, with the introduction of vaccines, the future trading conditions are likely to get brighter.

5.11 Significant changes

There have been no significant changes in the financial position or performance of the Group since 31 December 2019, and the Company is further not aware of any significant changes impacting its operations and principal activities since 31 December 2019, except for the Covid-19 pandemic effect on the Group's operations, as set out above in section 5.10, and the acquisition of the LOC Group, as further set out below in section 6.

5.12 Property, plants and equipment

The Group's most important assets are the employees, see Section 9 "Board of directors, management, employees and corporate governance" below.

Fixed assets are mainly made up of equipment acquired to render services, and consists of office related equipment as software, computer hardware and furniture.

The Company leases its offices and most of the leases are under 12 months in length. The annual leases for the current office network are USD 0.8 million.

5.13 Legal proceedings

From time to time, the Group is involved in litigation, disputes and other legal proceedings arising in the normal course of its business. However, neither the Company nor any other company in the Group have been involved in any legal, governmental or arbitration proceeding during the course of the preceding twelve months, which have had significant effects on the Company's financial position or profitability, and the Group is not part to any legal proceedings which are considered to have significant effects on the Group's financial position or profitability. Further, the Group is not aware of any pending or threatening proceedings that may have significant effects on the Company's financial position or profitability.

5.14 Material contracts

5.14.1 Braemar Transaction

In June 2019, the Company acquired three business lines (Adjusting, Marine and Offshore) from Braemar, representing the majority of the Braemar Technical Services division, through an acquisition of 100% of the shares in Braemar Technical Services Holdings Limited (the "**Braemar Transaction**").

The consideration paid by the Company under the Braemar Transaction comprised new shares and warrants in the Company, representing an equity purchase price of between USD 7.1 million and 9.9 million, depending on the number of warrants vesting and, consequentially, the performance of the Company following completion of the Braemar Transaction. The Braemar Transaction was thoroughly described in the Company's prospectus approved by the Norwegian FSA on 21 June 2019.

5.14.2 Nordea Facility Agreement

The Transaction was partly financed through the Company's entry into of a USD 15 million senior secured term loan facilities agreement with Nordea Bank Abp, filial i Norge ("**Nordea**"), dated 14 December 2020 (the "**Nordea Facility Agreement**").

The Nordea Facility Agreement consists of two facilities, (i) a term loan facility in the amount of USD 10 million (the "**Term Loan**"), and (ii) a revolving credit facility in the amount of USD 5 million (the "**RCF**"), both with a maturity of three years, and the following financial covenants:

- (i) Minimum EBITDA of USD 7 million on a rolling 12-month basis; and
- (ii) NIBD < 0 at all times.

The interest on both the Term Loan and the RCF is the relevant LIBOR (1,3 or 6 months at the Company's discretion) plus a margin of 320 basis points. The Term Loan is to be repaid through 12 equal instalments on the last day of each financial quarter, the first time on 31 March 2021.

The Group's obligations under the Nordea Facility Agreement are guaranteed by the Company and certain other entities of the Group constituting "Material Companies", including Neptune, AqualisBraemar Technical Services, Holdings Ltd, AqualisBraemar Holding Ltd, Offshore Wind Consultants, Ltd, Aqualis Offshore Pte Ltd., Aqualis Braemar Marine Services LLC, London Offshore Consultants Limited, Longitude Consulting Engineers Ltd, London Offshore Consultants Inc, and London Offshore Consultants Pte. Ltd.

The obligations are further secured by the following first ranking security:

- (i) a pledge over all shares in Neptune and each other "Material Company" in the Group;
- (ii) pledge over any shareholder loans from i) the Company to any other member of the Group, ii) any Material Company to any other member of the Group, and iii) from any member of the

Group to a member of the Group whose shares are pledged to the Lender. All intragroup loans shall be subordinated to the claims of the Lender;

- (iii) pledge over account receivables of each Material Company;
- (iv) pledge of deposits on any bank accounts, including any top accounts in cash pool arrangements held by each Material Company, (subject to such pledge not requiring blocking of the account to be perfected); and
- (v) pledge over all assets (indenture or similar) of Material Companies, provided that such pledge may be legally provided in the relevant jurisdiction and subject to proportionate stamp duty or similar.

5.14.3 East Point Geo Transaction

On 19 February 2021, the Company acquired 100% of the share capital of East Point Geo Ltd. an independent geoscience consultancy providing support for major offshore and onshore engineering projects, specialising in renewables and oil and gas developments (the “**East Point Geo Transaction**”). The enterprise value consideration payable by the Company under the East Point Geo Transaction amounts to GBP 750,000, and will be settled with a combination of cash, sellers’ credit and consideration shares in the Company as follows:

- (i) GBP 135,000 cash consideration;
- (ii) a sellers’ credit in the amount of GBP 165,000; and
- (iii) up to 664,083 shares in the Company to be settled 3 to 7 years after closing of the East Point Geo Transaction, subject inter alia to the sellers’ continued employment in the Group.

Please refer to section 10.5 for further information on the settlement of the consideration shares.

5.14.4 Other contracts

Other than the Transaction, which is described in Section 6 “Acquisition of the LOC Group”, and the transactions described in this section 5.14, neither the Company nor any member of the Group has entered into any material contracts outside the ordinary course of business of the Group for the two years immediately preceding the date of this Prospectus, and no member of the Group has entered into any contracts outside the ordinary course of business of the Group containing obligations or entitlements that are, or may be, material to the Group as of the date of this Prospectus.

The Group has contractual obligations with various companies in the offshore and renewable industry concerning engineering and consultancy services. The Group’s contracts are generally structured in line with industry standards. The Group has few long term contract specific commitments, but holds many call out contracts. The Group is dependent on continuously winning and retaining business. Furthermore, the Group’s contract structure implies that there is limited visibility, in this current weaker trading market, for the Group’s future revenue.

5.15 Investments

Other than the Acquisition of the LOC Group (as further described in section 6 below) and the East Point Geo Transaction (as further described in section 5.14.3 above), the Group has not made any material investments since the date of the Financial Statements.

5.16 Related party transactions

The Company has entered into a share lending agreement with Gross Management AS and SpareBank 1 Markets AS (the “**Lending Manager**”) relating to the Lending Manager’s loan of up to 8,048,000 Shares from Gross Management AS (a company 100% owned by Glen Ole Rødland, the Chairman of the Board of Directors of the Company) in order to facilitate the settlement of the Private Placement. The agreement is entered into on market terms and at arm's length.

Other than as set out above, the Group has not entered into any related party transactions in the period between 31 December 2020 and to the date of this Prospectus.

5.17 Research and development, dependency on contracts, patents, licenses etc.

In the normal course of business the Group enters into numerous contracts, but the Company is not materially dependent upon any single contract. In the Company's opinion, the Group's existing business or profitability is not dependent on any patents. The Group is dependent on trade licenses to offer its services in certain jurisdictions in the Middle East and Asia Pacific which are important markets for the Group. The Group is not materially dependent on research and development activities.

6. THE ACQUISITION OF LOC GROUP

This Section provides information about the prospects of the results of the Transaction and its expected implications on the Group and should be read in conjunction with the Prospectus, in particular Section 5 "Presentation of the Group", and Section 7 "Unaudited Pro Forma Financial Information". The following discussion contains Forward-looking Statements that reflect the Company's plans and estimates. Factors that could cause or contribute to differences for these Forward-looking Statements include, but are not limited to, those discussed in Section 2 "Risk factors" and 4.5 "Forward-looking Statements".

6.1 Overview

On 23 November 2020, the Company entered into a share purchase agreement regarding the acquisition of 100% of the shares in Neptune Midco 1 Limited, being the ultimate parent company of the LOC Group (the "SPA"). Completion of the Transaction took place on 21 December 2020.

6.2 The parties to the Transaction

The SPA was entered into by the Company as purchaser of 100% of the shares in Neptune Midco 1 Limited from LOC Group Holdings Limited, the shareholders of which include pan-European investment group Bridgepoint and key employees of the LOC Group.

6.3 Background and reasons for the Transaction

The Transaction is an important step to implement the Company's stated strategy of growth through continued expansion in the rapidly growing offshore renewables industry. LOC Group has a strong and highly complementary footprint within the same industry, and is a perfect fit for the Company and its strategy, and will support the Company's ambition of consistently returning capital to its shareholders.

6.4 Description of the Transaction

The Company entered into an agreement to acquire 100 percent of the shares in Neptune Midco 1 Limited from the ultimate parent company of the LOC Group, LOC Group Holdings Limited, the shareholders of which include pan-European investment group Bridgepoint and key employees of LOC Group.

The purchase price consideration consists of a combination of cash consideration and conditional warrants in the Company as follows:

- (i) USD 20.2 million net cash consideration;
- (ii) 1 million warrants, conditional on the Company's share price 18 months after completion being above NOK 7.5; and
- (iii) 1 million warrants, conditional on the Company's share price 36 months after completion being above NOK 10.0.

The warrants were issued on completion of the Transaction and will be exercisable in a short period following the expiry of the 18- and 36-month periods. The warrant condition thresholds are measured against the 60-day value weighted average price prior to the expiry of these periods. The exercise price will be NOK 0.10 per warrant, being the nominal value per Share of the Company.

As part of the Company's long term incentive program, the Company intends to issue an additional 9.5 million options to existing employees of LOC Group and 1.5 million options to existing employees of the Company. The options are issued at-the-money with a 3-year vesting period subject to inter alia continued employment and additional restrictions after vesting.

6.5 Warranties of the Seller

The SPA contains warranties to the benefit of the Company customary for a transaction of this size and nature.

In order to facilitate an efficient process in the event of claims under the warranties of LOC Group Holdings Limited, the Company has arranged for a customary buyer's representations and warranties (W&I) insurance.

6.6 Financing of the Transaction

The Transaction was financed through a combination of USD 5 million in existing cash, loans under the Nordea Facility Agreement, and the proceeds from the Private Placement. Part of the funds was used to refinance LOC Group's current debt at USD 12 million and cover other costs and contingencies of USD 3 million. LOC Group had a net cash position of USD 2 million as of 30 September 2020.

6.7 Agreements entered into for the benefit of the managers and directors

Save for the share lending agreement described in Section 5.16, no agreements have been entered into by the Company in connection with the Transaction for the benefit of any board members or senior employees in the Company, or for the benefit of any senior employees in LOC Group.

6.8 The Group following the Transaction

LOC Group was acquired by the Company on 21 December 2020, and will be integrated into the Group's operations in accordance with the integration plan described in Section 5.7 "Integration of the LOC Group Business".

The acquisition of LOC Group forms part of the Company's strategic vision of growth through expansion and consolidation in the rapidly growing offshore renewables industry, leveraging the Group's market leading position within shipping and oil & gas to improve profitability and provide consistent capital return to its shareholders.

The Transaction increases the Group's renewables footprint and reaffirms its commitment to energy transition.

6.9 Legal structure following Completion of the Transaction

A detailed plan for the integration and organisation of LOC Group into the Group has been prepared through close co-operation between the Company and LOC Group. Please refer to Section 5.7 "Integration of the LOC Group Business" for further information on the integration plan.

6.10 Strengths and strategies following Completion of the Transaction

While both the AqualisBraemar Business and the LOC Group Business operate within the same overall market, the two businesses are rarely direct competitors. The businesses' relative strengths in terms of geographical coverage and service offering are different, making the two businesses highly complementary. In particular, the Transaction will significantly strengthen the Company's position within offshore wind MWS, project MWS, and P&I consultancy.

Renewables revenue comprised approximately 18% of the total revenue of both the Company and the LOC Group in the first 9 months of 2020. A key strategy for the combined group is to grow through continued expansion in the rapidly growing offshore renewables industry. The majority of that market is currently related to bottom fixed offshore wind, but the combined company has a strong position and

growth potential also in floating offshore wind, floating solar, tidal, and other new technologies. The Company has a stated ambition to have 50% renewables and sustainability-driven services in the business mix by 2025.

The combined company targets improved profitability within the traditional core maritime and offshore oil & gas sectors, leveraging the increased scale of the combined group to extract cost synergies and efficiencies.

The Company aims to consistently return capital to shareholders. In addition to the growth and improved profitability described above, the company targets a reduction in the tied up working capital, improving the capital efficiency and enabling further distribution of capital to stakeholders.

6.11 The Transaction's significance for the Group's earnings

The Transaction is expected to have a significant impact on the Group's earnings, as further described in Section 7 "Unaudited Pro Forma Condensed Financial Information". On a pro forma basis, total revenue would have increased from USD 77,015,000 for the Group for 2020 (as reported in the Interim Financial Statements) to USD 139,451,000 on a pro forma combined basis.

For a further description of the pro forma figures and the basis for such figures, see Section 7 "Unaudited Pro Forma Condensed Financial Information".

7. UNAUDITED PRO FORMA CONDENSED FINANCIAL INFORMATION

7.1 The Transaction

On 23 November 2020, the Company announced that it had entered into an agreement to acquire 100 percent of the shares in Neptune Midco 1 Limited, being the parent company of the LOC Group, from LOC Group Holdings Limited. The transaction triggered the preparation of pro forma financial information in accordance with Annex 20 to Commission Delegated Regulation (EU) 2019/980.

The purchase price consideration to be paid by the Company for the LOC Group consisted of a combination of cash consideration and conditional warrants in the Company as follows:

- USD 20.2 million cash consideration
- 1 million warrants, conditional on the Company's share price 18 months after completion being above NOK 7.5
- 1 million warrants, conditional on the Company's share price 36 months after completion being above NOK 10.0.

The transaction was financed through a combination of USD 5 million in existing cash, a new USD 15 million bank facility with Nordea, and the proceeds from the Private Placement as described in Section 13 "The Completed Private Placement and the terms of the Subsequent Offering".

For further details, see Section 6 "The Acquisition of LOC Group". Completion of the Transaction took place on 21 December 2020, and the Company started to consolidate the LOC Group from 31 December 2020.

No pro forma statement of financial position has been prepared as the transaction has been completed and is reflected in the statement of financial position of the Group as at 31 December 2020 (for further information, please refer to the Interim Financial Statements included as Appendix B).

The transaction and related financing are together referred to as the **Transaction**.

7.2 Cautionary Note Regarding the Unaudited Pro Forma Condensed Financial Information

The unaudited pro forma condensed financial information has been prepared for illustrative purposes only to show how the Transaction might have affected the Company's consolidated statement of income for the year ended 31 December 2020 as if the Transaction had occurred on 1 January 2020.

The unaudited pro forma condensed financial information is based on certain management assumptions and adjustments made to illustrate what the financial results of the Group might have been, had the Company completed the Transaction at an earlier point in time.

Because of its nature, the unaudited pro forma condensed financial information addresses a hypothetical situation, and therefore, does not represent the Group's actual financial position or results if the Transaction had in fact occurred on those dates, and is not representative of the results of operations for any future periods. It should be noted that greater uncertainty is associated with unaudited pro forma financial information than actual historical financial information. Investors are cautioned against placing undue reliance on this unaudited pro forma financial information.

The assumptions underlying the pro forma adjustments applied to the historical financial information are described in the notes to the unaudited pro forma financial information. Neither these adjustments nor

the resulting unaudited pro forma condensed financial information have been audited in accordance with Norwegian or United States generally accepted auditing standards. In evaluating the pro forma financial information, each reader should carefully consider the historical financial statements of the Group and the notes thereto and the notes to the unaudited pro forma financial information.

It should be noted that the unaudited pro forma financial information was not prepared in connection with an offering registered with the U.S. Securities and Exchange Commission ("**SEC**") under the U.S. Securities Act and consequently is not compliant with the SEC's rules on presentation of pro forma financial information (SEC Regulation S-X) and had the securities been registered under the U.S. Securities Act of 1933, this unaudited pro forma financial information, including the report by the auditor, would have been amended and / or removed from the Prospectus. As such, an U.S. investor should not place reliance on the Unaudited Pro Forma Condensed Financial Information included in this Prospectus.

7.3 Basis for preparation and accounting policies

The accounting policies (IFRS as adopted by EU, "IFRS") adopted in the preparation of the unaudited pro forma financial information is consistent with those followed in the preparation of the Group's last annual consolidated financial statements for the year ended 31 December 2019.

The Transaction is accounted for as an acquisition under IFRS 3 Business Combinations. The principles of valuation and allocation as described in IFRS 3 are applied.

The unaudited pro forma condensed financial information has been compiled based on the Company's unaudited consolidated interim financial statements for the year ended 31 December 2020, and management accounts for Neptune Midco 1 Limited for the year ended 31 December 2020 (date of consolidation) (the "**Neptune Management Accounts**") and prepared in accordance with the Group's accounting policies (IFRS). The Neptune Management Accounts are included as Appendix D.

The unaudited pro forma condensed financial information does not include all information required for financial statements under IFRS and should be read in conjunction with the historical information of the Company. The unaudited pro forma condensed financial information has been prepared under the assumption of going concern.

The pro forma adjustments have all continuing impact, unless otherwise stated.

The unaudited pro forma financial information has been compiled to comply with the requirements of the Norwegian Securities Trading Act by reference to the EU Prospectus Regulation regarding information contained in prospectuses as well as the format, incorporation by reference and publication of such prospectuses and dissemination of advertisements.

7.4 Independent practitioner's assurance report on the compilation of pro forma financial information included in a prospectus

With respect to the unaudited pro forma financial information included in this Prospectus, PricewaterhouseCoopers AS applied assurance procedures in accordance with ISAE 3420 "Assurance Engagement to Report Compilation of Pro Forma Financial Information Included in a Prospectus" in order to express an opinion as to whether the unaudited pro forma financial information has been properly compiled on the basis stated, and that such basis is consistent with the accounting policies of the Company. PwC has issued an independent assurance report of the unaudited pro forma financial information included as Appendix E to this Prospectus. There are no qualifications to this assurance report.

7.5 Unaudited pro forma condensed financial information

7.5.1 Unaudited pro forma condensed statement of income for the year ended 31 December 2020

The table below sets out the unaudited pro forma condensed statement of income for the year ended 31 December 2020, as if the Transaction had occurred on 1 January 2020.

<i>Amounts in USD thousands</i>	AqualisBraemar LOC ASA	LOC Group	Pro forma adjustments 1	Pro forma adjustments 2	Pro forma
	Unaudited ^(a)	Unaudited	Unaudited	Unaudited	Unaudited
Total revenues	77,015	62,436			139,451
Total operating expenses	(74,068)	(59,458)		(356)	(133,882)
Operating profit (loss)	2,946	2,979		(356)	5,569
Total net financial expenses	(439)	(1,018)	(130)		(1,587)
Income tax expenses	(994)	(1,299)	44	53	(2,196)
Profit (loss) after tax	1,513	661	(86)	(303)	1,786

Footnote (a): Extracted from the Company's unaudited consolidated interim financial statements for the year ended 31 December 2020.

Pro forma adjustment 1

The net pro forma adjustment of USD -86 thousand as increase in finance expenses after tax relates to the Nordea Facility Agreement as described in section 5.13.2. An assumption is made that the Nordea Debt Facility replaced the old debt facility in the LOC Group that existed on 1 January 2020. This new facility has replaced the old facility and will continue to do so going forward.

The pro forma adjustment of USD (130) thousands as increase in Total net financial expenses reflects (i) the elimination of historical financial expenses in LOC Group with USD 522 thousand which is related to the LOC Group current debt of USD 12 million being refinanced with the Nordea Debt Facility (this adjustment will not have a continuing impact); and (ii) the addition of estimated interest expenses of USD 652 thousand related to the Nordea Debt Facility, as described in section 5.13.2. It is assumed that the Nordea Debt Facility replaced the existing debt facility in the LOC Group on 1 January 2020. For pro forma purposes, a tax rate of 19% has been applied for financial expenses in LOC Group and 22% for the Nordea facility, leading to a pro forma adjustment of USD 44 thousand in Income tax expenses.

Pro forma adjustment 2

The pro forma adjustment of USD (356) thousand in Total operating expenses represents the amortisation related to the excess value allocated to Customer relations in connection with the preliminary purchase price allocation performed for the acquisition of LOC Group. The excess value allocated to Customer relations was USD 3,561 thousands with a useful life of 10 years. For pro forma purposes, a tax rate of 15% have been applied (corresponding to the tax rate used in the preliminary purchase price allocation leading to a pro forma adjustment of USD 53 thousand in Income tax expenses. This adjustment will have a continuing impact.

8. CAPITALISATION AND INDEBTEDNESS

8.1 Introduction

The information presented below should be read in conjunction with other relevant sections of this Prospectus, in particular Section 6 "The Acquisition of LOC Group" along with the Financial Information, included in Appendix B-C.

This Section provides information about the Group's unaudited consolidated capitalisation and net financial indebtedness on an actual basis as at 31 December 2020.

There have been no material changes to the Group's capitalisation and net financial indebtedness since 31 December 2020.

8.2 Capitalisation

<i>Amounts in USD thousands</i>	31 December 2020⁽¹⁾
Indebtedness	
Total Current debt:	39,874
Guaranteed	-
Secured ^(a)	11,221
Unguaranteed/unsecured	28,653
Total non-current debt:	13,843
Guaranteed	-
Secured ^(b)	8,754
Unguaranteed/unsecured	5,089
Total indebtedness	53,717
Shareholders' equity	
Share capital	1,276
Legal reserves	67,080
Other reserves	(3,759)
Total majority shareholders' equity	64,597
Non-controlling interests	721
Total equity	65,319
Total capitalization	119,036

(1) The data set forth in this column are derived from the Company's unaudited consolidated interim financial statements for the year ended 31 December 2020.

(a) Current Secured debt comprises current lease liabilities with USD 2,552, secured in the corresponding leased assets, as well as USD 8,207 related to the Nordea Facility Agreement which is secured by certain shares and assets as further described in Section 5.13.2 Nordea facility Agreement, and USD 462 in other bank short term credit secured by cash on a collateral bank account

(b) Non-current Secured debt comprises non-current lease liabilities with USD 2,340, secured in the corresponding leased assets, as well as USD 6,414 related to the Nordea Facility Agreement which is secured by certain shares and assets as further described in Section 5.13.2 Nordea facility Agreement.

8.3 Indebtedness

	<i>Amounts in USD thousands</i>	31 December 2020⁽¹⁾
(A)	Cash	30,624
(B)	Cash equivalents	-
(C)	Trading securities	-
(D)	Liquidity (A)+(B)+(C)	30,624
(E)	Current financial receivables	-
(F)	Current bank debt ^(a)	462
(G)	Current portion of non-current debt ^(a)	8,207
(H)	Other current financial debt ^(b)	2,552
(I)	Current financial debt (F)+(G)+ (H)	11,221
(J)	Net current financial indebtedness (I)-(E)-(D)	-19,403
(K)	Non-current bank debt ^(c)	6,414
(L)	Bonds issued	-
(M)	Other non-current financial debt ^(d)	2,340
(N)	Non-current financial indebtedness (K)+(L)+(M)	8,754
(O)	Net financial indebtedness (J)+(N)	-10,649

(1) The data set forth in this column relates to interest bearing liabilities and are derived from the Company's unaudited consolidated interim financial statements for the year ended 31 December 2020.

(a) Current bank debt and Current portion of non-current debt totalling USD 8,669 thousands corresponds to the financial line item Short term borrowings, whereas Current bank debt of USD 462 thousands relates to other bank short term credit and Current portion of non-current debt of USD 8,207 thousands relates to the Nordea Facility Agreement.

(b) Represents Lease liabilities (presented as Current liabilities).

(c) Represents Long term borrowings and relates to the Nordea Facility Agreement.

(d) Represents Lease liabilities (presented as Non-current liabilities).

8.4 Working capital statement

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

8.5 Contingent and indirect losses

As at 31 December 2020 and as at the date of this Prospectus, the Group did not have any contingent or indirect indebtedness.

9. BOARD OF DIRECTORS, MANAGEMENT, EMPLOYEES AND CORPORATE GOVERNANCE

9.1 Introduction

The General Meeting is the highest authority of the Company. All shareholders in the Company are entitled to attend and vote at General Meetings of the Company and to table draft resolutions for items to be included on the agenda for a General Meeting.

The overall management of the Group is vested in the Board of Directors and the Management. 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 Group's business ensuring proper organisation, preparing plans and budgets for its activities ensuring that the Group's activities, accounts and assets management are subject to adequate controls and undertaking investigations necessary to perform its duties.

The Management is responsible for the day-to-day management of the Group's operations in accordance with Norwegian law and instructions set out by the Board of Directors. Among other responsibilities, the Group's chief executive officer, or CEO, is responsible for keeping the Group's accounts in accordance with applicable law and for managing the Group's assets in a responsible manner. In addition, the CEO must according to Norwegian law brief the Board of Directors about the Group's activities, financial position and operating results at a minimum of one time per month.

9.2 Board of Directors

9.2.1 Overview

The Articles of Association provide that the Board of Directors shall consist of three to eight members.

As at the date of this Prospectus, the Company's Board of Directors consists of the following:

Name of director	Director since	Current term expires
Glen Ole Rødland	10.07.2014	2022
Yvonne Litsheim Sandvold	10.07.2014	2021
Synne Syrrist	10.07.2014	2021
Reuben Segal	10.07.2014	2022
Ronald Charles Series	27.09.2019	2021

The Board of Directors is in compliance with the independence requirements of the Norwegian Code of Practice for Corporate Governance dated 17 October 2018 (the "**Corporate Governance Code**", see also www.nues.no), meaning that (i) the majority of the shareholder-elected members of the Board of Directors are independent of the Company's executive management and material business contacts, (ii) at least two of the shareholder-elected members of the Board of Directors are independent of the Company's main shareholders, and (iii) no members of the Company's executive management are on the Board of Directors.

All members of the Board of Directors are independent of the Company's significant business relations. Mr Rødland have relations towards one of the Company's large shareholders (shareholders holding more than 10% of the Shares in the Company), Gross Management AS.

The Company's registered office, Fridtjof Nansens plass 8, 0160 Oslo, Norway, serves as the business address for the members of the Board of Directors in relation to their directorships of the Company.

9.2.2 Brief biographies of the members of the Board of Directors

Set out below are brief biographies of the members of the Board of Directors, including their relevant management expertise and experience, an indication of any significant principal activities performed by them outside the Company and names of companies and partnerships of which a member of the Board of Directors is or has been a member of the administrative, management or supervisory bodies or partner the previous five years (not including directorships and management positions in subsidiaries of the Company).

Glen Ole Rødland, Chairman

Mr. Rødland is an independent investor. He was a senior partner in HitecVision for 4 years from 2016 to end 2019. Before joining HitecVision he worked in Direct Active Investments in Ferncliff TIH AS, where he was a partner since 2006. Before joining Ferncliff he worked for 15 years with portfolio management and investment banking for DNB (Vital) and Swedbank First Securities (formerly Elcon Securities). Mr. Rødland has also worked as a market and investment analyst at JEBSENS, a Norwegian shipping company, and as a management consultant in PwC. Mr. Rødland has a long and varied experience within energy, basic materials and shipping, where he has led a number of IPOs, M&A processes and restructuring. He has postgraduate studies in Finance and Economics from NHH and UCLA. Mr. Rødland is a Norwegian citizen and resides in Oslo, Norway.

Current directorships and management positions	SeaDrill Ltd (chairman), Axactor SE (Chairman), Prosafe SE (Chairman), Tego Maritime AS (chairman), Corona Maritime Holding AS (chairman), Corona Maritime AS (chairman), Gross Management AS (Chairman)
Previous directorships and management positions last five years	Spectrum ASA (board member), Strata Marine & Offshore AS (chairman), Enerquip AS (chairman), Nordic Construction Barges II AS (chairman), Nordic Construction Barges III AS (chairman), Nordic Construction Barges IV AS (chairman), Nordic Construction Barges I AS (chairman), Grøndalselva AS (board member), Van Severen & CO AS (board member), Namdalen Træsliberi AS (board member), Namdal Skoger AS (board member), Ferndrill Management AS (board member), Spectrum ASA (Chairman), Akland Property AS (chairman), Akland Eiendom AS (chairman), Standard Investering AS (chairman), Gerox AS (chairman), Standard Holding AS (chairman), Strata Key Invest AS (chairman), Namdal Transitt AS (board member), NEL Hydrogen AS (board member), Strata Marine & Offshore AS (board member), Hydrogen Technologies Holding AS (board member), Ferncliff Asset Management Holding AS (board member), Skeie Capital Investment AS (board member), Eiken Mekaniske Verksted AS (chairman), Stugaard Invest AS (chairman), Berganodden Båtservice AS (chairman), Hydrogen Technologies Holding AS (chairman), Noble Denton (board member), Standard Drilling (board member). SD Standard Drilling (board member), Prospektor Offshore Drilling (chairman)

Yvonne Litsheim Sandvold, Board member

Yvonne L. Sandvold is the Chairman of the Board and Chief Operating Officer of Frognerbygg AS and Chief Executive Officer of YLS Næringseiendom. She has extensive experience in the Norwegian real estate industry. Ms Sandvold currently serves on the board of several private and public companies. She Holds a Cand. psychol. degree from the University of Oslo. Ms Sandvold is a Norwegian citizen and resides in Oslo, Norway.

Current directorships and management positions	Frognerbygg AS (Marketing manager and chairman), YLS Næringseiendom AS (chief executive officer, Bjørn Farmanns gate 8 AS (chief executive officer and chairman of the board), AS Naturbetong (board member), Sandvold Holding AS (chairman), Seilduksgt. 17 AS (chairman), Schønings gate 7 AS (chairman), Octopus Eiendom AS (chairman of the board), YLS Næringseiendom AS (chairman), Sandvold bolig AS (Chairman), Octopus Eiendom II AS (chairman of the board), Vinstra Handelpark II AS (Chairman), Sand Invest AS (Chairman), Løvenskiolds gate 12 AS (Chairman), Sarpsborgveien 23 AS (Chairman), Vinstra Handelpark AS (Chairman), Siesand Invest AS (Chairman), Fossveien 15 AS (Chairman), Nobels Gate 2B AS (Chairman), Valhallvegen 6 Invest AS (member of the board), Sandvoldgruppen AS (member of the board), Self Storage Group ASA (member of the board), Sørkeldalsvegen 9 AS (member of the board), AIR ESTATE AS (member of the board), Saga Tankers AS (member of the board), Psykolog Yvonne Litsheim Sandvold (owner)
Previous directorships and management positions last five years	Sandvold Holding AS (Chairman and board member), Seilduksgt. 17 AS (board member), Bogstadveien 62 AS (board member), Schønings gate 7 AS (deputy board member), Aksjevold AS (Deputy board member), Løvenskiolds gate 12 AS (member of the board), Fossveien 15 AS (member of the board), Octopus Eiendom II AS (Board member), Frognerbygg AS(chief operating officer and board member), Sandvold Bolig (board member), Karo Pharma Norge AS (board member), Sand Invest AS (board member)

Synne Syrrist, Board member

Synne Syrrist is an independent business consultant and has extensive experience as a non-executive director of both private and public companies. Ms Syrrist was previously a partner and financial analyst at First Securities. She currently serves on the board of several public companies, including Awilco LNG ASA, Awilco Drilling Ltd and Eidesvik Offshore ASA. She holds an MSc from the Norwegian University of Science and Technology and qualified as an authorised financial analyst at the Norwegian School of Economics and Business Administration. Ms Syrrist is a Norwegian citizen and resides in Oslo, Norway.

Current directorships and management positions	Awilco Drilling Ltd (board member), Awilco LNG ASA (chairman of the board member), Eidesvik Offshore ASA (board member), Njord Securities AS (board member), Ghilardi+Hellsten arkitekter AS (board member), Østfold Logistikkbygg AS (board member), Midt-Norge Bilpark AS
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	(board member), Sørlandet Bilpark AS (board member), Telemark Logistikkbygg AS (board member), , Bergen Kommunebygg AS (board member), Hafjell Helse- og handelsbygg AS (board member), Lillehammer Handelseiendom AS (board member), Stavanger Handelsbygg AS (board member)
Previous directorships and management positions last five years	Weifa ASA (board member), NorAm Drilling Company AS (board member), Intex Resources ASA (board member), 0495 Grefsen AS (board member), Vestfold Logistikkbygg AS (board member), Østfold Etatbygg AS (board member)

Reuben Segal, Board member

Reuben Segal is the Group COO and has over 25 years' experience in the offshore and shipping sectors covering both engineering design and ship surveying. Mr Segal is a naval architect and has extensive recent global business development experience with a focus on design and construction of offshore oil and gas assets, including MODU and MOPU units from FEED through to yard delivery. He holds a Master's degree in Engineering from the University of Newcastle. Mr Segal is a British citizen and resides in Dubai, UAE.

Current directorships and management positions	AqualisBraemar LOC ASA (chief operating officer and board member) and subsidiaries, AmAn Marine Ltd (board member)
Previous directorships and management positions last five years	GL Noble Denton (group director design & construction), GL Noble Denton (group director execution services), GL Noble Denton (director design & construction), Karo Pharma Norge AS (board member)

Ron Series, Board member

Currently the non-executive chairman of DX (Group) plc, having been executive chairman between September 2017 and November 2020, and executive chairman of Braemar Shipping Services plc. Ron previously was the senior independent director of Clipper Logistics plc and held senior management positions at Lonmin plc, the platinum group metals producer, Viridian Group Limited, the energy company, and Dubai World, the global investment company. Ron is a Fellow of the Institute of Chartered Accountants of England and Wales, and he holds an MBA from the University of Cape Town Graduate School of Business. He is a joint British and South African citizen and resides in London.

Ron Series represents Braemar Shipping Services PLC on the Board.

Current directorships and management positions	Braemar Shipping Services PLC (Executive Chairman), DX (Group) plc (Non-Executive Chairman)
Previous directorships and management positions last five years	Proserv Group LLC (non-executive director), Clipper Logistics plc (Senior Independent Director), Slater & Gordon Limited (Independent advisor to the Board)

9.2.3 Shares and options held by members of the Board of Directors

As at the date of this Prospectus, the members of the Board of Directors have the following shareholdings in the Company (including direct and indirect ownership):

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Name	Position	Number of Shares
Glen Rødland	Chairman	14,790,351
Braemar Shipping Services PLC (represented by Ron Series)	Board member	19,240,621
Reuben Segal	Chief Operating Officer and Board member	1,798,003

As at the date of this Prospectus, none of the members of the Board of Directors holds any options for Shares in the Company.

9.3 Management

9.3.1 Overview

The Executive Management of the Company consists of 4 individuals as at the date of this Prospectus. The names of the members of the Management, and their respective positions, are presented in the table below:

Name	Position	Served since
David Wells	Chief Executive Officer	2012
Dean Zuzic	Chief Financial Officer	2020
Reuben Segal	Chief Operating Officer	2013
Svein Staaen	General Counsel	2020

All members of the Management are employed by AqualisBraemar LOC ASA.

The Company's registered office, Fridtjof Nansens plass 8, 0160 Oslo, Norway, serves as the business address for the members of management in relation to their positions in the Company.

9.3.2 Brief biographies of the members of the Management

Set out below are brief biographies of the members of the Management, including their relevant management expertise and experience, an indication of any significant principal activities performed by them outside the Company and names of companies and partnerships of which a member of the Management is or has been a member of the administrative, management or supervisory bodies or partner the previous five years (not including directorships and management positions in subsidiaries of the Company).

David Wells, Chief Executive Officer

David Wells, a Master Mariner, is a founding member of the Company. Mr Wells has more than 30 years' experience in the offshore consultancy sector with a particular focus on offshore operations, MWS, ocean towages and marine consultancy. He is a specialist on jack-up rig move operations, location approvals and all aspects of rig moving. Prior to joining the Company, Mr Wells was a specialist consultant to the offshore market and previously held senior Global and Regional MD roles for a major leading global oil and gas consultancy. His focus during the latter was on the Middle East, Africa and Indian sub-continental regions where he managed seven offices and a multi-cultural staff of some 200 employees. Mr Wells resides in London, UK.

Current directorships and management positions	AqualisBraemar LOC ASA (Chief Executive Officer) and subsidiaries, Alsto Consultancy Ltd (Director)
Previous directorships and management positions last five years	ADLER Solar GmbH (Non-executive Director)

Dean Zuzic, Chief Financial Officer

Dean Zuzic is an experienced CFO who has more than 30 years' finance and management experience. He has held CFO roles at Oslo-listed seismic players TGS-NOPEC Geophysical Company ASA and Spectrum ASA. Prior to this, Zuzic held CFO positions at Norwegian recycling group Norsk Gjenvinning, home textile retailer Kid Interior and Nordic retail group Plantasjen. He started his career with McKinsey & Company and has also worked as an equity analyst.

Current directorships and management positions	Aquaeductus Fund Partners AS (Chairman); AqualisBraemar LOC ASA subsidiaries (Director); Fazaju AS and subsidiaries (Chairman)
Previous directorships and management positions last five years	TGS Nopec Geophysical Company ASA subsidiaries (Director); Spectrum ASA subsidiaries (Director); Norsk Gjenvinning Norge AS subsidiaries (Chairman/Director); Labrida AS (Director)

Reuben Segal, Chief Operating Officer

Reuben Segal has over 25 years' experience in the offshore and shipping sectors, covering both engineering design and ship surveying. He is a naval architect and has extensive recent global business development experience with a focus on design and construction of offshore oil and gas assets, including MODU and MOPU units from FEED through to yard delivery. Mr Segal holds a Master's degree in Engineering from the University of Newcastle. Mr Segal resides in Dubai, UAE.

Current directorships and management positions	See Section 9.2
Previous directorships and management positions last five years	See Section 9.2

Svein Staaen, General Counsel

Svein O. Staaen has over 20 years' professional experience from law firms and in-house legal positions, with particular experience from maritime and energy industries. He holds a Master of Law degree from the University of Oslo and a Diploma in English Commercial Law from the College of Law, London. Mr. Staaen is a Norwegian citizen and resides in Bærum, Norway.

Current directorships and management positions	AqualisBraemar LOC ASA (General Counsel)
Previous directorships and management positions last five years	Spectrum ASA (General Counsel)

9.4 Bonus and share incentive programmes

9.4.1 Employee incentive schemes

In connection with the Company's completion of the Braemar Transaction, the Company established a share option scheme for the employees of the Company and its subsidiaries with the purpose of providing incentives for the employees to ensure the best performance and close and long-term relationship with the Group by offering the possibility to participate in the Company's financial development.

In accordance with this scheme options are exercisable at the market price of the share in the exercise period, which is nine months following the date of 1 May 2022.

In connection with the Transaction, the Company intends to issue an additional 9.5 million options to existing employees of LOC Group and 1.5 million options to existing employees of the Company. The options are issued at-the-money with a 3-year vesting period subject to inter alia continued employment and additional restrictions after vesting.

9.4.2 Shares and options held by members of the Executive Management

As of the date of this Prospectus, the members of the Executive Management have the following shareholdings and options in the Company (including direct and indirect ownership):

Name	Position	Number of Shares	Number of options
David Wells	CEO	1,126,998	-
Reuben Segal	COO	1,798,003	135,000
Svein Staaen	General Counsel	202,864	-

9.5 Conflicts of interests

There are no potential conflicts of interests between any duties to the Company, of any of the Board members or members of the Executive Management and their private interests and or other duties, except as described below or by the shareholdings of the Executive Management in 9.4.2:

Glen Ole Rødland, Chairman of the Board

Mr. Rødland is a board member in and the owner of 100 % of the shares in Gross Management AS, which as of the date of this Prospectus owns 14,790,351 Shares, corresponding to 16 % of total shares outstanding in the Company. He is thus not considered as independent from the Company's larger shareholders.

Ron Series, Board Member

Ron Series represents Braemar Shipping Services PLC on the Board. As of the date of the Prospectus, Braemar Shipping Services PLC owns 19,240,621 Shares, corresponding to 20.79% of the total shares outstanding in the Company. Mr. Series is thus not considered as independent from the Company's larger shareholders.

There are no family relations between any of the members of the Board or the Management.

9.6 Details of any convictions for fraudulent offences, bankruptcy etc.

None of the members of the Board of Directors or the Management have during the last 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 was 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

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- been declared bankrupt or been associated with any bankruptcy, receivership or liquidation or companies put into administration in his/her capacity as a founder, director or senior manager of a company or partner of a limited partnership.

There are no actual or potential conflicts of interest between the private interests or other duties of any of the members of Management and the Board of Directors and their duties towards the Company, including any family relationships between such persons.

10. CORPORATE INFORMATION AND CERTAIN ASPECTS OF NORWEGIAN LAW

The following is a summary of certain corporate information and material information relating to the Shares and share capital of the Company and certain other shareholder matters, including summaries of certain provisions of the Company's Articles of Association and applicable Norwegian law in effect as at the date of this Prospectus. The summary does not purport to be complete and is qualified in its entirety by the Company's Articles of Association and applicable law.

10.1 Company corporate information

The Company, having AqualisBraemar LOC ASA as its registered name and AqualisBraemar LOC as its commercial name, is a Norwegian incorporated public limited liability company organised and existing under the laws of Norway, pursuant to the Norwegian Public Limited Companies Act. The Company is registered with the Norwegian Register of Business Enterprises with registration number 913 757 424. The legal entity identifier ("LEI") of the Company is 5967007LIEEXZXH86O96. The Company's registered office is in the municipality of Oslo, with address Fridtjof Nansens plass 8, 0160 Oslo, Norway, telephone +47 414 33 560. The Company was incorporated 2 June 2014. The Group's website address is www.aqualisbraemar.com. The content of www.aqualisbraemar.com is not incorporated by reference into and does not otherwise form part of this Prospectus.

At the date of this Prospectus, the current share capital of the Company is NOK 9,254,758.30 divided onto 92,547,583 Shares fully paid with a par value of NOK 0.10 each and issued in accordance with Norwegian law. The Shares are registered in the VPS register with ISIN NO0010715394. The Company's register of shareholders with the VPS is administrated by DNB Bank ASA, address: Dronning Eufemias Gate 30, 0191 Oslo, Norway. The Shares are equal in all respects and there are no different voting rights or classes of shares. Each Share carries one vote at the General Meeting.

10.2 Major shareholders

As at the date of this Prospectus, the Company has the following 20 shareholders, holding in aggregate 69.7 % of the issued and outstanding Shares:

Shareholder	Number of Shares	Percentage
GROSS MANAGEMENT AS	14,790,351	16.0
BRAEMAR SHIPPING SERVICES PLC	9,640,621	10.4
HOLMEN SPESIALFOND	9,240,763	10.0
BJØRN STRAY	5,017,743	5.4
MELESIO INVEST AS	4,441,016	4.8
MP PENSJON PK	2,081,128	2.2
HAUSTA INVESTOR AS	1,809,115	2.0
LGT BANK AG	1,798,003	1.9
AMPHYTRON INVEST AS	1,600,339	1.7
LANGEBRU AS	1,575,410	1.7
CATILINA INVEST AS	1,555,339	1.7
BADREDDIN DIAB	1,517,695	1.6
GINKO AS	1,428,480	1.5
SAXO BANK A/S	1,421,260	1.5
OMA INVEST AS	1,179,508	1.3
TRAPESA AS	1,173,580	1.3
BANQUE PICTET & CIE SA	1,126,998	1.2
KVANTIA AS	1,080,000	1.2
PHILIP ALAN LENOX	1,005,583	1.1
ACME CAPITAL AS	1,000,000	1.1

There are no differences in voting rights between the shareholders. Each of the Shares carries one vote.

Shareholders owning 5% or more of the Shares have an interest in the Company's share capital which is notifiable pursuant to the Norwegian Securities Trading Act. The table below shows the ownership percentage held by such notifiable shareholders.

#	Shareholder name	Number of Shares	Percentage (%)
1	GROSS MANAGEMENT AS	14,790,351	16.0
2	BRAEMAR SHIPPING SERVICES PLC	9,640,621	10.4
3	HOLMEN SPESIALFOND	9,240,763	10.0
4	BJØRN STRAY	5,017,743	5.4

See Section 11.8 "Disclosure obligations" for a description of the disclosure obligations under the Norwegian Securities Trading Act. To the extent known to the Company, there are no other persons or entities that, directly or indirectly, jointly or severally, exercise or could exercise control over the Company. The Company is not aware of any arrangements the operation of which may at a subsequent date result in a change of control of the Company.

The Company's Articles of Association do not contain any provisions that would have the effect of delaying, deferring or preventing a change of control of the Company. The Shares have not been subject to any public takeover bids during the current or last financial year.

10.3 Authorisation to increase the share capital and to issue shares

In an extraordinary general meeting of the Company held 14 December 2020 (the "**December 2020 EGM**"), the Board was granted the following authorisation to resolve the issue of new Shares in connection with the Company's employee incentive program as described in Section 9.4.1 "Employee Incentive Scheme":

1. *The Board is hereby authorized, pursuant to section 10-14 of the Act to increase the Company's share capital with up to NOK 1,100,000, equal to approximately 11.9 % of the Company's share capital following the Private Placement, through one or more capital increases. The power of attorney may only be utilized in connection with the employee incentive program of the Company.*
2. *The power of attorney may be used in connection with increase in the share capital with settlement by contribution in kind, by way of set-off, or with conditions that shares may be subscribed for on other particular terms, cf. section 10-2 of the Act. The power of attorney does not cover a resolution of merger pursuant to section 13-5 of the Act.*
3. *The Board may, when exercising the power of attorney, waive the shareholders' preferential rights pursuant to section 10-4, cf. 10-5 of the Act.*
4. *The Board is granted the power to determine the subscription rate and the conditions for subscription, and to amend the articles of association section 4 according to the share capital increase.*
5. *The power of attorney expires at the annual general meeting in 2021, but in any event not later than 30 June 2021. The authorization replaces the power of attorney to increase the share capital regarding the incentive program granted to the Board on 10 June 2020.*

The December 2020 EGM further granted the Board the following authorisation to increase the share capital by up to NOK 516,393.40 in connection with the completion of the Subsequent Offering:

1. *The Board is authorized to increase the Company's share capital with up to NOK 516,393.40 by issuing up to 5.163.934 new shares, each with a nominal value of NOK 0.10.*
2. *The subscription price shall be NOK 6.10 per share giving a total maximum subscription amount of NOK 31,499,997.40.*
3. *The power of attorney shall be utilized to issue shares in a subsequent offering in connection with the Private Placement resolved by the general meeting under item 5 above.*
4. *Existing shareholders' preferential rights pursuant to Section 10-4, cf. Section 10-5, of the Norwegian Public Limited Liability Companies Act may be waived.*
5. *The Board will set out the further subscription terms.*
6. *The power of attorney only allows a capital increase against payment in cash. The power of attorney does not apply to mergers, cf. section 13-5 of the Norwegian Public Limited Liability Companies Act.*
7. *The power of attorney expires at the annual general meeting in 2021, but in any event not later than 30 June 2021.*
8. *The Board is authorized to amend the Company's Articles of Association to reflect the new number of shares and share capital upon use of the power of attorney.*
9. *The resolution is conditional upon the resolution proposed in item 5 above, and the power of attorney can at the earliest be registered with the Register of Business Enterprises together with the share capital increase as per item 5 above.*

10.4 Braemar Warrants

As part of Braemar's consideration under the Braemar Transaction, the Company issued a total of 5,973,556 warrants (the "**Braemar Warrants**") under its annual general meeting held on 11 June 2019, giving Braemar the right to potentially subscribe for up to 5,973,556 new Shares in the Company, subject to certain exercise conditions, hereunder the Company's achievement of certain EBITDA and gross profit targets during a calculation period from 1 April 2019 until 31 March 2021.

As a result of the Transaction, the Company and Braemar agreed to make certain amendments to the exercise conditions of the Braemar Warrants, in an amendment agreement entered into on 14 December 2020, to reflect that contributions from companies, business or assets forming part of the Transaction, and costs directly related to the Transaction or the integration of the companies, business or assets acquired in the Transaction, shall be excluded in the relevant calculations of the Company's EBITDA and gross profit. The number of Braemar Warrants that vest and become exercisable was set to minimum 1,000,000 warrants. The parties further agreed to increase the number of Braemar Warrants from 5,973,556 to 6,523,977 due to dividend payments made to shareholders in the Company during 2020.

10.5 East Point Geo consideration shares

As part of the consideration under the East Point Geo Transaction, the sellers shall receive up to 664,083 shares in the Company, to be settled in three equal instalments falling 3, 5 and 7 years after closing of the East Point Geo Transaction on 19 February 2021, subject inter alia to the sellers' continued

employment in the Group. The shares may be settled through issuance of new shares, sale of treasury shares, or cash equivalent to the prevailing market value.

10.6 Share options and other financial instruments

Except as described under Section 9.2.3 "Shares and options held by members of the Board of Directors", 10.4 "Braemar Warrants", 10.5 "East Point Geo consideration shares", 6 "The Acquisition of LOC Group", 9.4.1 "Employee incentive schemes", 9.4.2 "Shares and options held by members of the Executive Management", neither the Company nor any of its subsidiaries has issued any options, warrants, convertible loans or other instruments that would entitle a holder of any such instrument to subscribe for any Shares in the Company or its subsidiaries. Furthermore, neither the Company nor any of its subsidiaries has issued subordinated debt or transferable securities other than the Shares and the shares in its subsidiaries which will be held, directly or indirectly, by the Company.

10.7 Shareholder rights

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 rights to the Company's profits, in the event of liquidation and to receive dividend. Each of the Shares carries one vote. The shares are freely transferable. Certain rights attaching to the Shares are described in 10.13 "Dividend and dividend policy".

10.8 Shareholder agreements

The Board is not aware of any shareholder agreements by and among the Company's shareholders relating to the Company.

10.9 Voting rights - amendments to the Articles of Association

Each of the Shares carries one vote. In general, decisions that shareholders are entitled to make under Norwegian law, or the Articles of Association may be made by a simple majority of the votes cast. In the case of elections or appointments, the person(s) who receive(s) the greatest number of votes cast are elected. However, as required under Norwegian law, certain decisions, including resolutions to waive 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 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 in question vote in favour of the resolution, as well as the majority required for amending the Articles of Association.

In general, only a shareholder registered in the VPS is entitled to vote for such Shares. Beneficial owners of the Shares that are registered in the name of a nominee are generally not entitled to vote under Norwegian law, nor is any person who is designated in the VPS register as the holder of such Shares as nominees. Investors should note that there are varying opinions as to the interpretation of the right to vote on nominee registered shares. In the Company's view, a nominee may not meet or vote for Shares registered on a nominee account. Shareholders who hold their shares in a nominee account in

the VPS and who would like to cast votes for such shares, must transfer the shares to a VPS account in their own name and ensure that this is registered in the VPS to be able to cast votes for such shares at the general meeting.

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

10.10 Additional issuances and preferential rights

If the Company issues any new Shares, including bonus shares (i.e. new Shares issued by a transfer from funds that the Company is allowed to use to distribute dividend), the Company's articles of association must be amended, which requires the support of at least (i) two thirds of the votes cast and (ii) two thirds of the share capital represented at the relevant General Meeting.

In addition, under Norwegian law, the Company's shareholders have a preferential right to subscribe for the new Shares on a pro rata basis in accordance with their then-current shareholdings in the Company. Preferential rights may be set aside by resolution in a general meeting of shareholders passed by the same vote required to approve amendments of the Articles of Association. Setting aside the shareholders' preferential rights in respect of bonus issues requires the approval of the holders of all outstanding Shares.

The General Meeting of the Company may, in a resolution supported by at least (i) two thirds of the votes cast and (ii) two thirds of the share capital represented at the relevant General Meeting, authorise the Board to issue new Shares. Such authorisation may be effective for a maximum of two years, and the nominal value of the Shares to be issued may not exceed 50% of the nominal share capital at the time the authorisation is registered with the Norwegian Register of Business Enterprises. The shareholders' preferential right to subscribe for Shares issued against consideration in cash may be set aside by the Board only if the authorisation includes the power for the Board to do so.

Any issue of Shares to shareholders who are citizens or residents of the United States upon the exercise of preferential rights may require the Company to file a registration statement in the United States under U.S. securities law. Shareholders in other jurisdictions outside Norway may be similarly affected if the rights and the new shares being offered have not been registered with, or approved by, the relevant authorities in such jurisdiction. The Company has not filed a registration statement under the U.S. Securities Act or sought approvals under the laws of any other jurisdiction outside Norway in respect of any pre-emptive rights of the Shares, does not intend to do so and doing so in the future may be impractical and costly. If a 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 Company.

To the extent that the Company's shareholders are not able, or choose not, to exercise their rights to subscribe for new shares, their proportional ownership and voting interests in the Company will be reduced.

Under Norwegian law, bonus shares may be issued, subject to shareholder approval and provided, amongst other requirements, that the transfer is made from funds that the Company is allowed to use to distribute dividend. Any bonus issues may be effectuated either by issuing Shares or by increasing the nominal value of the Shares outstanding. If the increase in share capital is to take place by new Shares being issued, these new Shares must be allocated to the shareholders of the Company in proportion to their current shareholdings in the Company.

10.11 Distribution of assets on liquidation

Under Norwegian law, a company may be liquidated by a resolution of the company's shareholders in a general meeting passed by the same vote as required with respect to amendments to the articles of

association. The shares rank equally in the event of a return on capital by the company upon liquidation or otherwise.

10.12 Rights of redemption and repurchase of shares

The Company has not issued redeemable shares (i.e. shares redeemable without the shareholder's consent).

The Company's share capital may be reduced by reducing the nominal value of the Shares. According to the Norwegian Public Limited Liability Companies Act, such decision requires the approval of at least two-thirds of the votes cast and share capital represented at a General Meeting. Redemption of individual Shares requires the consent of the holders of the Shares to be redeemed.

The Company may purchase its own Shares if an authorisation to the Board to do so has been given by the shareholders at a General Meeting with the approval of at least two-thirds of the aggregate number of votes cast and share capital represented. The aggregate nominal value of treasury Shares so acquired may 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. The authorisation by the shareholders at the General Meeting cannot be given for a period exceeding 18 months. A Norwegian public limited liability company may not subscribe for its own shares.

10.13 Dividend and dividend policy

10.13.1 Dividend policy

All Shares in the Company have equal rights to dividends.

It is the Company's objective to generate returns to the shareholders in the form of dividends and share appreciation, which is at least on the same level as other investment possibilities with comparable risk. This should be achieved, first and foremost, through strong and profitable growth within the Company's business areas. Future dividends will depend on the group's financial strength, cash flow, investment needs and growth opportunities. The Company's ambition is to pay a cash dividend that is following its long term underlying cash flow. When deciding the dividend amount, the Board of Directors will consider the group's financial strength, cash flow, investment needs, growth opportunities and a level of financial flexibility that is appropriate for the Company's business model. In addition to paying a cash dividend, the Company may buy back its own shares as part of its plan to distribute capital to shareholders.

There can be no assurances that in any given year a dividend will be proposed or declared, or if proposed or declared, that the dividend will be as contemplated by the above. In deciding whether to propose a dividend and in determining the dividend amount, the Board of Directors will take into account legal restrictions, the Group's capital requirements and financial condition, general business conditions, any restrictions that borrowing arrangements or other contractual arrangements may place on the Company's ability to pay dividends and the maintaining of appropriate financial flexibility.

The table below shows the amount of dividend distributed per Share in 2019, 2020 and as at the date of this Prospectus in 2021.

NOK	2021 (as at the date of this Prospectus)	2020	2019
Amount of dividend per Share	-	NOK 0.40	-

10.13.2 Legal constraints on the distribution of dividends

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

- Section 8-1 of the Norwegian Public Limited 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 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.

In deciding whether to propose a dividend and in determining the dividend amount, the Board of Directors will take into account legal restrictions, as set out in the Norwegian Public Limited Companies Act, the Company's capital requirements, including capital expenditure requirements, its financial condition, general business conditions and any restrictions that its contractual arrangements in place at the time of the dividend may place on its ability to pay dividends and the maintaining of appropriate financial flexibility. Except in certain specific and limited circumstances set out in the Norwegian Public Limited Companies Act, the amount of dividends paid may not exceed the amount recommended by the Board of Directors.

The Norwegian Public Limited 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 12.1 "Taxation of dividend".

10.13.3 Other constraints on the distribution of dividends

Pursuant to the terms of the Nordea Facility Agreement, the Company will be restricted from distributing any dividends in the event the Company should be in breach of its financial covenants thereunder, as set out in section 5.14.2 above.

Other than the restrictions described in this section 10.13, there are no restrictions on the Company's distribution of dividends.

10.13.4 Manner of payment of dividends

Any future payments of dividends on the Shares will be denominated in NOK, and will be paid to the shareholders through the VPS. Investors registered in the VPS whose address is outside Norway and who have not supplied the VPS with details of any NOK account or linked a local cash account and swift address to their local bank, will however receive dividends by cheque in their local currency, as exchanged from the NOK amount distributed through the VPS. If it is not practical in the sole opinion of DNB Bank ASA, being the Company's VPS registrar, to issue a cheque in a local currency, a cheque

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will be issued in USD. The issuing and mailing of cheques will be executed in accordance with the standard procedures of DNB Bank ASA. The exchange rate(s) that is applied will be DNB Bank ASA's exchange rate on the date and time of day for execution of the exchange for the issuance of cheque. Dividends will be credited automatically to the VPS registered shareholders' NOK accounts, or in lieu of such registered NOK account, by cheque, without the need for shareholders to present documentation proving their ownership of the Shares.

10.14 Regulatory disclosures

Mandatory notification of trade		
Date	Title	Description
29 March 2020	Mandatory notification of trade - primary insider	Abaci Invest AS, a company controlled by Ole Fegth, has bought 6,563 shares in the Company, at an average price of NOK 2.40 per share. Ole Fegth provides accountancy services to the Company. Following the transaction, Ole Fegth and his close associates holds 31,563 shares in the Company, representing 0.004% of the outstanding share capital.
30 March 2020	Mandatory notification of trade - primary insider	Abaci Invest AS, a company controlled by Ole Fegth, has bought 15,994 shares in the Company, at an average price of NOK 2.40 per share. Ole Fegth provides accountancy services to the Company. Following the transaction, Ole Fegth and his close associates holds 47,547 shares in the Company, representing 0.1% of the outstanding share capital.
31 March 2020	Mandatory notification of trade - primary insider	Abaci Invest AS, a company controlled by Ole Fegth, has bought 2,128 shares in the Company, at an average price of NOK 2.89 per share. Ole Fegth provides accountancy services to the Company. Following the transaction, Ole Fegth and his close associates holds 49,685 shares in the Company, representing 0.1% of the outstanding share capital.
12 May 2020	Mandatory notification of trade	Holmen Spesialfond has today acquired 400,000 shares in the Company. New shareholding after the acquisition is 3,801,279 shares, equivalent to 5.4 % of issued shares.
14 December 2020	Allocation to primary insiders and flagging notification	Following the private placement and conditional allocation of shares announced on 23 November 2020, a number of primary insiders, including their close associates, have been allocated offer shares at the issue price of NOK 6.10.
15 December 2020	Disclosure shareholding primary insider	of 22,131,148 new shares in a private placement, the relative shareholding of Braemar will be reduced to 20.79% of the shares and votes in the Company, passing the 25% disclosure threshold set out in Section 4-3 of the Norwegian Securities Trading Act, based on the shares and votes in the Company

currently held by Braemar, and an expected total number of issued shares in the Company of 92,547,583 after registration of the share capital increase related to the private placement.

Braemar will also hold 6,523,977 warrants in the Company. Assuming full vesting of the warrants, Braemar will hold 25,764,598 shares and rights to shares corresponding to 36.59% of the shares and votes of the Company based on the current registered share capital and 27.84% of the shares and votes of the Company after registration of the share capital increase related to the private placement.

8 January 2021	Primary insider notice	On 7 January 2021, Haakon Brandrud, Director of Strategy and Corporate Development, sold 82,116 shares in the Company at an average price of NOK 10.00 per share. Following the transactions, Brandrud holds 278,084 shares and 135,000 share options in the Company.
28 January 2021	Disclosure of shareholding	Bjørn Stray has on 27 January 2021 purchased 720,000 shares in the Company. Following the transaction, Bjørn Stray holds 4,767,743 shares in the Company, corresponding to 5.15% of the outstanding shares.
28 January 2021	Primary insider notice	Braemar Shipping Services Plc has on 27 January 2021 sold 9,600,000 shares in the Company, representing 10.37% of the Company's outstanding shares, at a price of NOK 7.50 per share. Following the transaction, Braemar holds 9,640,621 shares in the Company, corresponding to 10.42% of the share capital.

Total number of voting rights and capital

Date	Title	Description
23 November 2020	AqualisBraemar to acquire LOC Group	<p>The Company has entered into an agreement to acquire 100 percent of the shares in LOC Group, thereby creating a leading global independent offshore energy and marine consultancy.</p> <p>The purchase price consists of a combination of cash and conditional warrants in the Company as follows:</p> <ul style="list-style-type: none"> • USD 20.2 million net cash consideration, subject to customary adjustments prior to closing • 1 million warrants, conditional on the AqualisBraemar share price 18 months after completion being above NOK 7.5

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- 1 million warrants, conditional on the AqualisBraemar share price 36 months after completion being above NOK 10.0

The Company will finance the acquisition through a combination of USD 5 million in existing cash, a new USD 15 million bank facility, and a fully subscribed equity issue of USD 15 million.

As part of its long term incentive program, the group intends to issue an additional 9.5 million options to existing employees of LOC Group and 1.5 million options to existing employees of the Company. The options are issued at-the-money with a 3-year vesting period subject to inter alia continued employment and additional restrictions after vesting.

23 November 2020	Aqualisbraemar announces successfully completed private placement	The Company confirms that the private placement, as described in the stock exchange notice dated 23 November 2020, has been successfully completed.
23 November 2020	Key information relating to subsequent offering to be carried out by AqualisBraemar ASA	The potential subsequent offering, as announced in the stock exchange notice on 23 November 2020 regarding the successful completion of a private placement, will be subject to (a) completion of the private placement, (b) approval of the authorization to the Board of Directors for the subsequent offering at the extraordinary general meeting in Company to be held on 14 December 2020 and (c) the publication of a prospectus approved by the Norwegian Financial Supervisory Authority. The Board of Directors may, in its sole discretion, decide that the Company shall not carry out the subsequent offering
17 December 2020	AqualisBaemar - Share capital increase registered	The share capital increase pertaining to the shares issued under the private placement announced on 23 November 2020 has been registered in the Norwegian Register of Business Enterprises. The Company's new share capital is NOK 9,254,758.30 divided into 92,547,583 shares with a par value of NOK 0.10 per share. 14,083,148 shares issued under the private placement will be listed and tradeable from 17 December 2020 under an applicable exemption from prospectus requirements, while the listing of the remaining 8,048,000 shares is subject to a prospectus requirement and will be registered in the Norwegian Central Securities Depository on a separate ISIN pending such approval and publishing of such prospectus.
19 February 2021	AqualisBraemar LOC acquires renewables consultancy	The Company has entered into an agreement for the acquisition of 100% of the share capital of East Point Geo Ltd an independent geoscience consultancy providing support for major offshore and onshore engineering projects, specialising in renewables and oil and gas developments. In the last twelve months, East Point Geo's turnover totalled approximately GBP

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1.4 million, predominantly from renewables projects. East Point Geo is headquartered in Norwich, UK, with an additional office in Oxford, UK.

The transaction values East Point Geo at an enterprise value of GBP 750,000. The purchase price will be settled with a combination of cash, sellers' credit and up to 664,083 consideration shares in AqualisBraemar LOC. Settlement of the consideration shares will take place 3 to 7 years after closing of the transaction, subject inter alia to the sellers' continued employment in AqualisBraemar LOC. The transaction is planned to close during February 2021.

Additional disclosed information		
Date	Title	Description
5 March 2020	AqualisBraemar awarded major contract for offshore wind engineering services	Offshore Wind Consultants Ltd, a wholly owned subsidiary of the Company, has entered into a contract to provide engineering services for an offshore wind development project on the UKCS with an undisclosed client. The contract is for a term of approximately three years, and the scope of work includes Owners Engineering and Project Development Support. The revenue under the awarded contract over the full term is expected to exceed USD 6 million.
5 March 2020	Aqualis Offshore AS challenges corporate fine from Økokrim	Aqualis Offshore AS, a Norwegian subsidiary of the Company, has received a penalty charge notice of NOK 1.6 million from Økokrim public prosecutors' office regarding an alleged violation in 2017 of the Norwegian pollution control act concerning transportation of waste for recycling across national borders, specifically related to the vessel Tide Carrier. Aqualis Offshore contests the charges.
8 April 2020	Business update COVID-19	The management of the Company is closely monitoring the COVID-19 situation and has implemented strict measures to ensure the safety of clients, employees and business partners whilst making every effort to maintain an uninterrupted level of service to our clients. The COVID-19 situation has not had a significant group-wide impact on the Company's activity level to date.
8 May 2020	Key information relating to the cash dividend to be paid by AqualisBraemar	The Board of Directors has decided to propose for the Annual General Meeting a dividend for the fiscal year 2019 of NOK 0.20 per share.
25 May 2020	Økokrim dismisses charge against Aqualis Offshore	Økokrim public prosecutors' office has dismissed the charge and withdrawn the penalty charge notice issued to Norwegian subsidiary Aqualis Offshore AS in connection with a previously

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alleged violation of the Norwegian pollution control act, specifically related to the vessel Tide Carrier.

10 June 2020	Annual General Meeting 2020 held		All resolutions proposed in the notice to the Annual General Meeting were approved by the shareholders. Please find attached the minutes from the Annual General Meeting.
10 June 2020	Dividend approval and Ex-date		The Annual General Meeting in the Company, held 10 June 2020 at 11 am, approved the board proposal of distributing a dividend of NOK 0.20 per. share. The shares in the Company will be traded without the right to receive dividend as from 11 June (ex-date).
11 June 2020	Ex-dividend 0.20 today	NOK	The shares in the Company will be traded ex-dividend NOK 0.20 as of today, 11 June 2020.
31 August 2020	AqualisBraemar appoints CFO		The Company has appointed Dean Zuzic as the group's new chief financial officer (CFO). Zuzic has more than 30 years' finance and management experience.
29 October 2020	Key information relating to the cash dividend to be paid by AqualisBraemar		Dividend amount is NOK 0.20 per share. Execution date is 2 November 2020 and record date 3 November 2020. Payment date is on or about 10 November 2020.
2 November 2020	Ex-dividend 0.20 today	NOK	The shares in the Company will be traded ex-dividend NOK 0.20 as from today, 2 November 2020. The record date is 3 November and the pay-out date will be on or about 10 November 2020. This brings the total dividends paid in 2020 to NOK 0.4 per share.
14 December 2020	AQUA - Minutes from Extraordinary General Meeting		An Extraordinary General Meeting of the Company was held on 14 December 2020. All matters were approved as proposed in the Notice to the Extraordinary General Meeting.
21 December 2020	Acquisition of LOC Group completed		<p>The Company has successfully completed the acquisition of 100 percent of the shares in LOC Group, thereby creating a leading global independent offshore energy and marine consultancy.</p> <p>The purchase price consideration was a USD 20.2 million cash consideration plus two million conditional warrants in the Company. For further details, see the stock exchange announcement dated 23 November 2020.</p>

Financial information

AqualisBraemar LOC ASA - Prospectus

Date	Title	Description
27 February 2020	Q4 2019 financial results	<p>HIGHLIGHTS Q4 2019</p> <ul style="list-style-type: none"> • Revenues of USD 18.8 million (Q3 2019: USD 18.0 million. Q4 2018: USD 19.6 million pro-forma combined, USD 9.8 million Aqualis stand-alone) • Operating profit (EBIT) of USD 0.4 million (Q3 2019: USD -0.2 million. Q4 2018: USD 0.9 million Aqualis stand-alone) • Billing ratio of 69% • Quarterly improvement driven primarily by offshore activity in Middle East and Americas • Integration progressing on track – cost synergy estimate of USD 2.5 million maintained • Robust financial position with cash balance of USD 10.9 million • Proposed dividend of NOK 0.2 per share, moving to semi-annual schedule
30 April 2020	Annual report 2019	The Company's annual report for 2019 was published.
28 May 2020	Q1 2020 financial results	<p>HIGHLIGHTS Q1 2020</p> <ul style="list-style-type: none"> • Revenues of USD 19.8 million (Q4 2019: USD 18.8 million. Q1 2019: USD 17.4 million pro-forma combined, USD 8.2 million Aqualis stand-alone) • Revenue for renewables up 57% compared to Q1 2019 • Operating profit (EBIT) of USD 1.3 million (Q4 2019: USD 0.4 million. Q1 2019: USD -0.2 million Aqualis stand-alone) • Adjusted EBIT of USD 1.4 million, representing a 7% margin • Quarterly improvement in most segments – Middle East and Europe particularly positive • Billing ratio of 75%, up from 69% in Q4 2019 • Backlog increased 37% driven by the floating offshore wind Erebus contract • No significant group wide impact of COVID 19 to date • Continued progress in realising cost synergies • Robust financial position with cash balance of USD 10.1 million • Dividend of NOK 0.2 per share upheld
27 August 2020	Q2 2020 financial results	<p>HIGHLIGHTS Q2 2020</p> <ul style="list-style-type: none"> • Revenues of USD 19.2 million (Q1 2020: USD 19.8 million. Q2 2019: USD 19.2 million pro-forma combined, USD 9.9 million Aqualis stand-alone) • Operating profit (EBIT) of USD 1.6 million (Q1 2020: USD 1.3 million. Q2 2019: Loss of USD 0.3 million Aqualis stand-alone) • Billing ratio of 74%

				<ul style="list-style-type: none"> • Revenue in renewables segment up 70% compared to Q2 19 • Solid profitability across all segments • Cost synergy target increased from USD 2.5 million to USD 2.8 million, to be realised during 2H20 and 1H21 • Operating cash flow of USD 2.6 million • Robust financial position with cash balance of USD 11.0 million
29 October 2020	Q3 2020	financial results	HIGHLIGHTS Q3 2020	<ul style="list-style-type: none"> • Revenues of USD 18.4 million (Q3 2019: USD 18.0m) • Operating profit (EBIT) of USD 0.5 million (Q3 2019: Loss of USD 0.2m) • Adjusted EBIT of USD 0.6 million (Q3 2019: USD 0.3m) • Record growth for renewables: Up 105% from Q3 2019 • Record operating cash flow of USD 3.4 million (Q3 2019: USD -2.6m) • Cash balance of USD 14.1 million (Q2 2020: USD 11.0m) • Realised run rate cost synergies up to USD 2.4 million (Q2 2020: USD 2.1m) • Declared dividend of NOK 0.2 per share to be distributed in November
			HIGHLIGHTS Q4 2020	
25 February 2021	Q4 2020	financial results		<ul style="list-style-type: none"> • Revenues of USD 19.6 million (Q4 19: USD 18.8m million) • Operating loss of USD -0.4 million (Q4 19: USD 0.4 million) impacted by USD 1.3 million in transaction costs • Adjusted EBIT of USD 1.0 million (Q4 19: USD 0.5 million) • Continued strong revenue growth in renewables segment (+47% vs Q4 19) • Cash balance of USD 30.6 million (Q3 20: USD 14.1 million) • Interest bearing bank debt of USD 15.1 million (Q3 20: nil) • Operating cash flow of USD 2.7 million (Q4 19: USD 0.5 million) • Proposed dividend of NOK 0.25 per share in 1H 2021
			HIGHLIGHTS FULL YEAR 2020	
				<ul style="list-style-type: none"> • Revenue of USD 77.0 million (2019: USD 54.8 million) • Operating profit of USD 2.9 million (2019: USD -0.3 million) • Adjusted EBIT of USD 4.8 million (2019: USD 1.3 million) • Cashflow from operating activities of USD 8.5 million (2019: USD -2.7 million) • Continued strong growth in renewables segment – organic revenue growth of 59% year-on-year • Total dividend of NOK 0.4 per share paid during 2020, corresponding to USD 3.0 million

- Completed acquisition of LOC Group in December
 - Part of long-term plan to consolidate the offshore energy and marine consulting space
 - Increased renewables footprint and reaffirmed commitment to energy transition
 - Estimated USD 3.5m annual cost synergies
 - Positive feedback from staff, clients and the markets
-

11. SECURITIES TRADING IN NORWAY

This Section 11 includes certain aspects of rules pertaining to securities trading in Norway in a Norwegian incorporated company pursuant to Norwegian legislation, but is however not a full or complete description of the matters described herein. The following summary does not purport to be a comprehensive description of all the legal considerations that may be relevant to a decision to purchase, own or dispose of Shares. Investors are advised to consult their own legal advisors concerning the overall legal consequences of their ownership of Shares. Prior to the Private Placement, the Shares have not been listed or traded on any stock exchange or regulated market.

11.1 Introduction

The Oslo Stock Exchange was established in 1819 and offers the only regulated market for securities trading in Norway. The Oslo Stock Exchange is operated by Oslo Børs ASA, which is 100% owned by Euronext Nordics Holding AS, which acquired the Oslo Stock Exchange on 18 June 2019. Euronext owns seven regulated markets across Europe, including Amsterdam, Brussels, Dublin, Lisbon, London, Oslo and Paris.

11.2 Market value of the Shares

The market value of all shares on Oslo Børs, including the Shares, may fluctuate significantly, which could cause investors to lose a significant part of their investment. The market value of listed shares could fluctuate significantly in response to a number of factors beyond the respective issuer's control, including quarterly variations in operating results, adverse business developments, changes in financial estimates and investment recommendations or ratings by securities analysts, announcements by the respective issuer or its competitors of new product and service offerings, significant contracts, acquisitions or strategic relationships, publicity about the issuer, its products and services or its competitors, lawsuits against the issuer, unforeseen liabilities, changes in management, changes to the regulatory environment in which the issuer operates or general market conditions.

Furthermore, future issuances of shares or other securities may dilute the holdings of shareholders and could materially affect the price of the shares. Any issuer, including the Company, may in the future decide to offer additional shares or other securities to finance new capital-intensive projects, in connection with unanticipated liabilities or expenses or for any other purposes, including for refinancing purposes. There are no assurances that any of the issuers on Oslo Børs will not decide to conduct further offerings of securities in the future. Depending on the structure of any future offering, certain existing shareholders may not have the ability to purchase additional equity securities. If a listed company raises additional funds by issuing additional equity securities, the holdings and voting interests of existing shareholders could be diluted, and thereby affect share price.

11.3 Trading and settlement

Trading of equities on Oslo Børs is as of 2 December 2020 carried out in the electronic trading system Optiq®. This proprietary trading system is in use by all markets operated by Euronext.

As part of this transition Oslo Børs has changed the name of three marketplaces to align with the rest of the Euronext group. 'Oslo Axess' has been renamed 'Euronext Expand', 'Merkur Market' is 'Euronext Growth', and 'NOTC' is 'Euronext NOTC'. There have however been no substantive rule changes or functionality changes to these markets.

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

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

SIX x-clear Ltd has a license from the Norwegian Ministry of Finance to act as a central counterparty and provide clearing services in Norway, and has since 2010 (until 2014 through the subsidiary Oslo Clearing ASA) offered clearing and counterparty services for equity trading on Oslo Børs.

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

It is possible for investment firms to undertake market-making activities in shares listed in Norway if they have a licenced to this effect under the Norwegian Securities Trading Act, or in the case of investment firms in an EEA member state, a licenced to carry out market-making activities in their home jurisdiction. Such market-making activities will be governed by the regulations of the Norwegian Securities Trading Act relating to brokers' trading for their own account. However, such market-making activities do not as such require notification to the Norwegian FSA or Oslo Børs except for the general obligation of investment firms that are members of Oslo Børs to report all trades in stock exchange listed securities.

11.4 Information, control and surveillance

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

The Norwegian FSA controls the issuance of securities in both the equity and bond markets in Norway and evaluates whether the issuance documentation contains the required information and whether it would otherwise be unlawful to carry out the issuance.

Under Norwegian law, a company that is listed on a Norwegian regulated market, or has applied for listing on such market, must promptly release any inside information directly concerning the company (i.e. precise information about financial instruments, the issuer thereof or other matters which are likely to have a significant effect on the price of the relevant financial instruments or related financial instruments, and which are not publicly available or commonly known in the market). A company 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. Oslo Børs may levy fines on companies violating these requirements.

11.5 The VPS and transfer of Shares

The Company's principal share register is operated through the VPS. The VPS is the Norwegian paperless centralised securities register. It is a computerised book-keeping system in which the ownership of, and all transactions relating to, Norwegian listed shares must be recorded. The VPS (legal entity: Verdipapirsentralen ASA) and Oslo Børs (legal entity: Oslo Børs ASA) are currently both wholly-owned by Euronext Nordics Holding AS.

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, Norges Bank (being, Norway's central bank), authorised securities brokers in Norway

and Norwegian branches of credit institutions established within the EEA are allowed to act as account agents.

As a matter of Norwegian law, 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. A transferee or assignee of shares may not exercise the rights of a shareholder with respect to such shares unless such transferee or assignee has registered such shareholding or has reported and shown evidence of such share acquisition, and the acquisition is not prevented by law, the relevant company's articles of association or otherwise.

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' 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 ongoing 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.

11.6 Shareholder register – Norwegian law

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.

11.7 Foreign investment in Norwegian shares

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

11.8 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 Oslo Børs 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.

11.9 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 section 3-2 of 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.

11.10 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 company listed on a Norwegian regulated market (with the exception of certain foreign companies not including the Company) to, within four weeks, make an unconditional general offer for the purchase of the remaining shares in that company. 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 company and Oslo Børs 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 Oslo Børs and the company in question accordingly. The notification is required to state whether an offer will be made to acquire the remaining shares in the company 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 and the offer document required are subject to approval by Oslo Børs 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 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 obliged 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 threshold within four weeks, Oslo Børs 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 force, exercise rights in the company, such as voting in a general meeting, without the consent of a majority of the remaining shareholders. The shareholder may, however, exercise his/her/its rights to dividends and pre-emption rights in the event of a share capital increase. If the shareholder neglects his/her/its duty to make a mandatory offer, Oslo Børs may impose a cumulative daily fine that runs 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 company listed on a Norwegian regulated market (with the exception of certain foreign companies not including the Company) is obliged to make an offer to purchase the remaining shares of the company (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 company. 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 company. 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, obliged to make a mandatory offer in the event of a subsequent acquisition of shares in the company.

11.11 Compulsory acquisition

Pursuant to the Norwegian Public 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 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 as 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 Norwegian Public 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.

11.12 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 company that has its shares registered with the VPS 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.

12. TAXATION

Set out below is a summary of certain Norwegian tax matters related to an investment in the Group. The summary regarding Norwegian taxation is based on the laws in force in Norway as of the date of this Prospectus, which may be subject to any changes in law occurring after such date. Such changes could possibly 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 in the Group. Shareholders who wish to clarify their own tax situation should consult with and rely upon their own tax advisers. Shareholders resident in jurisdictions other than Norway and shareholders who cease to be resident in Norway for tax purposes (due to domestic tax law or tax treaty) should specifically consult with and rely upon their own tax advisers with respect to the tax position in their country of residence and the tax consequences related to ceasing to be resident in Norway for tax purposes.

Please note that for the purpose of the summary below, a reference to a Norwegian or non-Norwegian shareholder refers to the tax residency rather than the nationality of the shareholder.

The tax legislation in the Company's jurisdiction of incorporation and the tax legislation in the jurisdictions in which the shareholders are resident for tax purposes may have an impact on the income received from the Shares.

12.1 Taxation of dividend

Norwegian Personal Shareholders

Dividends received by shareholders who are individuals resident in Norway for tax purposes ("**Norwegian Personal Shareholders**") are taxable as ordinary income in Norway, adjusted with a factor of 1.44. Ordinary income is taxable at a rate of 22%, giving an effective tax rate of 31.68% (22% x 1.44). However, this will only apply to dividends exceeding a calculated risk-free return on the investment (tax-free allowance), which itself is tax exempt.

The tax-free allowance is calculated annually on a share-by-share basis and pertains to the owner of the share at the expiration of the relevant calendar year. The tax-free allowance for each share is equal to the cost price of the share multiplied by a risk-free interest rate based on the effective rate after tax of interest on treasury bills (Nw.: statskasseveksler) with three months maturity, with an addition of 0.5%.

Norwegian Personal Shareholders who transfer shares will thus not be entitled to deduct any calculated tax-free allowance related to the year of transfer.

Any part of the calculated allowance one year exceeding the dividend distributed on the share ("**Excess Allowance**") may be carried forward and set off against future dividends received on, or gains upon realisation of, the same share, and will be added to the basis for the allowance calculation. Excess Allowance cannot result in a deductible loss.

Norwegian Personal Shareholders may hold their shares through a share savings account (Nw.: "aksjesparekonto"). If the shares are held on a share savings account dividends and gains are not taxed until withdrawn from the account. The rules for tax exempt allowance also applies to share savings accounts as such and not to the individual share.

Norwegian Corporate Shareholders

Dividends distributed from the Group to shareholders who are limited liability companies (and certain similar entities) resident in Norway for tax purposes ("**Norwegian Corporate Shareholders**"), are

effectively taxed at a rate of 0.66% (3% of dividend income from such shares is included in the calculation of ordinary income for Norwegian Corporate Shareholders and ordinary income is subject to tax at a flat rate of 22%). For Norwegian Corporate Shareholders that are considered to be "Financial Institutions" under the Norwegian financial activity tax (banks, holding companies), the effective rate of taxation for dividends is 0.75%.

Non-Norwegian Personal Shareholders

Dividends distributed to shareholders who are individuals not resident in Norway for tax purposes ("**Non-Norwegian Personal Shareholders**"), are as a general rule subject to withholding tax at a rate of 25%. The withholding tax rate of 25% is normally reduced through tax treaties between Norway and the country in which the shareholder is resident. It is the Non-Norwegian Personal Shareholder which is responsible for the registration of tax residency. The registration will be the basis for the calculation of withholding tax on dividends according to the applicable tax treaty. The withholding obligation lies with the company distributing the dividends and the Group assumes this obligation.

Non-Norwegian Personal Shareholders resident within the EEA for tax purposes may apply individually to Norwegian tax authorities for a refund of an amount corresponding to the calculated tax-free allowance on each individual share (please see Section 12.1 "Taxation of dividend"). However, the deduction for the tax-free allowance does not apply in the event that the withholding tax rate, pursuant to an applicable tax treaty, leads to a lower taxation on the dividends than the withholding tax rate of 25% less the tax-free allowance.

If a Non-Norwegian Personal Shareholder is carrying on business activities in Norway and the shares are effectively connected with such activities, the shareholder will generally be subject to the same taxation of dividends as a Norwegian Personal Shareholder, as described above.

Non-Norwegian Personal Shareholders who have suffered a higher withholding tax than set out in an applicable tax treaty may apply to the Norwegian tax authorities for a refund of the excess withholding tax deducted.

Non-Norwegian Corporate Shareholders

Dividends distributed to shareholders who are limited liability companies (and certain other entities) not resident in Norway for tax purposes ("**Non-Norwegian Corporate Shareholders**"), are as a general rule subject to withholding tax at a rate of 25%. The withholding tax rate of 25% is normally reduced through tax treaties between Norway and the country in which the shareholder is resident, provided that the shareholder is the beneficial owner of the share. It is the Non-Norwegian Corporate Shareholder which is responsible for the registration of tax residency. The registration will be the basis for the calculation of withholding tax on dividends according to the applicable tax treaty.

Dividends distributed to Non-Norwegian Corporate Shareholders resident within the EEA for tax purposes are exempt from Norwegian withholding tax provided that the shareholder is genuinely established and performs genuine economic business activities within the relevant EEA jurisdiction.

If a Non-Norwegian Corporate Shareholder is carrying on business activities in Norway and the shares are effectively connected with such activities, the shareholder will generally be subject to the same taxation of dividends as a Norwegian Corporate Shareholder, as described above.

Non-Norwegian Corporate Shareholders who are exempt from withholding tax or have suffered a higher withholding tax than set out in an applicable tax treaty may apply to the Norwegian tax authorities for a refund of the excess withholding tax deducted.

Nominee registered shares will be subject to withholding tax at a rate of 25% unless the nominee has obtained approval from the Norwegian tax authorities for the dividend to be subject to a lower withholding tax rate. To obtain such approval the nominee is required to submit a confirmation to the Norwegian tax authorities that the nominee upon request from the Norwegian tax authorities will produce documentation on all the beneficial owners that are subject to withholding tax at a reduced rate to the tax authorities.

The withholding obligation in respect of dividends distributed to Non-Norwegian Corporate Shareholders and on nominee registered shares lies with the company distributing the dividends and the Group assumes this obligation.

12.2 Taxation of capital gains on realisation of shares

Norwegian Personal Shareholders

Sale, redemption or other disposal of shares is considered a realisation for Norwegian tax purposes. A capital gain or loss generated by a Norwegian Personal Shareholder through a disposal of shares is taxable or tax deductible in Norway. Such capital gain or loss is included in or deducted from the Norwegian Personal Shareholder's ordinary income in the year of disposal. Ordinary income is taxable at a rate of 22%. As for dividends, the ordinary income is adjusted with a factor of 1.44, giving an effective tax rate of 31.68% (22% x 1.44).

The gain is subject to tax and the loss is tax deductible irrespective of the duration of the ownership and the Norwegian Personal Shareholder's percentage interest in the Group prior to the disposal.

The taxable gain/deductible loss is calculated per share as the difference between the consideration for the share and the Norwegian Personal Shareholder's cost price of the share, including costs incurred in relation to the acquisition or realisation of the share. From this capital gain, Norwegian Personal Shareholders are entitled to deduct a calculated tax-free allowance provided that such tax-free allowance has not already been used to reduce taxable dividend income. Please refer to Section 12.1 "Taxation of dividend" above for a description of the calculation of the tax-free allowance. The tax-free allowance may only be deducted in order to reduce a taxable gain, and cannot increase or produce a deductible loss, i.e. any unused allowance exceeding the capital gain upon the realisation of a share will be annulled.

If the Norwegian Personal Shareholder owns shares acquired at different points in time, the shares that were acquired first will be regarded as the first to be disposed of, on a first-in first-out basis.

Norwegian Personal Shareholders may hold their shares through a share savings account (NO: aksjesparekonto). If the shares are held on a share savings account gains are not taxed until profits are withdrawn from the share savings account. Losses are first deductible upon closing of the share savings account. The rules for tax-free allowance also applies to share savings accounts as a whole.

Norwegian Corporate Shareholders

Norwegian Corporate Shareholders are exempt from tax on capital gains derived from the realisation of shares qualifying for participation exemption, including shares in the Group. Losses upon the realisation and costs incurred in connection with the purchase and realisation of such shares are not deductible for tax purposes.

Non-Norwegian Personal Shareholders

Gains from the sale or other disposal of shares by a Non-Norwegian Personal Shareholder will not be subject to taxation in Norway unless the Non-Norwegian Personal Shareholder holds the shares in

connection with business activities carried out or managed from Norway or, on specific conditions, when the shares are held by a Non-Norwegian Personal Shareholder who has been a resident of Norway for tax purposes with unsettled/postponed exit tax calculated on the shares at the time of cessation as Norwegian tax resident.

Non-Norwegian Corporate Shareholders

Capital gains derived by the sale or other realisation of shares by Non-Norwegian Corporate Shareholders are generally not subject to taxation in Norway.

12.3 Net wealth tax

The value of shares is included in the basis for the computation of net wealth tax imposed on Norwegian Personal Shareholders. Currently, the marginal net wealth tax rate is 0.85% of the value assessed. The value for assessment purposes for listed shares is equal to 65% of the listed value as of 1 January in the year of assessment (i.e. the year following the relevant fiscal year). The value of debt allocated to the listed shares for Norwegian wealth tax purposes is reduced correspondingly (i.e. to 65%).

Norwegian Corporate Shareholders are not subject to net wealth tax.

Shareholders not resident in Norway for tax purposes are not subject to Norwegian net wealth tax. Non-Norwegian Personal Shareholders can, however, be taxable if the shareholding is effectively connected to the conduct of trade or business in Norway.

12.4 VAT and transfer taxes

No VAT, stamp or similar duties are currently imposed in Norway on the transfer or issuance of shares.

12.5 Inheritance tax

A transfer of shares through inheritance or as a gift does not give rise to inheritance or gift tax in Norway. However, the heir acquires the donor's tax input value based on principles of continuity. Thus, the heir will be taxable for any increase in value in the donor's ownership, at the time of the heir's realization.

12.6 Taxation of subscription rights

Norwegian Personal Shareholders

A Norwegian Personal Shareholder's subscription for shares pursuant to a subscription right is not subject to taxation in Norway. Costs related to the subscription for the shares, including the purchase price for any purchased subscription rights, will be added to the cost price of the shares.

Sale and other transfer of subscription rights are considered a realisation for Norwegian tax purposes. A capital gain or loss generated by a Norwegian Personal Shareholders through a realisation of subscription rights is taxable or tax deductible in Norway and subject to the same taxation as a capital gain or loss generated through realisation of shares, please refer Section 12.2 "Taxation of capital gains on realisation of shares — Norwegian Personal Shareholders" above. Please note that capital gains related to subscription rights will not be comprised by the Norwegian share saving account as described in Section 12.2 "Taxation of capital gains on realisation of shares"— - "Norwegian Personal Shareholders" above.

Norwegian Corporate shareholders

A Norwegian Corporate Shareholder's subscription for shares pursuant to a subscription right is not subject to taxation in Norway. Costs related to the subscription for the shares will be added to the cost price of the shares.

Sale and other transfer of subscription rights are considered a realisation for Norwegian tax purposes. Norwegian Corporate Shareholders are exempt from tax on capital gains derived from the realisation of subscription rights qualifying for the Norwegian participation exemption. Losses upon the realisation and costs incurred in connection with the purchase and realisation of such subscription rights are not deductible for tax purposes.

Non-Norwegian Shareholders

A Non-Norwegian (Personal or Corporate) Shareholder's subscription for shares pursuant to a subscription right is not subject to taxation in Norway.

Capital gains derived by the sale or other transfer of subscription rights by Non-Norwegian Shareholders are not subject to taxation in Norway unless the Non-Norwegian Shareholder holds the subscription rights in connection with business activities carried out or managed from Norway. Such taxation may be limited according to an applicable tax treaty or other specific regulations.

Please note that capital gains related to subscription rights are not comprised by the Norwegian Government's proposal with respect to the availability of the Norwegian share saving account scheme for Non-Norwegian Personal Shareholders resident within the EEA as further described above in Section 12.1 "Taxation of dividend" – "Non-Norwegian Personal Shareholders".

12.7 Taxation of employees

Special tax rules may apply for employees of a group company upon subscription or purchase of shares.

Generally, any economic benefit derived by an employee from the subscription or purchase of shares, e.g. subscription or purchase at a price lower than the fair market value of the shares, will constitute a taxable benefit for the employee. The taxable benefit is calculated to be the difference between the market value of the share at the time of subscription or acquisition, and the price paid for the share.

For employee share purchase programs offered as a general scheme to all employees, a benefit of up to 20% and maximum NOK 3,000 per employee per year is tax free. Thus, such part of the discount offered under the employee offering will not trigger taxation of the employees.

Any benefit in excess of the 20% / NOK 3,000 tax free amount will be taxed as if the employee received salary. The benefit is taxed in the income year of which the shares are received.

The input value of share subscribed or purchased by Employees under the employee offering is equal to the employee's cost price, but added the discount of maximum NOK 3,000. If the employee has been given an additional discount (e.g. underprice) which is taxable, the discount will be added to the cost price.

13. THE COMPLETED PRIVATE PLACEMENT AND THE TERMS OF THE SUBSEQUENT OFFERING

13.1 The Private Placement

13.1.1 Overview

On 23 November 2020, the Company announced the placement of the Private Placement, comprising a total of 22,131,148 shares in the Company, each with a par value of NOK 0.10, at a subscription price of NOK 6.10 per new share, resulting in gross proceeds to the Company of approximately NOK 135 million. The Company covered the costs, fees and expenses related to the Private Placement, which amounted to approximately NOK 5 million. Hence, the total net proceeds from the Private Placement amounted to approximately NOK 130 million.

The subscription price in the Private Placement was determined through an accelerated bookbuilding process and was set at NOK 6.10 per Share in the Private Placement. The Board of Directors resolved to issue the Shares in the Private Placement on 23 November 2020. The Shares issued in the Private Placement are freely transferable.

The minimum subscription and allocation amount in the Private Placement was set to the NOK equivalent of EUR 100,000, provided, however, that the Company reserved the right to allocate an amount below EUR 100,000 to the extent applicable exemptions from the prospectus requirement pursuant to the Norwegian Securities Trading Act and ancillary regulations, or similar legislation in other jurisdictions, were available.

The share issue was carried out as a private placement in order to put the Company in a position to raise capital in an efficient manner in the prevailing volatile capital market, with a lower discount to the current trading price and with significantly lower completion risks compared to a rights issue. As a consequence of the private placement structure, the shareholders' preferential right to subscribe for new Shares was deviated from by the Board of Directors in favour of the shareholders allocated shares in the Private Placement.

The shares issued under the Private Placement were placed to selected investors following an accelerated book-building process after close of market on 22 November 2020.

The successful placement of the Private Placement was announced through an announcement made by the Company before start of trading on 23 November 2020.

13.1.2 Use of proceeds

The net proceeds from the Private Placement were used to finance the Transaction.

13.1.3 Resolutions regarding the Private Placement

On 23 November 2020, the Board of Directors made the following resolution to increase the Company's share capital by NOK 2,213,114.80 by issuance of the Shares allocated in the Private Placement (translated from Norwegian):

"The Company's share capital is increased pursuant to the Norwegian Public Limited Liability Companies Act section 10-17, cf. Section 10-1 on the following terms:

- 1. The share capital shall be increased with NOK 2,213,114.80, from NOK 7,041,643.50 to NOK 9,254,758.30 by issue of 22,131,148 new shares, each with a nominal value of NOK 0.10.*

2. *The subscription price shall be NOK 6.10 per share giving a total subscription amount of NOK 135,000,002.80. Payment shall be made in cash.*
3. *The shares may be subscribed for by any of Clarksons Platou Securities AS, Nordea Bank ABP, Filial i Norge and Sparebank 1 Markets AS on behalf of, and pursuant to proxies from, investors having been allocated shares in the Private Placement, and directly by said investors. The shares shall be subscribed for on a separate subscription form on the date of the general meeting. Existing shareholders' preferential rights pursuant to Section 10-4, cf. Section 10-5, of the Norwegian Public Limited Liability Companies Act are waived.*
4. *Payment for the new shares shall be made within two business days after the subscription and no later than 16 December 2020. The payment shall be made to the Company's account for share issues.*
5. *The new shares shall carry rights to dividend and have shareholder rights from registration of the share capital increase with the Norwegian Register of Business Enterprises.*
6. *The total expenses of the share issue, are estimated to approximately NOK 5 million.*
7. *Section 4 of the Articles of Association is amended to read: "The Company's share capital is NOK 9,254,758.30 divided into 92,547,583 shares, each with a nominal value of NOK 0.10. The shares shall be registered with the Norwegian Central Securities Depository."*
8. *The resolution is conditional upon the approval by the General Meeting of the resolution proposed in item 6 below.*

13.1.4 Delivery and listing of the Shares in the Private Placement

The Shares issued in the Private Placement was settled on 16 December 2020, and the Shares issued thereunder were registered with the Norwegian Register of Business Enterprises, and delivered to the investors, on 17 December 2020 (the "**Private Placement Registration Date**").

In accordance with an exemption from the prospectus requirements of the EU Prospectus Regulation, 14,083,287 shares issued under the Private Placement, equal to 20 % of the issued Shares in the Company prior to the Private Placement (the "**Exempted Private Placement Shares**"), were issued on the Company's ordinary ISIN (ISIN NO0010715394), and listed and tradable, on the Private Placement Registration Date.

The remaining Shares issued under the Private Placement, the Private Placement Shares, were also delivered on the Private Placement Registration Date. However, these Shares were registered on a separate ISIN (ISIN NO0010915291) pending the Norwegian FSA's approval of this Prospectus, upon which the Private Placement Shares will be transferred to the same ISIN as the Shares listed on Oslo Børs (ISIN NO0010715394) and become listed and tradable on Oslo Børs.

13.1.5 The rights conferred by the Private Placement Shares

The Private Placement Shares are created under the Norwegian Public Limited Companies Act.

The Private Placement Shares carry full shareholder rights equal to the existing Shares of the Company. For a description of rights attaching to Shares in the Company, see Section 10.7.

13.1.6 Dilution

The Company's total assets (non-current assets and current assets taken together) and liabilities (non-current liabilities and current liabilities taken together) as at 31 December 2020 and as set out in the Company's Q4 financial presentation as at that date were USD 119,036,000 and USD 53,718,000 million, respectively, which translates to approximately USD 0.706 in net asset value per Share at that date. The Subscription Price is NOK 6.10.

The percentage of immediate dilution resulting from the Private Placement for the Company's shareholders was approximately 23.9%.

The following table shows a comparison of participation in the Company's share capital and voting rights for existing shareholders before and after the Private Placement:

	Number of shares and percentage
Number of Shares prior to the Private Placement	70,416,435
Private Placement	22,131,148
Total number of Shares each with a par value of NOK 0.10	92,547,583
% dilution	23.9 %

13.2 The Subsequent Offering

13.2.1 Overview

The Subsequent Offering consists of an offer by the Company to issue up to 5,163,934 Offer Shares, each with a nominal value of NOK 0.10, at a Subscription Price of NOK 6.10 per Offer Share, being equal to the subscription price in the Private Placement. Subject to all Offer Shares being issued, the Subsequent Offering will result in approximately NOK 31,500,000 in gross proceeds to the Company.

The purpose of the Subsequent Offering is to enable the Eligible Shareholders to subscribe for Shares in the Company at the same price as in the Private Placement, thus limiting the dilution of their shareholding. Eligible Shareholders are shareholders of the Company as of 20 November 2020 (as registered in the VPS on the Record Date) who (i) were not allocated shares in the Private Placement and (ii) are not resident in a jurisdiction where such offering would be unlawful, or for jurisdictions other than Norway, would require any filing, registration or similar action. Consequently, the existing shareholders' pre-emption right is deviated to exclude shareholders who were allocated Shares in the Private Placement. The expected net proceeds from the Subsequent Offering, will be used for growth capital and general corporate purposes.

Eligible Shareholders will be granted non-transferable Subscription Rights that, subject to applicable laws, provide the right to subscribe for, and be allocated, Offer Shares in the Subsequent Offering. Over-subscription will be permitted, but no Shareholder will be allocated more than its pro-rata share of the aggregate number of Shares issued under the Private Placement and the Subsequent Offer. Subscription without Subscription Rights will not be permitted.

This Prospectus does not constitute an offer of, or an invitation to purchase, the Offer Shares in any jurisdiction in which such offer or sale would be unlawful. For further details, see "Important Notice" and Section 14 "Selling and Transfer Restrictions".

The Company reserves the right, in consultation with the Managers, to withdraw, suspend or revoke the Subsequent Offering at any time prior to final allocation at its sole discretion (and for any reason).

13.2.2 Eligible Shareholders

Shareholders of the Company as of 20 November 2020, as registered in the Company's shareholder register in the VPS on 24 November 2020 (the **Record Date**), and who (i) were not allocated shares in the Private Placement and (ii) are not resident in a jurisdiction where such offering would be unlawful, or for jurisdictions other than Norway, would require any filing, registration or similar action, will be granted non-transferable Subscription Rights that, subject to applicable law, provide rights to subscribe for, and be allocated, Offer Shares in the Subsequent Offering at the Subscription Price.

Provided that the delivery of traded Shares was made with ordinary T+2 settlement in the VPS, Shares that were acquired on or before 20 November 2020 will give the relevant Eligible Shareholder the right to receive Subscription Rights, whereas Shares that were acquired from and including 23 November 2020 will not give the relevant Eligible Shareholder the right to receive Subscription Rights.

13.2.3 Resolution relating to the Subsequent Offering and the issue of the Offer Shares

The share issue pertaining to the Offer Shares is expected to be carried out following a resolution by the Board of Directors pursuant to a power of attorney to increase the share capital of the Company issued by the general meeting of the Company in an extraordinary general meeting held 14 December 2020. The resolution regarding the Subsequent Offering will be published in a stock exchange announcement, in accordance with Section 13.2.28 "Publication of information relating to the Subsequent Offering".

13.2.4 Conditions for completion of the Offering

The board of directors may, after consultation by the Managers, resolve to cancel the Subsequent Offering. The board of directors' considerations with regards to the resolution of carrying out the Subsequent Offering will, inter alia, be based on the trading price of the Company's shares on Oslo Børs after completion of the Private Placement.

13.2.5 Timetable for the Subsequent Offering

The timetable set out below provides certain indicative key dates for the Subsequent Offering:

Record Date	24 November 2020
Subscription Period commences	22 April 2021
Subscription Period ends	29 April 2021
Allocation of the Offer Shares	Expected on or about 3 May 2021
Publication of the results of the Subsequent Offering	Expected on or about 3 May 2021
Distribution of allocation letters	Expected on or about 3 May 2021
Payment Date	Expected on or about 5 May 2021
Registration of the share capital increase pertaining to the Subsequent Offering	Expected on or about 7 May 2021
Delivery of the Offer Shares	Expected on or about 7 May 2021
Listing and commencement of trading in the Offer Shares on the Oslo Stock Exchange	Expected on or about 7 May 2021

13.2.6 Subscription Price

The Subscription Price in the Subsequent Offering is NOK 6.10 per Offer Share, being the same as the subscription price in the Private Placement. No expenses or taxes are charged to the subscribers in the Subsequent Offering by the Company or the Manager

13.2.7 Subscription Period

The Subscription Period will commence on 22 April 2021 at 09:00 hours (CET) and end on 29 April 2021 at 16:30 hours (CET). The Subscription Period cannot be shortened, but the board of directors may extend the Subscription Period if this is required by law as a result of the publication of a supplemental prospectus. Subscription of Offer Shares shall be made on a separate subscription form.

13.2.8 Subscription Rights

Eligible Shareholders will be granted non-transferable Subscription Rights giving a right to subscribe for, and be allocated, Offer Shares in the Subsequent Offering. Each Eligible Shareholder will, subject to applicable securities laws, be granted 0.2648 Subscription Rights for each existing Share registered as held by such Eligible Shareholder on the Record Date, rounded down to the nearest whole Subscription Right. Each whole Subscription Right will, subject to applicable securities laws, give the right to subscribe for and be allocated one Offer Share in the Subsequent Offering.

The Subscription Rights will be credited to and registered on each Eligible Shareholder's VPS account on or about 7 May 2021 under the ISIN NO0010715394. The Subscription Rights will be distributed free of charge to Eligible Shareholders. The Subscription Rights are non-transferable.

The Subscription Rights must be used to subscribe for Offer Shares before the expiry of the Subscription Period on 29 April 2021 at 16:30 hours (CET). Subscription Rights that are not exercised before 16:30 hours (CET) on 29 April 2021 will have no value and will lapse without compensation to the holder. Holders of Subscription Rights should note that subscriptions for Offer Shares must be made in accordance with the procedures set out in this Securities Note and the Subscription Form (as defined below) attached hereto and that the Subscription Rights does not in itself constitute a subscription of Offer Shares.

Should any Subscription Rights have been credited to any (i) shareholders resident in jurisdictions where the Securities Note may not be distributed and/or with legislation, regulations or other laws that prohibits or otherwise restrict subscription for Offer Shares and/or (ii) shareholders located in the United States who are not a QIB (the "**Ineligible Shareholders**"), such credit specifically does not constitute an offer to such Ineligible Shareholders.

13.2.9 Subscription Procedures

Subscriptions for Offer Shares must be made by submitting a correctly completed subscription form, attached hereto as Appendix F (the "**Subscription Form**") to the Managers during the Subscription Period, or may, for subscribers who are residents of Norway with a Norwegian personal identification number, be made online as further described below.

Correctly completed Subscription Forms must be received by the Managers no later than 16:30 hours (CET) on 29 April 2021 at the following postal or e-mail address:

SpareBank 1 Markets AS	Clarksons Platou Securities AS	Nordea Bank ABP, Filial i Norge
Olav Vs gate 5 P.O. Box 1398 Vika N-0161 Oslo Norway Tel: +47 24 14 74 00 E-mail: subscriptions@sb1markets.no	Munkedamsveien 62C NO-0270 Oslo Norway Tel: +47 22 01 63 00 E-mail: syndicate@clarksons.com	Essendrops gate 7 NO-0107 Oslo Norway Tel: +47 24 01 34 62 E-mail: nis@nordea.com

Subscribers who are residents of Norway with a Norwegian personal identification number are encouraged to subscribe for Offer Shares through the VPS online subscription system (or by following the link on www.sb1markets.no, www.nordeamarkets.com, or <https://securities.clarksons.com>, which will redirect the subscriber to the VPS online subscription system). All online subscribers must verify that they are Norwegian residents by entering their national identity number (Nw.: fødselsnummer). In addition, the VPS online subscription system is only available for individual persons and is not available for legal entities; legal entities must thus submit a Subscription Form in order to subscribe for Offer Shares. Subscriptions made through the VPS online subscription system must be duly registered before the expiry of the Subscription Period.

None of the Company or the Managers may be held responsible for postal delays, unavailable internet lines or servers or other logistical or technical problems that may result in subscriptions not being received in time or at all by the Manager. Subscription Forms received after the end of the Subscription Period and/or incomplete or incorrect Subscription Forms and any subscription that may be unlawful may be disregarded at the sole discretion of the Company and/or the Managers without notice to the subscriber.

Subscriptions are binding and irrevocable, and cannot be withdrawn, cancelled or modified by the subscriber after having been received by the Manager, or in the case of subscriptions through the VPS online subscription system, upon registration of the subscription. The subscriber is responsible for the correctness of the information filled into the Subscription Form or, in case of applications through the VPS online subscription system, the online subscription form. By signing and submitting a Subscription Form, or by subscribing via the VPS online subscription system, the subscribers confirm and warrant that they have read this Securities Note and are eligible to subscribe for Offer Shares under the terms set forth herein.

There is no minimum subscription amount for which subscriptions in the Subsequent Offering must be made. Oversubscription (i.e. subscription for more Offer Shares than the number of Subscription Rights held by the subscriber entitles the subscriber to be allocated) is permitted, but no Shareholder will be allocated more than its pro-rata share of the aggregate number of Shares issued under the Private Placement and the Subsequent Offer. Subscription without Subscription Rights will not be permitted.

Multiple subscriptions (i.e. subscriptions on more than one Subscription Form) are allowed. Please note, however, that two separate Subscription Forms submitted by the same subscriber with the same number of Offer Shares subscribed for on both Subscription Forms will only be counted once unless otherwise explicitly stated in one of the Subscription Forms. In the case of multiple subscriptions through the VPS online subscription system or subscriptions made both on a Subscription Form and through the VPS online subscription system, all subscriptions will be counted.

All subscriptions in the Subsequent Offering will be treated in the same manner regardless of whether the subscription is made by delivery of a Subscription Form to the Managers or through the VPS online subscription system.

13.2.10 Mandatory anti-money laundering procedures

The Subsequent Offering is subject to applicable anti-money laundering legislation, including the Norwegian Money Laundering Act of 1 June 2018 no. 23 and the Norwegian Money Laundering Regulations of 14 September 2018 no. 1324 (collectively, the "**Anti-Money Laundering Legislation**").

Subscribers who are not registered as existing customers of the Managers must verify their identity to the Managers in accordance with the requirements of the Anti-Money Laundering Legislation, unless an exemption is available. Subscribers who have designated an existing Norwegian bank account and an existing VPS account on the Subscription Form are exempted, unless verification of identity is requested by the Manager. Subscribers who have not completed the required verification of identity prior to the expiry of the Subscription Period will not be allocated Offer Shares.

Furthermore, participation in the Subsequent Offering is conditional upon the subscriber holding a VPS account. The VPS account number must be stated in the Subscription Form. VPS accounts can be established with authorized VPS registrars, who can be Norwegian banks, authorized securities brokers in Norway and Norwegian branches of credit institutions established within the EEA. However, non-Norwegian investors may use nominee VPS accounts registered in the name of a nominee. The nominee must be authorised by the Norwegian FSA. Establishment of a VPS account requires verification of identification to the VPS registrar in accordance with the Anti-Money Laundering Legislation.

13.2.11 Financial intermediaries

13.2.11.1 General

All persons or entities holding Shares or Subscription Rights through financial intermediaries (e.g., brokers, custodians and nominees) should read this Section 13.2.11 "Financial intermediaries". All questions concerning the timeliness, validity and form of instructions to a financial intermediary in relation to the exercise of Subscription Rights should be determined by the financial intermediary in accordance with its usual customer relations procedure or as it otherwise notifies each beneficial shareholder.

The Company is not liable for any action or failure to act by a financial intermediary through which Shares are held.

13.2.11.2 Subscription Rights

If an Eligible Shareholder holds Shares registered through a financial intermediary on the Record Date, the financial intermediary will, subject to the terms of the agreement between the Eligible Shareholder and the financial intermediaries, customarily give the Eligible Shareholder details of the aggregate number of Subscription Rights to which it will be entitled and the relevant financial intermediary will customarily supply each Eligible Shareholder with this information in accordance with its usual customer relations procedures. Eligible Shareholders holding Shares through a financial intermediary should contact the financial intermediary if they have received no information with respect to the Subsequent Offering.

Shareholders who hold their Shares through a financial intermediary and who are Ineligible Shareholders will not be entitled to exercise any received Subscription Rights.

13.2.11.3 Subscription Period

The time by which notification of exercise instructions for subscription of Offer Shares must validly be given to a financial intermediary may be earlier than the expiry of the Subscription Period. Such deadline will depend on the financial intermediary. Eligible Shareholders who hold their Shares through a financial intermediary should contact their financial intermediary if they are in any doubt with respect to deadlines.

13.2.11.4 Subscription

Any Eligible Shareholder who is not an Ineligible Shareholder and who holds its Subscription Rights through a financial intermediary and wishes to exercise its Subscription Rights, should instruct its financial intermediary in accordance with the instructions received from such financial intermediary. The financial intermediary will be responsible for collecting exercise instructions from the Eligible Shareholders and for informing the Managers of their exercise instructions.

Please refer to Section 14 "Selling and Transfer Restrictions" for a description of certain restrictions and prohibitions applicable to the exercise of Subscription Rights in certain jurisdictions outside Norway.

13.2.11.5 Method of Payment

Any Eligible Shareholder who holds its Subscription Rights through a financial intermediary should pay the Subscription Price for the Offer Shares that are allocated to it in accordance with the instructions received from the financial intermediary. The financial intermediary must pay the Subscription Price in accordance with the instructions in this Securities Note. Payment by the financial intermediary for the Offer Shares must be made to the Managers no later than the Payment Date (as defined below). Accordingly, financial intermediaries may require payment to be provided to them prior to the Payment Date.

13.2.12 Allocation of Offer Shares

Allocation of the Offer Shares will take place on or about 3 May 2021 and will be made to subscribers based on the number of Subscription Rights validly exercised when subscribing for new Shares in the Subscription Period. Each Subscription Right will give the right to subscribe for and be allocated one (1) Offer Share.

No fractional Shares will be allocated. The Company reserves the right to round off, reject or reduce any subscription for Offer Shares not covered by Subscription Rights and will only allocate such Offer Shares to the extent that Offer Shares are available to cover over-subscription based on Subscription Rights.

Allocation of fewer Offer Shares than subscribed for by a subscriber will not impact on the subscriber's obligation to pay for the number of Offer Shares allocated.

The result of the Subsequent Offering is expected to be published on or about 3 May 2021 in the form of a stock exchange notification from the Company through Oslo Børs' information system. Notifications of allocated Offer Shares and the corresponding subscription amount to be paid by each subscriber are expected to be distributed on or about 3 May 2021. Subscribers having access to investor services through their VPS account manager will be able to check the number of Offer Shares allocated to them from 09:00 hours (CET) on 3 May 2021. Subscribers who do not have access to investor services through their VPS account manager may contact the Managers on telephone number +47 24 14 74 00 from 12:00 hours (CET) on 3 May 2021 to obtain information about the number of Offer Shares allocated to them.

13.2.13 Payment for the Offer Shares

The payment for Offer Shares allocated to a subscriber falls due on or about 5 May 2021 (the "**Payment Date**"). Payment must be made in accordance with the requirements set out in Section 13.2.14 "Subscribers who have a Norwegian bank account" or Section 13.2.15 "Subscribers who do not have a Norwegian bank account".

13.2.14 Subscribers who have a Norwegian bank account

Subscribers who have a Norwegian bank account must, and will by signing the Subscription Form or by submitting the online subscription registration for subscriptions through the VPS online subscription system, provide the Managers with a one-time irrevocable authorisation to debit a specified bank account with a Norwegian bank for the amount payable for the Offer Shares which are allocated to the subscriber.

The specified bank account is expected to be debited on or after the Payment Date. The Managers are only authorised to debit such account once, but reserves the right to make up to three debit attempts, and the authorisation will be valid for up to seven working days after the Payment Date.

The subscriber furthermore authorises the Managers to obtain confirmation from the subscriber's bank that the subscriber has the right to dispose over the specified account and that there are sufficient funds in the account to cover the payment.

If there are insufficient funds in a subscriber's bank account or if it for other reasons is impossible to debit such bank account when a debit attempt is made pursuant to the authorisation from the subscriber, the subscriber's obligation to pay for the Offer Shares will be deemed overdue.

Payment by direct debiting is a service that banks in Norway provide in cooperation. In the relationship between the subscriber and the subscriber's bank, the standard terms and conditions for "Payment by Direct Debiting – Securities Trading", which are set out on page 2 of the Subscription Form, will apply, provided, however, that subscribers who subscribe for an amount exceeding NOK 5 million by signing the Subscription Form provide the Managers with a onetime irrevocable authorisation to manually debit the specified bank account for the entire subscription amount.

13.2.15 Subscribers who do not have a Norwegian bank account

Subscribers who do not have a Norwegian bank account must ensure that payment with cleared funds for the Offer Shares allocated to them is made on or before the Payment Date.

Prior to any such payment being made, the subscriber must contact the Managers on telephone number +47 24 14 74 00 for further details and instructions.

13.2.16 Overdue payments

Overdue payments will be charged with interest at the applicable rate from time to time under the Norwegian Act on Interest on Overdue Payment of 17 December 1976 no. 100, currently 8 % per annum as of the date of this Securities Note. If a subscriber fails to comply with the terms of payment, the Offer Shares will, subject to the restrictions in the Norwegian Public Limited Companies Act and at the discretion of the Managers, not be delivered to the subscriber. The Managers, on behalf of the Company, reserves the right, at the risk and cost of the subscriber, at any time, to cancel the subscription and to re-allocate or otherwise dispose of allocated Offer Shares for which payment is overdue, or, if payment has not been received by the third day after the Payment Date, without further notice sell, assume ownership to or otherwise dispose of the allocated Offer Shares on such terms and in such manner as the Managers may decide in accordance with Norwegian law. The subscriber will remain liable for

payment of the subscription amount, together with any interest, costs, charges and expenses accrued and the Managers, on behalf of the Company, may enforce payment for any such amount outstanding in accordance with Norwegian law.

The Company and the Managers further reserve the right (but have no obligation) to have the Managers advance the subscription amount on behalf of subscribers who have not paid for the Offer Shares allocated to them within the Payment Date. The non-paying subscribers will remain fully liable for the subscription amount payable for the Offer Shares allocated to them, irrespective of such payment by the Manager.

13.2.17 Delivery of the Offer Shares

Subject to the timely payment of the entire subscription amount in the Subsequent Offering, the Company expects that the share capital increase pertaining to the Subsequent Offering will be registered with the Norwegian Register of Business Enterprises on or about 7 May 2021 and that the Offer Shares will be delivered to the VPS accounts of the subscribers to whom they are allocated on or about 7 May 2021. The final deadline for registration of the share capital increase pertaining to the Subsequent Offering with the Norwegian Register of Business Enterprises, and, hence, for the delivery of the Offer Shares, is, pursuant to the Norwegian Public Limited Companies Act, three months from the expiry of the Subscription Period (i.e. three months from 29 April 2021).

The Offer Shares may not be traded before registration of the share capital increase with the Norwegian Register of Business Enterprises and delivery of the Offer Shares to the subscribers VPS-accounts.

13.2.18 Listing of the Offer Shares

The Shares are listed on Oslo Børs under ISIN NO0010715394 and ticker code "AQUA". The Offer Shares will be listed on Oslo Børs as soon as the share capital increase pertaining to the Subsequent Offering has been registered with the Norwegian Register of Business Enterprises and the Offer Shares have been registered in the VPS. This is expected to take place on or about 7 May 2021.

The Offer Shares may not be transferred or traded before they are fully paid and said registrations in the Norwegian Register of Business Enterprises and the VPS have taken place.

For information regarding the listing of the Private Placement Shares on Oslo Børs, see Section 13.1.4 "Delivery and listing of the Shares in the Private Placement".

13.2.19 The rights conferred by the Offer Shares

The Offer Shares to be issued in the Subsequent Offering will be ordinary Shares in the Company with a nominal value of NOK 0.10 each and will be issued electronically in registered form in accordance with the Norwegian Public Limited Companies Act.

The Offer Shares will rank *pari passu* in all respects with the existing Shares in the Company and will carry full shareholder rights from the time of registration of the share capital increase pertaining to the Subsequent Offering with the Norwegian Register of Business Enterprises. The Offer Shares will be eligible for any dividends which the Company may declare after such registration. All Shares, including the Offer Shares, will have voting rights and other rights and obligations which are standard under the Norwegian Public Limited Companies Act, and are governed by Norwegian law. For a description of rights attaching to Shares in the Company, see Section 10.7.

13.2.20 LEI number

LEI number is a mandatory number for all companies investing in the financial market from January 2018. A LEI is a 20-character identifier that identifies distinct legal entities that engage in financial transactions. The Global Legal Identifier Foundation ("**GLEIF**") is not directly issuing LEIs, but instead it delegates this responsibility to Local Operating Units ("**LOUs**").

Norwegian companies can apply for a LEI number through the wps://no.nordlei.org/. The application can be submitted through an online form and signed electronically with BankID. It normally takes one to two working days to process the application.

Non-Norwegian companies can find a complete list of LOUs on the website <https://www.gleif.org/en/about-lei/get-anlei-find-lei-issuing-organizations>.

13.2.21 VPS registration

The Offer Shares will be registered in the VPS with the same International Securities Identification Number (ISIN) as the existing Shares.

13.2.22 Timeliness, validity, form and eligibility of subscriptions

All questions concerning the timeliness, validity, form and eligibility of any subscription for Offer Shares will be determined by the board of directors, whose determination will be final and binding. The board of directors, or the Managers upon being authorised by the board of directors, may in its sole discretion waive any defect or irregularity in the Subscription Forms, permit such defect or irregularity to be corrected within such time as the board of directors or the Managers may determine, or reject the purported subscription of any Offer Shares. It cannot be expected that Subscription Forms will be deemed to have been received or accepted until all irregularities have been cured or waived within such time as the board of directors or the Managers shall determine. Neither the board of directors, the Company nor the Managers will be under any duty to give notification of any defect or irregularity in connection with the submission of a Subscription Form or assume any liability for failure to give such notification. Further, neither the board of directors, the Company nor the Managers are liable for any action or failure to act by a financial intermediary through whom any Eligible Shareholder holds his Shares or by the Managers in connection with any subscriptions or purported subscriptions.

13.2.23 Share capital following the Subsequent Offering

The final number of Offer Shares to be issued in the Subsequent Offering will depend on the number of subscriptions received in the Subsequent Offering. The maximum number of Offer Shares to be issued in the Subsequent Offering is 5,163,934 Offer Shares, each with a nominal value of NOK 0.10. Assuming full subscription, the Subsequent Offering will further increase the Company's registered share capital with NOK 516,393.40, divided into 5,163,934 Shares, each with a nominal value of NOK 0.20.

13.2.24 Net proceeds and expenses related to the Subsequent Offering

The Company will bear the costs, fees and expenses related to the Subsequent Offering, which are estimated to amount to approximately NOK 1.5 million, assuming that all Offer Shares are issued. No expenses or taxes will be charged by the Company or the Managers to the subscribers in the Subsequent Offering. Hence, the total net proceeds from the Subsequent Offering are estimated to be approximately NOK 30 million, assuming that all the Offer Shares are issued.

13.2.25 Use of proceeds

The expected net proceeds from the Subsequent Offering, will be used for growth capital and general corporate purposes.

13.2.26 Interests of natural and legal persons involved in the Private Placement and the Subsequent Offering

The Managers or their affiliates have provided from time to time, and may provide in the future, investment and commercial banking services to the Company and its affiliates in the ordinary course of business, for which they may have received and may continue to receive customary fees and commissions. The Managers, their employees and any affiliate may currently own Shares in the Company. Further, in connection with the Subsequent Offering, the Managers, their employees and any affiliate acting as an investor for its own account may receive Subscription Rights (if they are Eligible Shareholders) and may exercise its right to take up such Subscription Rights and acquire Offer Shares, and, in that capacity, may retain, purchase or sell Offer Shares and any other securities of the Company or other investments for their own account and may offer or sell such securities (or other investments) otherwise than in connection with the Subsequent Offering. The Managers do not intend to disclose the extent of any such investments or transactions otherwise than in accordance with any legal or regulatory obligation to do so.

Further, the Managers will receive a variable fee in connection with the Private Placement and the Subsequent Offering, and, as such, have an interest in the Private Placement and the Subsequent Offering.

Beyond the abovementioned, the Company is not aware of any interest, including conflicting ones, of natural and legal persons involved in the Private Placement and the Subsequent Offering.

13.2.27 Participation of major existing shareholders and members of the Company's Management, supervisory and administrative bodies in the Subsequent Offering

The Company is not aware of whether any major shareholders of the Company or members of the Company's Management, supervisory or administrative bodies intend to subscribe for Offer Shares in the Subsequent Offering, or whether any person intends to subscribe for more than 5% of the Subsequent Offering.

13.2.28 Publication of information relating to the Subsequent Offering

The Company will use Oslo Børs' information system to publish information relating to the Subsequent Offering.

13.2.29 Advisors in the Subsequent Offering

In the Subsequent Offering, Clarksons Platou Securities AS, Nordea Bank Abp, filial i Norge and SpareBank 1 Markets acts as Managers and Advokatfirmaet Haavind AS (Bygdøy Allé 2, NO-0101 Oslo, Norway) acts as legal advisor to the Company.

13.3 Dilution

The following table shows a comparison of participation in the Company's share capital and voting rights for existing shareholders before and after the Private Placement and the Subsequent Offering, with the assumption that all the Offer Shares are issued:

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	Prior to the Private Placement and the Subsequent Offering	After the Private Placement	After the Private Placement and the Subsequent Offering (assuming that Eligible Shareholders do not subscribe for Offer Shares)	After the Private Placement and the Subsequent Offering (assuming that Eligible Shareholders subscribe for Offer Shares in accordance with their allocated Subscription Rights)
Number of Shares prior to the Private Placement and the Subsequent Offering	70,416,435	70,416,435	70,416,435	70,416,435
Private placement	-	22,131,148	22,131,148	22,131,148
Subsequent Offering	-	-	5,163,934	5,163,934
Total number of Shares each with a par value of NOK 0.10	70,416,435	92,547,583	97,711,517	97,711,517
% dilution		23.9 %	27.9 %	8.9 %

13.4 Governing law and jurisdiction

This Prospectus and the terms and conditions of the Subsequent Offering and the Subscription Form shall be governed by, and construed in accordance with, Norwegian law, and the Offer Shares will be issued pursuant to, the Norwegian Public Limited Companies Act. Any dispute arising out of, or in connection with, this Prospectus and the Subsequent Offering shall be subject to the exclusive jurisdiction of the courts of Norway, with Oslo district court as legal venue.

14. SELLING AND TRANSFER RESTRICTIONS

14.1 Overview

As a consequence of the following restrictions, prospective investors are advised to consult legal counsel prior to making any offer, resale, pledge or other transfer of the Shares offered hereby.

Other than in Norway, the Company is not taking any action to permit a public offering of the Shares in any jurisdiction. Receipt of this Prospectus will not constitute an offer in those jurisdictions in which it would be illegal to make an offer, and, in those circumstances, this Prospectus is for information only and should not be copied or redistributed. Except as otherwise disclosed in this Prospectus, if an investor receives a copy of this Prospectus in any jurisdiction other than Norway, the investor may not treat this Prospectus as constituting an invitation or offer to it, nor should the investor in any event deal in the Shares, unless, in the relevant jurisdiction, such an invitation or offer could lawfully be made to that investor, or the Shares could lawfully be dealt in without contravention of any unfulfilled registration or other legal requirements. Accordingly, if an investor receives a copy of this Prospectus, the investor should not distribute or send the same, or transfer Shares, to any person or in or into any jurisdiction where to do so would or might contravene local securities laws or regulations.

14.2 Selling restrictions

14.2.1 United States

The Offer Shares have not been and will not be registered under the U.S. Securities Act, and may not be offered or sold except: (i) within the United States to QIBs in reliance on Rule 144A; or (ii) to certain persons in offshore transactions in compliance with Regulation S under the U.S. Securities Act, and in accordance with any applicable securities laws of any state or territory of the United States or any other jurisdiction. Accordingly, the Managers has represented and agreed that it has not offered or sold, and will not offer or sell, any of the Offer Shares as part of its allocation at any time other than to QIBs in the United States in accordance with Rule 144A or outside of the United States in compliance with Rule 903 of Regulation S. Transfer of the Offer Shares will be restricted and each purchaser of the Offer Shares in the United States will be required to make certain acknowledgements, representations and agreements, as described under Section 14.3.1 "—Transfer restrictions—United States".

Any offer or sale in the United States will be made by affiliates of the Managers who are broker dealers registered under the U.S. Exchange Act. In addition, until 40 days after the commencement of the Subsequent Offering, an offer or sale of Offer Shares within the United States by a dealer, whether or not participating in the Subsequent Offering, may violate the registration requirements of the U.S. Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A of the U.S. Securities Act and in connection with any applicable state securities laws. Nordea will only be participating in the Subsequent Offering outside of the United States. No action taken by the Company or any of the other Managers in the United States shall be attributed to Nordea.

14.2.2 United Kingdom

This Prospectus and any other material in relation to the Subsequent Offering described herein is only being distributed to, and is only directed at persons in the United Kingdom who are qualified investors within the meaning of the Prospectus Regulation ("qualified investors") that are also (i) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Order"); (ii) high net worth entities or other persons falling within Article 49(2)(a) to (d) of the Order; or (iii) persons to whom distributions may otherwise lawfully be made (all such persons together being referred to as "Relevant Persons"). The Offer Shares are only available to, and any investment or investment activity to which this Prospectus relates is available only to, and will be engaged in only with, Relevant Persons). This Prospectus and its contents are confidential and

should not be distributed, published or reproduced (in whole or in part) or disclosed by recipients to any other person in the United Kingdom. Persons who are not Relevant Persons should not take any action on the basis of this Prospectus and should not rely on it.

14.2.3 European Economic Area

In relation to each Relevant Member State, an offer to the public of any Offer Shares which are the subject of the offering contemplated by this Prospectus may not be made in that Relevant Member State, other than the offering in Norway as described in this Prospectus, once the Prospectus has been approved by the competent authority in Norway and published in accordance with the Prospectus Regulation (as implemented in Norway), except that an offer to the public in that Relevant Member State of any Offer Shares may be made at any time under the following exemptions under the Prospectus Regulation, if they have been implemented in that Relevant Member State:

- A. to legal entities which are qualified investors as defined in the Prospectus Regulation;
- B. to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation), as permitted under the Prospectus Regulation, subject to obtaining the prior consent of the Managers for any such offer, or in any other circumstances falling within the Prospectus Regulation; provided that no such offer of Offer Shares shall require the Company or any Managers to publish a prospectus pursuant to the Prospectus Regulation or supplement a prospectus to the Prospectus Regulation.

For the purposes of this provision, the expression an "offer to the public" in relation to any Offer Shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any Securities to be offered so as to enable an investor to decide to purchase any Offer Shares. This EEA selling restriction is in addition to any other selling restrictions set out in this Prospectus.

14.2.4 Additional jurisdictions

14.2.4.1 Canada

This Prospectus is not, and under no circumstance is to be construed as, a prospectus, an advertisement or a public offering of the Offer Shares in Canada or any province or territory thereof. Any offer or sale of the Offer Shares in Canada will be made only pursuant to an exemption from the requirements to file a prospectus with the relevant Canadian securities regulators and only by a dealer properly registered under applicable provincial securities laws or, alternatively, pursuant to an exemption from the dealer registration requirement in the relevant province or territory of Canada in which such offer or sale is made.

14.2.4.2 Hong Kong

The Offer Shares may not be offered or sold in Hong Kong by means of any document other than (i) in circumstances which do not constitute an offer to the public within the meaning of the Companies Ordinance (Cap. 32) of Hong Kong, or (ii) to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made there under, or (iii) in other circumstances which do not result in the document being a "prospectus" within the meaning of the Companies Ordinance (Cap. 32) of Hong Kong, and no advertisement, invitation or document relating to the Offer Shares may be issued or may be in the possession of any person for the purposes of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Offer Shares which are or are intended to be

disposed of only to persons outside Hong Kong or only to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made there under.

14.2.4.3 Singapore

This Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this Prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Offer Shares may not be circulated or distributed, nor may they be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the "**SFA**"), (ii) to a relevant person, or any person pursuant to Section 275(1A), and in accordance with the conditions, specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

14.2.4.4 Other jurisdictions

The Offer Shares may not be offered, sold, resold, transferred or delivered, directly or indirectly, in or into, Japan, Australia or any other jurisdiction in which it would not be permissible to offer the Offer Shares.

In jurisdictions outside the United States and the EEA where the Subsequent Offering would be permissible, the Offer Shares will only be offered pursuant to applicable exceptions from prospectus requirements in such jurisdictions.

14.3 Transfer restrictions

14.3.1 United States

The Offer Shares have not been and will not be registered under the U.S. Securities Act and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Terms defined in Rule 144A or Regulation S shall have the same meaning when used in this section.

Each purchaser of the Offer Shares outside the United States pursuant to Regulation S will be deemed to have acknowledged, represented and agreed that it has received a copy of this Prospectus and such other information as it deems necessary to make an informed decision and that:

- The purchaser is authorised to consummate the purchase of the Offer Shares in compliance with all applicable laws and regulations.
- The purchaser acknowledges that the Offer Shares have not been and will not be registered under the U.S. Securities Act, or with any securities regulatory authority or any state of the United States, and are subject to significant restrictions on transfer.
- The purchaser is, and the person, if any, for whose account or benefit the purchaser is acquiring the Offer Shares was, located outside the United States at the time the buy order for the Offer Shares was originated and continues to be located outside the United States and has not purchased the Offer Shares for the benefit of any person in the United States or entered into any arrangement for the transfer of the Offer Shares to any person in the United States.
- The purchaser is not an affiliate of the Company or a person acting on behalf of such affiliate, and is not in the business of buying and selling securities or, if it is in such business, it did not

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acquire the Offer Shares from the Company or an affiliate thereof in the initial distribution of such Shares.

- The purchaser is aware of the restrictions on the offer and sale of the Offer Shares pursuant to Regulation S described in this Prospectus.
- The Offer Shares have not been offered to it by means of any "directed selling efforts" as defined in Regulation S.
- The Company shall not recognise any offer, sale, pledge or other transfer of the Offer Shares made other than in compliance with the above restrictions.
- The purchaser acknowledges that the Company, the Managers and their respective advisers will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

Each purchaser of the Offer Shares within the United States pursuant to Rule 144A will be deemed to have acknowledged, represented and agreed that it has received a copy of this Prospectus and such other information as it deems necessary to make an informed investment decision and that:

- The purchaser is authorised to consummate the purchase of the Offer Shares in compliance with all applicable laws and regulations.
- The purchaser acknowledges that the Offer Shares have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state of the United States and are subject to significant restrictions to transfer.
- The purchaser (i) is a QIB (as defined in Rule 144A), (ii) is aware that the sale to it is being made in reliance on Rule 144A and (iii) is acquiring such Offer Shares for its own account or for the account of a QIB, in each case for investment and not with a view to any resale or distribution to the Offer Shares, as the case may be.
- If, in the future, the purchaser decides to offer, resell, pledge or otherwise transfer such Offer Shares, as the case may be, such Shares may be offered, resold, pledged or otherwise transferred only (i) to a person whom the beneficial owner and/or any person acting on its behalf reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A, (ii) in accordance with Regulation S, (iii) in accordance with Rule 144 (if available), (iv) pursuant to any other exemption from the registration requirements of the U.S. Securities Act, subject to the receipt by the Company of an opinion of counsel or such other evidence that the Company may reasonably require that such sale or transfer is in compliance with the U.S. Securities Act or (v) pursuant to an effective registration statement under the U.S. Securities Act, in each case in accordance with any applicable securities laws of any state or territory of the United States or any other jurisdiction.
- The purchaser is not an affiliate of the Company or a person acting on behalf of such affiliate, and is not in the business of buying and selling securities or, if it is in such business, it did not acquire the Offer Shares from the Company or an affiliate thereof in the initial distribution of such Shares.
- The Offer Shares are "restricted securities" within the meaning of Rule 144(a)(3) and no representation is made as to the availability of the exemption provided by Rule 144 for resales of any Offer Shares, as the case may be.

- The Company shall not recognise any offer, sale pledge or other transfer of the Offer Shares made other than in compliance with the above-stated restrictions.
- The purchaser acknowledges that the Company, the Managers and their respective advisers will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

14.3.2 European Economic Area

Each person in a Relevant Member State (other than, in the case of paragraph (a), persons receiving offers contemplated in this Prospectus in Norway) who receives any communication in respect of, or who acquires any Offer Shares under, the offers contemplated in this Prospectus will be deemed to have represented, warranted and agreed to and with the Managers and the Company that:

- (a) it is a qualified investor as defined in the Prospectus Regulation; and
- (b) in the case of any Offer Shares acquired by it as a financial intermediary, as that term is used in Article 3(2) of the Prospectus Regulation, (i) the Offer Shares acquired by it in the offer have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Relevant Member State other than qualified investors, as that term is defined in the Prospectus Regulation, or in circumstances in which the prior consent of the Managers has been given to the offer or resale; or (ii) where Offer Shares have been acquired by it on behalf of persons in any Relevant Member State other than qualified investors, the offer of those Shares to it is not treated under the Prospectus Regulations having been made to such persons.
- (c) For the purposes of this representation, the expression an "offer" in relation to any Offer Shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any Offer Shares to be offered so as to enable an investor to decide to purchase or subscribe for the Offer Shares.

15. ADDITIONAL INFORMATION

15.1 Independent Auditor and advisors

The Company's auditor is PricewaterhouseCoopers AS, with registration number 987 009 713 and business address at Dronning Eufemias gate 71, 0194 Oslo, Norway. PricewaterhouseCoopers AS is a member of Den Norske Revisorforeningen (The Norwegian Institute of Public Accountants).

Clarksons Platou Securities AS, Nordea Bank Abp, filial i Norge and SpareBank 1 Markets are acting as Managers for the Private Placement.

Advokatfirmaet Haavind AS (Bygdøy allé 2, N-01101 Oslo, Norway) is acting as Norwegian legal counsel to the Company.

15.2 Documents on display

Copies of the following documents will be available for inspection at the Company's offices at Fridtjof Nansens plass 8, 0160 Oslo, Norway, during normal business hours from Monday to Friday each week (except public holidays) and on the Company's website www.aqualisbraemar.com for a period of twelve months from the date of this Prospectus.

- The Articles of Association and Certificate of Incorporation.
- The Group's audited consolidated annual financial statements for the year ended 31 December 2019, 2018 and 2017.
- The Group's unaudited consolidated interim financial statements for the year ended 31 December 2020.
- This Prospectus.
- Independent assurance report on pro forma financial information.

16. DEFINITIONS AND GLOSSARY

The following definitions and glossary apply in this Prospectus unless otherwise dictated by the context, including the foregoing pages of this Prospectus.

Anti-Money Laundering Legislation	The Norwegian Money Laundering Act No. 11 of 6 March 2009 and the Norwegian Money Laundering Regulations No. 302 of 13 March 2009.
Appropriate Channels for Distribution	All distribution channels as are permitted by MiFID II
AqualisBraemar Brands	AqualisBraemar, AqualisBraemar Yacht Services, and OWC
AqualisBraemar Business	The business of the Group entities providing services under the AqualisBraemar Brands.
AqualisBraemar LOC	AqualisBraemar LOC ASA
Articles of Association	The articles of association of the Company.
Board of Directors or Board	The board of directors of the Company
Braemar	Shall have the meaning given to such term in section 5.4
Braemar Transaction	Shall have the meaning given to such term in section 5.14.1
CAMO	Critical Activity Mode of Operation
Capex	Capital expenditures
CEO	Chief Executive Officer
CET	Central European Time
CFO	Chief Financial Officer
CMID	Common Marine Inspection Document
Company	AqualisBraemar LOC ASA
Corporate Governance Code	The Norwegian Code of Practice for Corporate Governance dated 23 October 2012.
December 2020 EGM	The extraordinary general meeting of the Company held on 14 December 2020
DEVEX	Development expense
DP	Dynamic Position
E&P	Exploration & production
East Point Geo Transaction	Shall have the meaning given to such term in 5.14.3
EBITDA	Earnings before interest, taxes, depreciation and amortisation
EEA	The European Economic Area.
Eligible Shareholders	Existing Shareholder who were not allocated shares in the Private Placement and who are not resident in a jurisdiction where such offering would be unlawful, or for jurisdictions other than Norway, would require any filing, registration or similar action
EPC	Engineering, Procurement and Construction
ESMA	European Securities and Markets Authority
EU	The European Union.
EU Prospectus Regulation	Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC
EUR	The lawful common currency of the participating member states in the European Union

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Excess Allowance	Any part of the calculated allowance one year exceeding the dividend distributed on the share
Exempted Private Placement Shares	Shall have the meaning given to such term in section 13.1.4
Existing Shareholder	The shareholders of the Company as of 20 November 2020 being registered as such in the VPS on the Record Date
FEED	Front-end engineering design
Financial Information	The Financial Statements and the Interim Financial Statements
Financial Statements	The Company's financial statements for the year ended 31 December 2019
FMEA	Failure mode and effects analysis
FMECA	Failure Mode, Effect and Criticality Analysis
Forward-looking statements	Statements made that are not historic and thereby predictive as defined in Section 4.5
FPSO	Floating production, storage and offloading
FSMA	The UK Financial Services and Markets Act 2000
FSO	Floating, Storage and Offloading
GBP	British pound sterling, the lawful currency of United Kingdom
General Meeting	The Company's general meeting of shareholders.
GLEIF	The Global Legal Identifier Foundation
Group	The Company together with its consolidated subsidiaries
HAZID	Hazard Identification Analysis
HAZOP	Hazard and Operability Analysis
IAS	International Accounting Standard
IAS 34	International Accounting Standard 34 "Interim Financial Reporting"
ICMS	Integrated Control Management System
IFRS	International Financial Reporting Standards as adopted by the EU.
Ineligible Shareholders	Shareholders located in the United States who are not a QIB
Innosea	Innosea SAS
Interim Financial Statements	Unaudited consolidated interim financial statements for the year ended 31 December 2020
IOC	Independent Oil Companies
ISIN	Securities number in the Norwegian Registry of Securities (VPS).
John LeBourhis (JLA)	John Lebourhis and Associates, Inc
LCoE	Labelized cost of energy
LEI	Legal Entity Identifier
LOC	London Offshore Consultants
LOC Group	Neptune and its subsidiaries
LOC Group Business	The business of the LOC Group
LOC Group Holdings	LOC Group Holdings Limited
Longitude	Longitude Engineering
LOUs	Local Operating Units
Management	The Group's senior management team.
Managers	Clarksons Platou Securities AS, Nordea Bank Abp, filial i Norge and SpareBank 1 Markets

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MiFID II	EU Directive 2014/65/EU on markets in financial instruments, as amended
MODU	Mobile Offshore Drilling Units
MOPU	Mobile Offshore Production Units
MWS	Shall have the meaning given to such term in section 5.6.2.1
Negative Target Market	Investors looking for full capital protection or full repayment of the amount invested or having no risk tolerance, or investors requiring a fully guaranteed income or fully predictable return profile
Neptune	Neptune Midco 1 Limited
Neptune Management Accounts	Management accounts for Neptune Midco 1 Limited for the year ended 31 December 2020
New Shares	Shall have the meaning given to such term in the introductory section
NOC	National Oil Companies
NOK	Norwegian Kroner, the lawful currency of Norway
Non-Norwegian Personal Shareholders	Shareholders who are individuals not resident in Norway for tax purposes
Non-Norwegian Shareholders	Shareholders who are not resident in Norway for tax purposes
Nordea	Nordea Bank Abp, filial i Norge
Nordea Facility Agreement	A USD 15 million senior secured term loan facilities agreement entered into between the Company as borrower, Aqualis Offshore AS, Aqualis Braemar Pte. Ltd., AqualisBraemar Inc., Offshore Wind Consultants Limited, AqualisBraemar Technical Services Holdings Ltd, and AqualisBraemar Holding Limited as original guarantors, and Nordea as lender, dated 14 December 2020
Norwegian FSA	The Financial Supervisory Authority of Norway (Nw.: Finanstilsynet)
Norwegian Corporate Shareholders	Shareholders who are limited liability companies and certain similar corporate entities resident in Norway for tax purposes
Norwegian Personal Shareholders	Personal shareholders resident in Norway for tax purposes
Norwegian Securities Trading Act	The Norwegian Securities Trading Act of 29 June 2007 no. 75 (Nw.: verdipapirhandelloven)
O&M	Operations & Maintenance
Offer Shares	Up to 5,163,934 new shares in the Company, each with a nominal of NOK 0.10, to be issued at the Subscription Price under the Subsequent Offering.
OPEX	Operating expense
Order	Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005
Oslo Børs	Oslo Børs ASA or, as the context may require, Oslo Børs, a Norwegian regulated stock exchange operated by Oslo Børs ASA.
OWC	Offshore Wind Consultants Limited
PwC	PricewaterhouseCoopers AS
QIBs	Qualified institutional buyers, as defined in Rule 144A under the U.S. Securities Act
P&I	Protection and indemnity

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Payment Date	Shall have the meaning given to such term in section 13.2.13
Positive Target Market	An end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II
Private Placement	The issue of 22,131,148 new Shares in a private placement at a subscription price of NOK 6.10, each with a nominal value of NOK 0.10, issued on 14 December 2020.
Private Placement Shares	8,047,861 new shares in the Company, each with a nominal value of NOK 0.10, issued at the Subscription Price, forming part of the shares issued in the Private Placement.
Private Placement Registration Date	Shall have the meaning given to such term in section 13.1.4
Product Governance Requirements	Collectively the (a) EU Directive 2014/65/EU on markets in financial instruments, as amended (" MiFID II "); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures
Prospectus	This Prospectus dated 21 April 2021
QHSE	Quality, Health, Safety, Environment
QRA	Quantitative Risk Analysis
RCF	A revolving credit facility in the amount of USD 5 million under the Nordea Facility Agreement
Record Date	24 November 2020
Relevant Member State	Each Member State of the EEA which has implemented the EU Prospectus Regulation.
Relevant Persons	Persons in the United Kingdom that are (i) investment professionals falling within Article 19(5) of the Order or (ii) high net worth entities, and other persons to whom the Prospectus may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order.
Rule 144A	Rule 144A under the U.S. Securities Act
Share(s)	Shares in the share capital of the Company, each with a nominal value of NOK 0.10 or any one of them.
SPA	The share purchase agreement entered into between LOC Group Holdings Limited and AqualisBraemar LOC regarding the acquisition of the LOC Group
Subscription Form	Shall have the meaning given to such term in section 13.2.9
Subscription Period	Shall have the meaning given to such term in section 13.2.7
Subscription Price	The subscription price for the Private Placement Shares and the Offer Shares, being NOK 6.10
Subscription Rights	Non-transferable subscription rights granted to the Eligible Shareholders that, subject to applicable law, give a right to subscribe for and be allocated Offer Shares at the Subscription Price.
Subsequent Offering	The subsequent offering of the Offer Shares
T&I	Transportation and Infrastructure
Target Market Assessment	The Positive Target Market together with the Negative Target Market
Term Loan	A term loan facility in the amount of USD 10 million under the Nordea Facility Agreement
Transaction	Shall have the meaning given to such term in section 7.1

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UK	The United Kingdom
Unaudited Pro Forma Financial Information	Shall have the meaning given to such term in section 4.3.1.
US	The United States
USD	United States Dollar, the lawful currency of the United States of America.
U.S Exchange Act	The U.S. Securities Exchange Act of 1934, as amended.
U.S. Securities Act	The United States Securities Act of 1933, as amended
VPS	The Norwegian Central Securities Depository (Nw.: Verdipapirsentralen).
VPS Registrar	DNB Bank ASA, address: Dronning Eufemias Gate 30, 0191 Oslo, Norway
WSOG	Well Specific Operating Guidelines
WTG	Wind Turbine Generator

**Vedtekter
for
AqualisBraemar LOC ASA
(pr. 14. desember 2020)**

§ 1. Navn

Selskapets navn er AqualisBraemar LOC ASA. Selskapet er et allmennaksjeselskap.

§ 2. Forretningskontor

Selskapets forretningskontor er i Oslo kommune.

§ 3. Formål

Selskapets formål er å tilby tjenester til marine- og offshore-industrien, og andre tilgrensede industrier, alene eller gjennom eierskap i andre virksomheter.

§ 4. Aksjekapital

Selskapets aksjekapital er NOK 9.254.758,30 fordelt på 92.547.583 aksjer, hver pålydende NOK 0.10. Aksjene skal registreres i VPS.

§ 5. Styre

Selskapets styre skal ha 3-8 medlemmer.

Styret velges for to år om gangen og styremedlemmer kan ta gjenvalg. Dersom stemmelikhet ved avstemminger i styret skal styrets formann ha dobbeltstemme. Det samlede styret skal utgjøre selskapets revisjonsutvalg.

§ 6. Valgkomité

Selskapet skal ha en valgkomité. Valgkomiteen skal bestå av inntil tre medlemmer. Medlemmene av valgkomiteen skal velges av generalforsamlingen, som også skal velge valgkomiteens leder. Godtgjørelse til valgkomiteens medlemmer fastsettes av generalforsamlingen. Generalforsamlingen skal vedta nærmere retningslinjer for valgkomiteens arbeid.

§ 7. Revisjonsutvalg

Det samlede styret skal fungere som selskapets revisjonsutvalg så lenge styret oppfyller kravene etter allmennaksjeloven § 6-42 første ledd annet punktum og annet ledd.

§8 Firma

Selskapets firma tegnes av to styremedlemmer i fellesskap. Styret kan meddele prokura.

§ 9. Ordinær generalforsamling

Innkalling til generalforsamling foretas av styret i overensstemmelse med gjeldende lovgivning.

På den ordinære generalforsamling skal behandles:

1. Godkjenning av årsregnskapet og årsberetningen, herunder utdeling av utbytte.
2. Fastsettelse av godtgjørelse til styret og godkjenning av godtgjørelse til revisor.
3. Valg av styreleder, styremedlemmer og revisor.
4. Andre saker som i henhold til lov eller vedtekt hører inn under generalforsamling.

§ 10. Elektronisk distribusjon av årsrapport og andre dokumenter til generalforsamlingen

Dokumenter som gjelder saker som skal behandles på generalforsamlingen trenger ikke sendes til aksjeeierne dersom dokumentene er gjort tilgjengelige for aksjeeierne på selskapets internettsider. Dette gjelder også dokumenter som etter lov skal inntas i eller vedlegges innkallingen til generalforsamlingen. En aksjeeier kan likevel kreve å få tilsendt dokumenter som gjelder saker som skal behandles på generalforsamlingen.

§ 11. Tillatelse til forhåndsstemmegivning på generalforsamling

Styret kan bestemme at aksjonærene skal kunne avgi sin stemme skriftlig, herunder ved bruk av elektronisk kommunikasjon, i en periode før generalforsamlingen. For slik stemmegivning skal det benyttes en betryggende metode for å autentisere avsenderen.

Office Translation – For information purposes only

AqualisBraemar LOC ASA (as per 14 December 2020)

Articles of Association

Article 1. Name

The name of the company is AqualisBraemar LOC ASA. The company is a public limited company.

Article 2. Registered Office

The Company's registered office is located in Oslo.

Article 3. Purpose

The Company's purpose is to offer services to the marine and offshore industry and related industries, on its own or through ownership in other companies.

Article 4. Share-capital

The Company's share capital is NOK 9,254,758.30 divided into 92,547,583 shares, each with a nominal value of NOK 0.10. The shares shall be registered with the Norwegian Central Securities Depository.

Article 5. Board of Directors

The Board of the Company shall be composed of 3-8 members.

The Board will be elected for two years at the time and the members of the Board may be re-elected. If as a result of a Board vote there is an equality of votes, the Chairman of the Board shall have the casting vote. The entire Board shall constitute the audit committee.

Article 6. Election Committee

The Company shall have an Election Committee. The committee shall consist of up to three members. The members of the Committee shall be elected by the Company's General Meeting, who also appoints the Committee's Chairperson. Remuneration to the Election Committee members shall be determined by the General Meeting. The General Meeting shall also adopt the rules of procedure for the Committee's work.

Article 7. Audit Committee

The entire Board shall constitute the audit committee as long as the board meets the requirements of the Public Limited Companies Act § 6-42.

Article 8. Signature

The company's signature is held jointly by two of the members of the Board. The Board may grant power of procuration.

Article 9. Ordinary Shareholders Meeting

The notice for the ordinary shareholders' meeting is to be dispatched by the Board in accordance with current legislation.

The following items must be considered at the shareholders meeting:

1. Adoption of the profit and loss accounts and the balance sheet, including the declaration of dividend.
2. Stipulation of remuneration to the Board and approval of remuneration to the state authorized accountant.
3. Election of the Chairman of the Board, members of the Board and state authorized accountant
4. Other matters specified by statute for consideration by the shareholders meeting.

Article 10. Electronic distribution of annual accounts and other documents for shareholders' meetings

Documents relating to matters which shall be considered at a general meeting need not be sent to the shareholders if the documents have been made available to the shareholders on the Company's website. This also includes documents that according to law shall be incorporated into or be attached to the notice of the general meeting. A shareholder may require that documents which shall be considered at a general meeting is sent to the shareholder.

Article 11. Approval of advance voting at a shareholder meeting

The Board may decide that the shareholders may vote in writing, including by way of electronic communication, in a period before the general meeting. Voting in writing requires an adequately secure method to authenticate the sender.



AqualisBraemar LOC Group

Q4 report 2020



FOURTH QUARTER AND PRELIMINARY RESULTS 2020

HIGHLIGHTS Q4 2020

- Revenues of USD 19.6 million (Q4 19: USD 18.8m million)
- Operating loss of USD -0.4 million (Q4 19: USD 0.4 million) impacted by USD 1.3 million in transaction costs
- Adjusted EBIT of USD 1.0 million (Q4 19: USD 0.5 million)
- Continued strong revenue growth in renewables segment (+47% vs Q4 19)
- Cash balance of USD 30.6 million (Q3 20: USD 14.1 million)
- Interest bearing bank debt of USD 15.1 million (Q3 20: nil)
- Operating cash flow of USD 2.7 million (Q4 19: USD 0.5 million)
- Proposed dividend of NOK 0.25 per share in 1H 2021

HIGHLIGHTS FULL YEAR 2020

- Revenue of USD 77.0 million (2019: USD 54.8 million)
- Operating profit of USD 2.9 million (2019: USD -0.3 million)
- Adjusted EBIT of USD 4.8 million (2019: USD 1.3 million)
- Cashflow from operating activities of USD 8.5 million (2019: USD -2.7 million)
- Continued strong growth in renewables segment – organic revenue growth of 59% year-on-year
- Total dividend of NOK 0.4 per share paid during 2020, corresponding to USD 3.0 million
- Completed acquisition of LOC Group in December
 - Part of long-term plan to consolidate the offshore energy and marine consulting space
 - Increased renewables footprint and reaffirmed commitment to energy transition
 - Estimated USD 3.5m annual cost synergies
 - Positive feedback from staff, clients and the markets

David Wells, CEO of AqualisBraemar LOC ASA (“AqualisBraemar LOC” or the “Company”) commented: *“2020 was another transformative year for AqualisBraemar LOC. Following on from the acquisition of BTS, the acquisition of LOC roughly doubled the size of our company for the second year running. We are encouraged by the progress of early integration efforts and expect to see significant cost synergies realized already this year.*

In early 2020 we set a group wide target of 50% renewables and sustainability-oriented services in our business mix in 2025. This was and is an ambitious target, but we are well on our way there. Firstly, OWC, our renewables arm, had another impressive year delivering annual organic revenue growth of 59% - even higher than 2019's record growth. Second, the acquisition of LOC doubled the size of our renewables business, and significantly strengthened and broadened our client offering across a range of technologies and services. Finally, after quarter end, we announced and completed the acquisition of East Point Geo, strengthening our geoscience offering towards the segment and providing additional avenues for growth. We continue to see increasing demand for renewables consulting and anticipate continued high growth in 2021.

Our traditional business within oil & gas and shipping experienced significant head-wind during 2020 from Covid-19, low oil price and reduced international trade. These challenges are expected to gradually subside during 2021, and a cyclical upswing could be underway from second half of 2021 depending on the success and speed of the vaccination.

Finally, we are happy to announce that the Board has proposed another dividend of NOK 0.25 per share, as part of our semi-annual dividend schedule. Our shareholders have repeatedly supported us in connection with the major acquisitions over the last few years, and we remain focused on repaying that trust by returning capital to shareholders.”

KEY FIGURES

USD thousands (except shares, backlog, employees)	Q4 20	Q4 19	FY 20	FY 19
FINANCIALS				
Total revenue	19,565	18,785	77,015	54,792
EBITDA ⁽¹⁾	(56)	696	4,423	357
Adjusted EBITDA ⁽¹⁾	1,311	701	6,320	2,015
Operating profit (loss) (EBIT) ⁽¹⁾	(416)	444	2,946	(332)
Adjusted EBIT ⁽¹⁾	951	450	4,843	1,325
Profit (loss) after taxes ⁽¹⁾	(2,691)	(1,450)	1,513	9,037
Adjusted profit (loss) after taxes ⁽¹⁾	(451)	(167)	3,280	243
Basic earnings per share (USD)	(0.04)	(0.02)	0.02	0.16
Adjusted basic earnings per share (USD)	(0.01)	(0.00)	0.05	0.00
Weighted average number of outstanding shares (thousands)	74,025	70,416	71,323	56,052
Cash and cash equivalents at the end of the period	30,642	10,930	30,642	10,930
OPERATIONS				
Order backlog at the end of the period (USD million) ⁽¹⁾⁽⁴⁾	76.0	13.8	76.0	13.8
Average full-time equivalent employees during the period ⁽²⁾⁽⁵⁾	462	423	452	307
Average billing ratio during the period ⁽³⁾⁽⁵⁾	72%	69%	72%	76%

(1) Refer Alternative Performance Measures

(2) Include subcontractors on 100% utilisation basis

(3) Billing ratio for technical employees including subcontractors on 100% utilisation basis. Excludes management, business development, administrative support employees and temporary redundancies. Figure calculated as billable hours over available hours. Available hours excludes paid absence and unpaid absence.

(4) Order backlog figure including LOC Group

(5) Figures excluding LOC Group

GROUP FINANCIAL REVIEW

(Figures in brackets represent same period prior year or balance sheet date as of 30th September 2020. Certain comparative figures have been reclassified to conform to the presentation adopted for the current period).

Group results

The acquisition of LOC Group ("LOC") was consolidated in AqualisBraemar LOC's consolidated accounts as of 31st December 2020. For more information about the LOC acquisition, please see note 8. The acquisition of Braemar Technical Services ("BTS") was consolidated as of 30th June 2019.

Total operating revenues increased by 4% to USD 19.6 million in Q4 2020 (USD 18.8 million in Q4 2019). The increase in revenues was primarily driven by increased activity in the Renewables segment, which increased revenues by 47% in Q4 2020 compared to Q4 2019.

The total operating revenues were USD 77.0 million in 2020 (USD 54.8 million in 2019). The increase in revenues and otherwise from 2019 to 2020 is primarily driven by the full year effect of the BTS acquisition, as well as 59% organic growth in the Renewables segment.

Staff costs increased by 12% to USD 11.0 million in Q4 2020 (USD 9.8 million in Q4 2019). Other operating expenses increased by 4% to USD 8.7 million in Q4 2020 (USD 8.3 million in Q4 2019). The increase in other operating costs is primarily driven by transaction costs related to the LOC acquisition.

Total operating expenses were USD 74.1 million in 2020 (USD 55.1 million in 2019).

Operating loss (EBIT) amounted to USD 0.4 million in Q4 2020 (USD 0.4 million profit in Q4 2019). Adjusted EBIT amounted to USD 1.0 million in Q4 2020 (USD 0.5 million in Q4 2019). The adjustments primarily relate to transaction costs in connection with the LOC acquisition.

EBIT amounted to profit of USD 2.9 million in 2020 (loss of USD 0.3 million in 2019). Adjusted EBIT amounted to USD 4.8 million in 2020 (USD 1.3 million in 2019).

The billing ratio for technical staff (including subcontractors) was 72% in Q4 2020, compared to 69% in Q4 2019.

Finance income was negative by USD 0.8m due to reversal of previous accounting gains on Braemar warrants, driven by the amendments approved by the Extraordinary General Meeting on 14 December 2020.

Net currency loss of USD 1.1 million in Q4 2020 (loss of USD 0.2 million in Q4 2019) mainly represents unrealised loss on revaluation of bank accounts. The net currency losses were USD 0.6 million in 2020 (loss of USD 0.2 million in 2018).

Profit after taxes amounted to loss of USD 2.7 million in Q4 2020 (loss of USD 1.5 million in Q4 2019). Profit after taxes amounted to USD 1.5 million in 2020 (profit of USD 9.0 million in 2019).

Financial position and liquidity

At 31 December 2020, cash and cash equivalents amounted to USD 30.6 million, up from USD 14.1 million at 30 September 2020. The increase in cash and other balance sheet items is primarily due to the consolidation of LOC. The net working capital will fluctuate during the year with the type of projects, milestone payments and the overall revenues.

The lease liabilities increased to USD 4.9 million at 31 December 2020 up from USD 1.5 million at 30 September 2020. The lease liabilities are related to IFRS 16 recognition of long-term lease contracts for the company's offices worldwide.

The Board of Directors proposes a dividend to be paid during H1 2021 equal to 0.25 NOK per share, and for dividends to remain on a semi-annual schedule.

Order backlog

The order backlog at the end of Q4 2020 increased to USD 76.0 million compared with USD 28.3 million at the end of Q3 2020. The increase is primarily driven by the consolidation of LOC.

There is no backlog included for the existing AqualisBraemar Marine or Adjusting business streams, as these businesses are primarily driven by incidents rather than long term contracts.

Services are primarily driven by "call-out contracts" which are driven by day-to-day operational requirements. An estimate for backlog on "call-out contracts" is only included in the order backlog when reliable estimates are available.

Organisational development

AqualisBraemar had 452 employees (full time equivalents, "FTEs"), including subcontractors at 100% utilisation basis, on average during Q4 2020. The equivalent number was 462 for Q3 2020. The reduction is driven by seasonal lower activity offshore for the European offshore wind industry.

If LOC had been consolidated during the quarter, the average number of employees would have been 881 on the same basis.

Health, safety, environment and quality

AqualisBraemar LOC's HSEQ management system provides the framework to manage all aspects of our business. The management system is designed to ensure compliance with regulatory requirements,

identify and manage risks and to drive continuous improvement in HSEQ performance.

During 2020, AqualisBraemar had no lost time incidents (LTI). Since the incorporation of Aqualis in 2014, the group has only had one LTI.

COVID-19 impacts

With offices across 39 countries in all major offshore and marine markets across the globe, COVID-19 has presented unique and varied challenges to the organisation, with big regional variations as time progressed. We have implemented strict measures in line with the respective national authorities' advice and recommendations to ensure the safety of clients, employees, and business partners, whilst making every effort to maintain an uninterrupted level of service to our clients.

Where possible and appropriate, we have restructured our activities to remote work and significantly expanded our digital collaborations.

While travel restrictions have increased complexity in project execution and limited ability to travel for physical attendances, the negative impact on overall activity level for the group has been relatively modest due to the extensive global reach of our organisation. Through our global footprint of staff and contractors covering almost 200 locations, we have been able to increasingly support new clients at locations where others have been unable to access.

Despite the impact on activity levels as a result of the pandemic and related travel restrictions, as well as the oil price reduction and reduced oil and gas activity, revenue across the group has remained relatively stable in most segments compared to previous periods.

Our renewables segment has remained strong during the period, as the majority of our work is "desktop work" and can be performed remotely. Aided by some significant contract wins, the segment has delivered strong growth through 2020.

During 2020, the governments in some countries in which AqualisBraemar LOC operates introduced measures under the jobs support scheme and furlough to help companies during the COVID-19 pandemic. The Company recognised grant income of USD 0.8 million during the year, which is recognised as a reversal of staff costs in the consolidated income statement. AqualisBraemar LOC has not seen a significant reduction in staff levels or extensive use of temporary layoffs at any point during the pandemic.

We expect continued travel restrictions and general delays in client decisions to limit growth through the first half of 2021, but do not expect any dramatic shifts unless the situation worsens.

We continue to monitor the situation closely and remain agile in response to any business disruptions.

Outlook

AqualisBraemar LOC's financial performance in 2021 will be driven by a combination of three key factors;

First, after acquiring BTS in 2019 and LOC in 2020, the size of the company has been quadrupled in 18 months from a revenue of USD 36m in 2018 to a proforma revenue of USD 140m in 2020. All three companies had offices in the major shipping and O&G hubs worldwide. We are now gradually taking out the synergies from these acquisitions. During 2021 ABL will consolidate offices in 18 locations worldwide and implementing one ERP system and management system in the group. Cost synergies from the LOC acquisition are expected to amount to USD 3.5 million on a running basis. Some integration costs must be expected, especially during the first half of 21.

Second, we plan to upgrade our back office and finance function both centrally and regionally. This is expected to continue to improve capital efficiency (working capital reduction and cash management) and improve performance of our business.

Third, the market situation is expected to contribute to topline growth in 2021. During 2020 most of the strong growth in our renewable business was offset by a relatively weak oil and gas market, plus travel restrictions and general slowdown in connection with the Covid-19 pandemic. For 2021 we expect a gradual normalization in terms of Covid-19 related disruptions, while both shipping and O&G markets are flattening out and gradually improving. An oil price of USD 60/bbl is expected to lead to more activity from the second half of the year.

Finally, as our Renewables segment grows its relative size of our revenue (18% of revenue in 2020 in total) the strong growth in this segment will be more important for our overall development. Our stated ambition is for renewables and sustainability oriented services to represent 50% of our business mix by 2025.

During 2020 we saw record investment decision in offshore wind, and with an increasing number of developers, new investors and new geographies, the consultancy market is expected to grow significantly in the short and long term.

Offshore E&P capex and rig activity, particularly in the jack-up segment, is expected to gradually recover from the second half of 2021. The current oil price above USD 60/bbl combined with a normalization of oil consumption during 2021 and 2022 is expected to normalize the business volume for the ABL's O&G segment. However, client behavior across the oil and gas markets remains short term and demand visibility is hard to gauge.

Activity levels in the marine casualty and energy adjusting markets are expected to be stable. Short term

development remains largely event driven and difficult to forecast.

AqualisBraemar LOC's current strategy remains unchanged being focused on widening and strengthening its global client portfolio and enhancing client loyalty to take increased market share. The company aims to increase the subcontractor share to have flexibility to adapt more quickly to market changes.

AqualisBraemar LOC will continue to be active in the consolidation/restructuring of our industry. The combination of Aqualis, BTS and LOC are significant steps, but our industry is still fragmented and highly competitive. AqualisBraemar LOC remains focused on value creation for all our stakeholders; customers, employees and shareholder, and not on increasing the size of the company as such. All M&A and other investments need to be value accretive.

We are proposing a dividend of NOK 0.25 per share, corresponding to approximately USD 2.7 million. We also propose to continue with a semi-annual dividend schedule to further improve capital efficiency. If granted the requisite authorization at the AGM, the Board expects to resolve and declare an additional dividend during the second half of 2021 based on profitability and improved working capital.

Oslo, 24 February 2021

The Board of Directors of
AqualisBraemar LOC ASA

Condensed interim consolidated financial statements Q4 2020

USD thousands

Consolidated income statement		Notes	Q4 20	Q4 19	FY 20	FY 19
Revenue	4		<u>19,565</u>	<u>18,785</u>	<u>77,015</u>	<u>54,792</u>
Total revenue			<u>19,565</u>	<u>18,785</u>	<u>77,015</u>	<u>54,792</u>
Staff costs			(10,964)	(9,801)	(41,495)	(28,536)
Other operating expenses	5		(8,657)	(8,288)	(31,096)	(25,900)
Depreciation, amortisation and impairment			<u>(360)</u>	<u>(252)</u>	<u>(1,477)</u>	<u>(690)</u>
Operating profit (loss) (EBIT)	4		<u>(416)</u>	<u>444</u>	<u>2,946</u>	<u>(332)</u>
Finance income			(800)	(616)	254	79
Finance expenses			(24)	(563)	(125)	(625)
Net foreign exchange gain (loss)			(1,088)	(216)	(568)	(248)
Gain on bargain purchase			<u>-</u>	<u>(41)</u>	<u>-</u>	<u>11,026</u>
Profit (loss) before income tax			<u>(2,328)</u>	<u>(992)</u>	<u>2,507</u>	<u>9,900</u>
Income tax expenses			<u>(363)</u>	<u>(458)</u>	<u>(993)</u>	<u>(863)</u>
Profit (loss) after tax			<u>(2,691)</u>	<u>(1,450)</u>	<u>1,513</u>	<u>9,037</u>
Consolidated statement of other comprehensive income			Q4 20	Q4 19	FY 20	FY 19
Profit (loss) after tax			(2,691)	(1,450)	1,513	9,037
Other comprehensive income						
Currency translation differences			2,367	701	1,626	137
Income tax effect			<u>30</u>	<u>(46)</u>	<u>30</u>	<u>(46)</u>
Total comprehensive income for the period			<u>(293)</u>	<u>(795)</u>	<u>3,170</u>	<u>9,128</u>

Condensed interim consolidated financial statements Q4 2020

USD thousands

Consolidated balance sheet	Notes	31 December 2020	31 December 2019
ASSETS			
Non-current assets			
Property, plant and equipment		1,213	559
Right-of-use assets		4,707	2,376
Intangible assets	6	26,665	12,974
Deferred tax assets		1,395	447
Total non-current assets		33,980	16,356
Current assets			
Trade and other receivables	4 & 7	41,498	24,252
Contract assets	4 & 7	12,916	12,019
Cash and cash equivalents	4	30,642	10,930
Total current assets		85,056	47,201
Total assets		119,036	63,557
EQUITY AND LIABILITIES			
Equity			
Share capital		1,276	1,018
Treasury shares		(41)	(41)
Share premium		67,080	55,051
Consideration shares	8	1,459	-
Share-based compensation reserve		897	580
Retained earnings		5,413	3,900
Foreign currency translation reserve		(11,487)	(13,144)
Total		64,597	47,364
Non-controlling interests		721	-
Total equity		65,319	47,364
Non-current liabilities			
Deferred tax liabilities		682	409
Long term borrowings	9	6,414	-
Lease liabilities		2,340	1,214
Provisions		4,407	2,809
Total non-current liabilities		13,843	4,432
Current liabilities			
Trade and other payables		26,989	9,487
Contract liabilities		757	719
Short term borrowings	9	8,669	-
Lease liabilities		2,552	1,184
Income tax payable		907	371
Total current liabilities		39,874	11,761
Total liabilities		53,718	16,193
Total equity and liabilities		119,036	63,557

Condensed interim consolidated financial statements Q4 2020

USD thousands

Consolidated statement of cash flows	Q4 20	Q4 19	FY 20	FY 19
Cash flow from operating activities				
Profit (loss) before taxes	(2,328)	(992)	2,507	9,900
Non-cash adjustment to reconcile profit before tax to cash flow:				
Non-cash employee benefits expense – share-based payments	83	7	317	13
Depreciation, amortisation and impairment	360	252	1,477	690
Increase (Decrease) in fair value of consideration warrants	874	575	(130)	575
Gain on bargain purchase	-	41	-	(11,026)
Changes in working capital:				
Changes in trade and other receivables	517	3,143	2,201	1,119
Changes in trade and other payables	2,675	(2,087)	2,499	(2,531)
Interest received	(1)	(22)	(18)	(46)
Income taxes paid	(764)	(346)	(1,190)	(847)
Unrealised effect of movements in exchange rates	1,297	(105)	811	(512)
Cash flow from (used in) operating activities	2,712	469	8,474	(2,665)
Cash flow from investing activities				
Payments for property, plant and equipment	(29)	(30)	(150)	(182)
Interest received	1	22	18	46
Net cash acquired (paid) on acquisition of subsidiaries	(14,606)	-	(14,619)	3,000
Cash flow from (used in) investing activities	(14,634)	(8)	(14,751)	2,864
Cash flow from financing activities				
Dividends paid to company's shareholders	(1,559)	-	(3,030)	-
Principal elements of lease payments	(225)	(246)	(1,096)	(501)
Proceeds from loans and borrowings	14,621	-	14,621	-
Proceeds from issuance of shares capital	15,317	-	15,317	5,812
Payments for shares bought back	-	(41)	-	(41)
Cash flow from (used in) financing activities	28,154	(287)	25,811	5,270
Net change in cash and cash equivalents	16,233	174	19,534	5,469
Cash and cash equivalents at the beginning of the period	14,123	10,670	10,930	5,454
Effect of movements in exchange rates	286	86	177	7
Cash and cash equivalents at the end of the period	30,642	10,930	30,642	10,930

Condensed interim consolidated financial statements

Q4 2020

USD thousands

Consolidated statement of changes in equity	Share capital	Treasury shares	Share premium	Consideration shares	Share-based compensation reserve	Retained earnings	Foreign currency translation reserve	Total	Non-controlling interests	Total equity
At 1 January 2019	690	-	42,670	-	567	(5,137)	(13,235)	25,555	-	25,555
Other comprehensive income	-	-	-	-	-	9,037	91	9,128	-	9,128
Cash-settled capital increase (net of transaction costs)	153	-	5,659	-	-	-	-	5,812	-	5,812
Issue of shares on acquisition	175	-	6,722	-	-	-	-	6,897	-	6,897
Acquisition of treasury shares	-	(41)	-	-	-	-	-	(41)	-	(41)
Share-based payment expenses	-	-	-	-	13	-	-	13	-	13
At 31 December 2019	1,018	(41)	55,051	-	580	3,900	(13,144)	47,364	-	47,364
At 1 January 2020	1,018	(41)	55,051	-	580	3,900	(13,144)	47,364	-	47,364
Other comprehensive income	-	-	-	-	-	1,513	1,657	3,170	-	3,170
Cash-settled capital increase (net of transaction costs)	258	-	15,058	-	-	-	-	15,317	-	15,317
Shares to be issued as part of the consideration on a acquisition of subsidiary	-	-	-	1,459	-	-	-	1,459	-	1,459
Dividends paid	-	-	(3,030)	-	-	-	-	(3,030)	-	(3,030)
Share-based payment expenses	-	-	-	-	317	-	-	317	-	317
Non-controlling interests on acquisition of subsidiary	-	-	-	-	-	-	-	-	721	721
At 31 December 2020	1,276	(41)	67,080	1,459	897	5,413	(11,487)	64,598	721	65,319

Condensed interim consolidated financial statements Q4 2020

Notes to the interim consolidated financial statements

1. Corporate information

AqualisBraemar LOC ASA ("the Company") is a limited liability company incorporated on 13 June 2014 and domiciled in Norway with its registered office at Fridtjof Nansens plass 8, 0160 Oslo, Norway. The Company is listed on Oslo Stock Exchange.

The principal activity of the Company and its subsidiaries (collectively the "AqualisBraemar LOC Group" or the "Group") is to offer adjusting, marine, offshore and renewables consultancy services to the energy, shipping and insurance industries globally. The group employs specialist engineers, naval architects, master mariners, loss adjusters and technical consultants in 51 offices located across 5 continents in 33 countries.

For all periods up to and including the year ended 31 December 2019, the consolidated financial statements of the Group are a continuation of the group values transferred from Weifa ASA in the spin-off of the marine and offshore business wherein all the shares in subsidiaries were transferred to Aqualis ASA on 24 July 2014. The ownership of the subsidiaries and the related excess values from the acquisitions are consequently continued in the consolidated financial statements of the Group.

2. Basis of preparations and changes to the accounting policies

This condensed consolidated interim financial report for the period ended 31 December 2020 has been prepared in accordance with Accounting Standard IAS 34 Interim Financial Reporting.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and accordingly this report should be read in conjunction with the Group's annual consolidated financial statements as at 31 December 2019.

The accounting policies adopted in the preparation of this condensed consolidated financial statements are consistent with those followed in the preparation of the last annual consolidated financial statements for the year ended 31 December 2019.

The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

These condensed consolidated financial statements are presented in US Dollars (USD). All amounts disclosed in the financial statements and notes have been rounded off to the nearest thousand currency units unless otherwise stated. As a result of rounding adjustments, the figures in one or more rows or columns included in the condensed consolidated financial statements may not add up to the total of that row or column.

3. Critical accounting estimates and judgements in terms of accounting policies

In preparing these interim condensed consolidated financial statements, management has made judgements and estimates that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual consolidated financial statements including estimation of fair values of contingent purchase consideration in a business combination.

4. Segment information

The Group's businesses are managed by four geographical regions aside from Offshore Wind Consultants ("OWC"), performance of which is monitored separately. This is the basis for the five reportable segment of the Group. The internal management reports provided by management to the Group's Board of Directors, which is the groups decision maker, is in accordance with this structure. These segments comprise of entities within the geographical regions and OWC and forms the basis for the segment reporting presented below.

The following is summary of revenues and operating profit (loss) (EBIT) for entities in four geographical regions and OWC. Eliminations reflects the eliminations of intra-group revenue to the extent that these arise between the regions and OWC.

USD thousands

Revenues	Q4 20	Q4 19	FY 20	FY 19
Middle East	5,738	6,087	22,365	19,955
Asia Pacific	5,610	5,636	22,249	14,958
Europe	3,803	3,548	14,269	8,243
Americas	3,585	4,080	13,183	9,906
OWC	3,438	2,339	14,162	8,900
Eliminations	(2,609)	(2,905)	(9,214)	(7,168)
Total	19,565	18,785	77,015	54,792

Operating profit (loss) (EBIT)	Q4 20	Q4 19	FY 20	FY 19
Middle East	387	361	1,707	1,084
Asia Pacific	362	78	1,907	253
Europe	(32)	(205)	829	(404)
Americas	23	7	225	(135)
OWC	314	94	1,365	948
Corporate group costs	(1,470)	109	(3,087)	(2,079)
Total	(416)	443	2,946	(333)

The following segment assets information provided to the Board of Directors for reportable segment consist primarily of trade receivables, contract assets and cash and cash equivalents for entities in different geographical areas and OWC.

USD thousands

Trade receivables and contract assets	31 December 2020		31 December 2019	
	Trade receivables	Contract assets	Trade receivables	Contract assets
Middle East	6,408	1,991	5,648	2,577
Asia Pacific	8,400	4,401	6,207	3,435
Europe	9,961	2,411	3,719	2,325
Americas	7,606	2,803	3,868	1,961
OWC	481	1,309	356	1,721
Total	32,856	12,916	19,799	12,019

USD thousands

Cash and cash equivalents	31 December 2020	31 December 2019
Middle East	2,183	1,576
Asia Pacific	7,269	2,819
Europe	7,334	1,184
Americas	4,863	1,335
OWC	2,193	784
Corporate group	6,800	3,233
Total	30,642	10,930

5. Other operating expenses

USD thousands

Other operating expenses	Q4 20	Q4 19	FY 20	FY 19
Subcontractors cost	4,477	4,287	19,090	14,803
Office lease and maintenance expenses	303	407	1,270	1,240
Insurance cost	272	123	1,018	698
Cost of recharged expenses	690	454	1,857	1,677
Transaction costs related to acquisition	1,253	-	1,393	1,129
General and administrative expenses	1,662	3,017	6,468	6,353
Total	8,657	8,288	31,096	25,900

6. Intangible assets

USD thousands

Intangible assets	Goodwill	Customer relations	Total
Cost			
At 1 January 2020	18,681	-	18,681
Acquired through business combinations	10,006	3,561	13,567
Effect of movements in exchange rates	148	-	148
At 31 December 2020	28,835	3,561	32,396
Amortisation and impairment			
At 1 January 2020	5,707	-	5,707
Impairment losses	-	-	-
Effect of movements in exchange rates	24	-	24
At 31 December 2020	5,731	-	5,731
Net book value at 31 December 2020	23,104	3,561	26,665
Net book value at 31 December 2019	12,974	-	12,974

All goodwill is allocated to cash-generating units. These cash-generating units represent the lowest level within the Group at which goodwill is monitored for internal management purposes. Goodwill denominated in foreign currencies is revalued at the balance sheet date. The allocation of goodwill to cash-generating units is as follows:

USD thousands

Cash Generating Units (CGUs)	31 December 2020	31 December 2019
Middle East	5,729	5,729
Asia Pacific	5,896	5,795
Europe	32	-
Americas	149	174
OWC	1,324	1,276
Unallocated (LOC acquisition)	9,974	-
Total	23,104	12,974

Goodwill arising from the acquisitions is attributable to workforce of the acquired businesses. The goodwill amounts have been measured on a provisional basis. If new information obtained within one year of the date of acquisition about

facts and circumstances that existed at the date of acquisition identifies adjustments to the above amounts, or any additional provisions that existed at the date of acquisition, then the accounting for the acquisition will be revised.

Goodwill is tested for impairment at least annually, or when there are indications of impairment. Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculations requires the directors to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. Where the actual future cash flows are less than expected, a material impairment loss may arise.

The COVID-19 pandemic and the challenging commodity price environment in 2020 has created unprecedented uncertainty with negative impact on both activity and financial performance at AqualisBraemar LOC. These events have also impacted the market outlook. The company has completed an assessment of impairment indicators and performed an impairment test for those assets and cash generating units (CGUs) where impairment indicators have been identified. The following assumptions were used:

- Updated forecast of cashflows in the period 2021-2023. The projected cash flows are based on the expected development in the total overall market and the expected CGUs performance
- Updated pre-tax WACC. The cash flows were discounted using a pre-tax discount rate of between 6.8% to 10.3%, figures in brackets represent 2019
 - Asia Pacific and Americas (excluding Brazil): 6.8% (8.0%)
 - Middle East, Europe and OWC: 7.4% (8.6%)
 - Brazil: 10.3% (11.7%)
- A growth rate of 1.0% (2019 - 1.5%). The estimated terminal long-term growth is mainly dependent on overall market growth for demand for our services and the CGU's ability to recruit the right personnel and its ability to create revenue growth through then proper utilisation of human resources.

No impairment was identified in the goodwill testing.

Multiple sensitivity tests have been run on the key assumptions in the value-in-use calculations to address the current uncertainty due to COVID 19 and commodity price volatility. To test the sensitivity of the results of the impairment review, the calculations have been re-performed using the following assumptions:

- Decrease the long-term growth rate to 0.5%
- Increase WACC by 2 percentage points
- Reduce EBIT margin with 2% in terminal year

The results showed that a combined change in all the three assumptions in the sensitivity analysis would result in a write down of USD 1.6 million related to our Singapore offshore operations.

Future cash flows are uncertain as they are impacted by market developments beyond AqualisBraemar LOC's control. Due to the high level of uncertainties at the time this report was finalized, there is significant uncertainty related to the long-term impact on the market and future cashflows of the company. AqualisBraemar LOC's growth is mainly dependent on overall market growth for demand for our services and the ability to recruit and develop the right personnel.

7. Trade receivables and contract assets

The ageing profile of trade receivables and contract assets balance at the reporting date is as follows:

USD thousands		
Trade receivables and contract assets	31 December 2020	31 December 2019
Trade receivables		
Up to 3 months	22,538	12,809
3 to 6 months	4,281	3,729
6 to 12 months	4,306	2,414
Over 12 months	1,731	847
Total trade receivables	32,856	19,799
Contract assets	12,916	12,019
Total	45,771	31,818

Contract assets comprises of payment for services that are not due from the customers until the services are complete and therefore contract assets are recognised over the period in which the services are performed representing the

Group's right to consideration for the services performed to date. Revenue from such services are recognised as a performance obligation satisfied over time when services are performed and delivered and measured based on the consideration specified in a contract with customers.

8. Business combinations

On 23 November 2020, the Company entered into a share purchase agreement regarding the acquisition of 100% of the shares in Neptune Midco 1 Limited, being the ultimate parent company of the LOC Group (the "SPA"). Completion of the Transaction took place on 21 December 2020.

The Transaction is an important step to implement the Company's stated strategy of growth through continued expansion in the rapidly growing offshore renewables industry. LOC Group has a strong and highly complementary footprint within the same industry, and is a perfect fit for the Company and its strategy, and will support the Company's ambition of consistently returning capital to its shareholders. The acquisition is expected to increase the Group's market share and reduce costs through economies of scale.

Details of the purchase consideration, the net assets acquired and excess value allocation are as follows:

The following table summarises fair value of purchase consideration:

Amounts in USD thousands	
Acquisition of external bank loans	12 537
Acquisition of shareholder loans	16 876
Contingent consideration warrants	1 459
Acquisition of 100% of the equity in the target	0
Total purchase consideration	30 872

The purchase price consideration consists of a combination of cash consideration and conditional warrants in the Company as follows:

- (i) USD 20,200 thousand net cash consideration to previous shareholders adjusted for permitted leakage and certain other elements between signing and closing – adjusted final cash consideration was of USD 16,876 thousand
- (ii) USD 12,537 thousand in repayment of external bank loans
- (iii) GBP 1 for 100% of the equity in the target company
- (iv) 1 million warrants, conditional on the Company's share price 18 months after completion being above NOK 7.5; and
- (v) 1 million warrants, conditional on the Company's share price 36 months after completion being above NOK 10.0.

The warrants were issued on completion of the Transaction and will be exercisable in a short period following the expiry of the 18- and 36-month periods. The warrant condition thresholds are measured against the 60-day value weighted average price prior to the expiry of these periods. The exercise price will be NOK 0.10 per warrant, being the nominal value per Share of the Company.

The warrants have been valued at fair value using an asset-or-nothing call option derived from the Black & Scholes option pricing model. When pricing the subscription rights, the stock price of AqualisBraemar LOC ASA at the date of the transaction, 21 December 2020 was used. However, due to the rapid increase in the share price immediately after the announcement of the transaction, 23 November 2020, we used daily share prices prior to 22 November 2020 in the calculation of the stock's volatility.

According to IFRS 3.39 the acquirer shall recognise the acquisition date fair value of contingent consideration as part of the consideration transferred in exchange for the acquiree. Fair value is estimated in accordance with IFRS 13 and the guidance in IFRS 2 related to option-pricing models like Black & Scholes.

The following table summarizes the valuation of the warrants:

NOK	18 months	36 months
Stock price	8.9	8.9
Threshold price	7.5	10.0
Number of periods to exercise in years	1.5	3.0
Compounded Risk-Free interest rate	0.15%	0.21%
Standard deviation – annualized	75.41%	75.41%
Value of call option	3.7	4.1
Asset-or-nothing call option	6.6	6.4
Exercise price	0.10	0.10
Value of 1 warrant after exercise cost	6.5	6.3
Number of warrants	1 000 000	1 000 000
Value of warrants	6 503 742	6 265 655
USD/NOK at 21.12.2020	8.8	8.8
Value of warrants in USD	743 259	716 050

The acquisition should be accounted for as a business combination in accordance with IFRS 3. As of the acquisition date, the following assets and liabilities are realised:

USD thousands

Fair value of net assets acquired

Property, plant and equipment	771
Right-of-use assets	3,472
Deferred tax assets	918
Trade and other receivables	16,938
Contract assets	3,019
Cash and cash equivalents	14,807
Interest bearing liabilities	(29,413)
Trade and other payables	(14,156)
Short term borrowings	(454)
Lease liabilities	(3,610)
Income tax payable	(461)
Deferred tax liabilities	(16)
Provisions	(2,636)
Net identifiable assets acquired	(10,821)
Non-controlling interests	(618)
Goodwill	-
Net assets acquired	(11,439)

USD thousands

Purchase consideration

Cash paid	-
Contingent consideration warrants	1,459
Total purchase consideration	1,459

USD thousands

Excess value

Fair value of identifiable net assets acquired	(11,439)
Less: purchase consideration	(1,459)
Excess value	12,898

USD thousands

Excess value allocated to:

Goodwill	9,974
Customer relations	3,561
Non-controlling interest customer relations	(103)
Deferred tax	(534)
Total	12,898

We have identified USD 3,561 thousand in value which can be allocated to the customer relations, offset by deferred tax of USD 534 thousand.

While we have been able to allocate a part of the excess value to customer relations, the estimated value is relatively low. We consider the Company's revenues to be only partly related to customer relationships, the Company creates relatively low margins from its business, and the operations demands highly educated and skilled personnel. These items reduce the cash flows generated from the existing customer base and lowers the value of the customer relations.

We have not identified any excess value in the assets and liabilities already recognised in the balance sheet of LOC Group as per 31.12.2020

The purchase price exceeds the fair value of the identified net assets of the Company by USD 9,974 thousand, and the amount should be considered as goodwill.

Key assumptions are as follows:

- Customer relations discount factor – 25%
- Revenue growth existing customers – 2.0%

- Churn rate on customer relations – 10% (10 years linear)
- CAC's (Contributory asset charge):
 - Assembled workforce – 2.05%
 - Net working capital – 0.02%
 - Fixed assets – 0.19%
- Average NWC as a percentage to revenues – 11.8%
- Tax rate – 15%
- WACC 16.8%

LOC Group results

LOC was consolidated as of 31st December 2020, and as such did not have an impact on the AqualisBraemar's group results in the quarter.

In Q4 2020, LOC had total operating revenues of GBP 12.0 million, EBIT of GBP 6.7 million, and adjusted EBIT of GBP 0.3 million. In 2020, LOC had total operating revenues of GBP 48.7 million, EBIT of GBP 6.3 million, and adjusted EBIT of GBP 2.5 million. The differences between 2020 and Q4 2020 reported and adjusted EBIT for LOC are mainly from writebacks and extraordinary costs related to the acquisition.

All LOC figures are unaudited and based on LOC as a stand-alone group.

9. Nordea financing

To finance the acquisition of the LOC Group, the Company entered into a USD 15 million senior secured term loan facilities agreement with Nordea Bank Abp, filial i Norge ("**Nordea**"), dated 14 December 2020 (the "**Nordea Facility Agreement**").

The Nordea Facility Agreement consists of two facilities, (i) a term loan facility in the amount of USD 10 million (the "**Term Loan**"), and (ii) a revolving credit facility to be renewed annually in the amount of USD 5 million (the "**RCF**"), both with a maturity of three years, and the following financial covenants:

- Minimum EBITDA of USD 7 million on a rolling 12-month basis; and
- NIBD < 0 at all times.

Financial covenants are to be measured first time with respect to the financial quarter ending 30 June 2021, and thereafter on the last day of each financial quarter.

The interest on both loans is the relevant LIBOR (1,3 or 6 months at the borrower's discretion) plus a margin of 320 basis points. The term loan is to be repaid through 12 equal instalments on the last day of each financial quarter, the first time on 31 March 2021.

The Group's obligations under the Nordea Facility Agreement are guaranteed by the Company and certain material group companies.

10. Alternative performance measures

The European Securities and Markets Authority (ESMA) issued guidelines on Alternative Performance Measures ("APMs") that came into force on 3 July 2016. Alternative performance measures are meant to provide an enhanced insight into the operations, financing and future prospects of the company. The Company has defined and explained the purpose of the following APMs:

Adjusted EBITDA

Adjusted EBITDA which excludes depreciation, amortisation and impairments, share of net profit (loss) from associates, transaction costs related to acquisitions, restructuring and integration costs is a useful measure because it provides useful information regarding the Company's ability to fund capital expenditures and provides a helpful measure for comparing its operating performance with that of other companies. EBITDA may not be comparable to other similarly titled measures from other companies. A reconciliation between reported operating profit/(loss) and EBITDA is shown below.

USD thousands

Adjusted EBITDA	Q4 20	Q4 19	FY 20	FY 19
Operating profit (loss) (EBIT)	(416)	444	2,946	(332)
Depreciation, amortisation and impairment	360	252	1,477	690
Transaction costs related to M&A	1,253	-	1,393	1,129
Restructuring and integration costs	30	5	185	528
Other special items (incl. share-based expenses)	83	-	318	-
Adjusted EBITDA	1,311	701	6,320	2,015

Adjusted EBIT

Adjusted EBIT which excludes amortisation and impairments, share of net profit (loss) from associates, transaction costs related to acquisitions, restructuring and integration costs is a useful measure because it provides an indication of the profitability of the Company's operating activities for the period without regard to significant events and/ or decisions in the period that are expected to occur less frequently. A reconciliation between reported operating profit/(loss) and EBIT adjusted is shown below.

USD thousands

Adjusted EBIT	Q4 20	Q4 19	FY 20	FY 19
Operating profit (loss) (EBIT)	(416)	444	2,946	(332)
Transaction costs related to M&A	1,253	-	1,393	1,129
Restructuring and integration costs	30	5	185	528
Other special items (incl. share-based expenses)	83	-	318	-
Adjusted EBIT	951	450	4,843	1,325

Adjusted profit (loss) after taxes

Adjusted profit (loss) after taxes which excludes amortisation and impairments, share of net profit (loss) from associates, transaction costs related to acquisitions, restructuring and integration costs and certain finance income is a useful measure because it provides an indication of the profitability of the Company's operating activities for the period without regard to significant events and/or decisions in the period that are expected to occur less frequently. A reconciliation between adjusted profit (loss) after taxes and profit (loss) after taxes is shown below.

USD thousands

Adjusted profit (loss) after taxes	Q4 20	Q4 19	FY 20	FY 19
Profit (loss) after taxes	(2,691)	(1,450)	1,513	9,037
Transaction costs related to M&A	1,253	-	1,393	1,129
Restructuring and integration costs	30	5	185	528
Other special items (incl. share-based expenses)	83	-	318	-
Fair value adjustments	874	575	(130)	575
Gain on bargain purchase	-	41	-	(11,026)
Other finance income	-	661	-	-
Adjusted profit (loss) after taxes	(451)	(167)	3,280	243

Return on equity (ROE)

ROE is calculated as the adjusted profit (loss) for the period attributable to equity holders of the parent, divided by average total equity for the period. The adjusted profit (loss) is annualised for interim period reporting. This measure indicates the return generated by the management of the business based on the total equity. The calculation of ROE is shown below.

USD thousands

Return on equity (ROE)	Q4 20	Q4 19	FY 20	FY 19
Adjusted profit (loss) after taxes	(451)	(167)	3,280	243
Average total equity	34,077	48,138	34,240	36,459
ROE	(1.3%)	(0.3%)	9.6%	0.7%

Return on capital employed (ROCE)

ROCE is calculated as the adjusted EBIT for the period, divided by average capital employed for the period. Capital employed is defined as total assets less non-interest bearing current liabilities. The adjusted EBIT is annualised for interim period reporting. This measure indicates the return generated by the management of the business based on the capital employed. The calculation of ROCE is shown below.

USD thousands

Return on capital employed (ROCE)	Q4 20	Q4 19	FY 20	FY 19
Adjusted EBIT	951	450	4,843	1,325
Total assets	119,036	63,557	119,036	63,557
Less: Non-interest bearing current liabilities	(28,653)	(10,578)	(28,653)	(10,578)
Capital employed	90,383	52,979	90,383	52,979
Average capital employed	71,800	52,983	71,681	39,781
ROCE	1.3%	0.8%	6.8%	3.3%

Order backlog

Order backlog is defined as the aggregate value of future work on signed customer contracts or letters of award. AqualisBraemar LOC's services are shifting towards "call-out contracts" which are driven by day-to-day operational requirements. An estimate for backlog on "call-out contracts" are only included in the order backlog when reliable estimates are available. Management believes that the order backlog is a useful measure in that it provides an indication of the amount of customer backlog and committed activity in the coming periods.

Working capital and working capital ratio

Working capital is a measure of the current capital tied up in operations. The amount of working capital will normally be dependent on the revenues earned over the past quarters. Working capital includes trade receivables, contract assets and other current assets, trade payables, current tax payable, contract liabilities and other current liabilities. Working capital may not be comparable to other similarly titled measures from other companies. Working capital ratio provides an indication of the working capital tied up relative to the average quarterly revenue over the past two quarters.

USD thousands

Working capital	31 December 2020	31 December 2019
Working capital		
Trade and other receivables	41,498	24,252
Contract assets	12,916	12,019
Trade and other payables	(26,989)	(9,487)
Income tax payable	(907)	(371)
Contract liabilities	(757)	(719)
Net working capital	25,760	25,693
Average quarterly revenue over 2 quarters	35,062	18,371
Working capital ratio	73%	140%



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Annual Report **2019**

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Key Financial Figures

Results		2019	2018
Total revenues	USD thousands	54,792	36,185
EBITDA ¹	USD thousands	357	2,813
EBIT	USD thousands	(332)	2,684
Adjusted EBIT ¹	USD thousands	1,325	2,393
Profit (loss) after taxes	USD thousands	9,037	2,422
Adjusted profit (loss) after taxes ¹	USD thousands	(377)	2,131
Return on equity (ROE) ¹	%	(0.9%)	7.9%
Return on capital employed (ROCE) ¹	%	3.3%	8.6%

Balance sheet and cash flow

Cash and cash equivalent	USD thousands	10,930	5,454
Equity ratio	%	74.5 %	83.4 %
Cashflow from (used in) operating activities	USD thousands	(2,665)	312

Operations

Order backlog at 31 December ¹	USD thousands	13,800	7,836
Employees at 31 December²	Full-time equivalents	422	179
Lost time injury per million man-hours	Per million man-hours	1.64	-
Billing ratio²	%	76%	83%

Share data

Basic earnings per share	USD	0.16	0.06
Number of shares outstanding at 31 December	million	70.42	42.29
Number of options outstanding at 31 December	million	8.76	0.25
Number of warrants outstanding at 31 December	million	5.97	-
Share price at 31 December	NOK	3.89	3.80

1. Alternative Performance Measures

2. Including subcontractors, full time equivalents

FINANCIAL CALENDAR 2019

Event	Date
First quarter results	28/05/2020
Annual General Meeting	10/06/2020
Half-yearly results	27/08/2020
Third quarter results	29/10/2020

Ticker symbol

Oslo Børs	AQUA
Reuters	AQUA.OL
Bloomberg	AQUA:NO



Letter from the Chairman

Dear fellow shareholders,

AqualisBraemar is a niche company in the industry that provides the fuel for the wealth and prosperity in the world, the marine energy and transportation industry.

Due to the strategic and economic value of the energy industry to modern society, it is probably the industry with the most political attention and interference, together with the food and military industries.

Very few (if any) of the global, regional or local markets for energy are free markets. Regulations, cartels, subsidies, taxes, economic sanctions and quotas are political tools used to influence the energy mix, prices and who has a licence to operate in the industry domestically or globally. Further, due to the high political importance of energy, the industry is probably the sector with the highest government ownership through the value chain. I have learned the hard way that my economic background is not enough to fully understand the energy market, with politics and public opinion being key factors for its development. The good news is that most political decisions have a short to medium term effect and might disturb the price equilibrium, but in the long run the key is the economic reality of supply and demand and the cost of the energy source. To quote John M Keynes; "in the long run we are all dead", and this is probably the feeling many investor and companies in the asset heavy support industries are currently experiencing.

AqualisBraemar is asset light and to a larger degree energy source independent and global (not dependent on one country's energy policy, but the mix of all countries energy policy). At the start of 2019, AqualisBraemar (then Aqualis) was about 80% dependent on the offshore oil and gas industry. At the end of 2019, after the acquisition of Braemar Technical Services and an organic growth of 46% for the offshore wind segment, oil and gas was only about 50% of the company's revenue. With offshore wind growing at rapid pace, this diversification is only expected to continue.

The energy industry is not only very political it's also a cyclical commodity and capital intensive. I have earlier described investing or working in the energy

industry as riding a roller coaster. The swings in the industry are dramatic and often unexpected. Especially the oil and gas part of the energy industry which is currently in a perfect storm with the focus on CO2 emissions leading to high capital cost, the war of market share between Russia and Saudi Arabia, and the fight against COVID-19. The macro environment for oil and gas is going to be difficult in 2020 and likely into 2021 too. The recession in the economy and significant government stimuli might also have an impact on the offshore wind industry, but the direction and severity is up in the air. Time will tell.

In AqualisBraemar, we focus on what we can control and not the roller-coaster of the market and energy politics. Our focus is on developing our offering to our customers aiming on being the preferred company for talented professionals, consolidation, critical mass in locations and niches, flexibility of organisation and cost optimisation. We invest in people, not in hardware. That's our business and our focus.

As discussed above, the energy companies are to a large degree heavily regulated, and often local or national monopolies. Due to this, the clients in the energy industry are dominated by large companies often with a significant buying power. Over time this has in general terms lead to a concentration of the consumer rent (profit) with the energy companies and utilities, and a relatively low or negative profitability in the service industry. The trend for energy service (and oil service especially) will therefore continue to be consolidation to reduce the number of competitors, reduce cost and improve the geographical footprint to service global customers. In 2019, Aqualis combined with Braemar Technical Services (BTS) to form AqualisBraemar. This was the first consolidation in our industry in this cycle, but hopefully not the last.

The combination of Aqualis and BTS is a key value driver for the company. The number of full-time employees (including subcontractors) increased from 182 at the start of 2019 to 422 at the end of 2019. At the start of 2019 we had 19 locations worldwide and at the end of 2019 we had 48 locations. The number of offices is increasing our fixed costs, but this is more than compensated by our ability to better service our customers worldwide. Our larger offices in Dubai, London, Houston, Singapore and Shanghai have significantly increased their staff levels and now offer a broader service offering to our customers. In total we estimate the cost synergies to be \$2.5m of which \$1.9m (with full effect in 2020) were already implemented during 2H19. The integration and the full cost and revenue synergies will take a few quarters to materialise in our P&L. Also, due to the expected downturn in the market in 2020, some of the underlying improvements from the acquisition will likely be masked.

The current operating margin in our industry is relatively low but has a normalised level between 10-15%. AqualisBraemar's underlying operating margin was far from satisfactory in 2019 at 2%. The unsatisfactory performance was mainly caused by the takeover of the BTS business which was loss making and relatively more capital intensive (due to large working capital) than the traditional Aqualis business. Therefore, a focus over time on free cash flow and capital efficiency is key to giving a good return on invested capital. The day to day operation is run with focus on utilisation of fee earners, timely conversion of work to billable hours and close follow up of working capital with an aim to reduce unbilled revenue and days sales outstanding. Small improvements (or the opposite) could lead to significant changes to profitability and return on invested capital. We believe that our management system and the use of a few focused forward looking KPIs is part of the reason why AqualisBraemar will deliver profitable growth beyond 2020. The organisation in BTS has operated with legacy ERP and support systems that were not aligned to the needs of the business. We are in the final phase of migrating all of the company to one cloud-based ERP system aligned with the needs of our combined business, which will significantly improve our ability to manage all aspects of our business on a running basis.

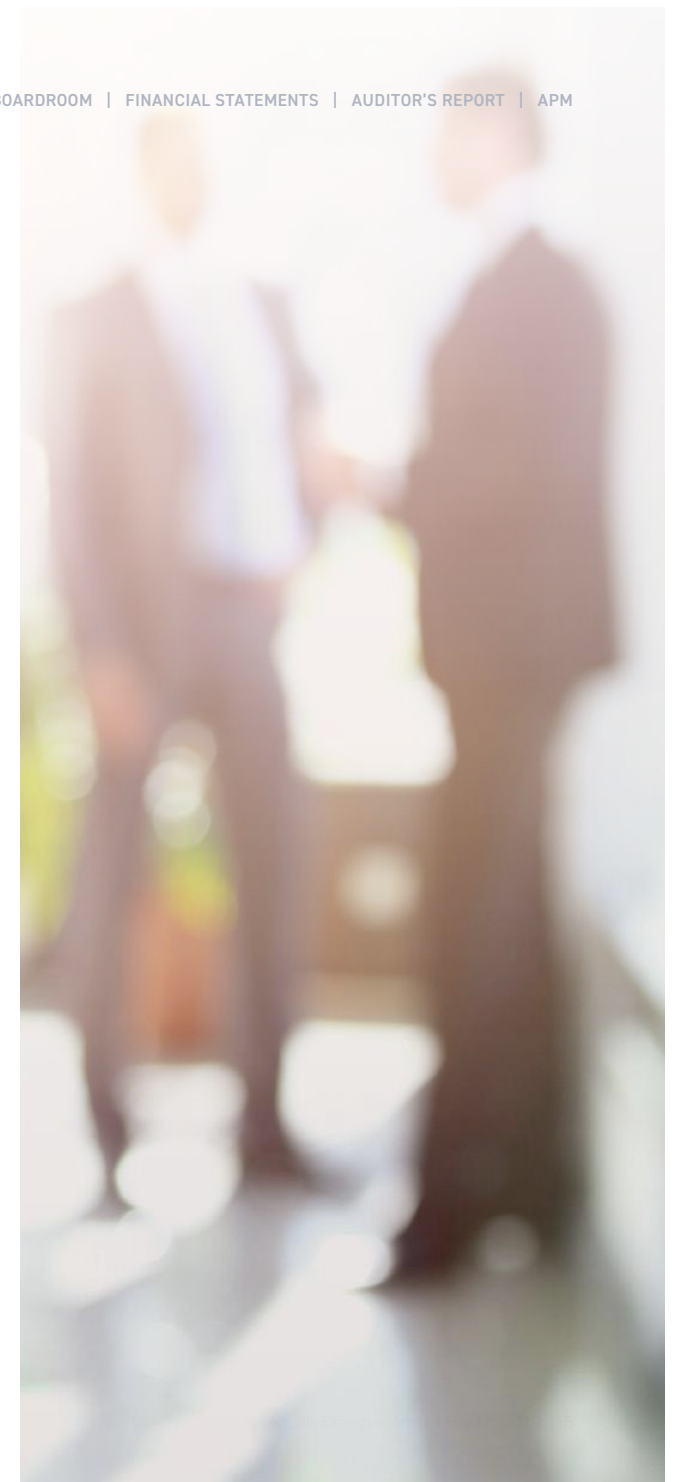
In 2018 we paid an extraordinary dividend of NOK 0.90 per share. The board proposed an ordinary dividend of NOK 0.10 to be paid after the AGM in 2019, which was subsequently cancelled when the acquisition of BTS was announced. AqualisBraemar is now changing its dividend policy to a bi-annual dividend schedule policy, first after the AGM in May 2020 and

aiming for a second pay-out before year end. The dividend will be based on two key factors, the profit of the company and our ability to free up working capital. The board has proposed a dividend of 0.2 NOK/share to be paid out after this year's AGM, and will consider additional dividend in the second half of 2020.

I would like to take this opportunity to thank the management team and employees at AqualisBraemar for the achievements in 2019 and especially the work with the integration and cost synergies. The market will be more difficult in 2020, but the combination of a relatively flexible cost base and the implementation of one fit for purpose management system in our global organisation is expected to secure timely response to any weakness and later renewed growth for the company. The company is more diversified in 2020 than we were in the last downturn in 2014. This, combined with a strong balance sheet, should lead to new opportunities for the company in 2020. Never waste a recession. It creates opportunities.



Glen Rødland | Chairman of the Board





Renewables



The Group offers services in the offshore renewables sector through Offshore Wind Consultants and AqualisBraemar. AqualisBraemar is a global advisory, engineering and project management consultancy.

Through Offshore Wind Consultants (OWC), the business line solely focused on offshore wind, we cover the full value chain of technology and projects. OWC has significant experience in the industry, dating back to the first offshore wind farm development project in the UK. The key members of the team have been involved in most of the major offshore wind projects developed in the UK and the rest of Europe to date. Since the establishment in 2011, OWC has delivered assignments amounting to more than 50 Gigawatts and over 70 projects across Europe, Asia and the US.

In combination with the Group's other services, OWC can deliver enhanced services to their clients by sharing knowledge, expertise, and resources, particularly where engineering and offshore attendances are required.

KEY SERVICES

AqualisBraemar specialises in providing services to offshore renewables developers, lenders and investors. We add value to clients through our experience, whether they need support to realise a project or invest in a technology or project or develop their business or technology. We can align closely with our clients' business goals and strategies, enabling us to deliver practical and innovative solutions.

We support the following offshore renewables market segments:

- Offshore wind (fixed and floating)
- Ocean energy (wave and tidal)
- Subsea cables
- Energy storage

AqualisBraemar supports the following needs:

- **Projects:** We have been involved in over a quarter of offshore wind developments globally to date. Our experienced team of offshore renewable experts take a full lifecycle approach to your project; from feasibility to operation to decommissioning/repowering.
- **Business intelligence:** Data, analysis and insightful opinion is the key for making the right business decisions. We help clients analyse and identify opportunities and gain real benefit from evidence-based insights.
- **Transactions:** We can advise on projects and technology around the world. With hands-on experience of developing, constructing and realising offshore wind projects, we provide real-world advice on financial risks regardless of the stage of the technology or project.

AqualisBraemar's service portfolio is broad and delivered by experts with deep experience. Our offshore renewables service portfolio is:

- **Project Development Services:** We provide all the early studies necessary for constraint analysis, site selection studies and early site evaluation developing LCOE and other inputs into early DEVEX decision making.
- **Strategy, Market and Policy Studies:** Offering advice and consultancy for all current and emerging offshore renewables markets and technologies.
- **Technical Studies:** We draw on a vast range of technical expertise, enabling us to provide technical studies in almost every area of interest. Some of our delivered studies cover fixed and floating foundation design, including coupled load assessments, weather downtime analysis (sequenced downtime analysis utilising Monte Carlo simulation), technical risk assessments and CAPEX and OPEX modelling.
- **Wind Measurement Advisory Services:** We combine first-hand research knowledge in the field of wind measurements with practical experience from a large number of commercial project assignments. OWC experts have provided technical and consultancy services to several floating Lidar deployments in commercial projects making OWC a leading technical advisory in the field of floating Lidar technology and measurements.
- **Owners Engineering:** We bring in-depth design and construction experience, first-hand experience of offshore installation and all the associated technological challenges as well as bringing the lessons learnt from many other projects. We cover the entire project lifecycle and can either manage or consult on a project on the client's behalf, or supplement the client's teams.
- **Operation & Maintenance Consultancy:** Advice on all phases and aspects of O&M, including deep expertise in subsea cables. We cover emergency cable repair support, cable remediation solutions and works, scour issues, survey management. In the wider O&M space we cover operations management, technical support services, commercial management, O&M concept and strategy, modelling for OPEX, operational CAPEX, logistics, WTG availability and downtime calculations and QHSE.

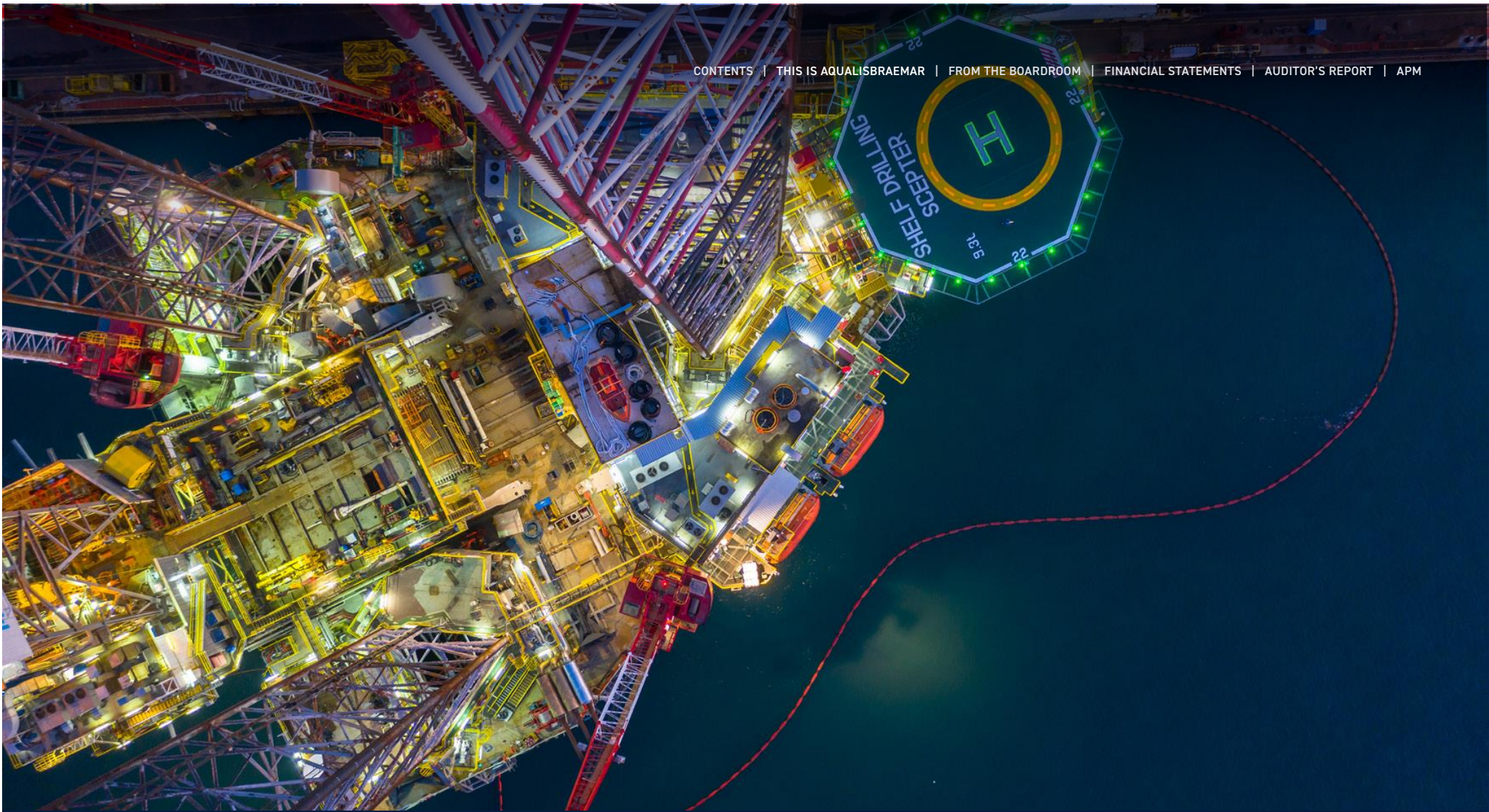


- **Technical Due Diligence:** We offer specialist technical due diligence supporting the financing, acquisition, sale and refinancing of assets, technology and companies within the offshore renewables market. Owners and financial institutions can obtain an objective expert view on the actual offshore wind project performance or asset value, as an important input to the decision-making process related to loans, consolidation or acquisitions.
- **Geotechnical Engineering Services:** A core service; the OWC geotechnical team consists of engineers who have many years of experience within the offshore wind industry and possess both excellent design and analytical skills combined with direct experience of working offshore. We bring leading experience and expertise in Offshore geophysical and geotechnical site investigations, live interpretation of site investigation data to inform ground model updates and immediate design assessments, foundation design and installation analysis, cable route risk analysis and planning and site-specific assessments for jack-up locations including leg penetration analyses. OWC combine this expertise with a number of innovative in-house tools that have reduced DEVEX & CAPEX costs on projects.

- **Project Management:** OWC provides project management service support through all stages of an offshore wind farm project. Our reputation is based on early involvement in projects; from the planning, design and engineering and then seeing our role expand to a project management service provider through the construction, installation and commissioning phases of the project. Our team can either undertake a leading role and manage a project directly on behalf of an owner or, more commonly, work as part of an integrated team with our client, managing specific packages of work and providing support and advice to all other areas of the project.
- **Engineering:** We can provide structural engineering services support through all stages of an offshore wind farm project. The services we can provide include: structural analysis and design for offshore WTGs and offshore substations, both fixed and floating, for all stages of the design process/projects including optioneering and concept, FEED studies, optimisation to reduce LCoE and increase profitability, and detailed design. We also have specialists in mooring lines, electrical engineering, and dynamic cable analysis.
- **Expert Witness:** Our offshore wind team bring a proven track record in forensic investigation and the provision of expert witness reports and testimony for use in dispute resolution, arbitration, mediation or in the court of law.
- **Transport & Installation / Marine Operations Consultancy:** We offer transportation & offshore installation feasibility studies, loadout engineering, harbour engineering related to seabed levelling, concrete structures, fenders, linkspans and gangways, transportation engineering, installation engineering for jack-up units going on location, jacket launching and lifting installation engineering, inspection and supervision and marine operations management.
- **Risk Management & Interface Management:** OWC provides risk and interface management through all stages of an offshore wind farm project. We apply proven and state-of-the-art risk and interface management tools and techniques such as Monte-Carlo Simulation, combined with solid experience of our team.
- **HSEQ:** OWC's multi-disciplinary background gives us a very broad experience base across different industries, continents and technical disciplines. We apply risk tools such as standardised risk profiling for projects or operations, integrated risk, planning and commercial profiling and HSE risk categorisation and benchmarking. We use such risk

methods in the evaluations of marine operations, qualification of new vessel concepts, risk assessment of wind turbine maintenance tasks, wind farm diving and ROV operations and also for offshore wind helicopter operations.

- **Marine Warranty Services:** AqualisBraemar's marine warranty engineers, surveyors and master mariners act to protect underwriters' or self-insured clients' interests. We provide independent third party review and approval of offshore wind projects. We have extensive experience of a wide range of offshore activities from simple marine operations to challenging and complex offshore projects.



Offshore





AqualisBraemar is a specialised marine and engineering consultancy, focusing on the shallow and deep-water segments of the offshore oil & gas industry and the offshore renewables markets worldwide. Our multidisciplinary engineering and marine teams are recognised in the industry for their competence and experience. We work closely with clients to understand their requirements, identify solutions and execute their projects and marine operations in a timely, cost-effective and safe manner.

AqualisBraemar specialises in the following marine and engineering services:

- Deep and shallow water installation engineering and related marine operations
- Marine operations and surveying, including rig moving and tow master services together with engineering support services
- Vessel construction supervision and owner representation
- Engineering and project management support to the renewables industry
- Third-party approvals on behalf of owners and underwriters such as marine warranty and audits of dynamic positioning systems
- Concept, FEED and basic design for new-build and vessel upgrades
- Rig inspection services

AqualisBraemar provides clients with global support via an extensive office network. We aim to be your reliable long-term partner.

Our team comprises:

- | | |
|--|--|
| • Naval Architects | • Environmental Compliance Engineers |
| • Marine Warranty Surveyors | • Project Managers/Site Superintendents |
| • Marine Surveyors | • Risk Managers/Engineers |
| • Master Mariners (Tow Masters, Rig Movers, Marine Advisors, Mooring Masters, Consultants) | • Mechanical Engineers |
| • DP Practitioners | • Control System Engineers |
| • Structural Engineers | • Subsea Engineers |
| • Geotechnical Engineers | • Electrical and Electro Technical Engineers |
| • Civil Engineers | |
| • Installation Engineers | |

MARINE WARRANTY

AqualisBraemar is well known in the insurance market by many of the key international energy underwriters. We have been approved as Marine Warranty Surveyors on projects which include offshore construction works, transportations (including float overs and heavy-lift topside loadouts), jack-up rig moving and location approvals, towages and dry transportations.

Our teams of Marine Warranty Engineers, Surveyors and Master Mariners provide independent third-party review and approval of offshore projects on behalf of underwriters or self-insured clients. We have extensive experience in a wide range of offshore activities from simple marine operations to complex and challenging offshore projects which include approvals for the following operations:

- | | |
|--|---|
| • Ocean towages | installation of offshore platforms, topsides and subsea structures |
| • Barge transportations | • Floating construction activities, floatover, deck mating, FPSO mooring installation & TLP hook-up |
| • Unusual/oversized cargoes on ships | • Pipelay operations |
| • Location Approval for MODUs | • Bridge and harbour construction activities |
| • Offshore rig move attendance onboard MODUs | |
| • Loadout, transportation and | |

Typical activities may include:

- | | |
|--|--|
| • Document reviews | • Decommissioning and removal of offshore structures |
| • Suitability surveys of offshore marine spreads | • Acting as Marine Advisors to oil companies and their contractors |
| • Approval of towages, heavy lifts and installations | |
| • Subsea operations | |

MARINE CONSULTANCY

We offer a wide range of marine capability to the oil & gas and maritime industries. Our mariners have many years of experience associated with drilling rigs, offshore vessels and trading vessels. We aim to assist our clients in finding practical solutions to their marine operations and projects, and/or protect their interests when sub-contracting or making asset investments.

We offer:

- Provision of Towmasters
- Provision of Marine Advisors
- Dry transportation consultancy and operations
- Vessel inspections
- Rules & regulations compliance
- Inclining experiments
- Pilotage operations
- Rig move procedures
- Suitability surveys and audits
- Pre-charter audits/surveys
- Pre-purchase surveys
- Bollard pull certifications
- Drafting and review of offshore project related procedures
- Mooring plans
- Anchor handling procedures
- Witnessing equipment trials and tests
- Towing plans and procedures
- Common Marine Inspection Document (CMID) and Offshore Vessel Inspection Database (OVID) Surveys

RIG MOVING

We offer a full range of rig moving support services for Mobile Offshore Drilling Units. We offer full engineering assessments for site-specific location approvals and provide both Marine Warranty Surveyors and Rig Movers/Towmasters for offshore attendance during jack-up and floating unit rig moves.

The following services are provided:

- Jack-up engineering studies including site-specific assessments, fatigue analysis, collision studies, earthquake assessments, and heavy-lift dry transportation
- Pre-contract rig suitability engineering analyses
- Leg penetration analyses
- Site-specific location approvals
- Mooring analyses
- Transportation approvals and consultancy



- Towage approvals
- Towmaster services
- Rig movers
- Turnkey marine operations
- General rig moving consultancy
- Marine Advisor

RISK CONSULTING

The Risk Consulting team strengthens AqualisBraemar's marine and engineering services with a methodological and systematic approach to risk management.

Our engineering risk management experience includes drilling and productions facilities. Within marine operations we have performed numerous risk management activities within loadout, transport, anchor handling, rig move, heavy lifting, subsea and SURF installation, dynamic position (DP), hook-up, diving and ROV operations, personnel transport, vessel layup and decommissioning.

We provide the best practices for identifying and managing risks and hazards to personal safety, assets, environment and reputation both in engineering and operations. We can lead, facilitate or contribute to risk management activities such as:

- Hazard Identification Analysis (HAZID)
- Hazard and Operability Analysis (HAZOP)
- Quantitative Risk Analysis (QRA)
- Safety case studies
- Risk assessments
- Failure Mode, Effect and Criticality Analysis (FMECA)
- Carry out inspections
- Provide people who can work within a client's team to manage risk within a project

ENGINEERING

AqualisBraemar provides a unique solutions-based approach to engineering. Our engineers aim to work with our clients as a one-stop-shop to find efficient solutions to their engineering projects.

Due to our independent status, focus is on cost-effective solutions, fit for purpose and tailoring to suit the specific needs and constraints of our client. Our offshore engineering expertise covers the life-cycle of an offshore facility from concept and basic design through installation, on to ageing platform integrity management and finally, decommissioning. We are involved in both the shallow and deep water ends of the offshore oil & gas industry and operate from the major centres of the offshore industry.

Our experienced team can provide unique solutions for many platform types including Mobile Offshore Drilling Units (MODU), Wind Turbine Installation Vessels and Liftboats, Mobile Offshore Production Units (MOPU) including FPSO, FSO, as well as other offshore installations and floating structures. Our capability covers the marine systems, structural, geotechnical and naval architectural disciplines.

Solutions range from:

- Concept designs
- FEED and pre-FEED
- Basic designs
- MODU Upgrades, modification engineering and conversion to production platforms
- Advanced engineering studies including hydrodynamic, non-linear response, stochastic and time-domain analysis
- Our combined teams include structural engineers, marine engineers and naval architects

TRANSPORTATION & INSTALLATION

Our multi-disciplined teams of Engineers, Surveyors and Master Mariners have many years of experience in the offshore industry.

We specialise in complex marine operations and can provide valuable early planning and advice to optimise the solutions with regard to vessel and equipment selection, structural design and offshore procedures. Subsequent engineering comprises analysis and design associated with all temporary phases of a marine operation, from loadout and transportation to installation or discharge of high-value offshore assets.

Such engineering includes:

- Vessel ballasting
- Global and local vessel strength
- Vessel motions and stability
- Vessel/cargo interaction
- Grillage and seafastening design
- Design of fendering and installation aids
- Dynamic lifting and rigging
- Hydrodynamic analysis
- Jacket launch and upending
- Dynamic analysis for floatover installations
- Towing analysis and design
- Geotechnical analysis
- Production of appropriate documentation

Our service then extends to offshore operation supervision and support from our qualified and experienced Marine Superintendents and Project Engineers. We draw on the services of external companies where supplementary skills or input are required, for example, metocean data for transportation assessment and planning. These services are tailored to suit our clients' requirements and can be supplied as conceptual/feasibility studies, detailed engineering and operation, or verification.

We have formed strategic alliances with vessel partners, enabling us to provide package solutions for T&I projects such as:

- Platform installations, including topside float overs
- Tow, positioning and hook-up of floating structures
- With these services we provide associated engineering, preparation of procedures and offshore operations management.

RIG INSPECTION

We offer a wide range of rig inspection services to the offshore oil & gas industry. Our engineers offer years of practical experience in rig inspection, providing regulatory compliance and equipment operability assurance to our clients. Our rig inspection teams develop and execute bespoke rig inspection acceptance programs specifically tailored to our clients' needs.

- We specialise in the following services:
 - Rig inspection and assurance
 - Rig selection
 - Rig stacking & reactivation assurance
 - New build delivery assurance
 - Rig preservation inspection
- Focused rig inspections of the following equipment:
 - Well control equipment inspections
 - API standard 53 compliance audits & gap analysis
 - Cyber-based drilling equipment inspections
 - Integrated Control Management System (ICMS) inspections and testing
 - ROV inspection & assurance
 - Drilling rig equipment Factory Acceptance Testing (FAT) witnessing
 - Cyber Security Assessments

Our aim is to provide independent technical reviews of drilling rigs' regulatory compliance and equipment operability to ensure incident-free drilling campaigns with maximum productive time.



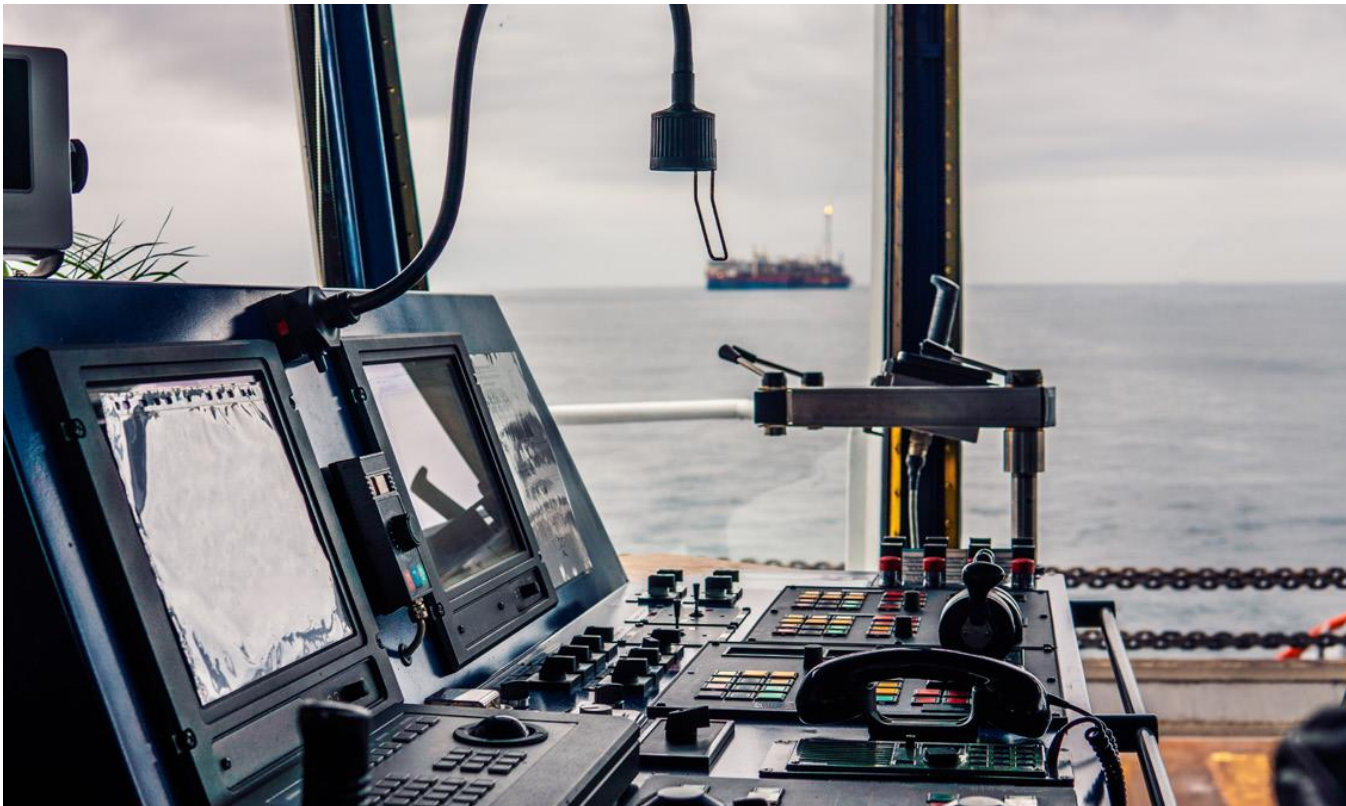
CONSTRUCTION SUPERVISION

AqualisBraemar provides teams to work with the client throughout the construction or conversion of an offshore asset. The project team monitors the project to ensure that it is carried out in accordance with the contract, the specifications, clients' expectations, flag and class requirements.

The project team consists of key personnel with the necessary skills to ensure that the construction meets the build schedule. AqualisBraemar provides a group of engineers and inspectors of various disciplines to be utilised at different stages of the project. In addition, dedicated planning and document control functions are provided throughout the construction phase.

- Key project control activities include:
- Development and implementation of project procedures
- Review of machinery and equipment purchase orders and specifications

- Development and implementation of project execution plans
- Monitoring of work progress and testing activity
- Monitoring of quality control of each activity throughout the construction
- Attendance at formal safety meetings
- Attendance at Factory Acceptance Testing (FAT)
- Audits of subcontractors' facilities
- Attendance during sea trials and inclining experiments
- Reporting to the client on a weekly and monthly basis
- Tracking of site queries, observing safety policy, monitoring quality control measures
- Maintaining electrical & mechanical completion and commissioning records and database
- Monitoring and reporting on extras and credits



DYNAMIC POSITIONING & CRITICAL SYSTEMS

AqualisBraemar provides an experienced multidisciplinary team of engineering and operational resources to support the Dynamic Positioning (DP) industry. We deliver dynamic positioning services & critical systems consultancy, including DP FMEA (Failure Mode and Effects Analysis), DP audit, DP Assurance and DP project management.

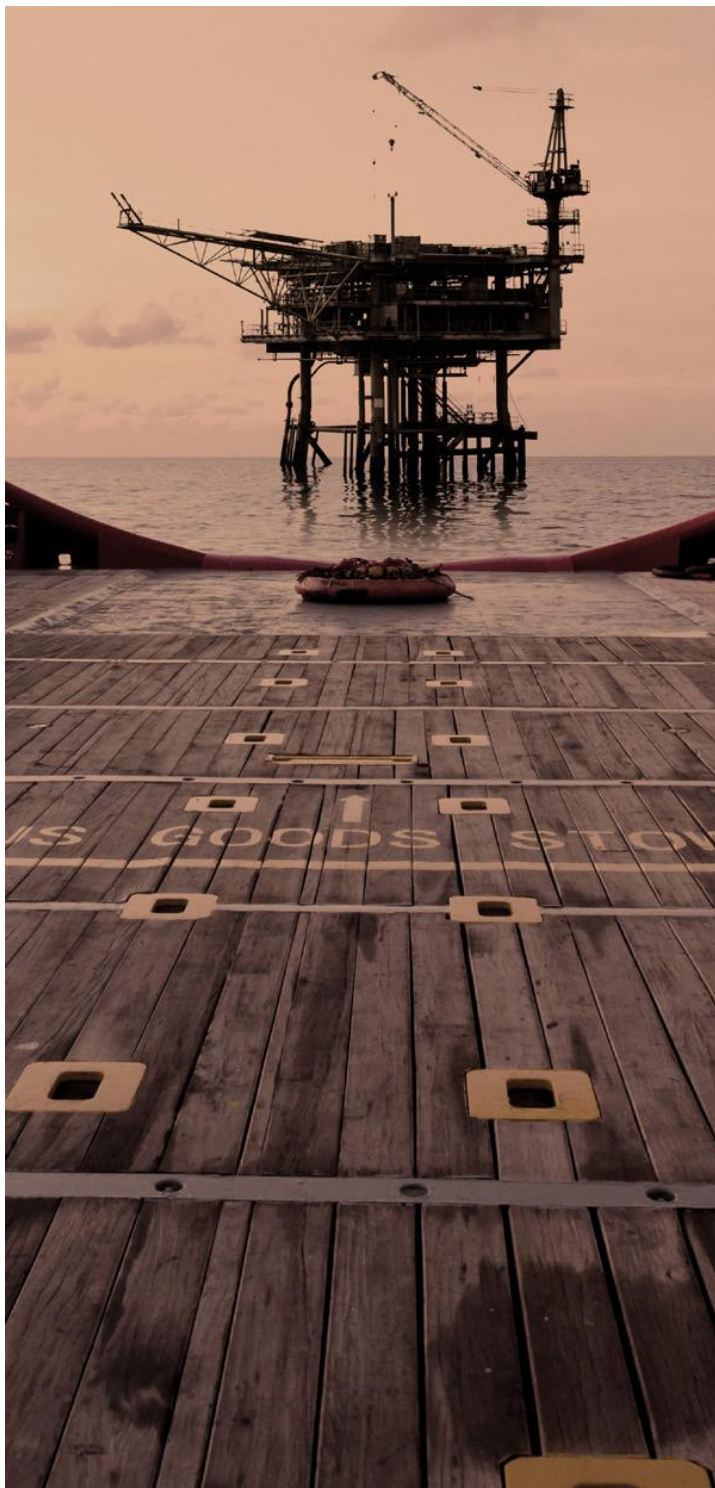
Our services encompass all aspects of the DP system, from initial design consulting, procedures and documentation, proving trials, audits, incident investigation, life extension studies, maintenance and management.

We aim to assist our clients to operate and validate according to their units' specific industrial mission, including drilling units, project and construction vessels, DSV's, accommodation units, shuttle tankers and OSVs. Whether identifying the critical activity mode or verifying the worst case failure mode through FME(C)A, AqualisBraemar aims to provide clients with independent technical reviews to enhance safe operations.

DP Services Include:

- FME(C)A
- DP FMECA proving and annual trials
- DP design review/redundancy analysis
- DP condition & suitability surveys
- DP Capability & gap analysis
- Development of ASOG, WSOG & CAMO
- DP incident investigation
- DP manuals and procedures
- DP operator competence assessment and verification
- DP project management & sea trials management
- Planning for DP conversions
- Dive Auditing and FMEA work
- Dive system FMEA
- Dive system FMEA proving trials
- Dive system auditing
- ROV auditing
- Critical systems FMEAs
- LNG code FMEAs
- Cargo control systems
- HAZID/HAZOP
- LNG bunker barges
- Analyses of cranes, bilge and ballast systems, pipelay systems and other critical systems

AqualisBraemar combines world-class Dynamic Positioning with world-class Rig Inspection services. We are the only Rig Inspection service provider with dedicated DP Practitioners. Our established DP inspection Practitioners bring years of experience with both offshore drilling rigs and offshore vessels.



TECHNICAL DUE DILIGENCE

With our assistance, owners and financial institutions can obtain an objective expert view on the actual project performance or asset value, as an important input to the decision-making process related to loans, consolidation or acquisitions.


AqualisBraemar is well placed to perform solid, independent technical due diligence services with its combination of engineers and master mariners. The engineers will have been involved from the first concepts to sailaway, including yard contract negotiations, the operational phase, yard stays for repairs, upgrades, modifications and special periodic surveys. The mariners will have been in charge of vessels, rig moves, and major marine operations, including vessel inspection/survey.

- Assessment of vessel requirement vs capabilities
- Design review, professional peer review
- Assessment of owner, project management team and project plans/ schedule
- CAPEX/OPEX budget evaluation
- Identify delay risks and other project risks
- Pre- and post- contract reviews
- Yard evaluation and inspection
- Verification of project progress/payment milestone audits
- Suitability survey, condition survey, assessment of vessel function
- Lifetime assessments
- Assessment of equipment preservation and reactivation
- The above services are performed for the following vessels:
 - Drilling units: Semi-submersibles, jack-ups, drillships and tender barges
 - Production units: Ship-shaped, semi-submersibles and jack-ups
 - Accommodation units: Semi-submersibles, jack-ups and tender barges
 - Offshore service vessels: Anchor handlers, supply vessels, cable layers, crane vessels, liftboats, tugs, etc.
 - Other vessels: Shuttle tankers, oil tankers, floating storage units, wind turbine installation vessels, barges, cargo vessels



Marine





AqualisBraemar is a specialised marine and engineering consultancy, focusing on the shipping and insurance markets worldwide. Our multidisciplinary engineering and marine teams are recognised in the industry for their competence and experience. We work closely with all stakeholders in the marine industry including shipowners, underwriters, brokers, P&I clubs, financiers, lawyers, average adjusters, charterers and relevant authorities & industry bodies. We deliver worldwide emergency casualty, accident or incident response and international marine survey services.

AqualisBraemar specialises in the following marine market services:

- Hull & Machinery surveys
- P&I surveys
- Salvage & wreck removal consultancy
- Loss of hire, War risk, ship repairs & builder liability, marine liability and other marine insurance surveys
- Casualty investigations
- Expert witness provision
- Pre risk surveys including Joint Hull (JH) shipyard, vessel and management office surveys
- Technical due diligence services on behalf of financial interests
- Cargo & damage surveys
- Ports & harbours consultancy
- Dedicated superyacht team

AqualisBraemar provides clients with global support via an extensive office network. We aim to be your reliable long-term partner.

Our team comprises:

- Dedicated case handling by GSS team
- Marine Engineers
- Master Mariners
- Naval Architects
- Salvage Masters & SCRs
- Marine Surveyors
- Risk Managers/Engineers
- Mechanical Engineers
- Civil Engineers
- Control System Engineers
- Subsea Engineers
- Electrical and Electro Technical Engineers

MARINE INSURANCE SURVEYS

AqualisBraemar is well known in marine insurance as the market leader in hull & machinery surveys. With 48 locations in 33 countries we are well placed to respond to marine incidents promptly to better serve our client's needs. Many of the key international marine and P&I underwriters rely on our services with brokers and assured supporting our services and having us included in many slips. We offer support to the wider industry by active involvement in industry bodies such as the LMA, JH committee, JMCC and IUMI.

With over 150 years of experience in the field we bring tradition and history combined with innovation and a modern approach to the marine claims and pre risk process.

Marine insurance services offered:

- Hull & machinery surveys
- P&I surveys
- Dedicated superyacht team
- Cargo interests' surveys
- Loss of hire surveys
- Ship repairs liability surveys
- Ship builders liability surveys
- Product liability surveys
- Marine liability surveys
- Damage to fixed and floating objects including collision assessment
- Litigation & Expert witness
- Port risks
- Voyage risks
- Loss prevention services
- Personal injury
- Damage surveys of high value equipment and cargo

Joint Hull Surveys:

Our staff have been involved in the development and refining of the Joint Hull Committee's pre risk program over the years. From the previous vessel and management JH115 wordings to the refinement of this through JH2013 onto the current updated JH2019 version focusing on vessel condition, on board vessel management and shore-based management processes. We also have significant experience in conducting JH143 shipyard audits having conducted over 400 such assessments around the world with a dedicated offering covering new superyacht builds.

MARINE CONSULTANCY

We offer a wide range of marine consultancy to the wider marine and marine insurance markets. Our mariners have many years of experience associated with a variety of vessel types with many bringing further commercial experience as salvage masters, superintendents, shipyard managers, classification surveyors etc.

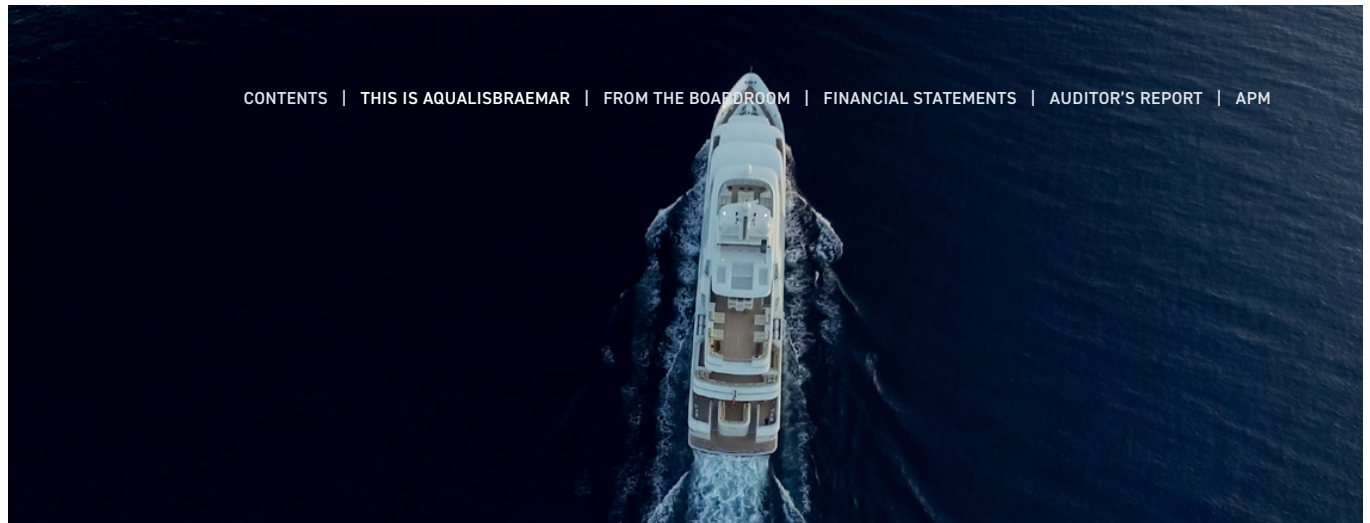
We offer:

- Provision of Marine Advisors
- Dedicated superyacht team
- Dedicated ports and harbour consultancy capabilities
- Salvage and wreck removal services
- SCR provision
- Dry transportation consultancy and operations
- Vessel inspections
- Rules & regulations compliance
- Inclining experiments
- Pilotage operations
- Suitability surveys and audits
- Pre-charter audits/surveys
- Pre-purchase surveys
- Mooring plans

TECHNICAL DUE DILIGENCE

With our assistance, owners and financial institutions can obtain an objective expert view on the actual project performance or asset value, as an important input to the decision-making process related to loans, consolidation or acquisitions.

AqualisBraemar is well placed to perform solid, independent technical due diligence services with its combination of engineers and master mariners. The engineers will have been involved from the first concepts to sail away, including yard contract negotiations, the operational phase, yard stays for repairs, upgrades, modifications and special periodic surveys. The mariners will have been in charge of vessels, rig moves, and major marine operations including vessel inspection/survey. Our teams can also support the sale and purchase, refinancing or restructuring of fleets and shipping companies



Technical due diligence services offered:

- Assessment of vessel requirement vs. capabilities
- Design review, professional peer review
- Assessment of owner, project management team and project plans/schedule
- CAPEX/OPEX budget evaluation
- Identify delay risks and other project risks
- Pre- and post- contract reviews
- Yard evaluation and inspection
- Verification of project progress/payment milestone audits
- Suitability survey, condition survey, assessment of vessel function
- Lifetime assessments
- Assessment of equipment preservation and re-activation

The above services are performed for the following vessels:

- Passenger vessels
- Fishing vessels
- Drilling units: Semi-submersibles, jack-ups, drillships and tender barges
- Production units: Ship-shaped, semi-submersibles and jack-ups
- Accommodation units: Semi-submersibles, jack-ups and tender barges
- Offshore service vessels: Anchor handlers, supply vessels, cable layers, crane vessels, liftboats, tugs, etc.
- Other vessels: Shuttle tankers, oil tankers, floating storage units, wind turbine installation vessels, barges, cargo vessels

AQUALISBRAEMAR YACHT SERVICES

Superyachts are a dynamic sector of the marine industry with their own unique challenges. AqualisBraemar combines first-class multidisciplinary expertise, a truly worldwide presence, early response capability and proven reliability to deliver a distinctive bespoke service with exceptional technical content.

Superyacht services offered:

- Damage surveys and casualty investigations
- New construction, conversion, refit and repair and project
- Management
- Sale and purchase services
- Superyacht safety and loss prevention
- Superyacht-specific JH143 shipyard audits

PORTS & HARBOURS

Our Ports & Harbour team specialise in providing Port Capacity and Operational Simulation studies. Utilising our dual purpose software package BRAEVURA ©, we are able to accurately model existing and future traffic flows using AIS data to predict port capacity, berth utilisations and to assess the effects on marine traffic of proposed modifications such as the introduction of new berths, vessel types or navigation rules.



Adjusting



Our team of loss adjusters are recognised as industry leaders by insurance and reinsurance markets worldwide. Any claim assigned is evaluated in terms of its technical challenges, specific engineering discipline(s), insurance conditions, geography, language and cultural nuances.



Classes of insurance handled include:

- Energy
- Marine
- Mining & heavy industry
- Pollution liability
- Power & utilities
- Renewables

Our in-house technical disciplines include:

- Civil engineers
- Drilling engineers
- DP engineers
- Electrical engineers
- Geotechnical engineers
- Marine engineers
- Master mariners
- Mechanical engineers
- Naval architects
- Process engineers
- Quantity surveyors
- Structural engineers
- Subsea engineers
- Wind engineers

PHILOSOPHY

We provide the most professional loss adjusting and other expert service, supplying integrated capabilities of the highest calibre, to meet the diverse demands of specialist insurance markets and their clients worldwide. AqualisBraemar is becoming the benchmark for professional service levels in their sector by continuing to invest in its people and infrastructure

through a combination of selective recruitment, formal training, systems development, mentoring and peer support, as well as providing the local talent on the doorstep of our clients, to service their immediate and long-term requirements. We believe our services are most effective when all parties trust and rely upon professional independence.

OUR SERVICES

AqualisBraemar provide Energy, Marine and Property Insurers, Brokers and Assureds with the highest quality professional Loss Adjusting and Surveying services, enabling Insurers to reach amicable and equitable settlement of claims made by their Assureds.

This service includes:

- Immediate response, including site visits by relevant technical personnel
- Timely clear, concise communication and regular formal reporting
- Accurate reserve information revised as appropriate throughout the engagement
- Full investigation of circumstances and cause
- Advice on the suitability and cost of remedial measures
- Review of contracts with relevance to insurable interest, indemnification and subrogation

- Complete policy review, identifying terms and conditions relevant to the claim
- Review of recovery potential
- Adjustment, taking full account of policy wording, law and relevant practice
- Impartiality

EXPERT WITNESS & CONSULTANCY

Additionally, using the skillsets available within our organisation, AqualisBraemar's team also have significant experience in the provision of Expert Witness services to clients, assisting them in the resolution of disputes.

AqualisBraemar also offers consultancy services to insurers, legal firms, finance houses and banks, oil majors, vessel owners and managers, regulatory bodies and other organisations that require experienced, knowledgeable and reliable expertise, delivered with integrity.

Members of the Board



Glen Rødland | Chairman

Glen Rødland is an independent investor and board member in listed and private companies. Mr Rødland has 14 years of experience from Private Equity and Private Office as a senior partner at HitecVision and as a partner and co-investor of Direct Active Investments in Ferndiff TIH AS. He has worked for 15 years with portfolio management and investment banking for DNB (Vital) and Swedbank (formerly First Securities and Elcon Securities). In addition, Mr Rødland has also worked as a market and investment analyst at JEBSENS and as a management consultant in PWC. He is currently the Chairperson in Seadrill Ltd, Prosafe SE, Axactor AB and AqualisBraemar. Mr Rødland has MBA and Post Graduate studies in Finance from NHH and UCLA. Mr Rødland is a Norwegian citizen and resides in Bærum, Norway.



Reuben Segal | Board member

Reuben Segal is the Chief Operating Officer of AqualisBraemar and has over 20 years' experience in the offshore and shipping sectors covering both engineering design and ship surveying. Mr Segal is a naval architect and has extensive recent global business development experience with focus on design and construction of offshore oil and gas assets, including MODU and MOPU units from FEED through to yard delivery. He holds a master's degree in engineering from the University of Newcastle. Mr Segal is a British citizen and resides in Dubai, UAE.



Yvonne L. Sandvold | Board member

Yvonne L. Sandvold is the Chairman of the Board and Chief Operating Officer of Frognerbygg AS and Chief Executive Officer of YLS Næringseiendom. She has extensive experience from the Norwegian real estate industry. Ms Sandvold currently serves on the board of several private and public companies. She is a Licenced Psychologist/ Cand.psychol. from the University of Oslo. Ms Sandvold is a Norwegian citizen and resides in Oslo, Norway.



Synne Syrrist | Board member

Synne Syrrist is an independent business consultant and has extensive experience as a non-executive director of both private and public companies. Ms Syrrist was previously a partner and financial analyst at First Securities. She currently serves on the board of several public companies, including Awilco LNG ASA, Awilco Drilling Ltd and Eidesvik Offshore ASA. She holds an MSC from the Norwegian University of Science and Technology and is qualified as an authorised financial analyst at the Norwegian School of Economics and Business Administration. Ms Syrrist is a Norwegian citizen and resides in Oslo, Norway.



Ronald Series | Board member

Ronald Series is the executive chairman of DX (Group) plc and Braemar Shipping Services plc. Mr Series was previously the senior independent director of Clipper Logistics plc and held senior management positions at Lonmin plc, the platinum group metals producer, Viridian Group Limited, the energy company, and Dubai World, the global investment company.

Executive Management



David Wells | Chief Executive Officer and Director, UK

David Wells, a Master Mariner, was a founding member of Aqualis. Mr Wells has more than 30 years' experience in the offshore consultancy sector with particular focus on offshore operations, MWS and marine consultancy. He is a specialist on jack up rig move operations, location approvals and all aspects of rig moving. Mr Wells was previously a specialist consultant to the offshore market, and has held senior Global and Regional MD roles for a major leading global oil & gas consultancy. His focus during the latter was on Middle East and Africa and Indian sub-continental regions where he managed seven offices and a multi-cultural staff of some 200 employees. Mr Wells resides in London, UK.



Kim Boman | Chief Financial Officer

Kim Boman has over 20 years professional experience from corporate finance, accounting/auditing, strategy consulting and investor relations. Particular industrial experience within the offshore, shipping and renewable energy industry. Mr Boman holds a master's degree in Business and Economics from the Norwegian School of Management and a MSc in Finance from the London Business School. Mr Boman is based in Oslo, Norway.



Reuben Segal | Chief Operating Officer

Reuben Segal has over 20 years' experience in the offshore and shipping sectors, covering both engineering design and ship surveying. He is a naval architect and has extensive recent global business development experience with focus on design and construction of offshore oil & gas assets, including MODU and MOPU units from FEED through to yard delivery. Mr Segal holds a master's degree in Engineering from the University of Newcastle. Mr Segal resides in Dubai, UAE.



Svein O. Staaen | General Counsel

Svein O. Staaen has over 20 years professional experience from law firms and in-house legal positions, with particular experience from maritime and energy industries. He holds a Master's of Law degree from the University of Oslo and a Diploma in English Commercial Law from the College of Law, London. Mr Staaen is a Norwegian citizen and resides in Bærum, Norway.

Senior Management



Dr Bader Diab | Director of Engineering and Regional Managing Director, Americas

Dr. Bader Diab is a structural and global performance engineer. He has over 30 years' offshore engineering global experience covering both shallow and deep-water sectors with extensive structural design experience of MODUs, mooring systems, motions, installation engineering and familiarity with shipyards. Dr Bader Diab holds a PhD and is based in Houston, USA.



Will Cleverly | Managing Director, OWC

Will Cleverly is a renewable energy professional with over ten years' experience designing, constructing and installing offshore wind farms across the world. He holds a Civil Engineering degree from the University of Cambridge, chartership with the ICE, and an Executive MBA. Following successful establishment of OWC in Asia, Mr Cleverly is now based out of OWC's headquarters in London, and oversees the global operations of all OWC entities and teams: in the UK, Germany, Taiwan, US, Australia and Korea.



Phil Lenox | Regional Managing Director, Asia Pacific

Phil Lenox is a structural engineer and has over 40 years of onshore/offshore experience with both contractors and consultancies including conceptual design, detailed structural analysis and design through to construction and installation. He specialises in transportation and installation projects including use of HLVs, topside floatovers and has extensive MWS experience. Mr Lenox is based in Singapore.



Mark Lomas | Regional Managing Director, Europe & Africa

Mark Lomas is a master mariner with specialist competence in marine casualties, including high profile salvage and wreck removal operations. He has close to 20 years of experience in marine consultancy with focus on maritime casualty investigations, cargo claims, H&M instructions, total losses and pollution incidents. Mr Lomas also held senior roles in a leading consultancy in both the Middle East as well as UK and has extensive knowledge of the Middle East and Sub Continent markets. Mr Lomas is based in London, UK.



Ben Lazenby | Regional Managing Director, Middle East & India

Ben Lazenby is a master mariner with more than 25 years' experience in the maritime offshore industry. His specialist areas of competence are marine operations, rig moving and marine warranty. He has conducted more than 300 rig moves as Tow Master or Marine Warranty Surveyor. Mr Lazenby is based out of AqualisBraemar's regional headquarters in Dubai, UAE and oversees the operations of the company's other offices in the region: Abu Dhabi, UAE; Manama, Bahrain; Doha, Qatar; Dammam, Kingdom of Saudi Arabia and Mumbai, India.



Mark McGurran | Group Managing Director, Marine

With over 25 years in the maritime industry, Mr McGurran has spent over 15 of those working in marine consulting, including business leadership roles in marine casualty investigation and marine warranty services for other international consultancy firms. Mr McGurran holds a Chief Engineer's unlimited motor chief engineer certificate of competency and has 12 years of sea going experience on container, passenger, high speed and offshore vessels in all ranks to Chief Engineer including technical management experience. He has particular expertise in marine casualty investigations including groundings, machinery damage, collisions, total losses, fires and offshore asset damage and has given expert evidence in many of these matters in the High Court and in arbitration.

Senior Management



Rodger Dickson | Group Managing Director, Offshore

Rodger Dickson has over 30 years' experience in the marine and offshore sectors with particular focus on offshore operations, project Marine Warranty Services and marine consultancy. Mr Dickson is a specialist on jack-up operations, location approvals and all aspects of rig moving. He has a proven track record of technical and management experience. Mr Dickson is based in Dubai, UAE.



Amish Sanghavi | Finance Director (Offshore)

Amish Sanghavi is a qualified finance professional with close to 20 years of experience in the area of financial control, statutory audit and reporting, financial planning and budgeting, management and business performance reporting and transaction processing. Mr Sanghavi is a fellow member of the Institute of Chartered Accountants of India and has passed all three levels of the CFA program. Mr Sanghavi is based in Dubai, UAE.



Geoff Jones | Group Managing Director, Adjusting

Geoff Jones has close to 40 years' experience handling all aspects of Energy claims in the London Insurance Market, having previously worked at Lloyd's Claims Office, Equitas and Zurich Global Energy before joining Catlin in 2006 as Energy Claims Manager. During that period he also led the LMA Lloyd's Energy Claims Group and served as the claims representative on the Joint Rig Committee. Mr Jones joined Braemar as Group Managing Director of Adjusting in April 2014. He is now the Group MD of Adjusting at AqualisBraemar. Mr Jones is also a member of the organising committee for the Lillehammer Energy Claims Conference.



David Brand | Finance Director (Insurance)

David Brand is a qualified Chartered Accountant and Economics Graduate. He has a career history spanning 25 years in the marine and consulting industry, working for both owners and service providers. His experience covers technical services, procurement, consultancy and insurance. David has expertise in business transformation and process improvement, strategic development and has led business acquisitions, restructures and divestments. Mr Brand is based in London, UK.



Stuart Mill | Group Commercial Director

Stuart Mill is a fellow of The Royal Institution of Naval Architects with over 40 years' experience in ship-repair, shipbuilding, FPSO conversion and marine related energy sectors. He has core expertise within project control, cost engineering, contracts and commercial management in large offshore construction projects. Mr Mill has experience from technical, commercial and managerial positions at major shipyards worldwide, working on all types of floating structures and vessels. Mr Mill is based in London, UK.



Santosh George | Group QHSE Director

Santosh George is a specialist QHSE consultant and auditor with extensive risk analysis experience covering shipyards and offshore assets together with implementation of Group Management systems and ISO accreditations. Mr George is based in Abu Dhabi, UAE.

Senior Management



John MacAskill | Group Marketing Director

John MacAskill has over 20 years' experience in business development and marketing in the engineering and consultancy sector, the last 12 years in renewables. Mr MacAskill has developed a leading profile within offshore wind. He started and established two business units in renewables and until recently led the business development and marketing of OWC. Mr MacAskill is based in London, UK.



Lisa Tytler | Group Operations and HR Director

Lisa Tytler has worked in the Insurance Industry for 20 years and holds a Higher Diploma in Secretarial and Administrative Procedures, a Diploma in Business Administration, and is CIPD qualified. Having worked as a personal assistant for companies including Marsh, Wellington and Catlin Underwriting until 2008, Ms Tytler then joined Braemar in 2009 as the Office Manager.



Haakon Brandrud | Director of Strategy and Corporate Development

Haakon Brandrud has more than 12 years of Investment Banking experience from leading financial institutions and has worked on a wide range of M&A, equity and debt capital markets transactions. Before joining AqualisBraemar, Mr Brandrud was Director and Head of Energy Services at SB1 Markets. Mr Brandrud holds an MSc in Finance from NHH Norwegian School of Economics and Ivey Business School, University of Western Ontario. Mr Brandrud resides in Oslo, Norway

Sustainability Report

As consultants to the world’s energy, marine and insurance sectors, our stated mission is to provide an unrivalled level of service to our clients across the globe and to be the consultancy that delivers innovative, fit for purpose and value-added services.

Our values underpin all our activities across all jurisdictions where we operate. It sets out our global approach to a sustainable purpose and forms the basis of our decisions by focusing on business ethics and compliance, people and culture, and community involvement.

- We never compromise on quality and integrity
- Transparent and open in our business ethics
- We care about the safety of our people, the environment and client assets
- We are committed to teamwork and innovation
- We make a difference by offering proactive and pragmatic solutions

We recognise that for our business to be successful in the age of climate crisis and energy transition, we must redefine AqualisBraemar in an genuine way to put sustainability at the centre of all strategy and operations.

AQUALISBRAEMAR2030

In Q1 2020 our Management Team initiated a comprehensive process to establish best practice Environmental, Social and Governance (“ESG”) reporting and to instil sustainability into the culture and forward strategy of the Group. We have called this project **AqualisBraemar2030**, recognising that though the journey may be long, we must build the foundations this decade.

Our guiding purpose in this initiative is:

Energy and the oceans are at the centre of our business; the sustainability of both is vital for the future of our company and the world in which we operate and live

Our new purpose not only makes sustainability a responsibility for us in the way we do business, but also recognises that our business impacts the wider world and that we need to take responsibility for that too.

We have developed five principles that will guide this process:

1. Implement ESG reporting anchored in the principles of the United Nations Global Compact & other recognised guidelines & standards

In September 2015, all 193 Member States of the United Nations adopted a road map to end extreme poverty, fight inequality and injustice, and protect our planet. At the heart of “Agenda 2030” are the 17 Sustainable Development Goals (“SDGs”) which clearly define the world we want — applying to all nations and leaving no one behind.

The UN recognised that business must play a very important role in the process. AqualisBraemar is now a signatory of UN Global Compact and will embed and contribute to the relevant SDGs to its business and markets. AqualisBraemar is a consultant to the energy, marine and insurance sector and we play a role in providing solutions that can contribute to solving these challenges while supporting the world’s energy and marine needs.

“AqualisBraemar ASA supports the Ten Principles of the United Nations Global Compact on human rights, labour, environment and anti-corruption. It is our intent to implement those principles. We are committed to making the UN Global Compact, its principles and relevant SDGs part of our strategy, culture and day-to-day operations.” – David Wells, CEO.

AqualisBraemar works to de-risk operations, assets and investments in the energy and marine sectors. By identifying and mitigating risks to people and the environment, we help support sustainable development of the industry.

The SDGs are becoming increasingly important for investors, as they reflect the world’s most pressing environmental, social and economic issues and,

as such, act as a definitive list of the material ESG perspectives that should be taken into account as part of an investor’s fiduciary duty.

Our reporting will be based on the areas of sustainability dictated by the operations and purpose of the company guided by the SDGs. We will be outlining metrics, data and relevant Code/Standard, for each sustainability area for future annual reporting.

We will develop customised disclosures to provide additional key information on AqualisBraemar’s sustainability performance. We plan that our future reporting will be based on Oslo Børs Guidelines to issuers for ESG reporting. We will also be looking at other relevant reporting guidelines to ensure the materiality and relevance of the reporting to investors.

2. Build on our existing strong governance standards ensuring diversity, inclusion & ethical business centred on human rights & equality

As a listed company on the Oslo Børs, AqualisBraemar has a strong ethics and corporate governance structure.

“AqualisBraemar advocates high standards of honesty, integrity and ethical behaviour in our daily business and we expect all representatives of our company to conduct their daily business in a safe, fair, honest, respectful and ethical manner.” – David Wells, CEO



AqualisBraemar has a robust corporate code of ethics and business conduct guideline that is embedded into our business systems. They set out the basic rules and standards of behaviour expected on matters that are important to our company and to conduct our business in an ethical and compliant manner in accordance with our values.

Also, as a listed company and in line with the Norwegian Code of Practice for Corporate Governance (NCPCG), the Board of Directors of AqualisBraemar has prepared a Corporate Governance policy document. We aspire to follow the NCPCG as closely as possible. Through its Board of Directors and Management, the Company conducts a review and evaluation of its principles for corporate governance on an annual basis.

However, we also recognise that the UNGC goes beyond what we currently have in place and AqualisBraemar will use the UNGC's Ten Principles to expand what we both adhere to and strive to achieve, ensuring our operations and business is centred around diversity, inclusion and ethical business centred on human rights and equality.

3. Explore opportunities to allow the company & our people engage in efforts to promote greater environmental responsibility in line with the 1992 Rio Earth Summit

AqualisBraemar does not operate assets, but we de-risk the operations of those who do while also enabling the construction of renewable energy capacity globally. We aim to minimise our impact on the environment and seek to contribute positively towards the global sustainability of the planet we all share. As a global consultant, we recognise that our activities and those of our markets can impact the environment and place a premium on being compliant with relevant environmental regulations and protecting the environment in our operations.

AqualisBraemar already undertakes various charitable activities across the globe on a team by team basis, but as part of our commitment to help advance the SDGs, we will be exploring either regional causes or the opportunity to unite our business behind a single cause that will demonstrate our strength together and our measurable impact in the world and communities we operate and live, aligning our efforts to the global agenda on sustainable development.

AqualisBraemar recognises the importance of the 1992 Rio Earth Summit as an agreement on the Climate Change Convention which in turn led to the Kyoto Protocol and the Paris Agreement which dealt with

greenhouse-gas-emissions mitigation, adaptation, and finance and was signed in 2016. Our choice of cause(s) will be guided by the direction and objectives of these landmark agreements to substantially reduce the risks and impacts of climate change.

At AqualisBraemar we believe our role in investing in our world and communities goes beyond the donation of money, so an important element of the criteria used to choose a cause and partner will be the ability to provide our staff opportunities to deliver to the objectives of the cause. This will have the added benefit of contributing to the development of our staff and positively contribute to talent recruitment and retention.

4. Work towards a company-wide net zero carbon target to stay ahead of our markets & contribute to a net zero world

Our carbon footprint and how we manage that within our business is vital to realising our own as well as contributing to global carbon reduction targets. In 2016, more than 190 countries signed the Paris Agreement. Aiming to limit the rise in global temperatures to well below 2°C, the agreement will come into effect in 2021 at COP26 in Glasgow. We recognise the role AqualisBraemar plays in helping the global economy reduce its carbon footprint and realise the importance of providing targeted focus to achieving our global goal.

Given the carbon intensity of much of the world in which we operate, our targets will in part be influenced by developments in travel, transport and other technologies. However, we do commit to reducing our carbon footprint and recognise we must first set a reduction target. In order to achieve a group wide approach, we require a carbon strategy and need to create a baseline year in which to set our target reduction against:

- Create a carbon reporting process for the Group
- Provide a single platform for periodic data collection
- Create enough time for the business to adapt, solution to be formed in our business environment and implement the required changes

Our objective to ensure our business is in line or better than the targets being set in our sectors. Our initial ambition is to reach a net zero carbon target between 2035 and 2040.

5. Continue to grow, innovate & develop new services to both accelerate & de-risk the energy transition & create business value

AqualisBraemar is focused, like most businesses, on realising value providing a sustainable return to our investors, shareholders and employees. To deliver on these goals, it is important that we can deliver a sustainable level of profit, and address multiple stakeholder needs to ensure our long-term sustainability.

AqualisBraemar recognises that sustainability is central to our business model, but that it is a value proposition that drives day to day decision making and is vital for the future of our company and the world in which we operate and live.

We are an asset light independent professional service consultancy which allows us to respond quickly to changes in market conditions. Our main focus is on de-risking and driving the energy and industrial transition in energy and the world's oceans.

From de-risking rig operations for world's offshore oil and gas majors to de-risking the growth of offshore wind across the globe, AqualisBraemar works deeply within the energy transition.

We see this transition, one that will drive the reduction of carbon intensity of oil and gas operations, the development of new marine vessels and fuels, to taking offshore wind deeper and further from shore, as an opportunity for our current services, but also in allowing us to innovate new services and offerings to add value and a more sustainable return to our investors, shareholders and employees.

“AqualisBraemar2030 will make us fit for a new era, an era of acknowledgement of the climate crisis that is upon us and the resulting accelerating energy transition. It will leave our company more sustainable, make it more attractive to the talent we need and realise more value for our investors, shareholders and employees” – David Wells, CEO



Corporate Governance



Corporate Governance regulates the relationship between the Group's management, its Board of Directors and the shareholders of the Company. AqualisBraemar believes that good corporate governance is an important component of sustainable business conduct and long-term value creation.

1. IMPLEMENTATION AND REPORTING OF CORPORATE GOVERNANCE

In accordance with the Norwegian Code of Practice for Corporate Governance (NCPCG), the Board of Directors of AqualisBraemar ASA has prepared a Corporate Governance policy document. AqualisBraemar aspires to follow the NCPCG as closely as possible. Through its board and management, the Company conducts a review and evaluation of its principles for corporate governance on an annual basis.

The Company's compliance with the Code is detailed in this report and section numbers refer to the Code's articles. AqualisBraemar's Corporate Governance guidelines are published in full at the Company's website. Adherence to the code is based on the "comply or explain" principle, which means that a company must comply with the recommendations of the code or explain why it has chosen an alternative approach to specific recommendations.

AqualisBraemar is complying with the NCPCG with the exception of the following:

- Reuben Segal, the Chief Operating Officer in AqualisBraemar ASA and also a member of the Board of Directors. The background for this is that Mr. Segal is a significant shareholder in the Company, and also represents the interest of other employees who hold shares in the Company.

2. BUSINESS

AqualisBraemar is a Norwegian public company which offers adjusting, marine, offshore and renewables consultancy services to the energy, shipping and insurance industries.

The Group's strategy is to offer its specialist marine and engineering consultancy services through a growing network of global offices.

The scope of AqualisBraemar's business is defined in its Articles of Association, published on the Company's website. The Company's objectives and strategies are presented in the Directors' report.

3. EQUITY AND DIVIDENDS

Equity

The Company's consolidated equity at 31 December 2019 was USD 47.4 million, representing an equity ratio of 74.5%. The Board aims to maintain an equity ratio that remains satisfactory in light of the Company's goals, strategy and risk profile.

Shares and share capital

At the end of 2019 AqualisBraemar had 70 416 435 ordinary shares outstanding with a par value of NOK 0.10 per share (see note 26 to the Financial Statements). The Company has one share class, and each share carries one vote. At 31 December 2019, the Company had 1450 shareholders, and foreign registered shareholders held 46.6% of the shares of the Company.

Increases in share capital

The Board will only propose increases in the share capital when this is beneficial over the long term for the shareholders of the Company.

AqualisBraemar has approval to purchase its own shares, limited to 10% of the total shares outstanding. If AqualisBraemar disposes or cancels own shares, this amount shall be increased by an amount equal to the face value of the shares disposed of or cancelled. This authorisation is valid until the Annual General Meeting, but shall in any event expire at the latest on 11 September 2020.

Dividend policy

It is the Company's objective to generate returns to the shareholders in the form of dividends and share appreciation, which is at least on the same level as other investment possibilities with comparable risk. This should be achieved, first and foremost, through strong and profitable growth within the Company's business areas. Future dividends will depend on the Group's financial strength, cash flow, investment needs and growth opportunities. The dividend shall over time correspond to approximately 50-70 percent of consolidated profit after tax excluding exceptional items and non-cash items, paid semi-annually.

AqualisBraemar's ambition is to pay a cash dividend that is following its long-term underlying cash flow. When deciding the dividend amount, the Board of Directors will consider the Group's financial strength, cash flow, investment needs, growth opportunities and a level of financial flexibility that is appropriate for the AqualisBraemar's business model. In addition to paying a cash dividend, AqualisBraemar may buy back its own shares as part of its plan to distribute capital to shareholders.

4. EQUAL TREATMENT OF SHAREHOLDERS AND TRANSACTIONS WITH CLOSE ASSOCIATES

The Company has only one class of shares and there are no voting restrictions. Any potential purchase of own shares shall be carried out via a stock exchange at market prices.

Where the Board resolves to carry out an increase in share capital on the basis of an authority given to the Board, and waive the pre-emption rights of existing shareholders, the justification will be publicly disclosed in connection with the increase in share capital.

Transactions with related parties shall be at arm's length and at fair value which, in the absence of any other pertinent factors, shall be at market value. All material transactions with related parties shall be valued by an independent third party, unless assessed and resolved upon by the General Meeting. Transactions with related parties are described in note 20 to the Financial Statements.

5. FREELY NEGOTIABLE SHARES

There are no limitations on trading of shares and voting rights in the Company and each share gives the right to one vote at the Company's General Meeting.

6. GENERAL MEETING

Annual General Meeting

The General Meeting is the Company's supreme body and elects the members of the Board.

The call for the General Meeting

The Company observes the minimum notice period set out in the Norwegian Public Limited Companies Act, i.e. providing 21 days' notice. The call for the General Meeting is issued in writing via mail, or electronically through VPS, to all shareholders with registered addresses. Transmitted with the summons are documents, which have sufficient detail for the shareholders to take a position on all the cases to be considered. However, documents relating to matters which shall be considered at a general meeting need not be sent to the shareholders if the documents have been made available to the shareholders on the Company's website. The summons also addresses the shareholder's right to propose resolutions to the matters to be resolved upon at the General Meeting, and gives information regarding the required steps necessary to exercise the shareholder's rights. The summons and the said documents are made available on the Company's website at least 21 days prior to the relevant General Meeting.

Voting at the General Meeting

Any shareholder is entitled to vote at the General Meeting, and to cast a vote, a shareholder must attend or give a proxy to someone who is attending. The proxy form will be distributed with the summons to the General Meeting. A proxy will only be accepted if submitted by mail, fax, or e-mail (provided the proxy is a scanned document with signature), or registered directly through VPS. It is not possible to vote via the Internet or in any other way. For shareholders who cannot attend the General Meeting, the Board will

nominate the Chairman and/or the CEO to vote on behalf of shareholders as their proxy. To the extent possible, the Company uses a form for the appointment of a proxy, which allows separate voting instructions to be given for each matter to be considered by the meeting and for each of the candidates nominated for election.

The attendance at the General Meeting

The Board and the management of the Company seek to facilitate the largest possible attendance at the General Meeting. The Chairman of the Board and the Company's Auditor will always attend the General Meeting. Other members of the Board and the Election Committee will also attend whenever practical.

Chairman of the meeting and minutes

The Chairman of the Board, or another person nominated by the Board, will declare the General Meeting open. Considering the Company's organisation and shareholder structure the Company considers it unnecessary to appoint an independent chairman for the General Meeting, and this task will for practical purposes normally be performed by the Chairman of the Board.

7. ELECTION COMMITTEE

The Election Committee is elected by the General Meeting. In addition, the Chairman of the Election Committee is also appointed by the General Meeting. The members of the Election Committee should be selected to ensure there is a broad representation of shareholders' interests.

The Election Committee's task is to propose candidates for election to the Board of Directors and to suggest remuneration for the Board. The recommendations shall be justified. The Election Committee currently consists of two members, who shall be shareholders or representatives of the shareholders, and no more than one member of the Election Committee shall be a member of the Board. Further information on the duties of the Election Committee can be found in the Instructions to the Election Committee, which has been approved by the General Meeting and made available on the Company's website.

AqualisBraemar is not aware of the existence of any agreements or business partnerships between the Company and any third parties in which members of its Election Committee have direct or indirect interests. The Election Committee's composition is designed to maintain its independence from the Company's administration.

The Election Committee currently consists of the following members:

Bjørn Stray, Chairman (up for election in 2020)

Lars Løken (up for election in 2020)

Further information on the membership is available on the Company's website.

8. THE BOARD OF DIRECTORS – COMPOSITION AND INDEPENDENCE

The Chairman and the other members of the Board are elected for a period of two years at a time and currently comprises five members. All members of the Board may be re-elected for a period of up to two years at a time.

The Chairman of the Board, Glen Rødland, owns 13.3% of shares in AqualisBraemar, through Gross Management AS which is owned 100% by Mr Rødland. Reuben Segal is both a member of the Company's Board of Directors and a member of the Company's executive management team as Chief Operating Officer.

In electing members to the Board, it is emphasised that the Board has the required competence to independently evaluate the cases presented by the Executive Management as well as the Company's operations. It is considered important that the Board functions well as a body of colleagues.

The female representation among Board members is 40%.

The current composition of the Board, including Board members' shareholding in AqualisBraemar per 31 December 2019 is detailed below.

Name	Position in the Board	Member since (year)	Up for election (year)	Committee membership	Shareholding in AqualisBraemar*
Glen Rødland	Chairman	2014	2020	Audit Remuneration	9,367,996 ¹
Yvonne L. Sandvold	Member	2013	2020	Audit Remuneration	-
Reuben Segal	Member	2014	2020	Audit Remuneration	1,502,923 ²
Ronald Series	Member	2019	2021	Audit Remuneration	-
Synne Syrrist	Member	2013	2021	Audit Remuneration	-

* At 31st of December 2019

1. The shares are held through Gross Management AS, an entity owned 100% by Mr. Rødland
2. The shares are held through AmAn Marine Limited, an entity controlled by Mr. Segal under nominee account LGT Bank AG.

9. THE WORK OF THE BOARD

The Board's work follows an annual plan and it conducts an annual self-evaluation of its performance and expertise, which is made available to the Election Committee. The annual plan is devised after each Annual General Meeting, and includes the number of meetings to be held and specific tasks to be handled at the meetings. Typical tasks that are handled by the Board during the year include an annual strategic review, review and approval of the following year's budget, evaluation of management and competence required, and continuous financial and risk reviews based on budget or prognosis. The Board has held 9 meetings and calls during the period between 1 January 2019 and 31 December 2019.

Audit Committee

In accordance with the Company's Articles of Association, the Company has elected to have the full Board constitute the Audit Committee. The Board is of the opinion that this will be in the best interest of the Company in an initial stage as it will allow the Company to utilise the competence of all the board members in the committee work. Reuben Segal, a member of the executive management team, will disqualify himself from participating in the Audit Committee.

Remuneration Committee

The Remuneration Committee, appointed by the Board, makes proposals to the Board on the employment terms and conditions and total remuneration of the CEO, and other members of the Executive Management, as well as the details of the employee share scheme. These proposals are also relevant for other management entitled to variable salary payments. Currently, the Company's full Board constitutes the Remuneration Committee.

10. RISK MANAGEMENT AND INTERNAL CONTROL

The Board and the Executive Management shall at all times see to it that the Company has adequate systems and internal control routines to handle any risks relevant to the Company and its business, including that the Company's ethical guidelines, corporate values and guidelines for corporate social responsibility are maintained and safeguarded.

The Board carries out an annual detailed review of the Company's most important areas of exposure to risk and its internal control systems. The risk areas, changes in risk levels and how the risk is being managed, are on the agenda at each regular Board meeting.

AqualisBraemar offers adjusting, marine, offshore and renewables consultancy services to the energy, shipping and insurance industries. These services are provided in compliance with relevant international and local laws and regulations governing this industry. The Company has adopted a Corporate Code of Conduct and a QHSE system governing daily business practices.

11. REMUNERATION OF THE BOARD OF DIRECTORS

Remuneration of Board members shall be reasonable and based on the Board's responsibilities, work, time invested and the complexity of the business. The remuneration needs to be sufficient to attract both Norwegian and foreign Board members with the right expertise and competence. The compensation shall be a fixed annual amount and shall be determined by the Annual General Meeting based on a proposal from the Election Committee.

For more information on remuneration of the Board see note 20 to the Financial Statements.

12. REMUNERATION OF THE EXECUTIVE MANAGEMENT

The Board decides the salary and other compensation of the CEO, pursuant to relevant laws and regulations, having references to the main principles for the compensation policy of the Company as well as market norms and performance of the individual.

For more information on remuneration of the CEO and other members of Executive Management, see note 20 to the Financial Statements and the statement regarding the determination of salary and other remuneration for Executive Management in note 21.

13. INFORMATION AND COMMUNICATION

AqualisBraemar is strongly committed to maintaining an open dialogue with its shareholders, potential investors, analysts, investment banks and the financial markets in general. Our goal is for the share price to reflect the underlying value of the Company by providing all price-relevant information to the market on a timely basis.

The Board of Directors and the Executive Management of the Company assign considerable importance to giving the shareholders and the financial market in general timely, relevant and current information about the Company and its activities, while maintaining sound commercial judgement in respect of any information, which, if revealed to competitors, could adversely influence the value of the Company.

The CEO and CFO are responsible for the Company's investor relations activities and all communication with the capital markets, and all information is provided in accordance with the laws and regulations imposed by the Norwegian Securities Trading Act and the Oslo Stock Exchange

Regular information is published in the form of Annual Reports and interim reports and presentations. AqualisBraemar distributes all information relevant to the share price to the Oslo Stock Exchange in accordance with applicable regulations. Such information is distributed without delay and simultaneously to the capital market, the media and on the Company website.

The Company publishes all information concerning the General Meetings, quarterly reports and presentations and other presentations on the Company website, as soon as they are made publicly available.

The Executive Management holds regular meetings with shareholders and other investors, and presents at domestic and international investor conferences.

14. TAKE-OVERS

The Board shall not without specific reasons attempt to hinder or exacerbate any attempt to submit a takeover bid for the Company's activities or shares, hereunder make use of any proxy for the issue of new shares in the Company. In situations of takeover or restructuring, it is the Board's particular responsibility to ascertain that all shareholders' values and interests are protected. If a take-over offer is made, the Board will issue a statement making a recommendation as to whether shareholders should or should not accept the offer. The Board will arrange a valuation from an independent

expert that shall be made public no later than the disclosure of the Board's recommendation.

15. AUDITOR

PricewaterhouseCoopers AS was appointed as the Company's Auditor on 15 May 2018. The Auditor each year presents a plan for the implementation of the audit work, and following the annual statutory audit presents a review of the Company's internal control procedures, including identified weaknesses and proposals for improvement.

The Auditor participates in the Board meeting that approves the annual financial statements, and otherwise when required. The Auditor meets with the Board, without the Company's Executive Management being present, at least once a year.

Remuneration to the Auditor is disclosed in note 6 to the Financial Statements.

The full Corporate Governance Policy is published on AqualisBraemar's website: www.aqualisbraemar.com

Board of Directors' Report

BACKGROUND

Aqualis Offshore Holding ASA was listed on Oslo Stock Exchange on 13 August 2014. The company subsequently changed its name to Aqualis ASA (ticker "AQUA"). Aqualis ASA completed the acquisition of three business lines (collectively "Braemar Technical Services" or "BTS") from Braemar Shipping Services PLC on 21 June 2019 and subsequently changed the name of the Group to AqualisBraemar ASA.

AqualisBraemar ASA and its subsidiaries are together "AqualisBraemar", "AqualisBraemar Group", "Company" or the "Group".

KEY FIGURES AND EVENTS IN 2019

- Revenues of USD 54.8 million in 2019 vs USD 36.2 million in 2018
- Operating loss (EBIT) of USD 0.3 million in 2019 vs gain of USD 2.7 million in 2018
- Adjusted EBIT¹ of USD 1.3 million in 2019 vs USD 2.4 million in 2018
- Profit after taxes of USD 9.0 million in 2019 vs gain of USD 2.4 million in 2018
- Adjusted loss after taxes¹ of USD 0.4 million in 2019 vs adjusted profit after taxes of USD 2.1 million in 2018
- Net cash outflow from operating activities of USD 2.7 million in 2019 vs inflow of USD 0.3 million in 2018
- Fulfilled long term strategic goal to expand into insurance services through transformative acquisition of Braemar Technical Services (BTS), creating AqualisBraemar
- Continued strong growth in renewables – organic revenue growth of 46% year-on-year
- Strong operational performance with billing ratio of 74% in 2019 and solid HSE performance
- Solid financial position with cash balance of USD 10.9 million at 31 December 2019
- 422 full-time equivalent employees² at 31 December 2019

1. Alternative Performance Measures
2. Including subcontractors

STRATEGY AND OBJECTIVES

AqualisBraemar focuses on the provision of high-end consultancy to the global energy, shipping and insurance industries. The services can be categorised in four business streams:

- **Renewables** – Independent engineering and consultancy services to offshore wind industry
- **Offshore** – Engineering and consultancy services to the offshore oil and gas industry
- **Marine** – Worldwide emergency incident response and surveys to marine insurance industry and asset owners
- **Adjusting** – Loss adjusting and dispute resolution to the onshore and offshore energy insurance markets

The Group's strategy is to offer its specialist marine and engineering consultancy services through a network of global offices. The Group has established a presence in most major marine and offshore energy centres. This global presence allows the business to provide local expertise and swift response times to client demands. Although some of the offices have special focus on certain areas of operations, all service offerings are provided to the oil and gas market across all regions and to certain regions for renewables.

2019 was a transformative year for AqualisBraemar with the acquisition of Braemar Technical Services, roughly doubling the size of the Group in terms of employees and revenues. The transaction fulfilled our long term strategic goal to expand into insurance services, and improved our offering to our clients, who now benefit from a broader suite of services and increased geographical footprint. The transaction was also an important step forward to consolidate our industry.

To ensure flexibility to adapt more quickly to market changes, AqualisBraemar uses a significant number of subcontractors, particularly in the Offshore and Renewables business streams. The overall subcontractor share has been reduced following the

integration of Braemar Technical Services, and the Group aims to increase the subcontractor share going forward.

AqualisBraemar will continue to be active in the consolidation and restructuring of our industry. The combination of Aqualis and BTS is a significant step. Our industry is still fragmented and highly competitive. AqualisBraemar is focused on value creation for all our stakeholders; customers, employees and shareholder, and not on increasing the size of the company as such. All M&A and other investments need to be value accretive.

ORGANISATION

The integration of Braemar Technical Services has involved significant organisational changes during 2019. The business is operated primarily through a regional structure, giving shorter reporting lines, improved local presence towards clients, and improved utilisation through flexible use of technical staff across business streams. The business streams have separate global managing directors ensuring consistency of delivery and access to global competency. Offshore Wind Consultants ("OWC") is managed and reported as a separate segment, as projects are more global in nature due to the market being almost exclusive to Europe historically. Our five reporting segments are: Europe, Middle East, Asia Pacific, Americas and OWC.

During 2019, the Group opened offices for OWC in Boston, Edinburgh and Perth to service the growing international offshore wind market. Following the combination with Braemar Technical Services, the Group co-located and consolidated all offices in shared locations, including London, Dubai, Abu Dhabi, Singapore, Shanghai and Houston.

FINANCIAL REVIEW

Financial statements

The consolidated financial statements of AqualisBraemar are prepared in accordance with International Financial Reporting

Standards as adapted by the European Union. A financial review of the Group for 2019 is provided below.

Consolidated profit and loss

Total operating revenues increased by 54% to USD 54.8 million compared to USD 36.2 million in 2018. The increase is mainly attributable to the acquisition of BTS.

Total payroll and other operating expenses increased by 62% to USD 54.4 million compared to USD 33.7 million in 2018. The increase is in line with the increase in revenue.

EBIT amounted to a loss of USD 0.3 million compared to a gain of USD 2.7 million in 2018. Adjusted EBIT was USD 1.3 million in 2019 vs gain of USD 2.4 million in 2018.

The purchase price allocation from the acquisition of BTS resulted in a gain from bargain purchase of USD 11.0 million which is included in the statement of profit and loss in 2019.

Revenue in all segments increased substantially in 2019, due to the consolidation of BTS. Historical pro-forma combined segment figures have not been prepared for 2018.

Profit after taxes USD 9.0 million in 2019 compared to a loss of USD 2.4 million in 2018. Adjusted loss after taxes was USD 0.4 million in 2019 vs gain of USD 2.1 million in 2018.

Consolidated cash flow, liquidity and financial position

Net cash outflow from operating activities was USD 2.7 million in 2019. Net cash flow in investing activities was USD 2.9 million in 2019. Net cash inflow from financing activities was USD 5.3 million in 2019. A rights issue and private placement with combined net proceed of USD 5.8 was completed in July 2019. At 31 December 2019, cash balance amounted to USD 10.9 million compared with USD 5.5 million at 31 December 2018

At 31 December 2019, total assets amounted to USD 63.6 million compared with USD 30.6 million as of 31 December 2018. The shareholders' equity was USD 47.4 million at 31 December 2019, corresponding to an equity ratio of 75%. The shareholders' equity was USD 25.6 million at 31 December 2018, corresponding to an equity ratio of 83%. AqualisBraemar had no interest-bearing debt as of 31 December 2019.

GOING CONCERN

Based on AqualisBraemar's cash position at 31 December 2019, and the estimated net cash flow for 2019, AqualisBraemar has the necessary funds to meet its obligations for the next 12 months. The ongoing COVID-19 pandemic increase the market risk as disclosed in section "Markets and outlook" below. The Board of Directors assess the Company's financial position and liquidity to be adequate, and that the pandemic does not lead to significant uncertainty on the entity's ability to continue as a going concern

In accordance with the Norwegian accounting act § 3-3a, the Board of Directors confirm that the Financial Statements have been prepared under the assumption of going concern and that this assumption is valid.

AQUALISBRAEMAR ASA

AqualisBraemar ASA prepares its financial statements in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway. AqualisBraemar ASA is an ultimate holding company for the Group's operations.

AqualisBraemar ASA reported loss after taxes in 2019 of NOK 0.8 million compared with profit after taxes of NOK 7.8 million in 2018. Total assets as of 31 December 2019 were NOK 372.1 million compared with NOK 250.9 million in 2018. The company's cash balance at 31 December 2019 was NOK 24.2 million vs NOK 15.5 million at 31 December 2018. Net cash flow from operating activities was NOK 2.6 million in 2019. Net cash outflow used in investing activities was NOK 42.8 million in 2019 and primarily related to loan given to group companies and investment in subsidiary. Net cash inflow from financing activities was NOK 48.9 million and mainly related to proceeds from share issues.

AqualisBraemar ASA is exposed to credit risk related to loans to subsidiaries. The loans to subsidiaries do not have a specific due date.

The total shareholder's equity at 31 December 2019 was NOK 340.4 million with a corresponding equity ratio of 91.5%.

The Board proposes that the loss after tax of NOK 780 thousand, and the distribution of a dividend for 2019 equal to NOK 0.20 per share, amounting to NOK 14.083 thousand, are covered by transfer from other paid-up capital.

AqualisBraemar ASA had its headquarter in Oslo, Norway with two permanent employees at the end of 2019.

RISK FACTORS

Risk exposure and Risk management

AqualisBraemar's regular business activities routinely encounter and address various types of risks some of which may cause our future results to be different than we presently anticipate. A disciplined approach to risk is important and the Group proactively manages such risks.

AqualisBraemar's Board is committed to effective risk management in pursuit of the Group's strategic objectives with the aim of growing shareholder value. Further, the Board realises that proactive risk management is both an essential element of good corporate governance and an enabler in realising opportunities.

The Executive Management is responsible for the governance of risk with support from members of the management team. They review and monitor the effectiveness of the risk management processes within the Group in accordance with corporate risk governance requirements.

Risk registers are tabled at Company and Board meetings under the categories of economic, financial, political, operational, strategic, legal and human resources risks. Action plans are monitored and discussed to reduce the risks to acceptable levels.

Operational risk

Operational Risk typically involves the risk of loss resulting from inadequate internal processes, people and systems or from external events, including political and legal risks. The Executive Management regularly analyses its operations and potential risk factors with a focus on the most significant risks facing the Group and takes appropriate measures to reduce risk exposure.

AqualisBraemar places a strong emphasis on Quality, Health & Safety Assurance and has management systems implemented, in line with the requirements for its business operations.

Credit and interest rate risk

With no interest-bearing debt at 31 December 2019, the Group is not exposed to any interest rate risk. Credit risk is primarily related to trade receivables and contract assets. The credit risk include geographic, industry and customer concentration and risks related to collection. AqualisBraemar is tightly managing its receivables as the energy, marine and insurance sectors are facing challenging market conditions. Market and customer specific developments affect credit risk.

Liquidity risk

The Group's policy is to maintain satisfactory liquidity at the corporate level. The Group has a solid cash position and no interest-bearing debt at year-end. The Group's cash and cash equivalents of USD 10.9 million at 31 December 2019. Based on the year-end cash balance, available liquidity resources and the current structure and terms of the Group's liabilities, it is the Board's opinion that the Group has adequate funding and liquidity to support its operations and investment program.

Foreign currency risk

AqualisBraemar operates internationally and is exposed to currency risk primarily to fluctuations in USD, NOK, SGD, GBP and AED, arising from commercial transactions and assets and liabilities in currencies other than the entity's functional currency, AqualisBraemar's net investments in foreign subsidiaries and its foreign currency denominated cash deposits. During the year 2019, the Group had a net foreign exchange loss of USD 0.2 million.

Further details on financial risk can be found in note 22 to the consolidated financial statements.

CORPORATE GOVERNANCE

The statement of corporate governance is included as a separate document in the annual report. Corporate governance is important to ensure that our business is operated in a way that protects the long-term interest of all stakeholders. The Board of Directors has approved and implemented corporate governance principles endorsing and complying with the Norwegian Accounting Act (§ 3-3b) and the Norwegian Code of Practice for Corporate Governance (Code of Practice) issued by the Norwegian Corporate Governance Board. AqualisBraemar's compliance with the Code of Practice is described in detail in the report on Corporate Governance which is included in the Annual Report on page 27.

SOCIAL AND ENVIRONMENTAL RESPONSIBILITY

Under sections 3-3a and 3-3c of the Norwegian Accounting Act, AqualisBraemar is required to report on its corporate responsibility. AqualisBraemar recognise that Health, Safety and Environmental (HSE) matters are an integral part of its business performance and exemplary performance in the areas of HSE is essential to fulfil our vision and meet the expectations of our stakeholders.

AqualisBraemar is committed to prevention of all types of accidents, protecting people, the environment and customer property and conducting its business legitimately, ethically and in a socially responsible manner. The people employed in the Group are its most important resource for success, and the Group strives to create a healthy and safe working environment for all employees and contractors.

The Group continues to improve upon the practices, policies, procedures and discover areas of improvement. Processes are in place to ensure compliance with HSE regulatory requirements, identify hazards and manage risks, report and investigate incidents, communicate lessons learned and to impart necessary training and awareness.

The Group's management systems are certified to ISO9001 and BS OHSAS 18001 standards. During Q4 2019, AqualisBraemar had 1 lost time incident (LTI) during a vessel inspection in Vietnam. A full review of the incident has been conducted and key lessons have been distributed to all staff.

Absence due to sick leave (none of which was due to occupational illness) was 0.8% in 2019 vs 0.7% the previous year.

Given the nature of AqualisBraemar's business, its activities have a limited direct detrimental effect on the environment. The Group does not have any production or storage facilities. It is the Board's view that the AqualisBraemar business does not materially contaminate the external environment. Aiming to contribute to environmental protection AqualisBraemar works with clients to improve environmental performance in the regions and countries it operates in as per applicable environmental regulations.

Our employees

At 31 December 2019, AqualisBraemar had a total workforce of 422 employees including contractors on a 100% utilisation equivalent basis. This is an increase of 135% compared to 2018 and mainly due to the acquisition of BTS. At 31 December 2019, AqualisBraemar's own staff consisted of 35 nationalities.

Emphasising on diversity and inclusion (as outlined in HR and operational policies), the Group recognises the great benefits in having a workforce with a diverse range of backgrounds, solely employed on skillset and ability. This helps AqualisBraemar to create an inclusive corporate culture where its people feel valued, respected and fairly treated, therefore enhancing its reputation as an employer of choice.

AqualisBraemar has a clear policy stating that the Group is committed to providing equal opportunities to all employees in all aspects of employment without discrimination and irrespective of gender, race, marital status, terms and conditions of service, age, disability, pregnancy, gender reassignment, sexual orientation, faith or religion.

A large majority of AqualisBraemar's workforce is either offshore staff, mariners or on-site staff – who have been recruited from professional communities that historically have had a significantly higher proportion of men than women. This is still the case in both the oil and gas and renewables industries. The gender split of AqualisBraemar's global permanent workforce (excluding contractors) by the end of 2019 is 31% women and 69% men. 40% of the directors on the Board of Directors are women.

Conscious of preventing discrimination the Group abides by the ethics of equal pay for equal work applied in wage determination, while only relevant qualifications, education, results and other professional criteria form the grounds in connection with recruiting, selection, training, compensation and promotion.

Working time arrangements are influenced by position and not by gender. AqualisBraemar continues to monitor the Equal Opportunity policy's effectiveness in order to demonstrate its commitment to promoting equality and diversity. Awareness of equal opportunities in AqualisBraemar is also raised regularly, making sure that employees are recruited in such a way that avoids discrimination.

Business conduct

The Group is committed to conducting its business in a manner that adheres to the highest industry standards and strictly in accordance with applicable laws and regulations in the regions and countries where AqualisBraemar operates.

AqualisBraemar is committed to a work environment where all employees feel safe and are valued for the diversity they bring to the business. The Group follows domestic and internationally accepted labour standards where it operates. It respects and supports Human Rights and will not be complicit or engage in activities that solicit or encourage human rights abuse. AqualisBraemar is committed to making a positive impact in the communities and environments where it operates. Its locations support programmes and initiatives specific to their locations.

The Group advocates high standards of honesty, integrity and ethical behaviour in its daily business and expects all representatives of AqualisBraemar to conduct their daily business in a safe, fair, honest, respectful and ethical manner.

A formal Code of Conduct has been established. The Code of Conduct sets the Group's commitments, and all employees are required to uphold and comply with the code. The Code of Conduct prohibits giving anything of value, directly or indirectly to officials of foreign governments or political candidates or to any other person, in order to obtain or retain business. It is strictly prohibited to make illegal payment to government officials, or any other person of any country.

AqualisBraemar has a corporate compliance officer, employees are provided training on compliance and are instructed to report suspected violations of the Group's code.

MARKETS AND OUTLOOK

Outlook is subject to changes in market conditions and operational performance.

AqualisBraemar's financial performance will be driven by an enhanced service offering across our regions and main business streams – renewables, offshore, marine and adjusting. The acquisition of BTS gives stronger access to the shipping and insurance markets and an enhanced global footprint. Short term focus will be on bringing the two companies together, driving synergies, expanding opportunities and taking advantage of increased cost efficiencies.

While development in early 2020 was positive across our markets, the outbreak of COVID-19 has caused unprecedented uncertainty regarding the outlook for 2020. The COVID-19 situation has led to both positives and negatives for AqualisBraemar. Positively, through our extensive global footprint of staff and subcontractors currently covering almost 160 locations, we have supported new clients at locations our competitors have been unable to access. Negatively, the increasing global travel restrictions present challenges to us and our clients, increasing complexity in project execution. The COVID-19 situation has not had a significant group-wide impact on AqualisBraemar's activity level in Q1 2020. However, at this stage it is hard to quantify the lasting impact of COVID-19 for AqualisBraemar. We continue to monitor the situation closely and remain agile in response to any business disruptions that may arise. Continued travel restrictions and a slowing

world economy will inevitably affect short term business development and operations in various ways, but we believe AqualisBraemar will have a strong underlying momentum when returning to a normalised business environment, providing a solid platform for long-term growth.

The market for offshore wind consultancy has grown rapidly in recent years, and we expect the long-term growth trend to continue through the 2020s. Based on industry analyst estimates of the current project pipeline, annual volume of projects commencing work offshore in 2025 is expected to be more than four times larger than 2019³. Increased demands on capital managers to increase their share of sustainable investments will bring more capital to the sector, which may result in a growth path even in advance of this.

Being a purely European market until recently, offshore wind is now growing rapidly in Asia and the Americas. This globalisation brings new developers to the market, with limited experience in offshore wind development, which is expected to lead to increased demand for consultancy and engineering services. Our renewables business stream, marketed as OWC, is well positioned to take advantage of the growing market, and is actively expanding to capture growth opportunities in emerging offshore wind markets. Continued high growth is expected, albeit at a lower rate than in 2019 due to high utilisation of current staff.

The activity level in the oil & gas industry has improved from the trough, and we have seen increased demand through 2019 and in early 2020. Investments and activity were expected to improve through 2020, however the sharp drop in oil price following the OPEC price war compounded by the demand shock of COVID-19 will negatively impact activity. Until the oil market returns to balance, activity is expected to remain muted.

Activity levels in the marine casualty and energy adjusting markets have been stable through 2019 and are expected to be remain so in the medium term. Short term development remains largely event driven and difficult to forecast. While a global cyclical downturn following COVID-19 will lead to a reduction in global trade and shipping volumes, the frequency of incidents is not expected to drop significantly. As such the cyclical in our marine and adjusting business streams is considered relatively low.

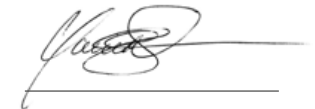
AqualisBraemar's current strategy remains unchanged being focused on widening and strengthening its global client portfolio and enhancing client

loyalty to take increased market share. The company aims to increase the subcontractor share to have flexibility to adapt more quickly to market changes. The Group currently carries a large working capital balance and improving capital efficiency remains a key focus area. We aim to improve profitability through phase in of synergies and scale advantages as we reach critical mass in more markets.

Oslo, 27 April 2020



Glen Rødland
Chairman of the Board



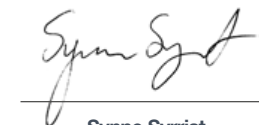
Yvonne L. Sandvold
Board member



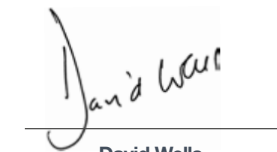
Reuben Segal
Board member



Ronald Series
Board member



Synne Syrrist
Board member



David Wells
CEO

3. Source: 4C Offshore, global projects by year of offshore commencement, excluding China.

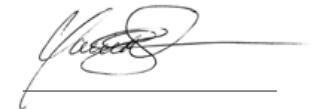
Responsibility Statement

We confirm that, to the best of our knowledge, the 2019 consolidated financial statements have been prepared in accordance with IFRS as adopted by EU, gives a true and fair view of the Company's assets, liabilities, financial position and results of operations, and that the management report includes a fair review of the information required under the Norwegian Securities Trading Act section 5-5.

Oslo, 27 April 2020



Glen Rødland
Chairman of the Board



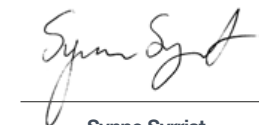
Yvonne L. Sandvold
Board member



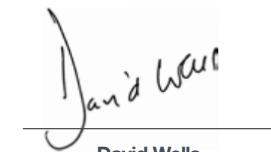
Reuben Segal
Board member



Ronald Series
Board member



Synne Syrrist
Board member



David Wells
CEO

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Consolidated statement of income

Amounts in USD thousands	Notes	2019	2018
Revenue	4	54,792	36,185
Total revenue		54,792	36,185
Staff costs	5	(28,536)	(15,682)
Other operating expenses	6	(25,900)	(17,981)
Depreciation, amortisation and impairment	11,12	(690)	(129)
Share of net profit (loss) from associates		-	291
Operating profit (loss) (EBIT)		(332)	2,684
Gain on bargain purchase	7	11,026	-
Finance income	8	79	167
Finance expenses	8	(625)	-
Net foreign exchange gain (loss)		(248)	27
Profit (loss) before income tax		9,900	2,878
Income tax expenses	9	(863)	(456)
Profit (loss) after tax		9,037	2,422

Consolidated statement of other comprehensive income

Amounts in USD thousands	Notes	2019	2018
Profit (loss) after tax		9,037	2,422
Other comprehensive income			
Items that may be reclassified to profit or loss			
Currency translation differences		137	(511)
Income tax effect	9	(46)	(138)
Other comprehensive income for the period, net of tax		91	(648)
Total comprehensive income for the period		9,128	1,773
Total comprehensive income for the period is attributable to:			
Equity holders of the parent company		9,128	1,773
Non-controlling interests		-	-
		9,128	1,773
Earnings per share (USD): basic and diluted	10	0.16	0.06

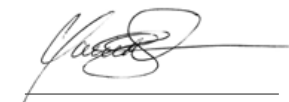
Consolidated balance sheet

Amounts in USD thousands	Notes	31 December 2019	31 December 2018
ASSETS			
Non-current assets			
Property, plant and equipment	11	559	141
Right-of-use assets	12	2,376	-
Intangible assets	13	12,974	12,864
Deferred tax assets	9	447	7
Total non-current assets		16,356	13,012
Current assets			
Trade and other receivables	14	24,252	9,870
Contract assets	4	12,019	2,297
Cash and cash equivalents	15	10,930	5,454
Total current assets		47,201	17,621
Total assets		63,557	30,633
EQUITY AND LIABILITIES			
Equity			
Share capital	16	1,018	690
Treasury shares	16	(41)	-
Share premium	16	55,051	42,670
Share-based compensation reserve	16	580	567
Retained earnings		3,900	(5,137)
Foreign currency translation reserve		(13,144)	(13,235)
Total equity		47,364	25,555
Non-current liabilities			
Deferred tax liabilities	9	409	314
Lease liabilities	12	1,214	-
Provisions	17	2,809	713
Total non-current liabilities		4,432	1,027
Current liabilities			
Trade and other payables	18	9,487	3,454
Contract liabilities	4	719	438
Lease liabilities	12	1,184	-
Income tax payable	9	371	159
Total current liabilities		11,761	4,051
Total liabilities		16,193	5,078
Total equity and liabilities		63,557	30,633

Oslo, 27 April 2020



Glen Rødland
Chairman of the Board



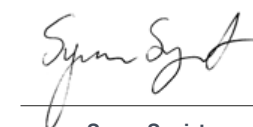
Yvonne L. Sandvold
Board member



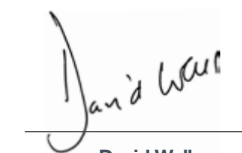
Reuben Segal
Board member



Ronald Series
Board member



Synne Syrrist
Board member



David Wells
CEO

Consolidated statement of changes in equity

Amounts in USD thousands	Notes	Share capital	Treasury shares	Share premium	Share-based compensation reserve	Retained earnings	Foreign currency translation reserve	Total equity
At 1 January 2018		690	-	47,344	563	(7,559)	(12,587)	28,451
Other comprehensive income		-	-	-	-	2,422	(648)	1,773
Dividends paid	16	-	-	(4,674)	-	-	-	(4,674)
Share-based payment	16	-	-	-	4	-	-	4
At 31 December 2018		690	-	42,670	567	(5,137)	(13,235)	25,555
At 1 January 2019		690	-	42,670	567	(5,137)	(13,235)	25,555
Other comprehensive income		-	-	-	-	9,037	91	9,128
Cash-settled capital increase (net of transaction costs)	16	153	-	5,659	-	-	-	5,812
Issue of shares on acquisition	16	175	-	6,722	-	-	-	6,897
Acquisition of treasury shares	16	-	(41)	-	-	-	-	(41)
Share-based payment	16	-	-	-	13	-	-	13
At 31 December 2019		1,018	(41)	55,051	580	3,900	(13,144)	47,364

Consolidated statement of cash flows

Amounts in USD thousands	Notes	2019	2019
Cash flow from operating activities			
Profit (loss) before taxes		9,900	2,878
Non-cash adjustment to reconcile profit before tax to cash flow:			
Non-cash employee benefits expense - share-based payments	16	13	4
Depreciation, amortisation and impairment	11,12	690	129
Gain on bargain purchase	7	(11,026)	-
Provision for deferred consideration	7	575	-
Share of net profit (loss) from associates		-	(291)
Changes in working capital:			
Changes in trade and other receivables		1,119	(1,248)
Changes in trade and other payables		(2,531)	(634)
Interest received		(46)	(47)
Income taxes paid		(847)	(294)
Net exchange differences		(512)	(185)
Cash flow from (used in) operating activities		(2,665)	312
Cash flow from investing activities			
Payments for property, plant and equipment		(182)	(124)
Interest received		46	47
Net cash acquired on acquisition of subsidiary	7	3,000	-
Proceeds from sale of investment in associates		-	291
Cash flow from (used in) investing activities		2,864	214
Cash flow from financing activities			
Proceeds from issuance of shares on acquisition	16	5,812	-
Principal elements of lease payments		(501)	-
Payments for shares bought back	16	(41)	-
Dividends paid to company's shareholders		-	(4,674)
Cash flow from (used in) financing activities		5,270	(4,674)
Net change in cash and cash equivalents		5,469	(4,148)
Cash and cash equivalents at the beginning of the year		5,454	9,709
Effect of movements in exchange rates		7	(107)
Cash and cash equivalents at the end of the year		10,930	5,454

Notes to the consolidated financial statements

Note 1. Corporate information

AqualisBraemar ASA ("the Company") is a limited liability company incorporated on 13 June 2014 and domiciled in Norway with its registered office at Olav Vs gate 6, 0161 Oslo, Norway. The Company is listed on Oslo Stock Exchange.

The principal activity of the Company and its subsidiaries (collectively the "AqualisBraemar Group" or the "Group") is to offer adjusting, marine, offshore and renewables consultancy services to the energy, shipping and insurance industries globally. The Group employs specialist engineers, naval architects, master mariners, loss adjusters and technical consultants in 48 offices located across 5 continents in 33 countries.

For all periods up to and including the year ended 31 December 2019, the consolidated financial statements of the Group are a continuation of the Group values transferred from Weifa ASA in the spin-off of the marine and offshore business wherein all the shares in subsidiaries were transferred to Aqualis ASA on 24 July 2014. The ownership of the subsidiaries and the related excess values from the acquisitions are consequently continued in the consolidated financial statements of the Group.

Note 2. Summary of significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these consolidated financial statements to the extent they have not already been disclosed in the other notes above. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the Group consisting of AqualisBraemar ASA and its subsidiaries.

2.1 BASIS OF PREPARATION

(i) Compliance with IFRS

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) as approved by the European Union, interpretations issued by the IFRS Interpretations Committee (IFRS IC) applicable to companies reporting under IFRS and the additional requirements of the Norwegian Accounting Act as of 31 December 2019. The financial statements comply with IFRS as issued by the International Accounting Standards Board (IASB).

These consolidated financial statements are presented in US Dollars (USD). All amounts disclosed in the financial statements and notes have been rounded off to the nearest thousand currency units unless otherwise stated.

(ii) Historical cost convention

The consolidated financial statements have been prepared on a historical cost basis except as disclosed in the accounting policies below.

(iii) New and amended standards adopted by the Group

The following standards and amendments have been adopted by the Group for the first time for the financial year beginning on 1 January 2019:

IFRS 16 Leases was adopted from 1 January 2019 without restated comparatives for the 2018 reporting period as permitted under the specific transition provisions in the standard. The reclassifications and the adjustments arising from the new leasing rules are therefore recognised in the opening balance sheet on 1 January 2019. The new accounting policies are disclosed in note 2.9 and the implementation effects are disclosed in note 12.

The Annual Improvements to IFRS Standards 2015-2017 Cycle with effective date 1 January 2019, of which relevant for the Group in periods presented:

IFRS 3 Business Combinations – clarified that obtaining control of a business that is a joint operation is a business combination achieved in stages.

IFRS 11 Joint Arrangements – clarified that the party obtaining joint control of a business that is a joint operation should not remeasure its previously held interest in the joint operation.

IFRS 12 Disclosure of Interests in Other Entities – clarified that the income tax consequences of dividends on financial instruments classified as equity should be recognised according to where the past transactions or events that generated distributable profits were recognised.

IAS 23 Borrowing Costs – clarified that, if a specific borrowing remains outstanding after the related qualifying asset is ready for its intended use or sale, it becomes part of general borrowings.

Interpretation 23 Uncertainty over Income Tax Treatments - explains how to recognise, and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment.

Other standards and interpretations not yet adopted

The following standards and interpretations have been issued but are not mandatory for annual reporting periods ending on 31 December 2019. Standards and interpretations not affecting the Group have not been disclosed.

Definition of a Business – Amendments to IFRS 3

The amended definition of a business requires an acquisition to include an input and a substantive process that together significantly contribute to the ability to create outputs. The definition of the term 'outputs' is amended to focus on goods and services provided to customers, generating investment income and other income, and it excludes returns in the form of lower costs and other economic benefits. The amendments will likely result in more acquisitions being accounted for as asset acquisitions.

Definition of Material – Amendments to IAS 1 and IAS 8

The IASB has made amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors which use a consistent definition of materiality throughout International Financial Reporting Standards and the Conceptual Framework for Financial Reporting, clarify when information is material and incorporate some of the guidance in IAS 1 about immaterial information. In particular, the amendments clarify:

- that the reference to obscuring information addresses situations in which the effect is similar to omitting or misstating that information, and that an entity assesses materiality in the context of the financial statements as a whole, and
- the meaning of 'primary users of general-purpose financial statements' to whom those financial statements are directed, by defining them as 'existing and potential investors, lenders and other creditors' that must rely on general purpose financial statements for much of the financial information they need.

(iv) New standards and interpretations not yet adopted by the Group

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2019 reporting periods and have not been early adopted by the Group. These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

2.2 PRINCIPLES OF CONSOLIDATION

(i) Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity where the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss, statement of comprehensive income, statement of changes in equity and balance sheet respectively.

(ii) Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners of AqualisBraemar ASA.

When the Group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value, with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of

subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

2.3 SEGMENT REPORTING

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The Group's operating segments are established on the basis of those components that are evaluated regularly by the Board of Directors, considered to be the Group's Chief Operating Decision Maker. The Chief Operating Decision Maker monitors the operating results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on revenues, gross profit and a broad range of key performance indicators in addition to segment profitability.

2.4 FOREIGN CURRENCY TRANSLATION

(i) Functional and presentation currency

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

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates, are generally recognised in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

Foreign exchange gains and losses are presented in the consolidated statement of income on a net basis.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss, and translation differences on non-monetary assets such as equities classified as at fair value through other comprehensive income are recognised in other comprehensive income.

(iii) Group companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet
- income and expenses for each statement of profit or loss and statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
- all resulting exchange differences are recognised in other comprehensive income

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings are recognised in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate at the reporting date.

2.5 BUSINESS COMBINATIONS

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred
- liabilities incurred to the former owners of the acquired business
- equity interests issued by the Group
- fair value of any asset or liability resulting from a contingent consideration arrangement, and
- fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the:

- consideration transferred,
- amount of any non-controlling interest in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity

over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability is subsequently remeasured to fair value, with changes in fair value recognised in profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquire is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised as of that date.

The measurement period ends as soon as the Group receives the necessary information about the facts and circumstances that existed as of the acquisition date or learns that the information is not obtainable. However, the measurement period cannot exceed one year from the acquisition date.

2.6 REVENUE RECOGNITION**(i) Rendering of services**

The Group offers adjusting, marine, offshore and renewables consultancy services to the energy, shipping and insurance industries under variable and fixed-price contracts. Revenue from providing services is recognised in the accounting period in which the services are rendered.

Revenue from such services are recognised as a performance obligation satisfied over time when services are performed and delivered and measured based on the consideration specified in a contract with customers. Payment for services is not due from the customers until the services are complete and therefore contract asset is recognised over the period in which the services are performed representing the Group's right to consideration for the services performed to date. If the payments exceed the services rendered, a contract liability is recognised.

Revenue from contracts priced on a variable basis is recognised at the contractual rates as labour hours and direct expenses are incurred.

For fixed-price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided, because the customer receives and uses the benefits simultaneously. This is determined based on the actual labour hours spent relative to the total estimated labour hours.

Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known by management.

Contract assets and contract liabilities are included within "other current assets" and "other current liabilities" respectively in the consolidated statement of financial position.

(ii) Interest income

Interest income is recognised using the effective interest rate method.

2.7 INCOME TAX

The income tax expense or credit for the period is the tax payable on the current period's taxable income, based on the applicable income tax rate for each jurisdiction, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company and its subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

2.8 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the asset.

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

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

Fixtures and office equipment:	2- 5 years
Vehicles:	5 years

The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

An item of property, plant and equipment is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated income statement when the asset is derecognised.

2.9 LEASES

As explained in note 2.1(iii) above, the Group has changed its accounting policy for leases where the Group is the lessee.

The Group leases various offices, equipment and vehicles. Rental contracts are typically made for fixed periods of 6 months to 5 years, but may have extension options.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the Group is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Until the 2018 financial year, leases of property, plant and equipment were classified as either finance leases or operating leases. From 1 January 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date, and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Group, which does not have recent third party financing, and
- makes adjustments specific to the lease, e.g. term, country, currency and security.

The Group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received, and
- any initial direct costs

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture.

2.10 INTANGIBLE ASSETS

(i) Goodwill

Goodwill is measured as described in note 2.5. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes (note 13).

2.11 IMPAIRMENT OF ASSETS

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

2.12 FINANCIAL ASSETS

The Group classifies its financial assets at amortised cost or fair value on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets.

2.13 TRADE RECEIVABLES

Trade receivables are amounts receivable from customers for billing in the ordinary course of business. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment losses. The Group measures the loss allowance for trade receivables based on the expected credit loss model using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors and general economic conditions of the industry in which the debtors operate. The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings.

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the consolidated income statement within other operating expenses. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against other operating expenses in the consolidated income statement.

2.14 CASH AND CASH EQUIVALENTS

For the purpose of consolidated statement of cash flows, cash and cash equivalents comprise cash at banks and on hand and short-term deposits with original maturity of three months or less, which are subject to an insignificant risk of changes in value.

2.15 BALANCE SHEET CLASSIFICATION

The Group presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

2.16 TRADE AND OTHER PAYABLES

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

2.17 PROVISIONS

Provisions for legal claims, service warranties and make good obligations are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

2.18 EMPLOYEE BENEFITS

(i) Pension obligations

The Group currently has defined contribution plans only. For defined contribution plans, the Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

(ii) Other employees' benefit obligations

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. These liabilities are presented as a current liability and included in trade and other payables.

In some countries, the Group also has liabilities for end of service benefits that are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. These obligations are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period, using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period of high-quality corporate bonds with terms and currencies that match, as closely as possible, the estimated future cash outflows. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss. The provision relating to end of service benefits is disclosed as a non-current liability.

(iii) Bonus plans

The Group recognises a liability and an expense for bonuses based on a formula that takes into consideration the profit attributable to the company's shareholders after certain adjustments. The Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

(iv) Share-based payments

Share-based compensation benefits are provided to employees via the employee option plan. Information relating to these schemes is set out in note 16.

(v) Employee options

The fair value of options granted under the employee option plan is recognised as an employee benefits expense, with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions (e.g. the entity's share price)
- excluding the impact of any service and non-market performance vesting conditions (e.g. profitability, sales growth targets and remaining an employee of the entity over a specified time period), and
- including the impact of any non-vesting conditions (e.g. the requirement for employees to save or hold shares for a specific period of time).

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

2.19 EQUITY

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

Where any group company purchases the company's equity instruments (treasury shares), for example as the result of a share buy-back or a share-based payment plan, the consideration paid, including any directly attributable incremental costs (net of income taxes), is deducted from equity attributable to the owners of the Company as treasury shares until the shares are cancelled or reissued. Where such ordinary shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the owners of the Company.

2.20 DIVIDENDS

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

2.21 EARNINGS PER SHARE**(i) Basic earnings per share**

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the company, excluding any costs of servicing equity other than ordinary shares
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares

2.22 EVENTS AFTER THE BALANCE SHEET DATE

New information on the Group's positions at the balance sheet date is taken into account in the annual financial statements. Events after the balance sheet date that do not affect the Group's position at the balance sheet date, but which will affect the Group's position in the future, are stated if significant.

2.23 PRIOR-YEAR INFORMATION

The presentation of certain prior year information has been reclassified to conform to the current year presentation.

Note 3. Significant accounting estimates and judgements

In applying the Group's accounting policies, which are described in note 2, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

3.1 CRITICAL JUDGEMENTS IN APPLYING THE GROUP'S ACCOUNTING POLICIES

The following are the critical judgements, apart from those involving estimations (which are presented below separately), that management have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

(i) Control over subsidiaries

Note 25 describes that certain subsidiaries in UAE, Qatar and Malaysia are subsidiary of the Group even though the Group has only 49% ownership interest. The remaining ownership interests are held by local sponsors in accordance with statutory regulations of those countries.

The directors of the Company assessed whether or not the Group has control over those subsidiaries based on whether the Group has the practical ability to direct the relevant activities of subsidiaries unilaterally. In making their judgement, the directors considered the Group's absolute size of holding in those subsidiaries and the relative size of and dispersion of the shareholdings owned by the other shareholders.

Through trust agreements with the respective local sponsors, the Group controls 100% of the financial and ownership rights of those entities. The Group has ownership over all the assets of both entities, with all dividends, proceeds of sale etc. belonging solely to the Group.

After assessment, the directors concluded that the Group has full power of the investee, is fully exposed to variable returns from its involvement with the investee, and has the ability to use its power over the investee to affect the amount of the investor's returns, those entities have been fully consolidated in the consolidated financial statements of the Group, and the 51% owned by the local sponsors have not been treated as a non-controlling interest.

3.2 KEY SOURCES OF ESTIMATION UNCERTAINTY

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

(ii) Income taxes

The Group is subject to income tax in several jurisdictions and significant judgement is required in determining the provision for income taxes. During the ordinary course of business, there are transactions and calculations for which the ultimate tax determination is uncertain. As a result, the Group recognises tax liabilities based on estimates of whether additional taxes and interest will be due. The company believes that its accruals for tax liabilities are adequate for all open audit years based on its assessment of many factors including past experience and interpretations of tax law. This assessment relies on estimates and assumptions and may involve a series of complex judgements about future events. To the extent that the final tax outcome of these matters is different than the amounts recorded, such differences will impact income tax expense in the period in which such determination is made.

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

(iii) Impairment of non-financial assets

An impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing the asset. The value in use for calculation is based on a discounted cash flow model. The cash flows are derived from the forecast for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the cash-generating unit being tested.

The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash inflows and the growth rate used for extrapolation purposes.

Further details of the key assumptions applied in the impairment assessment of goodwill are given in Note 13 to the consolidated financial statements.

(iv) Employee compensation plans

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires

determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 16 to the consolidated financial statements.

(v) Impairment of financial assets

The Group assesses at each reporting date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment.

Evidence of impairment may include indications that the debtor or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments; the probability that they will enter bankruptcy or other financial reorganisation, and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or general changes in the economic conditions that correlate with defaults.

The Group measures the loss allowance on amounts due from customer at an amount equal to lifetime expected credit losses (ECL). When measuring ECL, the Group uses reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other. Further details of the key assumptions applied in the impairment assessment are given in Note 22 to the consolidated financial statements.

Note 4. Revenue from contracts with customers

The Group derives revenue from contracts with customers for the consultancy services over time provided to the energy, shipping and insurance industries and includes reimbursement of expenses and related services. This is consistent with the revenue information that is disclosed for each reportable segment under IFRS 8 (note 24). It excludes dividends, interest income and intra-group transactions.

Amounts in USD thousands	2019	2018
Consultancy services	53,095	34,333
Reimbursement of expenses	1,697	1,694
Other	180	158
Total	54,972	36,185

Assets and liabilities related to contracts with customers

The Group has recognised the following assets and liabilities related to contracts with customers.

Amounts in USD thousands	31 December 2019	31 December 2018
Contract assets		
Contract assets related to contracts with customers	12,189	2,297
Loss allowance	(171)	-
Total	12,019	2,297
Contract liabilities		
Contract liabilities related to contracts with customers	719	438

The contract assets primarily relate to the Group's rights to consideration for work completed but not billed at the reporting date. Trade receivables and contract assets have increased as a result of an acquisition of the subsidiary (note 7). The Group also recognised a loss allowance for contract assets in accordance with IFRS 9, refer note 22 for further information. The contract assets are transferred to trade receivables when the rights become unconditional. This usually occurs when the Group issues an invoice to the customer.

The contract liabilities primarily relate to the advance consideration received from customers, for which revenue is recognised over time. The amount of USD 0.4 million and included in contract liabilities at 31 December 2018 has been recognised as revenue in 2019 (2018: USD 0.6 million).

The vast majority of the Group's consulting service contracts are billed based on the time incurred. As permitted under IFRS 15, the transaction price allocated to unsatisfied contracts is not disclosed, for which the practical expedient applies.

Whilst the Group incurs costs that are necessary to facilitate a sale, those costs would have been incurred even if the customer decided not to execute the contract and therefore have not been capitalised.

Note 5. Staff costs

Amounts in USD thousands	2019	2018
Salaries and wages	24,257	13,183
Payroll and social security costs	1,765	706
Employee's end of service and pension benefits	426	130
Share-based payments	13	4
Other personnel costs	2,075	1,659
Total	28,536	15,682
Average number of employees	230	114

The Group currently has defined contribution plans only. The Group's obligations are limited to annual contributions. AqualisBraemar meets the Norwegian requirements for mandatory occupational pension ("obligatorisk tjenestepensjon").

Note 6. Other operating expenses

Amounts in USD thousands	2019	2018
Subcontractors cost	14,803	12,375
Office lease and maintenance expenses	1,240	992
Insurance cost	698	426
Cost of recharged expenses	1,677	1,680
Transaction costs related to acquisition	1,129	-
General and administrative expenses	6,353	2,508
Total	25,900	17,981
Remuneration to auditors¹		
Audit	215	75
Other assurance services	40	-
Other services	139	-
Total	394	75

1. All fees are exclusive of VAT

Note 7. Business combination

On 21 June 2019, the Company acquired 100% of the shares in Braemar Technical Services Holdings Limited ("BTS") (subsequently renamed to "AqualisBraemar Technical Services Holdings Limited"), a specialised consultancy group consists of 3 business streams (Offshore, Marine and Adjusting) out of Braemar Shipping Services PLC's ("Braemar") technical division. The acquisition is expected to increase the Group's market share and reduce costs through economies of scale.

Details of the purchase consideration, the net assets acquired and bargain gain on business acquisition are as follows:

The following table summarises fair value of purchase consideration:

Amounts in USD thousands	
Shares issued	6,895
Contingent consideration warrants	955
Warranty claims received	(661)
Total purchase consideration	7,189

The acquisition was completed by issuing 14,865,621 shares (the "Consideration" shares) and 5,973,556 performance based warrants. The performance based warrants are divided into two equal sized tranches of 2,986,778. The warrants gives Braemar the right to potentially subscribe for up to 5,973,556 new shares in AqualisBraemar if certain financial targets related to EBITDA and gross profit are met during a two-year period commencing 1 April 2019 until 31 March 2021. The warrants will be exercisable in a two year period after the date of vesting, which will follow the determination of the EBITDA and gross profit for the two year period with exercise price of NOK 0.10 per warrant, being the nominal value per Aqualis ordinary share.

The financial target for tranche 1 (2,986,778 performance based warrants) is based on the combined company's average annual EBITDA over two years, adjusted for certain one-off items, with an average EBITDA performance floor of USD 4.5 million and a ceiling of USD 7.5 million for proportional minimum / maximum vesting.

The financial target for tranche 2 (2,986,778 performance based warrants) is based on an average annual, aggregate, gross profit for the 2 business streams (Marine and Adjusting) over two years, adjusting for certain one-off items, with a performance floor of USD 12.6 million and a ceiling of USD 14.3 million for proportional minimum / maximum vesting.

The fair value of the consideration shares (USD 6.9 million), was based on the share price of the Company on 21 June 2019 of NOK 3.97 per share, which was the closing share price on the completion day of the acquisition. The total fair value of the warrants of USD 0.96 million was estimated using the Black and Scholes formula at the date of the acquisition. The fair value estimate was based on that 37.5% of the performance based warrants would be fully utilised.

As at 31 December 2019, the total fair value of the performance based warrants had increased by USD 0.58 million to USD 1.5 million (note 17). The increase in fair value is mainly due to increase in estimate of the performance based warrants would be fully utilised to 59.1%. The calculation of the estimate number of performance based warrant

assumed exercised is based on the actual and estimated financial performance in the period from 1 April 2019 until 31 March 2021. The estimated financial performance for the year 2020 is based on the company budget while for the period from 1 January 2021 to 31 March 2021 is based on a projected forecast. The projected financial performance is based on the expected development in the total overall market. The increase in the liability is recognised in finance expenses in the consolidated income statement.

Subsequent to the acquisition, the Company has received various claims including indemnities against Braemar in respect of breaches of certain provisions of the sale and purchase agreement for amount totalling to USD 0.7 million. This has resulted in a decrease in the purchase consideration transferred.

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

The assets and liabilities recognised as a result of the acquisition are as follows:

Amounts in USD thousands	Fair value
Property, plant and equipment	376
Right-of-use assets	2,346
Deferred tax assets	554
Trade and other receivables	15,421
Contract assets	9,241
Cash and cash equivalents	3,000
Trade and other payables	(1,785)
Other current liabilities	(9,412)
Provisions	(1,528)
Net identifiable assets acquired	18,215
Non-controlling interest	-
Goodwill	-
Net assets acquired	18,215

There were no separately identifiable intangible assets or fair value adjustments recognised on the acquisition. The book value of acquired assets and liabilities has been considered the fair value.

The fair value of receivables acquired (which principally comprise of trade receivables and contract assets) was USD 21.1 million. The total gross contractual amount due was USD 24.8 million, with a loss allowance of USD 3.8 million.

Gain on bargain purchase

Amounts in USD thousands	
Fair value of identifiable net assets acquired	18,215
Less: purchase consideration	(7,189)
Gain on bargain purchase	11,026

As the purchase consideration was lower than the fair value of the acquired net assets, the purchase price allocation resulted in gain from bargain purchase of USD 11.1 million recognised in the consolidated income statement. The acquisition of a consulting business primarily involved the acquisition of human capital with special skills and expected synergies to be achieved from integrating with the Group's existing business. A bargain purchase gain of USD 11 million is recognised in the consolidated income statement.

The purchase consideration was lower than the fair value of the acquired net assets as measured by accounting standards, of the acquired net assets. BTS had been loss making prior to the acquisition and was tying up substantial working capital which constituted large parts of its equity capital. BTS was not able to achieve a sufficient return on its' equity capital. The purchase consideration was lower than the fair value of the acquired net assets, as measured by accounting standards, mainly due to low return on equity capital achieved by BTS.

Net cash inflow on acquisition of subsidiaries

Amounts in USD thousands	
Cash paid	-
Cash acquired	3,000
Net inflow of cash – investing activities	3,000

Impact of acquisitions on the results of the Group

The Group incurred acquisition-related costs of USD 1.1 million on legal fees and due diligence that were not directly attributable to the issue of shares. These costs have been included in other operating expenses in the consolidated income statement.

Due to the integration of businesses, it is not feasible to calculate how much the acquired business contributed in revenues and operating profit to the Group for the period from 1 July to 31 December 2019.

If the acquisition had occurred on 1 January 2019, consolidated pro-forma revenue and net profit after tax for the year ended 31 December 2019 would have been USD 73.4 million and USD 5.9 million respectively.

Note 8. Financial items

Amounts in USD thousands	2019	2018
Finance income		
Interest income	46	47
Other finance income	33	120
Total	79	167
Finance expenses		
Change in fair value of warrants (note 7)	575	-
Interest on obligations under finance leases	49	-
Other finance expenses	1	-
Total	625	-
Net foreign exchange gain (loss)		
Net foreign exchange gain (loss)	(248)	27
Total	(248)	27

Net foreign exchange gain includes unrealised foreign currency gain related to bank accounts in the company and its subsidiaries, which have bank accounts in different currencies than their functional currencies.

Long term loans to subsidiaries have been assessed to be a part of the net investments in the subsidiaries. In compliance with IAS 21, the unrealised currency effects related to these loans have been recognised in foreign currency translation reserve in the consolidated statement of other comprehensive income.

Note 9. Taxes

Amounts in USD thousands	2019	2018
Income tax expenses recognised in profit or loss		
Current year income tax expenses	326	108
Withholding taxes	499	271
Changes in deferred tax	38	77
Total	863	456
Income tax effect recognised in other comprehensive income		
	(46)	(138)
Total	(46)	(138)
Deferred tax assets		
Short-term timing differences	447	7
Total deferred tax assets	447	7
Movement in the deferred tax assets		
At 1 January	7	69
Movement to income statement	(128)	(48)
Increase as a result of a business combination	554	-
Exchange differences	14	(14)
At 31 December	447	7
Deferred tax liabilities		
Long-term timing differences	409	314
Total deferred tax liabilities	409	314
Movement in the deferred tax liabilities		
At 1 January	314	156
Movement to income statement	(90)	29
Increase as a result of a business combination	188	-
Movement to reserve	-	138
Exchange differences	(3)	(9)
At 31 December	409	314

Amounts in USD thousands	2019	2018
Reconciliation of the effective tax rate:		
Profit before income tax	9,900	2,878
Income tax using the Group's domestic tax rate of 22% (2018 - 23%)	2,178	662
Effect of non-deductible expenses or non-taxable income	(1,946)	1
Effect of tax rates in other countries	(214)	(520)
Deferred tax assets not recognised	552	357
Withholding taxes	499	271
Utilisation or recognition of previously unrecognised tax losses	(261)	(260)
Income tax related to prior years	55	(40)
Effect of changes in tax rate	-	(15)
Income tax expense recognised in profit or loss	863	456

The Group has recognised deferred tax assets in respect of carry forward losses of its various subsidiaries as at 31 December 2019 and 2018. Management's projections of future taxable income and tax optimisation strategies support the assumption that it is probable that sufficient taxable income will be available to utilise these deferred tax assets.

Deferred tax assets on the tax losses relating to certain subsidiaries have not been recognised by the Group, due to uncertainty of its recoverability. The use of these tax losses is subject to the certain provisions of the tax legislation of the respective countries in which the companies operate.

Deferred taxes on unrealised foreign exchange gain or loss relating to long terms loans considered as net investment in subsidiaries are recognised in other comprehensive income and presented within equity in the foreign currency translation reserve. Other than these, the change in deferred tax assets and liabilities is primarily recorded in the consolidated income statement.

Deferred tax asset and deferred tax liabilities are presented separately due to different tax regimes.

Goodwill is not deductible for tax purposes. No tax charge is expected on the gain on bargain purchase..

Note 10. Earnings per share

Basic earnings per share are calculated by dividing the profit attributable to equity shareholders by the weighted average number of ordinary shares outstanding during the year, based on the following data:

Amounts in USD thousands	2019	2018
Profit (loss) after tax	9,037	2,422
Earnings per share (USD): basic and diluted	0.16	0.06
Weighted average number of shares (thousands)	56,052	42,293

The following instruments that could potentially dilute basic earnings per share in the future, have not been included in the calculation of diluted earnings per share. The employee share options have not been included as the weighted average exercise price per share was higher than the market price per share, see note 16 for further information. The performance based warrants have not been included as the performance criteria have not been met as of 31 December 2019, see note 7 for further information.

Number of instruments (in thousands)	2019	2018
Employee share options (note 16)	8,755	250
Performance based warrants (note 7)	5,974	-
Total number of options and warrants	14,729	250

Note 11. Property, plant and equipment

Amounts in USD thousands	Fixtures and office equipment	Vehicle	Total
Cost			
At 1 January 2018	1,558	-	1,558
Additions	62	63	124
Disposals	(16)	-	(16)
Exchange differences	(38)	(5)	(43)
At 31 December 2018	1,566	58	1,624
Additions	182	-	182
Acquisition of subsidiary	376	0	376
Exchange differences	(197)	(2)	(199)
At 31 December 2019	1,927	56	1,983
Accumulated depreciation			
At 1 January 2018	1,398	-	1,398
Charge for the year	120	9	129
Disposals	(14)	-	(14)
Exchange differences	(31)	(0)	(31)
At 31 December 2018	1,474	9	1,483
Charge for the year	148	12	160
Exchange differences	(217)	(2)	(218)
At 31 December 2019	1,405	19	1,424
Net book value at 31 December 2019	522	38	559
Net book value at 31 December 2018	92	49	141

Note 12. Leases

The balance sheet shows the following amounts relating to leases:

Amounts in USD thousands	31 December 2019	31 December 2018
Right-of-use assets		
Buildings	2,345	-
Office equipment	31	-
	2,376	-
Lease liabilities		
Current	1,184	-
Non-current	1,214	-
	2,398	-

Additions to the right-of-use assets during the 2019 financial year were USD 2.8 million.

The consolidated income statement shows the following amounts relating to leases:

Amounts in USD thousands	2019	2018
Depreciation charge of right-of-use assets		
Buildings	526	-
Office equipment	4	-
	530	-
Interest expense (included in finance expenses)	49	-
Expense relating to short-term leases (included in other operating expenses)	837	-

As indicated in note 2.1 (iii) above, the Group has adopted IFRS 16 Leases retrospectively from 1 January 2019, but has not restated comparatives for the 2018 reporting period, as permitted under the specific transition provisions in the standard. The reclassifications and the adjustments arising from the new leasing rules are therefore recognised in the opening balance sheet on 1 January 2019. The new accounting policies are disclosed in note 2.9.

On adoption of IFRS 16, the Group recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of IAS 17 Leases. These liabilities were measured at the present

value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 January 2019. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 January 2019 was 4.8%.

In applying IFRS 16 for the first time, the Group has used the following practical expedients permitted by the standard:

- applying a single discount rate to a portfolio of leases with reasonably similar characteristics
- relying on previous assessments on whether leases are onerous as an alternative to performing an impairment review – there were no onerous contracts as at 1 January 2019
- accounting for operating leases with a remaining lease term of less than 12 months as at 1 January 2019 as short-term leases
- excluding initial direct costs for the measurement of the right-of-use asset at the date of initial application, and
- using hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

The Group has also elected not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date the Group relied on its assessment made applying IAS 17 and Interpretation 4 Determining whether an Arrangement contains a Lease.

Measurement of lease liabilities and right-of-use assets

Amounts in USD thousands	2019
Operating lease commitments disclosed as at 31 December 2018	561
Discounted using incremental borrowing rate of at the date of initial application	503
Less: short-term leases not recognised as a liability	(391)
Less: low-value leases not recognised as a liability	(14)
Lease liability recognised as at 1 January 2019	99
Of which are:	
Current lease liabilities	50
Non-current lease liabilities	49
	99

The associated right-of-use assets for property leases were measured on a retrospective basis as if the new rules had always been applied. Other right-of-use assets were measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet as at 31 December 2018.

The change in accounting policy increased the right-of-use assets and lease liabilities by USD 0.1 million in the consolidated balance sheet on 1 January 2019. The net impact on retained earnings on 1 January 2019 was nil. The movement in the right-of-use assets in respect of leases during the year was as follows:

Amounts in USD thousands	Buildings	Office equipment	Total
At 1 January 2019	99	-	99
Additions	2,772	35	2,807
Amortisation	(526)	(4)	(530)
At 31 December 2019	2,345	31	2,376

Operating lease commitments

The future aggregate minimum lease payments under non-cancellable short-term and low value operating leases are as follows:

Amounts in USD thousands	31 December 2019	31 December 2018
Lease commitments		
Next 1 year	206	479
1 to 5 years	8	82
Future minimum lease payments	214	561

Note 13. Intangible assets

Amounts in USD thousands	Goodwill
Cost	
At 1 January 2018	19,206
Write-off	-
Effect of movements in exchange rates	(573)
At 31 December 2018	18,633
Effect of movements in exchange rates	48
At 31 December 2019	18,681
Amortisation and impairment	
At 1 January 2018	6,144
Write-off	-
Effect of movements in exchange rates	(374)
At 31 December 2018	5,769
Effect of movements in exchange rates	(62)
At 31 December 2019	5,707
Net book value at 31 December 2019	12,974
Net book value at 31 December 2018	12,864

All goodwill is allocated to cash-generating units. These cash-generating units represent the lowest level within the Group at which goodwill is monitored for internal management purposes. Goodwill denominated in foreign currencies is revalued at the balance sheet date. The allocation of goodwill to cash-generating units is as follows:

Amounts in USD thousands	31 December 2019	31 December 2018
Aqualis Offshore Pte. Ltd	5,795	5,723
Aqualis Braemar Marine Services LLC	5,729	5,729
Offshore Wind Consultants Limited	1,276	1,235
Aqualis Offshore Serviços Ltda	108	111
AqualisBraemar Inc.	66	66
	12,974	12,864

Goodwill is tested for impairment for each cash-generating units (CGUs) at least annually, or when there are indications of impairment. All recoverable amounts were measured based on value-in-use. The value in use is the net present value of the estimated cash flow before tax for each CGU, using a discount rate reflecting the timing of the cash flows and the expected risk. The following assumptions were utilised:

Cash flow projections and assumptions

A 4 year forecast of discounted cash flows plus a terminal value (Gordon's growth model) was used to determine net present value of each CGU. Discounted cash flows were calculated before tax.

Cash flows have been used over a period of four years as management believes this reflects a reasonable time horizon for management to monitor the trends in the business. After four years a terminal value is calculated using a long-term growth rate of 1.5% (2018: 1.5%).

Cash flow estimates covering the period 2020-2023 are based primarily on the company budget for 2020 and projected forecast for the following years. The forecast assumes that the overall market conditions will improve in 2020 and expected to be normalised from 2021. Based on the uncertainty in the offshore oil & gas market, it is challenging to build a forecast.

The projected cash flows are based on the expected development in the total overall market, the CGUs performance and that AqualisBraemar group over time will reach a margin level in line with what other businesses within the industry historically has achieved. These are reasonable assumptions based on the development of the business so far, and the management's expectations for the long term development of the market and the company.

The estimated terminal long-term growth is mainly dependent on overall market growth for demand for our services and the CGU's ability to recruit the right personnel and its ability to create revenue growth through then proper utilisation of human resources.

Discount rate

The discount rate used is pre-tax and reflects the specific risks to the relevant cash generating unit. The discount rate for each CGU is derived as the weighted average cost of capital (WACC) for a similar business in the same business environment. The input data is gathered from representative sources and this is used for management's best estimate of WACCs. The same assumptions were used for all CGUs with the exception of country specific risk which were differentiated based on country. All parameters were set to reflect the long term period of the assets and time horizon of the forecast period of the cash flows.

Key inputs in determining the WACC

- Risk free rate: USD 10yr government yield
- Beta: Based on selected peer group consisting of companies with statistical data for the last 5 years (0.99)
- Capital structure: Equity ratio of 85%

The net cash flows were discounted using a pre-tax discount rate of 7.8% to 11.3% (2018: 9.6% to 12.5%) as follows:

Cash-generating units (CGUs)	2019	2018
Aqualis Offshore Pte. Ltd	7.8%	9.6%
Aqualis Braemar Marine Services LLC	8.4%	10.0%
Offshore Wind Consultants Limited	8.4%	10.0%
Aqualis Offshore Serviços Ltda	11.3%	12.5%
AqualisBraemar Inc.	7.8%	9.6%

Impairment test results and conclusion

Overall the test performed indicated the value in use exceeds the carrying amounts for all CGUs. As a result of the above, no impairment has been recorded during the year (2018: Nil) and the carrying amount of intangible assets at 31 December 2019 was USD 13.0 million (31 December 2018: USD 12.9 million).

Sensitivity to impairment

Sensitivity calculations are done for all CGUs that are tested for impairment. To test the sensitivity of the results of the impairment review, the calculations have been re-performed using the following assumptions:

- An increase of pre-tax discount rate of 2.0%
- A reduction in the EBITDA margin of 3.0% for the terminal year
- A reduction of terminal growth rate to 0.5%

The results showed that a combined change in all the three assumptions in the sensitivity analysis would result in a write down of a total of USD 2.8 million related to Aqualis Offshore Pte. Ltd, Singapore.

Note 14. Trade and other receivables

Amounts in USD thousands	31 December 2019	31 December 2018
Trade receivables	20,659	8,731
Loss allowance	(860)	(442)
	19,799	8,289
Prepayments	1,671	605
Deposits	398	353
Other receivables	2,384	622
Total	24,252	9,869

Trade receivables are amounts due from customers for services performed in the ordinary course of business. They are generally due for settlement within 30 to 90 days and are therefore all classified as current, terms associated with the settlement vary across the Group. Trade receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. Details about the Group's impairment policies and the calculation of the loss allowance are provided in note 22.

Deposits includes USD 0.2 million (2018: USD 0.2 million) which are under lien marked as margin money deposits.

Note 15. Cash and cash equivalents

Amounts in USD thousands	31 December 2019	31 December 2018
Cash at bank and in hand	10,930	5,454
Total	10,930	5,454

Cash at banks earns interest at floating rates based on daily bank deposit rates.

Cash and cash equivalents largely comprise bank balances denominated in US Dollars, Norwegian Krone, British Pound, and other currencies for the purpose of settling current liabilities.

The Group has restricted cash at banks of USD 0.6 million at 31 December 2019 (2018: USD 0.04 million) held in the bank accounts of certain entities where there is requirement to hold a certain amount of cash to cover future obligations and are therefore not available for general use by the other entities within the Group.

Note 16. Equity

Amounts in USD thousands	Number of shares (thousands)	Share capital	Share premium	Total
At 1 January 2018	42,293	690	47,344	48,034
Dividends paid	-	-	(4,674)	(4,674)
At 31 December 2018	42,293	690	42,670	43,360
Cash-settled capital increase (net of transaction costs)	13,258	153	5,659	5,812
Issue of shares on acquisition (note 7)	14,866	175	6,722	6,897
At 31 December 2019	70,416	1,018	55,051	56,069

Each ordinary shares have a par value of NOK 0.10 per share. They entitle the holder to participate in dividends, and to share in the proceeds of winding up the company in proportion to the number of and amounts paid on the shares held. On a show of hands every holder of ordinary shares present at a meeting, in person or by proxy, is entitled to one vote, and on a poll each share is entitled to one vote.

The company does not have a limited amount of authorised capital.

In June 2019, 14,865,621 ordinary shares were issued as a result of the business acquisition (note 7).

In June/July 2019 the company invited its shareholders to subscribe to a rights issue of 8,882,575 ordinary shares at an issue price of NOK 3.96 per share on the basis of 0.21 share for every 1 fully or partly paid ordinary shares held. The issue was fully subscribed. Also in July 2019, the Company privately placed 4,375,000 ordinary shares to Braemar Shipping Services PLC's "Braemar" at a price of NOK 3.96 per share as a result of the business acquisition (see note 7). The Company incurred USD 0.4 million (2018: Nil) towards transaction costs that were directly attributable to the issuance of shares.

Treasury shares

Treasury shares represents the cost of the 100,000 shares of the Company purchased in December 2019 in the open market that are held by the Company for the purpose of meeting its obligations in respect of an employee's share purchase program. The weighted average purchase price for the 100,000 shares was NOK 3.69 per share.

Share-based compensation reserve

The share-based compensation reserve arises on the grant of share options to employees under the employee share option plan. Further information about share-based payments to employees is set out below.

Employee share option plan

Under the Long-Term Incentive Plan ("LTIP"), the Company has granted a total of 8,505,000 share options to selected employees, where each option will give the holder the right to acquire one share in AqualisBraemar ASA. The options are granted without consideration. The grant of options is based on the authorization granted by the annual general

meeting on 11 June 2019 to issue new shares in connection with the Company's employee incentive program.

The exercise price for the options is NOK 3.96, equal to the issue price in the rights issue and private placement completed on 9 July 2019. The options will vest and become exercisable on 11 June 2022, three years after the authorization granted by the annual general meeting. All unexercised options will expire nine months after vesting. Exercise periods will be set by the Company.

The options are non-tradable and conditional upon the option holder being employed by the Company and not having resigned prior to exercise.

Subject to certain conditions, the option holders are obligated to reinvest 25 percent of the pre-tax net gain on the options in AqualisBraemar shares, and to hold these shares for up to three years following exercise. One third of these shares will be released from this obligation for every year following exercise.

The Board of Directors may choose to settle the options by way of cash settlement in lieu of issuing new shares. Exercise terms may be reasonably adjusted by the Board of Directors in the event of dividend payments, share splits or certain other events relating to the equity share capital of the Company.

Set out below are summaries of options granted under the plan:

Amounts in USD thousands	2019		2018	
	Number of share options	Weighted average exercise price NOK	Number of share options	Weighted average exercise price NOK
At 1 January	250	5.63	250	5.63
Granted during the year	8,630	4.00	-	-
Expired during the year	(125)	5.63	-	-
At 31 December	8,755	4.02	250	5.63

Share options outstanding at the end of the year have the following expiry dates and exercise prices:

Grant date	Expiry date	Exercise price NOK	31 December 2019	31 December 2018
04/07/2017	29/05/2019	4.50	-	125
04/07/2017	29/05/2021	6.75	125	125
01/07/2019	29/05/2021	6.70	125	-
20/12/2019	11/03/2023	3.96	8,505	-
			8,755	250
Weighted average remaining contractual life of options outstanding at end of period			2.47	2.83

These fair values for share options granted during the year were calculated using The Black-Scholes-Merton option pricing model. The inputs into the model were as follows:

Amounts in NOK	2019	2018
Weighted average share price	3.69	3.65
Weighted average exercise price	4.02	5.63
Expected volatility	45%	30%
Expected life	2.47	2.83
Risk free rate	1.3%	2.5%
Expected dividend yield	0%	0%

The expected price volatility is based on the historic volatility (based on the remaining life of the options), adjusted for any expected changes to future volatility due to publicly available information.

The Group recognised total expenses of USD 13 thousands and USD 4 thousands arising from share-based payment in 2019 and 2018 respectively.

Note 17. Provisions

Amounts in USD thousands	31 December 2019	31 December 2018
Provision for deferred consideration (note 7)	1,520	-
Provision for employees' end of service benefits	1,289	713
Total	2,809	713

Provision for employees' end of service benefits

In accordance with the provisions of IAS 19, management has carried out an exercise to assess the present value of its obligations at 31 December 2019 and 2018, using the projected unit credit method, in respect of employees' end of service benefits payable under the Labour Laws of the countries in which the Group operates. Under this method, an assessment has been made of an employee's expected service life with the Group and the expected basic salary at the date of leaving the service. The obligation for end of service benefits is not funded.

Note 18. Trade and other payables

Amounts in USD thousands	31 December 2019	31 December 2018
Trade payables	3,372	1,352
Accrued employee benefits	940	933
Taxation and social security contributions	418	414
Other accrued expenses and payables	4,757	755
Total	9,487	3,454

Trade payables have an average term of three to six months. These amounts are non-interest bearing.

Note 19. Fair values of financial assets and financial liabilities

Amounts in USD thousands	Measurement category	Carrying amount		Fair value	
		31 December 2019	31 December 2018	31 December 2019	31 December 2018
Financial assets					
Trade and other receivables	Amortised cost	24,252	9,870	24,252	9,870
Contract assets	Amortised cost	12,019	2,297	12,019	2,297
Cash and cash equivalents	Amortised cost	10,930	5,454	10,930	5,454
Total		47,201	17,621	47,201	17,621
Financial liabilities					
Trade and other payables	Amortised cost	9,487	3,454	9,487	3,454
Contract liabilities	Amortised cost	719	438	719	438
Total		10,206	3,892	10,206	3,892

The financial assets principally consist of cash and cash equivalents and trade and other receivables arising directly from operations. The financial liabilities principally consist of a trade and other payables arising directly from operations.

The fair value of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

Cash and bank deposits, trade and other current receivables and trade and other current payables approximate their carrying amounts due to the short-terms maturities of these instruments.

Note 20. Related party

Related party relationships are those involving control, joint control or significant influence. Related parties are in a position to enter into transactions with the company that would not be undertaken between unrelated parties. All transactions within the Group have been based on arm's length principle. There has been no significant transactions with related parties in 2019.

Compensation to Board of Directors

Amounts in USD thousands	2019	2018
Glen Rødland, Chairman	23	25
Yvonne Litsheim Sandvold	15	16
Synne Syrrist	15	16
Total	53	57

Compensation to Executive Management

2019 Amounts in USD thousands	Salary	Bonus	Pension	Other	Total
David Wells, CEO	273	10	53	62	398
Kim Boman, CFO	170	8	20	2	200
Reuben Segal, COO	233	-	-	126	359
Total	676	18	73	190	957
2018 Amounts in USD thousands	Salary	Bonus	Pension	Other	Total
David Wells, CEO	231	10	45	65	351
Kim Boman, CFO	183	6	6	2	197
Reuben Segal, COO	231	11	-	125	367
Total	645	27	51	192	915

According to the Norwegian Public Limited Companies Act (the "Act") section 6-16a, the Board of Directors have prepared a statement on the establishment of wages and other remuneration for the Managing Director and other senior employees (note 21).

At 31 December 2019 there are no loan or prepayments to Board of Directors, Executive Management or any other related parties.

There are no additional options issued, except for the options mentioned in note 16.

Shares and options owned by members of the Board of Directors and Executive Management at 31 December 2019:

Name	Number of options	Number of shares
Board of Directors		
Glen Rødland, Chairman	-	9,367,996 ¹
Yvonne Litsheim Sandvold	-	-
Reuben Segal	135,000	1,502,923 ²
Synne Syrrist	-	-
Executive Management		
David Wells, CEO	-	951,998 ³
Kim Boman, CFO	135,000	605,000
Reuben Segal, COO	as above	as above
Total	270,000	12,427,917

1. The shares are held through Gross Management AS company owned 100% by Mr. Rødland
2. The shares are held through AmAn Marine Limited (under nominee account LGT Bank AG)
3. The shares are held through Alsto Consultancy Ltd and Banque Pictet & Cie SA

Note 21. Statement regarding the determination of salary and other remuneration to executive management

According to the Norwegian Public Limited Companies Act (the "Act") section 6-16a, the Board of Directors shall prepare a statement regarding the establishment of wages and other remuneration for the Chief Executive Officer and members of senior management.

In this statement, executive management means CEO, CFO and other executives who are employed at the same level in the organisation.

A statement pursuant to section 6-16a of the Act shall contain guidelines for the establishment of salaries and other remuneration, and should also indicate the main principles of the Company's wage policy for senior employees.

Section 6-16a third paragraph of the Act also requires the Board to give an account of the actual salary policy for senior management as applied in the preceding financial year.

The Company's salary policy for executive management – main principles

Due to the international scope of its business, AqualisBraemar ASA has to compete on the international market when it comes to salaries for executive management.

In order to reach the ambition of becoming one of the leading participants within its line of business, AqualisBraemar ASA is dependent on offering salaries making the Company able to recruit and keep skilled managers. In order to ensure the best possible leadership the Company must offer a satisfactory salary, which is internationally competitive.

Salaries and other remuneration

It is the Company's policy that management salaries primarily shall take the form of a fixed monthly salary, reflecting the level of the position and experience of the person concerned.

Principally, pension plan shall be the same for management as what is generally agreed for other employees. The Company has a bonus plan in place for its employees.

The Company has implemented a long-term incentive plan (the "LTIP") aimed to align the interests of the participating employees with those of the Company's shareholders. Under the LTIP, the Company has granted a total of 8,505,000 share options to selected employees, where each option will give the holder the right to acquire one share in AqualisBraemar ASA. The options are granted without consideration. The maximum number of share options under the scheme shall be limited to in total to 15% of the outstanding shares in AqualisBraemar. The grant of options is based on the authorization granted by the annual general meeting on 11 June 2019 to issue new shares in connection with the Company's employee incentive program, which is proposed to be renewed at this year's annual general meeting.

The Board may each calendar year implement a share purchase plan for all employees, under which employees can buy shares in the Company at a discount to the prevailing market price, either through the issue of new shares, or the purchase of treasury shares held by the Company. The aggregate number of shares over which the Board may grant in a calendar year, shall not exceed five per cent (5%) of the issued shares of the Company prior to the issue of any new shares. Shares purchased under the share purchase plan will be subject to a lock-up period.

Specific conditions and limits as regards to the bonus- and share purchase plan are regulated by the overall allocation parameters approved by the Board.

Termination payment agreements will be seen in connection with confidentiality clauses and non-compete clauses in the employment contract of each employee, in such a way that they basically compensate for limitations in the employee's opportunities to seek new employment. When agreements extend beyond such limitations, other income shall normally be deducted from payments made under termination payment agreements.

Deviations from the above described principles may be done under special circumstances, i.e. in relation to employment in international competition.

Note 22. Financial instruments

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange and interest rate risk), liquidity risk and credit risk. These risks are evaluated by management on an ongoing basis to assess and manage critical exposures. The Group's liquidity and market risks are managed as part of the Group's treasury activities. Treasury operations are conducted within a framework of established policies and procedures.

Market risk – foreign exchange risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign currency rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily the Group's operating activities (when revenue or expense is denominated in a different currency from the Group's presentation currency), the Group's net investments in foreign subsidiaries, and the Group's foreign currency denominated cash deposits. The operating revenue, and thus the trade receivables, of the Group is primarily denominated in USD, while operating expenses are generally denominated in the functional currency of the Group's entities.

The bank accounts in currencies other than the functional currencies will expose the Group to foreign currency risk. The major part of foreign bank accounts is in AqualisBraemar ASA. Changes in the USD exchange rate will have following effect on the profit and loss of the Group:

Changes in currency exchange rates Amount in USD thousands	+5% changes in rates	-5% changes in rates
31 December 2019		
US Dollars (USD)	84	(84)
31 December 2018		
US Dollars (USD)	150	(150)

Interest rate risk

The Group's cash and cash equivalents are exposed to interest rate risk. Cash at banks earns interest at floating rates based on daily bank deposit rates. For cash deposits interest rate changes will only have an immaterial impact on the Group's financial statements. The Group's exposures to interest rates on financial assets and financial liabilities are detailed in notes 12 and 15.

Liquidity risk

Liquidity risk is the potential loss arising from the Group's inability to meet its contractual obligations when due. Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an

adequate amount of committed credit facilities. The Group monitors its risk to a shortage of funds using cash flow forecasts. The Group is in a build-up phase and currently the strategy is to fund the growth of the business through existing cash reserves and from shareholder's equity. The Group had cash and cash equivalents of USD 10.9 million at 31 December 2019 (2018: USD 5.5 million). Based on the current cash position, the Group assesses the liquidity risk to be low.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments:

Amounts in USD thousands	Carrying amount	Contractual cash flow	Less than 1 year	Between 1 to 5 years
31 December 2019				
Trade and other payables	9,487	9,487	9,487	-
Lease liabilities	2,398	2,558	1,280	1,278
31 December 2018				
Trade and other payables	3,454	3,454	3,454	-

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables and contract assets) and from its financing activities, including deposits with banks. Credit risk is managed on a Group basis.

Credit risk with respect to trade receivables and contract assets is limited by the large base and geographic diversity of the customer base. Customer credit risk is managed by each subsidiary in the Group, subject to established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed on an individual basis, taking into account its financial position, trading history with the Group and existence of previous financial difficulties and outstanding customer receivables are regularly monitored.

The requirement for an impairment is analysed at each reporting date on an individual basis for major customers. The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets. To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due with reference to past default experience of the debtor, an analysis of the debtor's current financial position and general current and forecast economic conditions of the industry in which the debtors operate. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

An impairment analyses is performed at each reporting date using a provision matrix to measure expected credit losses. The expected loss rates are based on the days past due for grouping of various customer segments and the corresponding historical credit losses experienced. The historical loss rates are adjusted to reflect current and forward looking information including the default risk associated with the industry and country in which customers operate affecting the ability of the customers to settle the receivables.

Specific debts are provided for where recovery is deemed uncertain, which will be assessed on a case-by-case basis whenever debts are older than the due date, but always when debts are older than usual for the industry in which each business in the Group operates.

The ageing profile of trade receivables and contract assets balance as at 31 December 2019 is as follows:

Amounts in USD thousands	31 December 2019	31 December 2018
Trade receivables		
Up to 3 months	12,942	6,390
3 to 6 months	3,809	1,238
6 to 12 months	2,502	355
Over 12 months	1,406	748
Total	20,659	8,731
Contract assets	12,189	2,297
Total	32,848	11,028

As at 31 December 2019 certain trade receivables of USD 0.5 million (2018: USD 0.4 million) which were over 12 months were treated as impaired and have been provided for. On that basis, at 31 December 2019 the lifetime expected loss provision for unimpaired trade receivables and contract assets is as follows:

Amounts in USD thousands	Expected loss rate	Group provision	ECL provision	Total provision
Trade receivables				
Up to 3 months	1.0%	-	133	133
3 to 6 months	2.1%	-	80	80
6 to 12 months	3.5%	-	88	88
Over 12 months	5.6%	508	51	559
Total		508	352	860
Contract assets	1.4%	-	171	171
Total		508	523	1,031

Trade receivables and contract assets are written off when there is information indicating that the debtor is in severe financial difficulty and there is no reasonable expectation of recovery. Impairment losses on trade receivables and contract assets are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

The movement in the loss allowance in respect of trade receivables and contract assets during the year was as follows:

Amounts in USD thousands	Trade receivables		Contract assets	
	2019	2018	2019	2018
At 1 January	442	425	-	-
Net remeasurement of loss allowance	418	122	171	-
Write-back for the year	-	(26)	-	-
Amounts written-off	-	(79)	-	-
At 31 December	860	442	171	-

The credit risk on deposits with banks is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies. At the end of the reporting period, there were no significant concentrations of credit risk. The maximum exposure to credit risk at the reporting date is the carrying value cash deposits with bank of USD 10.9 million (2018: USD 5.5 million).

Capital management

The Group's objectives when managing capital are to:

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

The Group manages its capital structure so as to maintain investor and market confidence and to provide returns to shareholders that will support the future development of the business. In order to maintain or adjust the capital structure if required in response to changes in economic conditions, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. The Group considers its capital as consisting of ordinary shares and retained earnings.

The Board monitors underlying business performance to determine the ongoing use of capital, namely executive and staff incentive schemes (and whether to fund this through cash or share incentives), acquisition appraisals ahead of potential business combinations, investment in property, plant and equipment; and the level of dividends.

Note 23. Contingencies

Bank guarantees

As at 31 December 2019, performance and financial bank guarantees amounting to USD 0.5 million (2018: USD 0.2 million) were issued by the Group's bankers in the ordinary course of business.

Note 24. Segment information

The Group's businesses are managed by four geographical regions aside from Offshore Wind Consultants ("OWC"), performance of which is monitored separately. This is the basis for the five reportable segment of the Group. The internal management reports provided by management to the Group's Board of Directors, which is the groups decision maker, is in accordance with this structure. These segments comprise of entities within the geographical regions and OWC and forms the basis for the segment reporting presented below.

The following is summary of revenues and operating profit (loss) (EBIT) for entities in four geographical regions and OWC. Eliminations reflects the eliminations of intra-group revenue to the extent that these arise between the regions and OWC.

Amounts in USD thousands	2019	2018
Revenue		
Middle East	19,954	17,796
Asia Pacific	14,958	7,358
Europe	8,243	3,045
Americas	9,905	4,392
OWC	8,900	6,095
Eliminations	(7,168)	(2,502)
Total	54,792	36,185

Operating profit (loss) (EBIT)

Middle East	1,084	2,068
Asia Pacific	253	726
Europe	(404)	(409)
Americas	(135)	362
OWC	948	220
Corporate group	(2,079)	(574)
Share of net profit (loss) from associates	-	291
Total	(333)	2,684

The following segment assets information provided to the Board of Directors for reportable segment consist primarily of trade receivables, contract assets and cash and cash equivalents for entities in different geographical areas and OWC.

Amounts in USD thousands	31 December 2019		31 December 2018	
	Trade receivables	Contract assets	Trade receivables	Contract assets
Middle East	5,648	2,577	4,824	507
Asia Pacific	6,207	3,435	1,676	205
Europe	3,719	2,325	452	154
Americas	3,868	1,961	872	153
OWC	356	1,721	465	1,278
Total	19,799	12,019	8,289	2,297

Cash and cash equivalents	31 December 2019	31 December 2018
Middle East	1,576	747
Asia Pacific	2,819	1,277
Europe	1,184	322
Americas	1,335	446
OWC	784	779
Corporate group	3,233	1,882
Total	10,930	5,454

Information about other segment assets and liabilities is not reported to or used by the Board of Directors and, accordingly, no measures of other segment assets and liabilities are reported.

Note 25. List of subsidiaries

The Group's principal subsidiaries at 31 December 2019 are set out below. Unless otherwise indicated, all shareholdings owned directly or indirectly by the Company represent 100% of the issued share capital of the subsidiary and the share capital is comprised of ordinary shares. All entities primarily operate in their country of incorporation.

Name of entity	Place of business / country of incorporation	Principal activities	Ownership interest 2019	Ownership interest 2018	Voting power 2019	Voting power 2018
Aqualis Offshore Australia Pty Ltd	Australia	Adjusting, marine, offshore and renewables consultancy services to the energy, shipping and insurance industries	100%	0%	100%	0%
Aqualis Offshore Serviços Ltda	Brazil		100%	100%	100%	100%
AqualisBraemar Shanghai Co., Ltd	China		100%	100%	100%	100%
AqualisBraemar Holding Limited ¹	United Kingdom		100%	100%	100%	100%
AqualisBraemar Korea Limited	Republic of Korea		100%	100%	100%	100%
Aqualis Offshore Malaysia Sdn Bhd ²	Malaysia		49%	49%	100%	100%
AqualisBraemar S. De R.L. De C.V.	Mexico		100%	100%	100%	100%
Aqualis Offshore AS	Norway		100%	100%	100%	100%
Aqualis Braemar Marine Services LLC ²	Qatar		49%	49%	100%	100%
Aqualis Offshore PTE Ltd	Singapore		100%	100%	100%	100%
Aqualis Braemar Marine Services LLC ²	United Arab Emirates		49%	49%	100%	100%
Aqualis Offshore UK Ltd	United Kingdom		100%	100%	100%	100%
AqualisBraemar Inc.	United States		100%	100%	100%	100%
Braemar Technical Services (Canada) Limited	Canada		100%	0%	100%	0%
Braemar Technical Services LLC	United Arab Emirates		100%	0%	100%	0%
PT Braemar Adjusting Indonesia	Indonesia		80%	0%	80%	0%
Braemar Technical Services (Adjusting) Pte Limited	Singapore		100%	0%	100%	0%
Braemar Technical Services (Adjusting) Limited	United Kingdom		100%	0%	100%	0%

1. Investments held directly by AqualisBraemar ASA

2. The remaining legal ownership in each case is registered in the name of a local sponsors in accordance with statutory regulations of those countries, who has assigned all the economic benefits attached to their shareholdings to the Group entity. The Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity via management agreements and, accordingly, these entities are consolidated as wholly owned subsidiaries in these consolidated financial statements (Note 3)

Name of entity	Place of business / country of incorporation	Principal activities	Ownership interest 2019	Ownership interest 2018	Voting power 2019	Voting power 2018
Braemar Technical Services Inc.	United States	Adjusting, marine, offshore and renewables consultancy services to the energy, shipping and insurance industries	100%	0%	100%	0%
Braemar Salvage Association (Shanghai) Limited	China		100%	0%	100%	0%
Braemar Technical Services LLC	United Arab Emirates		49%	0%	49%	0%
Braemar Technical Services Pte Limited	Singapore		100%	0%	100%	0%
Braemar Technical Services SA (Pty) Limited	South Africa		100%	0%	100%	0%
Braemar Teknik Servis Denizcilik Limited Sirketi	Turkey		100%	0%	100%	0%
AqualisBraemar Technical Services Limited	United Kingdom		100%	0%	100%	0%
Asian Energy Services Pte Limited	Singapore		100%	0%	100%	0%
AqualisBraemar Pty Ltd	Australia		100%	0%	100%	0%
Braemar Technical Services (Offshore) Shanghai Pte Limited	China		100%	0%	100%	0%
Braemar Technical Services (Offshore) India Pvt Limited	India		100%	0%	100%	0%
PT AqualisBraemar Offshore Indonesia	Indonesia		100%	0%	100%	0%
AqualisBraemar Sdn Bhd	Malaysia		100%	0%	100%	0%
Braemar Technical Services (Offshore) PTE Limited	Nevis		100%	0%	100%	0%
AqualisBraemar Pte Ltd	Singapore		100%	0%	100%	0%
AqualisBraemar (Thailand) Limited	Thailand		100%	0%	100%	0%
Braemar Technical Services (Offshore) Vietnam Co Limited	Vietnam		100%	0%	100%	0%
AqualisBraemar Technical Services Holdings Limited ¹	United Kingdom		100%	0%	100%	0%
OWC (Aqualis) GmbH	Germany		100%	100%	100%	100%
Offshore Wind Consultants Taiwan Co. Limited	Taiwan		100%	100%	100%	100%
Offshore Wind Consultants Limited ¹	United Kingdom	100%	100%	100%	100%	

Note 26. Shareholder information

The list of top 20 shareholders below is based on the shareholder register as per 31 December 2019. Actual shareholding may deviate due to the use of nominee accounts.

Name of shareholder	No. of shares	% ownership
Braemar Shipping Services Plc	19,240,621	27.3%
Gross Management AS	9,367,996	13.3%
Bjørn Stray	3,000,000	4.3%
Holmen Spesialfond	2,380,334	3.4%
Mp Pensjon Pk	1,801,128	2.6%
Oma Invest AS	1,694,000	2.4%
Lgt Bank AG	1,502,923	2.1%
Saxo Bank A/S	1,466,333	2.1%
Tigerstaden AS	1,246,265	1.8%
Carnegie Investment Bank AB	1,200,435	1.7%
Badreddin Diab	1,001,302	1.4%
Leoville AS	1,000,000	1.4%
Acme Capital AS	1,000,000	1.4%
Dnb Markets Aksjehandel/-Analyse	971,293	1.4%
Philip Alan Lenox	830,583	1.2%
Tigerstaden Invest AS	815,000	1.2%
Magne Gislerød	800,000	1.1%
Ginko As	770,000	1.1%
Alsto Consultancy Ltd	723,727	1.0%
Advanced Control AS	667,511	0.9%
Total	51,479,451	73.1%

At 31 December 2019, the Company had 1,450 shareholders, and 46.6% of the shares of the Company were held by foreign registered shareholders. The total number of outstanding shares at 31 December 2019 is 70,416,435 each with a par value of NOK 0.10.

Note 27. Events after the reporting period

COVID-19

The outbreak of COVID-19 has caused unprecedented uncertainty regarding the outlook for 2020. The COVID-19 situation has led to both positives and negatives for the Group. Positively, through the Group's extensive global footprint of staff and subcontractors currently covering almost 160 locations, the Company have been able to increasingly support new clients at locations where others have been unable to access. Negatively, the increasing global travel restrictions present challenges and increase the complexity in project execution. At this stage it is hard to quantify the lasting impact of COVID-19 for AqualisBraemar. Continued travel restrictions and a slowing world economy will inevitably affect short term business development and operations in various ways.

New office

The Group opened new office in Moscow, Russia at the end of Q1 2020.

Parent company financial statements and notes

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Income statement

Amounts in NOK thousands	Notes	2019	2018
Revenues	2	2,819	2,118
Total revenue		2,819	2,118
Staff costs	3	(3,399)	(568)
Other operating expenses	4	(2,340)	(4,006)
Depreciation, amortisation and impairment		-	(30)
Impairment of loan to subsidiaries		-	(1,624)
Share of profit (loss) of an associate		-	2,347
Operating profit (loss) (EBIT)		(2,920)	(1,763)
Finance income	5	5,059	4,313
Finance expenses	5	(5,195)	-
Net foreign exchange gain (loss)	5	2,219	6,599
Profit (loss) before income tax		(837)	9,149
Income tax income (expense)	6	57	(1,441)
Profit (loss) after tax		(780)	7,708

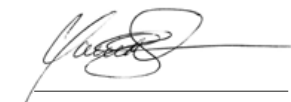
Balance Sheet

Amounts in NOK thousands	Notes	31 December 2019	31 December 2018
ASSETS			
Non-current assets			
Investment in subsidiaries	7	197,818	127,346
Non-current portion of receivables	8	147,215	107,714
Total non-current assets		345,033	235,060
Current assets			
Trade and other receivables	9	2,848	346
Cash and cash equivalents	10	24,187	15,473
Total current assets		27,035	15,819
Total assets		372,068	250,879
EQUITY AND LIABILITIES			
Equity			
Share capital	11, 12	7,042	4,229
Treasury shares	12	(372)	-
Other paid-up capital	12	333,694	243,086
Total equity		340,363	247,315
Non-current liabilities			
Deferred tax liabilities	6	2,668	2,725
Provisions	13	13,364	-
Total non-current liabilities		16,032	2,725
Current liabilities			
Trade and other payables	14	1,590	839
Dividend payable	12	14,083	-
Total current liabilities		15,673	839
Total liabilities		31,705	3,564
Total equity and liabilities		372,068	250,879

Oslo, 27 April 2020



Glen Rødland
Chairman of the Board



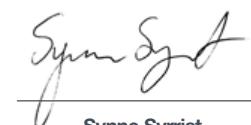
Yvonne L. Sandvold
Board member



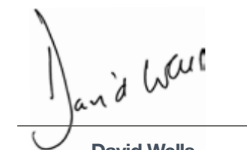
Reuben Segal
Board member



Ronald Series
Board member



Synne Syrrist
Board member



David Wells
CEO

Statement of Cash Flows

Amounts in NOK thousands	Notes	2019	2018
Cash flow from operating activities			
Profit (loss) before income tax		(837)	9,149
Non-cash adjustment to reconcile profit before tax to cash flow:			
Provision for deferred consideration	13	5,191	-
Depreciation, amortisation and impairment		-	30
Impairment of loan to subsidiaries		-	1,624
Share of (profit) loss of an associate		-	(2,347)
Changes in working capital:			
Changes in trade and other receivables		(2,502)	821
Changes in trade and other payables		751	243
Cash flow from (used in) operating activities		2,603	9,520
Cash flow from investing activities			
Loan payment to related parties (net)		(39,501)	(11,988)
Investment in subsidiary	7	(3,283)	-
Proceeds on disposal of investment in associates		-	2,347
Cash flow from (used in) investing activities		(42,784)	(9,641)
Cash flow from financing activities			
Proceeds from issuance of shares (net of transaction costs)	12	49,267	-
Payments for shares bought back		(372)	-
Dividends paid		-	(38,064)
Cash flow used in from (used in) financing activities		48,895	(38,064)
Net change in cash and cash equivalents		8,714	(38,185)
Cash and cash equivalents at beginning of year		15,473	53,658
Cash and cash equivalents at end of year		24,187	15,473

Notes to the Financial Statements

Note 1. Accounting principles

AqualisBraemar ASA ("the Company") is a limited liability company incorporated on 13 June 2014 and domiciled in Norway with its registered office at Olav Vs gate 6, 0161 Oslo, Norway. The Company is listed on Oslo Stock Exchange.

The Company is principally an investment holding company. Its other activities include provision of management services to related companies.

The principal activities of the subsidiaries are disclosed in Note 25 to the AqualisBraemar group's consolidated financial statements.

The financial statements have been prepared in accordance with the Norwegian Accounting Act and generally accepted accounting principles in Norway.

Foreign currency translation

Transactions in foreign currency are translated at the rate applicable on the transaction date. Monetary items in a foreign currency are translated into Norwegian Krone ("NOK") using the exchange rate applicable on the balance sheet date. Non-monetary items that are measured at their historical price expressed in a foreign currency are translated into NOK using the exchange rate applicable on the transaction date. Non-monetary items that are measured at their fair value expressed in a foreign currency are translated at the exchange rate applicable on the balance sheet date. Changes to exchange rates are recognised in the income statement as they occur during the accounting period.

Income tax

The tax expense consists of the tax payable and changes to deferred tax. Deferred tax/tax assets are calculated on all differences between the book value and tax value of assets and liabilities. Deferred tax is calculated at applicable rate of temporary differences and the tax effect of tax losses carried forward. Deferred tax assets are recorded in the balance sheet when it is more likely than not that the tax assets will be utilised. Taxes payable and deferred taxes are recognised directly in equity to the extent that they relate to equity transactions.

Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty.

Balance sheet classification

Current assets and short term liabilities consist of receivables and payables due within one year, and items related to the normal operating cycle. Other balance sheet items are classified as non-current.

Current assets are valued at the lower of cost and fair value. Short term liabilities are recognised at nominal value.

Investment in subsidiaries

Investment in subsidiaries is valued at cost of the shares in the subsidiary less any impairment losses. An impairment loss is recognised if the impairment is not considered temporary. Impairment losses are reversed if the reason for the impairment loss disappears in a later period.

Dividends, group contributions and other distributions from subsidiaries are recognised in the same year as they are recognised in the financial statement of the provider. If dividends / group contribution exceed withheld profits after the acquisition date, the excess amount represents repayment of invested capital, and the distribution will be deducted from the carrying value of the investment.

Other receivables

Other current receivables are recorded in the balance sheet at nominal value less provisions for doubtful accounts. Provisions for doubtful accounts are based on an individual assessment of the receivables.

Cash flow statement

The cash flow statement is presented using the indirect method. Cash and cash equivalents includes cash, bank deposits and other short term, highly liquid investments with maturities of three months or less. Deposits held by the bank against guarantees provided to the customers are classified and accounted for in other current assets.

Note 2. Revenues

Amounts in NOK thousands	2019	2018
Corporate group management fees	2,819	2,118
Total	2,819	2,118

Note 3. Staff costs

Amounts in NOK thousands	2019	2018
Salaries	2,789	497
Pension contribution	213	-
Other personnel costs	397	71
Total	3,399	568

At 31 December 2019 the Company had two employees (2018: Nil). Salaries includes compensation to the board members. AqualisBraemar ASA meets the Norwegian requirements for mandatory occupational pension ("obligatorisk tjenestepensjon"). Please refer to note 20 and 21 in AqualisBraemar group consolidated financial statements for further information regarding the remuneration to board members and executive management.

Note 4. Other operating expenses

Amounts in NOK thousands	2019	2018
Professional fees	653	2,645
Share of central costs	523	420
Office rental cost	141	133
Other costs	1,023	808
Total other operating expenses	2,340	4,006

Remuneration to the Auditors¹

Amounts in NOK thousands	2019	2018
Audit	373	274
Other assurance services	356	-
Other services	1,219	-
Total	1,949	274

1. All fees are exclusive of VAT.

Note 5. Financial items

Amounts in NOK thousands	2019	2018
Finance income		
Interest income on loans to related parties	4,867	4,001
Interest income from bank deposits	192	312
Total	5,059	4,313

Finance expenses

Change in fair value of warrants (note 13)	5,191	-
Other finance expenses	4	-
Total	5,195	-

Net foreign exchange gain (loss)

Net foreign exchange gain (loss)	2,219	6,599
Total net foreign exchange gain (loss)	2,219	6,599

Net foreign exchange gain includes unrealised foreign currency effect related to bank accounts other than NOK and unrealised foreign currency on long term loans to subsidiaries in the Company.

Long term loans to subsidiaries have been assessed to be a part of the net investments in the subsidiaries.

Note 6. Taxes

Amounts in NOK thousands	2019	2018
Income tax expense recognised in profit or loss		
Changes in deferred tax	(57)	1,441
Total income tax expense (income)	(57)	1,441
Tax base calculation		
Profit before income tax	(837)	9,149
Permanent differences	576	(2,344)
Changes in temporary differences	(1,899)	(4,429)
Total tax base	(2,160)	2,376
Temporary differences		
	31 December 2019	31 December 2018
Short term receivables	(5,095)	(5,189)
Long term receivables in foreign currency	22,653	20,760
Property, plant and equipment	(16)	(23)
Total	17,542	15,548
Accumulated losses carried forward	(5,415)	(3,164)
Base for deferred tax liability	12,127	12,384
Deferred tax liabilities	2,668	2,725
Total deferred tax liabilities	2,668	2,725

Norway corporation tax rate for 2019 was 22% (2018: 23%). For 2020, there is no change in corporation tax rate. Deferred tax liability as of 31 December 2019 has been calculated based on this rate.

Reconciliation of the effective tax rate:

Amounts in NOK thousands	2019	2018
Profit (loss) before income tax	(837)	9,149
Income tax using the Company's domestic tax rate of 22% (2018 - 23%)	(184)	2,104
Effect of permanent difference	127	(539)
Effect of changes in tax rate	-	(124)
Income tax (income) expense recognised in profit or loss	(57)	1,441
Effective tax rate	6.9%	15.8%

Note 7. Investments in subsidiaries

The subsidiaries directly owned by the Company at 31 December 2019 are set out below. Unless otherwise indicated, all shareholdings owned by the Company represent 100% of the issued share capital of the subsidiary and the share capital is comprised of ordinary shares. Figures presented below in functional currency thousands.

Name of subsidiaries	Registered office	Functional currency	Share capital	Equity as of 31.12.2019	Net profit for the year	Net carrying value NOK '000
AqualisBraemar Holding Limited	UK	GBP	4,462	(2,992)	(310)	118,678
Offshore Wind Consultants Limited	UK	GBP	0,1	925	172	8,668
AqualisBraemar Technical Services Holdings Limited	UK	GBP	1	10,182	494	70,472
Total						197,818

On 21 June 2019, the Company acquired 100% of the shares in Braemar Technical Services Holdings Limited ("BTS") (subsequently renamed to "AqualisBraemar Technical Services Holdings Limited"), a specialised consultancy group consists of 3 business streams (Offshore, Marine and Adjusting) out of Braemar Shipping Services PLC's "(Braemar") technical division. The acquisition is expected to increase the Group's market share and reduce costs through economies of scale. Refer to note 7 in AqualisBraemar group consolidated financial statements for further information regarding the acquisition.

Note 8. Related party

For the purposes of the Company's financial statements, parties are considered to be related to the Company if the Company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

In addition to the related party information disclosed elsewhere in the Group consolidated financial statements, the Company's balances with the related parties included in the balance sheet as at 31 December 2019 and 2018 are as follows:

Amounts in NOK thousands	31 December 2019	31 December 2018
Loans to group companies		
AqualisBraemar Holding Limited	66,639	56,641
Aqualis Braemar Marine Services LLC, UAE	27,984	26,667
AqualisBraemar Technical Services Holdings Limited	27,749	-
Aqualis Offshore UK Limited	9,695	9,229
AqualisBraemar Inc.	8,193	7,800
Aqualis Offshore Servicios Ltda	2,048	2,803
Aqualis Braemar Marine Services LLC, Qatar	1,736	1,618
Aqualis Offshore Korea Youhanheosa	1,522	1,449
AqualisBraemar S. De R.L. De C.V.	891	847
OWC (Aqualis) GmbH	506	481
Aqualis Offshore AS	252	1,800
	147,215	109,337
Allowance for losses	-	(1,624)
Total	147,215	107,714
Non-current portion	147,215	107,714
Current portion	-	-
Total	147,215	107,714

The loans to Group companies carry an annual interest rate of 2% over 3 months USD LIBOR. Loans to subsidiaries have a long term perspective and does not have a specific repayment date.

Amounts in NOK thousands	31 December 2019	31 December 2018
Due from related parties		
AqualisBraemar Holding Limited	2,814	251
	2,814	251
Due to related parties		
AqualisBraemar Holding Limited	144	107
	144	107

Amount due from and due to group companies are unsecured, non-interest bearing and are repayable on demand and are included in trade and other receivables (note 9) and trade and other payables respectively (note 14)..

Transactions with related parties are made at terms agreed between the parties. For the year ended 31 December 2019, transactions with related parties included in profit and loss are as follows:

Amounts in NOK thousands	2019	2018
Corporate group management services (note 2)	2,819	2,118
Interest income on loans (note 5)	4,867	4,001
Share of central costs (note 4)	523	420

Note 9. Trade and other receivables

Amounts in NOK thousands	31 December 2019	31 December 2018
Due from related parties (note 8)	2,814	251
Other receivables	34	95
Total	2,848	346

Other receivables are non-interest bearing and are generally on terms of 30 to 45 days.

Note 10. Cash and cash equivalents

Amounts in NOK thousands	31 December 2019	31 December 2018
Cash and bank balances	24,187	15,473
Total	24,187	15,473

Amounts in thousands	31 December 2019		31 December 2018	
	Currency	NOK	Currency	NOK
Distributed in following currencies:				
US Dollars	1,671	14,687	1,262	10,975
Norwegian Krone	6,947	6,947	1,927	1,927
Euro	259	2,553	259	2,571
Total		24,187		15,473

The Company has restricted cash at banks of NOK 213 thousand at 31 December 2019 (2018: Nil). These are subject to regulatory restrictions and are therefore not available for general use by the other entities within the Group.

Note 11. Share capital

Amounts in NOK thousands	Number of shares	Share capital
At 1 January 2018	42,293,239	4,229
At 31 December 2018	42,293,239	4,229
At 1 January 2019	42,293,239	4,229
Cash-settled capital increase (net of transaction costs)	13,257,575	1,326
Issue of shares on acquisition	14,865,621	1,487
At 31 December 2019	70,416,435	7,042

Each share has a par value of NOK 0.10 per share.

Share-based payments

The company has established share option plan that entitle employees to purchase share in the company. Under these plan, holders of vested options are entitled to purchase shares at the market price of the shares at grant date. Each employee share option converts into one ordinary share of the Company on exercise. No amounts are paid or payable by the recipient on receipt of the option. The options carry neither rights to dividends nor voting rights. Options may be exercised at any time from the date of vesting to the date of their expiry. Refer note 16 in AqualisBraemar group consolidated financial statements for more information.

Refer to note 26 in AqualisBraemar group consolidated financial statements for further information regarding the company's largest shareholders.

Note 12. Equity

Amounts in NOK thousands	Share capital	Treasury shares	Other paid-up capital	Total equity
At 1 January 2018	4,229	-	273,442	277,671
Dividends	-	-	(38,064)	(38,064)
Profit after taxes	-	-	7,708	7,708
At 31 December 2018	4,229	-	243,086	247,315
At 1 January 2019	4,229	-	243,086	247,315
Cash-settled capital increase (net of transaction costs)	1,326	-	47,941	49,267
Issue of shares on acquisition	1,487	-	57,530	59,017
Acquisition of treasury shares	-	(372)	-	(372)
Dividends	-	-	(14,083)	(14,083)
Profit after taxes	-	-	(780)	(780)
At 31 December 2019	7,042	(372)	333,694	340,363

The Board of Directors in their meeting on 26 February 2020 proposed distribution of dividend of NOK 0.20 (2018: NOK 0.90) per share.

On 9 July 2018, total dividend of NOK 38,064 thousands was paid to the shareholders. For tax purposes, the distribution was considered repayment of paid in capital.

The Company incurred NOK 3,233 thousands towards transaction costs that were directly attributable to the issuance of shares.

Refer to note 7,16 in AqualisBraemar group consolidated financial statements for further information regarding the issuance of new shares on acquisition and buy back of treasury shares.

Note 13. Provisions

As at 31 December 2019, provisions comprise of fair value of the performance based warrants issued as part of the acquisition. Refer to note 7 in AqualisBraemar group consolidated financial statements for further information regarding the calculations.

Note 14. Trade and other payables

Amounts in NOK thousands	31 December 2019	31 December 2018
Due to related parties (note 8)	144	107
Trade payables	234	367
Accruals and other payables	1,212	365
Total	1,967	839

Trade payables are non- interest bearing and are normally settled on 30 days term.

Note 15. Events after the reporting period

The outbreak of COVID-19 has caused unprecedented uncertainty regarding the outlook for 2020. The COVID-19 situation has led to both positives and negatives for the company. Refer to note 27 in AqualisBraemar group consolidated financial statements for further information regarding the impact on the Group.



To the General Meeting of AqualisBraemar ASA

Independent Auditor's Report

Report on the Audit of the Financial Statements

Opinion

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

- The financial statements of the parent company AqualisBraemar ASA (the Company), which comprise the balance sheet as at 31 December 2019, the income statement and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- The consolidated financial statements of AqualisBraemar ASA and its subsidiaries (the Group), which comprise the balance sheet as at 31 December 2019, the statement of income, statement of other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion:

- The financial statements are prepared in accordance with the law and regulations.
- The accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2019, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.
- The accompanying consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2019, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The size of the business and the scope of the services provided by the Group are expanded by the acquisition of Braemar Technical Services Holdings Limited, and we considered this transaction to be key to our audit. Valuation of goodwill contains the same risks and challenges as last year and our focus on this area have continued in 2019.

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 State authorised public accountants, members of The Norwegian Institute of Public Accountants, and authorised accounting firm



Independent Auditor's Report - AqualisBraemar ASA

Key Audit Matter **How our audit addressed the Key Audit Matter**

Business Combinations - acquisition of Braemar Technical Services Holdings Limited

We refer to note 2 (Accounting policies) and note 7 (Business combination) where management explains the effects of the business combination.

In June 2019, the group completed the purchase of three business streams of which was carved out from Braemar Technical Services group. The acquisition was material which was demonstrated by the fact that the group's revenues were approximately doubled as a result of the business combination. The total assets and total liabilities acquired accounted for 48% and 20%, respectively, of the consolidated balance sheet as at 30 June 2019.

The business combination led to a recognition of a bargain purchase gain of USD 11.1 million. Due to the size of the transaction and the judgement required by management in determining the purchase price allocation (PPA), this has been a key area of the audit. In particular, we focussed on the assessments made regarding valuation of trade receivables and other current assets that were acquired.

We evaluated and challenged managements' PPA valuation and the process by which this was performed. Management engaged an external valuation firm for assistance with the PPA. We assessed the third party's competence, capacity and objectivity. Our procedures included inquiry of the third party and performing the procedures described below related to the PPA report issued to management of AqualisBraemar ASA.

We assessed managements' accounting policy against IFRSs and obtained explanations from management as to how the specific requirements of the standards, in particular IFRS 3 – Business Combinations, were met.

In order to assess each of the assumptions in managements' purchase price allocation, we discussed with management and challenged their assessments, especially related to their valuation assessment for the trade receivables and other current assets. In addition, we discussed the bargain purchase gain with management and found their basis for the gain to be in line with the relevant guidance in the IFRS. For certain key assumptions in arriving at the estimated fair value, we specifically used the sources of data and performed among other the procedures outlined below;

- Tested the valuation of trade receivables and contract assets by reviewing the aging and management's assumptions for collecting the balances.
- Reviewed the recognition and measurement of lease agreements.
- Tested the completeness of accruals and other liabilities.
- Analysed other evidence collected by performing audit procedures on subsequent periods.

We evaluated the appropriateness of the related disclosures in note 2 and 7 to the consolidated financial statements and satisfied ourselves that the disclosure appropriately explained the transactions in accordance with IFRS requirements.

(2)



Independent Auditor's Report - AqualisBraemar ASA

Assessment of impairment of goodwill

We refer to note 13 (Intangible assets) where management explains their impairment process and relevant assumptions.

The carrying value of goodwill amounted to USD 13.0 million as of 31 December 2019, which is about 20% of the assets in the balance sheet.

Goodwill should be tested for impairment annually, or when there are indicators of impairment. An impairment test was performed during the fourth quarter. The test did not result in an impairment charge being recognized.

The impairment test involved management judgement; mainly related to estimating future cash flows and the discount rate. The future cash flow estimate was sensitive to the applied growth rate and the EBITDA margin. We focused on this issue mainly because of the level of management judgement involved.

We evaluated and challenged management's impairment model. We corroborated the elements in the model to the requirements in IFRS and found no material inconsistencies. Further, we tested whether the model performed mathematical calculations as expected.

We challenged management's use of assumptions in the future cash flow estimate. We found that income estimates were based on a detailed budgeting process. We tested managements' budgeting accuracy by comparing budgeted growth rate and EBITDA margin against actuals for and 2019. When we found deviations, we assessed management's explanations and corroborated with other evidence available to us. In order to challenge each of the assumptions in the forecast, we held discussions with management. The future cash flows were also compared to business forecasts and approved budgets by the Board of Directors. Based on our testing and discussions with management, we found management's budgeting for the purpose of this impairment test, to be reliable.

In order to evaluate the assumptions used to build the discount rate, we used external market data and observable data from comparable companies. We found the assumptions to be reasonable based on our knowledge and available evidence. We evaluated the adequacy of the disclosures made on impairment of goodwill and found that disclosures appropriately explained management's valuation process and the uncertainties inherent in some of management's assumptions.

Other information

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

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

(3)



Independent Auditor's Report - AqualisBraemar ASA

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

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

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements of the Company use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations. The consolidated financial statements of the Group use the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

(4)



Independent Auditor's Report - AqualisBraemar ASA

However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.

- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Opinion on the Board of Directors' report

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

Opinion on Registration and Documentation

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

Oslo, 27 April 2020

PricewaterhouseCoopers AS

Anders Ellefsen

State Authorized Public Accountant (Norway)

(5)

Alternative Performance Measures (APM)

The European Securities and Markets Authority (ESMA) issued guidelines on Alternative Performance Measures (“APMs”) that came into force on 3 July 2016. Alternative performance measures are meant to provide an enhanced insight into the operations, financing and future prospects of the company. The Company has defined and explained the purpose of the following APMs:

Adjusted EBITDA

Adjusted EBITDA which excludes depreciation, amortisation and impairments, share of net profit (loss) from associates, transaction costs related to acquisitions, restructuring and integration costs is a useful measure because it provides useful information regarding the Company's ability to fund capital expenditures and provides a helpful measure for comparing its operating performance with that of other companies. EBITDA may not be comparable to other similarly titled measures from other companies. A reconciliation between reported operating profit/(loss) and EBITDA is shown below.

Amounts in USD thousands	2019	2018
Operating profit (loss) (EBIT)	(332)	2,684
Depreciation, amortisation and impairment	690	129
Transaction costs related to acquisition	1,129	-
Restructuring and integration costs	528	-
Share of net profit (loss) from associates	-	(291)
Adjusted EBITDA	2,015	2,522

Adjusted EBIT

Adjusted EBIT which excludes amortisation and impairments, share of net profit (loss) from associates, transaction costs related to acquisitions, restructuring and integration costs is a useful measure because it provides an indication of the profitability of the Company's operating activities for the period without regard to significant events and/ or decisions in the period that are expected to occur less frequently. A reconciliation between reported operating profit/(loss) and EBIT adjusted is shown below.

Amounts in USD thousands	2019	2018
Operating profit (loss) (EBIT)	(332)	2,684
Transaction costs related to acquisition	1,129	-
Restructuring and integration costs	528	-
Share of net profit (loss) from associates	-	(291)
Adjusted EBIT	1,325	2,393

Adjusted profit (loss) after taxes

Adjusted profit (loss) after taxes which excludes amortisation and impairments, share of net profit (loss) from associates, transaction costs related to acquisitions, restructuring and integration costs and certain finance income is a useful measure because it provides an indication of the profitability of the Company's operating activities for the period without regard to significant events and/or decisions in the period that are expected to occur less frequently. A reconciliation between adjusted profit (loss) after taxes and profit (loss) after taxes is shown below.

Amounts in USD thousands	2019	2018
Profit (loss) after taxes	9,037	2,422
Transaction costs related to acquisition	1,129	-
Restructuring and integration costs	528	-
Gain on bargain purchase	(11,026)	-
Share of net profit (loss) from associates	-	(291)
Adjusted profit (loss) after taxes	(332)	2,131

Order backlog

Order backlog is defined as the aggregate value of future work on signed customer contracts or letters of award. AqualisBraemar's services are shifting towards "call-out contracts" which are driven by day-to-day operational requirements. An estimate for backlog on "call-out contracts" are only included in the order backlog when reliable estimates are available. Management believes that the order backlog is a useful measure in that it provides an indication of the amount of customer backlog and committed activity in the coming periods.

Working capital and working capital ratio

Working capital is a measure of the current capital tied up in operations. The amount of working capital will normally be dependent on the revenues earned over the past quarters. Working capital includes trade and other receivables and contract assets, trade and other payables, current tax payable, and contract liabilities. Working capital may not be comparable to other similarly titled measures from other companies. Working capital ratio provides an indication of the working capital tied up relative to the average quarterly revenue over the past two quarters.

Amounts in USD thousands	31 December 2019	31 December 2018
Working capital		
Trade and other receivables	24,252	9,870
Contract assets	12,019	2,297
Trade and other payables	(9,487)	(3,454)
Contract liabilities	(719)	(438)
Income tax payable	(371)	(159)
Total	25,694	8,116

Return on equity (ROE)

ROE is calculated as the adjusted profit (loss) for the period attributable to equity holders of the parent, divided by average total equity for the period. The adjusted profit (loss) is annualised for interim period reporting. This measure indicates the return generated by the management of the business based on the total equity. The calculation of ROE is shown below.

Amounts in USD thousands	2019	2018
Adjusted profit (loss) after taxes	(332)	2,131
Total equity	47,364	25,555
Average total equity	36,459	27,003
ROE	(0.9%)	7.9%

Return on capital employed (ROCE)

ROCE is calculated as the adjusted EBIT for the period, divided by average capital employed for the period. Capital employed is defined as total assets less non-interest bearing current liabilities. The adjusted EBIT is annualised for interim period reporting. This measure indicates the return generated by the management of the business based on the capital employed. The calculation of ROCE is shown below.

Amounts in USD thousands	2019	2018
Adjusted EBIT	1,325	2,393
Total assets	63,557	30,633
Less: Non-interest bearing current liabilities	(10,577)	(4,051)
Capital employed	52,980	26,583
Average capital employed	39,781	27,903
ROCE	3.3%	8.6%

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Neptune Midco 1 Group (including IFRS 16 +GW adj) - Unaudited

Acts with IFRS + Cost adj

Income Statement			GBP/USD	1,282569
Year Ended 31 December				
	2020	2019		
	£	£		
Turnover	48 680 491	53 960 753	62 436 088	
Cost of sales	- 32 582 496	- 35 699 362	-41 789 299	
Gross profit	16 097 995	18 261 391	20 646 789	
Administrative expenses	- 13 775 644	- 18 310 158	-17 668 214	
Other operating expenses	-	- 707 687	0	
Operating loss	2 322 351	- 756 454	2 978 576	
Other interest receivable and similar income	121 564	26 791	155 915	
Interest payable and similar expenses	- 915 296	- 5 981 424	-1 173 930	
Loss before taxation	1 528 620	- 6 711 088	1 960 560	
Tax on loss	- 1 013 034	- 1 324 622	-1 299 286	
Loss after taxation	515 586	- 8 035 710	661 274	
Loss attributable to				
Shareholders of the parent company	- 331 416	- 8 121 620	-425 064	
Non-controlling interest	160 285	85 910	205 576	
Total loss	- 171 131	- 8 035 710	-219 488	1,2825690

Cost adjustments

Analysis of costs

	£	£	Adjustments	
Exceptional cost		3 264 365	Income	
Omega - Cyber event costs	- 906 833	remain		
Venus - AB deal related cost more than offset by BDC write back	4 806 409	adjusted	4 806 409	
Provision for interco receivable from LOC Group Holdings Ltd	- 635 211	adjusted	- 635 211	
	<u> </u>	3 264 365	<u>4 171 198</u>	5349849,248
Difference		0		
Interest payable cost		- 5 626 893	Cost	
BDC loan notes	- 1 848 880		- 1 848 880	
HSBC facility (includes non utilisation of RCF facility through LOC Group Ltd)	- 407 081			
Innosea bank loans	- 10 201			
Other interest	- 190 614			
LOC Group Holding recharge re interest on shareholder loan notes and preference shares	- 3 170 117		- 3 170 117	
	<u> </u>	- 5 626 893	<u>5 018 997</u>	
Difference		0	- 161 082	
		Other cost adjustments		
		Realised FX Gain/(Loss)	- 60 049	
		Unrealised FX Gain/(Loss)	- 94 834	
		SUM	<u>- 154 882</u>	

Neptune Midco 1 Group (including IFRS 16 +GW adj) - Unaudited

Acts with IFRS

Income Statement		
Year Ended 31 December		
	2020	2019
	£	£
Turnover	48 680 491	53 960 753
Cost of sales	- 32 582 496	- 35 699 362
Gross profit	16 097 995	18 261 391
Administrative expenses	- 9 604 446	- 18 310 158
Other operating expenses	- 154 882	- 707 687
Operating loss	6 338 667	- 756 454
Other interest receivable and similar income	121 564	26 791
Interest payable and similar expenses	- 5 779 411	- 5 981 424
Loss before taxation	680 821	- 6 711 088
Tax on loss	- 851 952	- 1 324 622
Loss after taxation	- 171 131	- 8 035 710
Loss attributable to		
Shareholders of the parent company	- 331 416	- 8 121 620
Non-controlling interest	160 285	85 910
Total loss	- 171 131	- 8 035 710

Neptune Midco 1 Group (excluding IFRS 16 adjustment) - Unaudited

Acts without IFRS

Income Statement		
Year Ended 31 December		
	2020	2019
	£	£
Turnover	48 680 491	53 960 753
Cost of sales	- 32 582 496	- 35 699 362
Gross profit	16 097 995	18 261 391
Administrative expenses	- 11 926 904	- 20 623 237
Other operating expenses	- 154 882	- 707 687
Operating loss	4 016 209	- 3 069 533
Other interest receivable and similar income	121 564	26 791
Interest payable and similar expenses	- 5 626 893	- 5 795 425
Loss before taxation	- 1 489 120	- 8 838 167
Tax on loss	- 851 952	- 1 324 622
Loss after taxation	- 2 341 072	- 10 162 789
Loss attributable to		
Shareholders of the parent company	- 2 501 356	- 10 248 699
Non-controlling interest	160 285	85 910
Total loss	- 2 341 072	- 10 162 789

Balance Sheet

As at 31 December

	2020	2020	2019	2019
	£	£	£	£
Fixed assets				
Goodwill		7 057 012		9 254 824
Intangibles		79 156		1 045 637
Tangible assets		496 157		754 389
Investments		-		-
		<u>7 632 325</u>		<u>11 054 850</u>
Current assets				
Debtors	15 579 042		16 034 508	
Cash at bank and in hand	12 607 688		12 612 542	
		<u>28 186 730</u>		<u>28 647 050</u>
Creditors: amounts falling due within one year	- 34 233 886		- 48 874 806	
Net current assets		- 6 047 155		- 20 227 756
Total assets less current liabilities		<u>1 585 170</u>		<u>- 9 172 906</u>
Creditors: amounts falling due after more than one year	- 1 784 226		- 30 534 927	
Provisions for liabilities				
Lease liabilities	-		-	
Provisions	- 182 665		- 437 753	
		<u>- 1 966 891</u>		<u>- 30 972 680</u>
Net liabilities		<u>- 381 721</u>		<u>- 40 145 586</u>
Capital and reserves				
Called up share capital		42 640 756		270 000
Capital Contribution Account		250 399		250 399
Other reserves		1 768 470		2 053 896
Profit and loss account		- 45 502 307		- 43 009 321

Equity attributable to the parent's shareholders	- 842 681	- 40 435 026
Non-controlling interest	460 960	289 440
Shareholders' deficit	- 381 721	- 40 145 586

Neptune Midco 1 Group - IFRS 16 Adjustment - Unaudited

IFRS16 Adj

Income Statement		
Year Ended 31 December		
	2020	2019
	£	£
Turnover	-	-
Cost of sales	-	-
Gross profit	<u>-</u>	<u>-</u>
Administrative expenses	124 646	110 683
Other operating expenses	-	-
Operating loss	<u>124 646</u>	<u>110 683</u>
Other interest receivable and similar income	-	-
Interest payable and similar expenses	- 152 518	- 185 999
Loss before taxation	<u>- 27 872</u>	<u>- 75 317</u>
Tax on loss	-	-
Loss after taxation	<u><u>- 27 872</u></u>	<u><u>- 75 317</u></u>
Loss attributable to		
Shareholders of the parent company	- 27 872	- 75 317
Non-controlling interest	-	-
Total loss	<u><u>- 27 872</u></u>	<u><u>- 75 317</u></u>

Balance Sheet

As at 31 December

	2020	2020	2019	2019
	£	£	£	£
Fixed assets				
Goodwill		-		-
Intangibles		-		-
Tangible assets		2 590 835		4 058 672
Investments		-		-
		<u>2 590 835</u>		<u>4 058 672</u>
Current assets				
Debtors	-		-	
Cash at bank and in hand	-		-	
	<u>-</u>		<u>-</u>	
	-		-	
Creditors: amounts falling due within one year	<u>-</u>		<u>-</u>	
Net current assets		-		-
Total assets less current liabilities		<u>2 590 835</u>		<u>4 058 672</u>
Creditors: amounts falling due after more than one year	-		-	
Provisions for liabilities				
Lease liabilities	- 2 694 024		- 4 133 988	
Provisions	<u>-</u>		<u>-</u>	
	- 2 694 024		- 4 133 988	
Net liabilities	<u>- 103 189</u>		<u>- 75 317</u>	

Capital and reserves		
Called up share capital	-	-
Capital Contribution Account	-	-
Other reserves	-	-
Profit and loss account	- 103 189	- 75 317
Equity attributable to the parent's shareholders	- 103 189	- 75 317
Non-controlling interest	-	-
Shareholders' deficit	- 103 189	- 75 317

IFRS 16 detail

Balance Sheet	01.01.2019	31.12.2019	31.12.2020	31.12.2021
ROU asset - opening balance	5 440 502	5 440 502	4 058 672	2 590 835
addition 2020 leases	-	-	43 367	111 382
Depreciation	-	(1 381 830)	(1 511 203)	(1 383 456)
ROU asset - closing balance	5 440 502	4 058 672	2 590 835	1 318 762
ROU liability - opening balance	(5 440 502)	(5 440 502)	(4 133 988)	(2 694 024)
addition 2020 leases	-	-	(43 367)	(111 382)
interest accrual	-	(185 999)	(152 518)	(93 027)
Yearly payment	-	1 492 513	1 635 849	1 502 366
ROU liability - closing balance	(5 440 502)	(4 133 988)	(2 694 024)	(1 396 067)
Profit and Loss				
Lease expenses (PL)	-	(1 492 513)	(1 635 849)	(1 502 366)
Depreciation expenses (PL)	-	1 381 830	1 511 203	1 383 456
Interest charge (PL)	-	185 999	152 518	93 027
Net P&L impact	-	75 317	27 872	(25 883)

Neptune Midco 1 Group - IFRS Goodwill Adjustment back to 2013 full value (adjusted based on actual through accounts) - Unaudited

IFRS Goodwill Full value

Income Statement			
Year Ended 31 December			
	2020	2019	
	£	£	
Turnover	-	-	
Cost of sales	-	-	
Gross profit	<u>-</u>	<u>-</u>	
Administrative expenses	2 197 812	2 202 396	
Other operating expenses	-	-	
Operating loss	<u>2 197 812</u>	<u>2 202 396</u>	
Other interest receivable and similar income	-	-	
Interest payable and similar expenses	-	-	
Loss before taxation	<u>2 197 812</u>	<u>2 202 396</u>	
Tax on loss	-	-	
Loss after taxation	<u>2 197 812</u>	<u>2 202 396</u>	
Loss attributable to			
Shareholders of the parent company	2 197 812	2 202 396	
Non-controlling interest	-	-	
Total loss	<u>2 197 812</u>	<u>2 202 396</u>	

Balance Sheet				
As at 31 December				
	2020	2020	2019	2019
	£	£	£	£
Fixed assets				
Goodwill		14 514 404		12 316 592
Intangibles		-		-
Tangible assets		-		-
Investments		-		-
		<u>14 514 404</u>		<u>12 316 592</u>
Current assets				
Debtors	-		-	

Cash at bank and in hand	-	-
	<u>-</u>	<u>-</u>
Creditors: amounts falling due within one year	-	-
	<u>-</u>	<u>-</u>
Net current assets	-	-
Total assets less current liabilities	14 514 404	12 316 592
Creditors: amounts falling due after more than one year	-	-
Provisions for liabilities		
Lease liabilities	-	-
Provisions	<u>-</u>	<u>-</u>
	-	-
Net liabilities	14 514 404	12 316 592
Capital and reserves		
Called up share capital	-	-
Capital Contribution Account	-	-
Other reserves	-	-
Profit and loss account	14 514 404	12 316 592
Equity attributable to the parent's shareholders	14 514 404	12 316 592
Non-controlling interest	-	-
	<u>-</u>	<u>-</u>
Shareholders' deficit	14 514 404	12 316 592

Neptune Midco 1 Group - IFRS Goodwill Adjustment - Unaudited

IFRS Goodwill

Income Statement		
Year Ended 31 December		
	2020	2019
	£	£
Turnover	-	-
Cost of sales	-	-
Gross profit	<u>-</u>	<u>-</u>
Administrative expenses	2 197 812	2 202 396
Other operating expenses	-	-
Operating loss	<u>2 197 812</u>	<u>2 202 396</u>
Other interest receivable and similar income	-	-
Interest payable and similar expenses	-	-
Loss before taxation	<u>2 197 812</u>	<u>2 202 396</u>
Tax on loss	-	-
Loss after taxation	<u>2 197 812</u>	<u>2 202 396</u>
Loss attributable to		
Shareholders of the parent company	2 197 812	2 202 396
Non-controlling interest	-	-
Total loss	<u>2 197 812</u>	<u>2 202 396</u>

Balance Sheet

As at 31 December

	2020	2020	2019	2019
	£	£	£	£
Fixed assets				
Goodwill		4 400 208		2 202 396
Intangibles		-		-
Tangible assets		-		-
Investments		-		-
		<u>4 400 208</u>		<u>2 202 396</u>
Current assets				
Debtors	-		-	
Cash at bank and in hand	-		-	
	<u>-</u>		<u>-</u>	
Creditors: amounts falling due within one year	-		-	
	<u>-</u>		<u>-</u>	
Net current assets		-		-
Total assets less current liabilities		<u>4 400 208</u>		<u>2 202 396</u>
Creditors: amounts falling due after more than one year	-		-	
Provisions for liabilities				
Lease liabilities	-		-	
Provisions	-		-	
	<u>-</u>		<u>-</u>	
Net liabilities		<u>4 400 208</u>		<u>2 202 396</u>
Capital and reserves				
Called up share capital		-		-
Capital Contribution Account		-		-
Other reserves		-		-
Profit and loss account		4 400 208		2 202 396
Equity attributable to the parent's shareholders		<u>4 400 208</u>		<u>2 202 396</u>
Non-controlling interest		-		-
Shareholders' deficit		<u>4 400 208</u>		<u>2 202 396</u>

P&L

	Midco 1 Consolidation 2020	Midco 1 Consolidation Q3 2020	
	46 495 313	35 014 624	
	-	-	
	46 495 313	35 014 624	
	-	-	
	2 185 177	1 649 831	
Turnover	Total Gross Revenue	36 664 455	
	-	-	
	(8 236 278)	(6 106 694)	
	(2 733 583)	(1 962 663)	
	-	-	
Cost of sales	Total External Project Costs	(8 069 357)	
	-	-	
	37 710 629	28 595 099	
	-	-	
Cost of sales	Technical Staff Costs	(21 612 634)	Salaries
Wages and salaries	Tech Salary	(16 381 130)	(21 612 634)
Social security costs	Tech Social Security	(1 746 778)	(4 350 166)
Contributions to defined contribution plans	Tech Pension	(1 060 798)	(25 962 801)
	Tech Health Insurance	(722 446)	
	Tech Holiday Pay	(365 189)	
	Tech Lieu Days	(327 217)	
	Tech Other Staff Costs	(159 420)	
	Tech Recruitment	(47 997)	Dep/amortisation
	Tech Redundancy Costs	(54 808)	(1 328 995)
	Tech Other Taxes	-	(2 196 115)
	Tech Other Benefits	(132 038)	(3 525 110)
	Tech Relocation	(45 334)	Goodwill adj
	Tech Allowances	(94 303)	2 197 812
	Tech Car Allowance	(254 843)	IFRS 16
	Tech Housing Allowance	(562 182)	(41 604)
	Tech Travel Allowance	(22 136)	(68 705)
	Tech School Fee Allowance	-	Adj dep/amortisation
	Tech Bonus	(189 075)	(201 370)
	Tech Staff - Government Support	484 710	(436 191)
	Global - Tech Staff Recharge	(13 563)	(12 317)
	Regional - Tech Staff Recharge	81 912	-
			(150 476)
			408 238
			(6 138)
			50 249

	Contingency - Tech Staff	-	-
	Tech Exceptionals	-	-
	Tech Investments	-	-
	Gross Profit	16 097 995	12 519 338
		-	-
Administrative expenses	Admin Staff	(4 350 166)	(3 291 524)
Wages and salaries	Salaries	(3 006 979)	(2 310 927)
Social security costs	Social Security	(342 453)	(269 189)
Contributions to defined contribution plans	Pension	(161 779)	(123 960)
	Health Insurance	(116 922)	(91 241)
	Other Payroll	(7 244)	(4 057)
	Holiday Pay	(56 984)	(55 128)
	Lieu Days	(26 849)	(14 438)
	Recruitment	(75 242)	(47 694)
	Redundancy Costs	(111 181)	(110 137)
	Relocation Allowance	-	-
	Admin Allowances	(16 291)	(12 863)
	Car Allowance	(39 905)	(32 139)
	Housing Allowance	(30 662)	(24 025)
	Travel Allowance	(6 988)	(3 629)
	School Fee Allowance	-	-
	Other Staff Costs	(362 790)	(219 901)
	Other Taxes	-	-
	Other Benefits	(27 970)	(23 112)
	Bonus	(47 724)	(47 484)
	Admin Staff - Government Support	115 929	100 111
	Global - Admin Staff Recharge	-	-
	Regional - Admin Staff Recharge	(28 134)	(1 710)
	Admin Staff Contingency	-	-
	Admin Staff Exceptionals	-	-
	Admin Staff Investments	-	-
Administrative expenses	Travel and Marketing	(397 523)	(323 175)
	Marketing	(205 940)	(172 900)
	Travel	(191 584)	(150 276)
Administrative expenses	Rent and Rates	(2 502 440)	(1 764 852)
Administrative expenses	Other Costs (total)	(4 058 244)	(3 029 183)
	Insurance - Combined	(193 162)	
	Insurance - Professional Indemnity	(76 888)	
	Insurance - Other	(373 050)	
	IT Costs	(996 398)	

	IT Costs - Technical Software	(330 416)		
	Legal	207 234		
	Training	(79 418)		
	Quality Assurance	(12 036)		
	Consultancy	(656 821)		
	Audit	(319 808)		
	Accountancy	(172 912)		
	Telephone	(323 007)		
	Other Costs	(106 413)		
	Subscriptions	(144 920)		
	Professional Fees	(38 717)		
	Printing, Postage & Stationery	(88 713)		
	Couriers	(8 005)		
	Staff Entertainment	(45 127)		
	Donations	(1 364)		
	Conferences	(4 325)		
	Other Office Costs	(243 047)		
	Health & Safety	(57 465)		
	P.I. Excess	(5 654)		
	Group Recharges	(2 745)		
	Regional Recharges	21 605		
	Profit / (Loss) on Disposal of Fixed Assets	(2 615)		
	Allocation & pass through	(4 057)		
	Contingency - Overheads	-		
	Exceptionals - Overheads	-		
	Investments - Overheads	-		
		-		
		-		
	Total Overhead	(11 308 373)	(8 408 733)	
		-		
	EBITDA (Pre cont.) excl FX	4 789 622	4 110 605	
		0	0	FOREX losses
Realised foreign exchange loss/gains	Realised FX Gain/(Loss)	(60 049)	81 769	(60 049)
Unrealised foreign exchange loss/gains	Unrealised FX Gain/(Loss)	(94 834)	588 234	(94 834)
Administrative expenses	WIP Provision	(215 455)	(193 483)	(154 882)
Administrative expenses	Bad Debt Provision	9 502	23 734	
		-		
	EBITDA (Pre cont.)	4 428 787	4 610 858	
		-		
Administrative expenses	Exceptionals FDD	(1 202 761)	(2 117 339)	

Administrative expenses	Exceptionals	-	-
Administrative expenses	Investments FDD	-	-
Administrative expenses	Investments	-	-
	R&D Credit	-	-
	Contingency	-	-
Administrative expenses	Bonus - (20%)	(666 376)	(560 197)
	Bonus - Contingency (2%)	-	-
		-	-
	EBITDA	2 559 649	1 933 323
		-	-
Administrative expenses	Depreciation	(1 328 995)	(705 294)
Administrative expenses	Amortisation	(2 196 115)	(1 648 071)
Administrative expenses	Impairments	-	-
Administrative expenses	Group - Management Fees	(11 375)	-
Administrative expenses	Group - Brand Fees	(7 241)	-
Dividends received	Dividends	-	-
Administrative expenses	Exceptional item (DO NOT USE)	4 467 126	- BDC debt
Interest payable and similar expenses	Interest payable	(5 626 893)	(4 561 701)
Other interest receivable and similar income	Interest receivable	121 564	90 991
		-	-
	Profit Before Tax	(2 022 280)	(4 890 753)
		-	-
	Corporation Tax	(851 952)	(591 588)
		-	-
	Profit After Tax	(2 874 232)	(5 482 341)
		-	-
	Minority Interest	(160 285)	(147 681)
		-	-
	Retained Earnings for the Year	(3 034 517)	(5 630 022)

BALANCE SHEET		Midco 1 Consolidati on 2020
	NON CURRENT ASSET	
Goodwill	Goodwill	7 057
Intangibles	Intangibles	79
Tangible assets	Tangible assets	496
Investments	Investments	(0)
	Pension asset for funded schemes in surplus	-
Deferred tax assets	Deferred tax asset	359
		-
		-
	CURRENT ASSETS	
Amounts recoverable on contracts	Amounts recoverable on contracts	2 253
Trade debtors	Trade Debtors	10 408
Amounts owed by group undertakings	Amounts owed by Group Undertakings	635
Corporation tax receivable	Current tax assets	139
Deferred tax assets	Deferred tax assets	326
Other debtors	Other taxation and social security	-
Other debtors	Other Debtors	509
Prepayments and accrued income	Prepayments and Accrued Income	949
Cash at bank and in hand	Cash and cash equivalents	12 608
	TOTAL CURRENT ASSETS	27 828
	CURRENT LIABILITIES	
Other creditors	Bank overdrafts	-
Other creditors	Bank loans	0
Trade creditors	Trade Creditors	(2 574)
Amounts owed to group undertakings	Amounts owed to Group Undertakings	(0)
Corporation tax	Current tax liabilities	(344)

Deferred tax liabilities	Deferred tax liabilities	(12)
Other taxation and social security	Other taxation and social security	(2 066)
Accruals and deferred income	Accruals and deferred income	(4 573)
Other creditors	Other creditors	(808)
Other creditors	Preference shares liability	-
Other provisions.	Other provisions	(542)
Bank loans	Other loans	(338)
Other creditors	Shareholder loans	-
	NET CURRENT ASSETS/(LIABILITIES)	16 568
	TOTAL ASSETS LESS CURRENT LIABILITIES	24 560
	NON CURRENT LIABILITIES	
Other creditors.	Bank loans	-
Other creditors.	Shareholder loans	-
Other taxation and social security.	Other taxation and social security	(1 784)
Other provisions.	Other provisions	(183)
Other creditors.	Other creditors	-
Other creditors.	Preference shares liability	-
Other creditors.	Other loans	(23 508)
Other provisions.	Pensions and similar obligations	-
Deferred tax liabilities.	Deferred tax liabilities	-
	NET ASSETS/[LIABILITIES]	(915)
	SHAREHOLDERS FUNDS / (DEFICITS)	
Called up share capital	Called up share capital	42 641
Non-controlling interest	Minority Interest	461
Share premium account	Share premium account	-
Preference share capital	Preference share capital	-
Capital Contribution account	Capital contribution account	250
Other reserves	Currency translation (BF)	2 123

Other reserves	Currency translation (CY)	(286)
Capital Redemption reserve	Capital redemption reserve	-
Other reserves Saane	Other Reserve - prior year (ESOP)	(69)
Other reserves Saane	Other Reserve - current year (ESOP)	-
Other reserves	Other Reserves - legal provision	0
	Dividends on ordinary capital	(0)
Direct to reserves during the year	Direct to reserves during the year	(0)
Profit and loss account	Retained profit or loss prior years	(43 001)
Profit and loss account	Profit or loss during the year	(3 035)
NET SHAREHOLDER (FUNDS)/DEFICIT		(915)

IC loans

LOC Books	Interest	Capital	Capital denominated in USD per AB \$	Interest 10 days denominated in USD per AB \$	AB denominated in USD \$	Revalued at YE rate £	Unrealised FX \$	LOC Original FX Rates
1 472 000	4 000	1 468 000						
9 381 000	26 000	9 355 000						
<u>10 853 000</u>	<u>30 000</u>	<u>10 823 000</u>	<u>14 421 205</u>	<u>39 510</u>	<u>14 460 715</u>	<u>10 594 707</u>	- 258 293	1,3325
<u>12 655 000</u>	<u>35 000</u>	<u>12 620 000</u>	<u>16 851 475</u>	<u>46 168</u>	<u>16 897 643</u>	<u>12 380 133</u>	- 274 867	1,3353
<u>23 508 000</u>	<u>65 000</u>	<u>23 443 000</u>	<u>31 272 680</u>	<u>85 679</u>	<u>31 358 359</u>	<u>22 974 840</u>	- 533 160	

FX rates per Oanda

USD FX rate at 21 December 2020

1,3350

USD FX rate at 31 December 2020

1,3649

2,2%

700 414

513 162

USD

Creditors breakdown

	2020	2019	
Creditors due < one year			
Trade Creditors	2 574 449	2 429 416	
Amounts owed to Group Undertakings	-	38 577 873	Due to LOC Group Holdings Ltd (no longer part of Group)
Current tax liabilities	344 369	526 082	
Deferred tax liabilities	12 189	15 147	
Other taxation and social security	2 066 350	1 468 710	
Accruals and deferred income	4 573 495	4 790 890	
Other creditors	<u>1 688 471</u>	<u>1 066 688</u>	
	11 259 324	48 874 806	
Creditors due > one year			
Other taxation and social security	1 784 226	1 846 983	
Other loans	<u>23 507 722</u>	<u>28 687 943</u>	2020 due to AB (includes 10 days of interest), 2019 is bank loan with HSBC (+Innsoea) plus BDC loan notes
	25 291 948	30 534 926	



To the Board of Directors of AqualisBraemar LOC ASA
Postboks 1899 Vika
0124 Oslo
Norway

Independent practitioner’s assurance report on the compilation of pro forma financial information included in a prospectus

We have completed our assurance engagement to report on the compilation of pro forma financial information of AqualisBraemar LOC ASA (the ‘Company’) by the directors of AqualisBraemar LOC ASA (the ‘Directors’). The pro forma financial information consists of the Unaudited pro forma condensed statement of income for the year ended 31 December 2020 and related notes as set out in Section 7 of the prospectus issued by the Company. The applicable criteria on the basis of which the Directors have compiled the pro forma financial information are specified in Annex 20 to Commission Delegated Regulation (EU) 2019/980 and described in Section 7 of the Prospectus (the ‘applicable criteria’).

The pro forma financial information has been compiled by the Directors to illustrate the impact of the transaction as set out in Section 7 of the Prospectus (the “Transaction”) on the Company’s financial performance for the year ended 31 December 2020 as if the Transaction had taken place at 1 January 2020. As part of this process, information about the Company’s financial performance has been extracted by the Directors from the Company’s condensed interim financial statement as at and for the year ended 31 December 2020. Information about the acquired entity’s financial performance has been extracted by the Directors from the management accounts as at and for the year ended 31 December 2020.

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

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State authorised public accountants, members of The Norwegian Institute of Public Accountants,
and authorised accounting firm*



Directors' responsibility for the pro forma financial information

The Directors are responsible for compiling the pro forma financial information on the basis of the applicable criteria.

Practitioner's responsibilities

Our responsibility is to express an opinion, as required by section 3 of Annex 20 to the Commission Delegated Regulation (EU) 2019/980, about whether the pro forma financial information has been compiled, in all material respects, by the directors on the basis of the applicable criteria.

We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3420, Assurance engagements to report on the compilation of pro forma financial information included in a prospectus, issued by the International Auditing and Assurance Standards Board. This standard requires that the practitioner comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled, in all material respects, the pro forma financial information on the basis of the applicable criteria.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the pro forma financial information.

The purpose of pro forma financial information included in a prospectus is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the events or transactions for the year ended 31 December 2020 would have been as presented.

A reasonable assurance engagement to report on whether the pro forma financial information has been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the directors in the compilation of the pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and obtain sufficient appropriate evidence about whether:

- the related pro forma adjustments give appropriate effect to those criteria; and
- the pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the practitioner's judgment, having regard to the practitioner's understanding of the nature of the company, the event or transaction in respect of which the pro forma financial information has been compiled, and other relevant engagement circumstances.



The engagement also involves evaluating the overall presentation of the pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion

- a. the pro forma financial information has been properly compiled on the basis stated; and
- b. such basis is consistent with the accounting policies of the Company.

This report is issued for the sole purpose of showing how the Transaction might have affected the Company's consolidated statement of income for purposes of this Prospectus. Our work has not been carried out in accordance with auditing, assurance or other standards and practices generally accepted in the United States and accordingly should not be used or relied upon as it had been carried out in accordance with those standard practices. Therefore, this report is not appropriate in other jurisdictions and should not be used or relied upon for any purpose other than for this Prospectus as described above. We accept no duty or responsibility to and deny any liability to any party in respect of any use of, or reliance upon, this report in connection with any other transactions than the Combination.

Oslo, 21 April 2021
PricewaterhouseCoopers AS

A handwritten signature in blue ink that reads 'Anders Ellefsen'.

Anders Ellefsen
State Authorised Public Accountant (Norway)

AQUALISBRAEMAR LOC ASA SUBSEQUENT OFFERING

SUBSCRIPTION FORM Securities number: ISIN NO NO0010715394

General information: The terms and conditions of the subsequent offering (the "Subsequent Offering") by AqualisBraemar LOC ASA (the "Company") of up to 5,163,934 new shares in the Company with a par value of NOK 0.10 each (the "Offer Shares") are set out in the prospectus dated 21 April 2021 (the "Prospectus"). Terms defined in the Prospectus shall have the same meaning in this subscription form (the "Subscription Form"). All announcements referred to in this Subscription Form will be made through the Oslo Stock Exchange's information system under the Company's ticker "AQUA". The notice of, and the minutes from, the Company's extraordinary general meeting held on 14 December 2020 (with enclosures), containing the resolution to authorize the Company's board of directors (the "Board") to increase the share capital in connection with the Subsequent Offering, and the Company's articles of association and the annual accounts and directors' reports for the last two years are available at the Company's registered office at Fridtjof Nansens plass 8, 0160 Oslo, Norway.

Subscription procedure: The subscription period will commence at 09:00 hours (CET) on 22 April 2021 and expire at 16:30 hours (CET) on 29 April 2021 (the "Subscription Period"). The Subscription Period may be extended if required by law due to the publication of a supplemental prospectus. Correctly completed Subscription Forms must be received by either Clarksons Platou Securities AS, Nordea Bank abp, filial i Norge, or SpareBank 1 Markets AS (the "Managers") at the addresses set out below, or, in the case of online subscriptions, be registered by no later than 16:30 hours (CET) on 29 April 2021:

SpareBank 1 Markets AS	Clarksons Platou Securities AS	Nordea Bank ABP, Filial i Norge
P.O. Box 1398 Vika, NO-0114 Oslo, Norway	Munkedamsveien 62C, NO-0270 Oslo, Norway	Essendrops gate 7 NO-0107 Oslo Norway
Tel: +47 24 14 74 00	Tel: +47 22 01 63 00	Tel: +47 24 01 34 62
E-mail: subscription@sb1markets.no	E-mail: syndicate@clarksons.com	E-mail: nis@nordea.com
Website: www.sb1markets.no	Website: https://securities.clarksons.com	Website: www.nordea.com

The subscriber is responsible for the correctness of the information included herein. Subscription Forms received after the end of the Subscription Period and/or incomplete or incorrect Subscription Forms and any subscription that may be unlawful may be disregarded at the sole discretion of the Company and/or the Managers without notice to the subscriber.

Subscribers who are Norwegian residents with a Norwegian personal identity number (Nw.: "fødselsnummer") are encouraged to subscribe for Offer Shares through the VPS online subscription system (or by following the link on the Managers' websites which will redirect the subscriber to the VPS online subscription system). Subscriptions made through the VPS online subscription system must be duly registered before the expiry of the Subscription Period.

Neither the Company nor the Managers may be held responsible for postal delays, unavailable internet lines or servers or other logistical or technical problems that may result in subscriptions not being received in time or at all by the Manager. Subscriptions are binding and irrevocable, and cannot be withdrawn, cancelled or modified by the subscriber after being received by the Managers or, in the case of subscriptions through the VPS online subscription system, the online subscription registration. Subscriptions are binding and irrevocable, and cannot be withdrawn, cancelled or modified by the subscriber after having been received by the Manager, or in the case of applications through the VPS online subscription system, upon registration of the subscription. By signing and submitting this Subscription Form, or registering a subscription through the VPS online subscription system, the subscriber confirms and warrants to have read the Prospectus and to be eligible to subscribe for Offer Shares under the terms set forth therein.

Subscription Price: The subscription price in the Subsequent Offering is NOK 6.10 per Offer Share (the "Subscription Price").

Subscription Rights: The shareholders of the Company as of 20 November 2020 (and being registered as such in the VPS at the expiry of 24 November 2020 pursuant to the two days' settlement procedure (the "Record Date")), except for shareholders who (i) were allocated shares in the Private Placement or (ii) are resident in a jurisdiction where such offering would be unlawful, or for jurisdictions other than Norway, would require any filing, registration or similar action (the "Eligible Shareholders") will be granted non-transferable subscription rights (the "Subscription Rights"). Each Eligible Shareholder will be granted 0.2648 Subscription Rights for every existing Share registered as held by such Eligible Shareholder on the Record Date, rounded down to the nearest whole Subscription Right. Each Subscription Right will, subject to certain limitations based on applicable law and regulations, give the right to subscribe for, and be allocated, one (1) Offer Shares in the Subsequent Offering. Over-subscription is permitted. Subscription without Subscription Rights is permitted, however with last priority allocation rights. **Subscription Rights that are not used to subscribe for Offer Shares before the expiry of the Subscription Period (i.e. 29 April 2021 at 16:30 hours (CET)) will have no value and will lapse without compensation to the holder.**

Allocation and formal subscription of Offer Shares: The Offer Shares will be allocated to the subscribers based on the allocation criteria set out in the Prospectus. The Company reserves the right to reject or reduce any subscription for Offer Shares not covered by Subscription Rights in accordance with the allocation criteria. No fractional Offer Shares will be allocated. Allocation of fewer Offer Shares than subscribed for by a subscriber will not impact on the subscriber's obligation to pay for the number of Offer Shares allocated. Notifications of allocated Offer Shares and the corresponding subscription amount to be paid by each subscriber are expected to be distributed in a letter from the VPS on or about 3 May 2021. Subscribers having access to investor services through their VPS account Managers will be able to check the number of Offer Shares allocated to them from 15:00 hours (CET) on 3 May 2021. Subscribers who do not have access to investor services through their VPS account manager may contact the Managers from 15:00 hours (CET) on 3 May 2021 to obtain information about the number of Offer Shares allocated to them. The formal subscription of allocated Offer Shares will be conducted by the Managers on behalf of the subscriber in a separate subscription form on the basis of the Board's resolution to increase the share capital in connection with the Subsequent Offering. By signing this Subscription Form or registering a subscription online through the VPS online subscription system, the subscriber authorizes and instructs the Managers (or someone appointed by them) (each acting alone) to on its behalf subscribe the number of Offer Shares allocated to it in a formal subscription form in accordance with such resolution by the Board.


Payment: The payment for Offer Shares allocated to a subscriber falls due on 5 May 2021 (the "Payment Date"). By signing this Subscription Form, or registering a subscription through the VPS online subscription system, subscribers having a Norwegian bank account provide the Managers with a one-time irrevocable authorization to debit the bank account specified below for the subscription amount payable for the Offer Shares allocated to the subscriber. The Managers are only authorized to debit such account once, but reserves the right to make up to three debit attempts, and the authorization will be valid for up to seven working days after the Payment Date. The subscriber furthermore authorizes the Managers to obtain confirmation from the subscriber's bank that the subscriber has the right to dispose over the specified account and that there are sufficient funds in the account to cover the payment. If there are insufficient funds in a subscriber's bank account or if it for other reasons is impossible to debit such bank account when a debit attempt is made pursuant to the authorization from the subscriber, the subscriber's obligation to pay for the Offer Shares will be deemed overdue. Subscribers who do not have a Norwegian bank account must ensure that payment with cleared funds for the Offer Shares allocated to them is made on or before the Payment Date. Prior to any such payment being made, the subscriber must contact the Managers for further details and instructions. Should any subscriber have insufficient funds on his or her account, should payment be delayed for any reason, if it is not possible to debit the account or if payments for any other reasons are not made when due, overdue interest will accrue and other terms will apply as set out under the heading "Overdue and missing payments" below.

PLEASE SEE PAGE 2 OF THIS SUBSCRIPTION FORM FOR OTHER PROVISIONS THAT ALSO APPLY TO THE SUBSCRIPTION.

DETAILS OF THE SUBSCRIPTION:

Subscriber's VPS account	Number of Subscription Rights	Number of Offer Shares subscribed (incl. over-subscription)
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SUBSCRIPTION RIGHTS' SECURITIES NUMBER: ISIN NO 001 10715394

	Subscription Price per Offer Share	Subscription amount to be paid
	NOK 6.10	= NOK _____

IRREVOCABLE AUTHORIZATION TO DEBIT ACCOUNT (MUST BE COMPLETED BY SUBSCRIBERS WITH A NORWEGIAN BANK ACCOUNT)

Norwegian bank account to be debited for the payment for Offer Shares allocated (number of Offer Shares allocated x NOK 6.10).	<table border="1" style="width: 100%; height: 20px;"> <tr> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> </tr> </table> (Norwegian bank account no.)										

In accordance with the terms and conditions set out in the Prospectus and this Subscription Form, I/we hereby irrevocably (i) apply for the number of Offer Shares specified above, (ii) authorize and instruct as the Managers (or someone appointed by them) (each acting alone) to on my/our behalf formally subscribe the number of Offer Shares allocated to me/us and take all other actions required to ensure formal subscription of and delivery of such Offer Shares to me/us in the VPS, (iii) grant the Managers authorization to debit my/our bank account as set out in this Subscription Form for the payment of the Offer Shares allocated to me/us, and (iv) confirm and warrant to have read the Prospectus and that I/we are eligible to subscribe for Offer Shares under the terms set forth therein. By signing this Subscription Form, subscribers subject to direct debiting accept the terms and conditions for "Payment by Direct Debiting – Securities Trading" set out on page 2 of this Subscription Form.

Place and date
Must be dated in the Subscription Period

Binding signature
The subscriber must have legal capacity. When signed on behalf of a company or pursuant to an authorization, documentation in the form of a company certificate or power of attorney must be attached.

INFORMATION ABOUT THE SUBSCRIBER – ALL FIELDS MUST BE COMPLETED

First name:	
Surname/company:	
Street address:	
Postal code / district / country:	
Personal ID number / company organization number:	
Legal Entity Identifier ("LEI") / National Client Identifier ("NCI"):	
Nationality:	
E-mail address:	

ADDITIONAL GUIDELINES FOR THE SUBSCRIBER**THE DISTRIBUTION OF THIS SUBSCRIPTION FORM IN CERTAIN JURISDICTIONS MAY BE RESTRICTED BY LAW.**

Regulatory Issues: In accordance with the Markets in Financial Instruments Directive (MiFID II) of the European Union, Norwegian law imposes requirements in relation to business investments. In this respect, the Managers must categorise all new clients in one of three categories: eligible counterparties, professional and non-professional clients. All subscribers in the Subsequent Offering who are not existing clients of the Managers will be categorised as non-professional clients. Subscribers can, by written request to the Manager, ask to be categorised as a professional client if the subscriber fulfils the applicable requirements of the Norwegian Securities Trading Act. For further information about the categorisation, the subscriber may contact the Manager. **The subscriber represents that he/she/it is capable of evaluating the merits and risks of an investment decision to invest in the Company by subscribing for Offer Shares, and is able to bear the economic risk, and to withstand a complete loss, of an investment in the Offer Shares.**

The Managers will receive a consideration from the Company in connection with the Subsequent Offering and will in conducting its work have to take into consideration the requirements of the Company and the interests of the investors subscribing under the Subsequent Offering and the rules regarding inducements pursuant to the requirements of the Norwegian MiFID II Regulations (implementing the European Directive for Markets in Financial Instruments (MiFID II)).

Selling and Transfer Restrictions: The attention of persons who wish to subscribe for Offer Shares is drawn to 13 ("Selling and transfer restrictions") in the Prospectus. The making or acceptance of the Subsequent Offering to or by persons who have registered addresses outside Norway, or who are resident in, or citizens of, countries outside Norway, may be affected by the laws of the relevant jurisdiction. Those persons should consult their professional advisers as to whether they require any governmental or other consents or need to observe any other formalities to enable them to subscribe for Offer Shares. It is the responsibility of any person outside Norway wishing to subscribe for Offer Shares under the Subsequent Offering to satisfy himself/herself/itself as to the full observance of the laws of any relevant jurisdiction in connection therewith, including obtaining any governmental or other consent which may be required, the compliance with other necessary formalities and the payment of any issue, transfer or other taxes due in such territories. The Subscription Rights and the Offer Shares have not been registered and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), or under the securities law of any state or other jurisdiction of the United States and may not be offered, sold, taken up, exercised, resold, delivered or transferred, directly or indirectly, within the United States, except pursuant to an applicable exemption from the registration requirements of the U.S. Securities Act and in compliance with the securities laws of any state or other jurisdiction of the United States. There will be no public offer of the Subscription Rights and Offer Shares in the United States. Notwithstanding the foregoing, the Offer Shares may be offered to and the Subscription Rights may be exercised by or on behalf of, persons in the United States reasonably believed to be "qualified institutional buyers" (QIBs) as defined by the U.S. Securities Act, in offerings exempt from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act, provided such persons satisfy the Company that they are eligible to participate on such basis. Persons in the United States exercising Subscription Rights to acquire Offer Shares will be required to execute an investor letter in a form acceptable to the Company and the Manager. The Subscription Rights and the Offer Shares have not been and will not be registered under the applicable securities laws of Members States of the EEA that have not implemented the EU Prospectus Regulation, Australia, Canada, United Kingdom or Japan and may not be offered, sold, resold or delivered, directly or indirectly, in or into Members States of the EEA that have not implemented the EU Prospectus Regulation, Australia, Canada, United Kingdom or Japan except pursuant to an applicable exemption from applicable securities laws. This Subscription Form does not constitute an offer to sell or a solicitation of an offer to buy Offer Shares in any jurisdiction in which such offer or solicitation is unlawful. Subject to certain exceptions, the Prospectus will not be distributed in the United States, Members States of the EEA that have not implemented the EU Prospectus Regulation, Australia, Canada, United Kingdom or Japan. Except as otherwise provided in the Prospectus, the Subscription Rights and the Offer Shares may not be transferred, sold or delivered in the Members States of the EEA that have not implemented the EU Prospectus Regulation, Australia, Canada, United Kingdom or Japan. A notification of exercise of Subscription Rights and subscription of Offer Shares in contravention of the above restrictions may be deemed to be invalid.

Execution Only: The Managers will treat the Subscription Form as an execution-only instruction. The Managers are not required to determine whether an investment in the Offer Shares is appropriate or not for the subscriber. Hence, the subscriber will not benefit from the protection of the relevant conduct of business rules in accordance with the Norwegian Securities Trading Act.

Information Exchange: The subscriber acknowledges that, under the Norwegian Securities Trading Act and the Norwegian Financial Undertakings Act and foreign legislation applicable to the Managers, there is a duty of secrecy between the different units of each of the Managers, as well as between the Managers and other entities in the Managers' groups. This may entail that other employees of the Managers or the Managers' groups may have information that may be relevant to the subscriber and to the assessment of the Offer Shares, but which the Managers will not have access to in their capacity as Managers for the Subsequent Offering.

Information Barriers: The Managers are securities firms that offers a broad range of investment services. In order to ensure that assignments undertaken in the Managers' corporate finance departments are kept confidential, the Managers' other activities, including analysis and stock broking, are separated from the Managers' corporate finance departments by information walls. The subscriber acknowledges that the Managers' analysis and stock broking activity may conflict with the subscriber's interests with regard to transactions of the Shares, including the Offer Shares, as a consequence of such information walls.

VPS Account and Mandatory Anti-Money Laundering Procedures: The Subsequent Offering is subject to applicable anti-money laundering legislation, including the Norwegian Money Laundering Act No. 23 of 1 June 2018 and the Norwegian Money Laundering Regulations No. 1324 of 14 September 2018 (collectively, the "Anti-Money Laundering Legislation"). Subscribers who are not registered as existing customers with the Managers must verify their identity to the Managers in accordance with the requirements of the Anti-Money Laundering Legislation, unless an exemption is available. Subscribers who have designated an existing Norwegian bank account and an existing VPS account on the Subscription Form are exempted, unless verification of identity is requested by the Manager. The verification of identity must be completed prior to the end of the Subscription Period. Subscribers that have not completed the required verification of identity may not be allocated Offer Shares. Further, participation in the Subsequent Offering is conditional upon the subscriber holding a VPS account. The VPS account number must be stated on the Subscription Form. VPS accounts can be established with authorised VPS registrars, which can be Norwegian banks, authorised securities brokers in Norway and Norwegian branches of credit institutions established within the European Economic Area (the "EEA"). Non-Norwegian investors may, however, use nominee VPS accounts registered in the name of a nominee. The nominee must be authorised by the Financial Supervisory Authority of Norway. Establishment of a VPS account requires verification of identity to the VPS registrar in accordance with the Anti-Money Laundering Legislation.

Personal data: The subscriber confirms that it has been provided information regarding the Managers' processing of personal data, and that it is informed that the Managers will process the subscriber's personal data in order to manage and carry out the Subsequent Offering and the subscription from the subscriber, and to comply with statutory requirements.

The data controllers who are responsible for the processing of personal data are the Managers. The processing of personal data is necessary in order to fulfil the subscription and to meet legal obligations. The Norwegian Securities Trading Act and the Anti-Money Laundering Legislation require that the Managers process and store information about clients and trades, and control and document activities. The subscriber's data will be processed confidentially, but if it is necessary in relation to the purposes, the personal data may be shared between the Managers, the company(ies) participating in the offering, with companies within the Managers' groups, the VPS, stock exchanges and/or public authorities. The personal data will be processed as long as necessary for the purposes, and will subsequently be deleted unless there is a statutory duty to keep it. If the Managers transfer personal data to countries outside the EEA, that have not been approved by the EU Commission, the Managers will make sure the transfer takes place in accordance with the legal mechanisms protecting the personal data, for example the EU Standard Contractual Clauses. As a data subject, the subscribers have several legal rights. This includes inter alia the right to access its personal data, and a right to request that incorrect information is corrected. In certain instances, the subscribers will have the right to impose restrictions on the processing or demand that the information is deleted. The subscribers may also complain to a supervisory authority if they find that the Managers' processing is in breach of the law. Supplementary information on processing of personal data and the subscribers' rights can be found at the Manager's website.

Terms and Conditions for Payment by Direct Debiting - Securities Trading: Payment by direct debiting is a service the banks in Norway provide in cooperation. In the relationship between the payer and the payer's bank the following standard terms and conditions will apply:

- The service "Payment by direct debiting – securities trading" is supplemented by the account agreement between the payer and the payer's bank, in particular Section C of the account agreement. General terms and conditions for deposit and payment instructions.
- Costs related to the use of "Payment by direct debiting – securities trading" appear from the bank's prevailing price list, account information and/or information given by other appropriate manner. The bank will charge the indicated account for costs incurred.
- The authorization for direct debiting is signed by the payer and delivered to the beneficiary. The beneficiary will deliver the instructions to its bank who in turn will charge the payer's bank account.
- In case of withdrawal of the authorisation for direct debiting the payer shall address this issue with the beneficiary. Pursuant to the Norwegian Financial Contracts Act, the payer's bank shall assist if the payer withdraws a payment instruction that has not been completed. Such withdrawal may be regarded as a breach of the agreement between the payer and the beneficiary.
- The payer cannot authorize payment of a higher amount than the funds available on the payer's account at the time of payment. The payer's bank will normally perform a verification of available funds prior to the account being charged. If the account has been charged with an amount higher than the funds available, the difference shall immediately be covered by the payer.
- The payer's account will be charged on the indicated date of payment. If the date of payment has not been indicated in the authorisation for direct debiting, the account will be charged as soon as possible after the beneficiary has delivered the instructions to its bank. The charge will not, however, take place after the authorisation has expired as indicated above. Payment will normally be credited the beneficiary's account between one and three working days after the indicated date of payment/delivery.
- If the payer's account is wrongfully charged after direct debiting, the payer's right to repayment of the charged amount will be governed by the account agreement and the Norwegian Financial Contracts Act.

Overdue Payment: Overdue payments will be charged with interest at the applicable rate from time to time under the Norwegian Act on Interest on Overdue Payment of 17 December 1976 No. 100, currently 8.0 % per annum as of the date of the Prospectus. If a subscriber fails to comply with the terms of payment, the Offer Shares will, subject to the restrictions in the Norwegian Public Limited Companies Act, not be delivered to such subscriber. The Managers, on behalf of the Company, reserve the right, at the risk and cost of the subscriber to, at any time, cancel the subscription and to re-allocate or otherwise dispose of allocated Offer Shares for which payment is overdue, or, if payment has not been received by the third day after the Payment Date, without further notice sell, assume ownership to or otherwise dispose of the allocated Offer Shares on such terms and in such manner as the Managers may decide in accordance with Norwegian law. The subscriber will remain liable for payment of the subscription amount, together with any interest, costs, charges and expenses accrued and the Manager, on behalf of the Company, may enforce payment for any such amount outstanding in accordance with Norwegian law. The Company and the Managers further reserve the right (but have no obligation) to have the Managers advance the subscription amount on behalf of subscribers who have not paid for the Offer Shares allocated to them within the Payment Date. The non-paying subscribers will remain fully liable for the subscription amount payable for the Offer Shares allocated to them, irrespective of such payment by the Manager.

National Client Identifier and Legal Entity Identifier: In order to participate in the Subsequent Offering, subscribers will need a global identification code. Physical persons will need a so-called National Client Identifier ("NCI") and legal entities will need a so-called Legal Entity Identifier ("LEI").

NCI code for physical persons: Physical persons will need a NCI code to participate in a financial market transaction, i.e. a global identification code for physical persons. For physical persons with only a Norwegian citizenship, the NCI code is the 11 digit personal ID (Nw: "fødselsnummer"). If the person in question has multiple citizenships or another citizenship than Norwegian, another relevant NCI code can be used. Subscribers are encouraged to contact their bank for further information.

LEI code for legal entities: Legal entities will need a LEI code to participate in a financial market transaction. A LEI code must be obtained from an authorized LEI issuer, and obtaining the code can take some time. Subscribers should obtain a LEI code in time for the subscription. For more information visit www.gleif.org. Further information is also included in Section 6.16.3 ("LEI codes for legal entities") of the Prospectus.