The Energy & Marine Consultants.

ABL GROUP ANNUAL REPORT 2021

WWW.ABL-GROUP.COM

Contents

The **Energy** and **Marine** Consultants.

ABL Group is the leading global independent energy and marine consultant, working in energy and oceans to de-risk and drive the transition across the renewables, maritime and oil and gas sectors, offering our customers the deepest pool of world-class expertise across marine, engineering and adjusting disciplines from more than 300 locations worldwide.

The ABL Group Family

Through targeted acquisition and organic growth, ABL Group have built a comprehensive family of specialist and niche branded energy and marine consultancy companies, offering services that are both complementary and interconnected. This allows our business lines, branded service companies, and expertise to focus closely on delivering technical excellence in engineering and consultancy, loss prevention and loss management.

www.abl-group.com

ABL Group

ABL Group is a leading global independent energy and marine consultant working in energy and oceans to de-risk and drive the energy transition across renewables, maritime and oil and gas sectors.

Longitude Engineering

Independent engineering, design and analysis services for the marine, renewables, oil & gas, defence, and offshore infrastructure industries.

OWC (Offshore Wind Consultants)

Project development services, owner's engineering and technical due diligence to the offshore renewables industry.

OSD-IMT

Est. in 1989, specialist ship design house focused on offshore support vessels and clean shipping technology.

East Point Geo

Expert Geoconsulting organisation supporting all sectors; providing efficient client-focused deliverables including data assurance, ground models and quantitative risk assessment.

JLA (John LeBourhis & Associates)

Rig moving, risk control services and surveying services, specialists in MODUs.

INNOSEA

Engineering advisory, verification, research & development, concept development and consultancy for marine renewable energy.

ABL Yachts

Superyacht surveyors and consultants.

Key Financial Figures

Results		2021	2020
Total revenues	USD thousands	150,748	77,015
Adjusted EBITDA[1]	USD thousands	13,078	6,320
EBIT	USD thousands	7,375	2,946
Adjusted EBIT[1]	USD thousands	9,645	4,843
Profit (loss) after taxes	USD thousands	3,218	1,513
Adjusted profit (loss) after taxes[1]	USD thousands	5,435	3,280
Return on equity (ROE)[1]	%	8.2%	9.6%
Return on capital employed (ROCE)[1]	%	10.5%	6.8%
Balance sheet and cash flow			
Cash and cash equivalent	USD thousands	19,815	30,642
Equity ratio	%	58.1%	55.9%
Cashflow from (used in) operating activities	USD thousands	(187)	8,474
Operations			
Order backlog at 31 December [1,3]	USD thousands	63,205	75,992
Employees at 31 December[2]	Full-time equivalents	954	790
Lost time injury per million man-hours	Per million man-hours	-	-
Billing ratio [2]	%	75%	72%
Share data			
Basic earnings per share	USD	0.03	0.02
Number of shares outstanding at 31 December	million	96.92	92.55
Number of options outstanding at 31 December	million	17.77	8.32
Number of warrants outstanding at 31 December	million	-	1.00
Share price at 31 December	NOK	10.40	9.00
Dividends paid per share	NOK	0.50	0.40

[1] Alternative Performance Measures
[2] Including subcontractors, full time equivalents (figure excludes LOC Group)
[3] Order backlog figure includes LOC Group

Financial calendar 2022

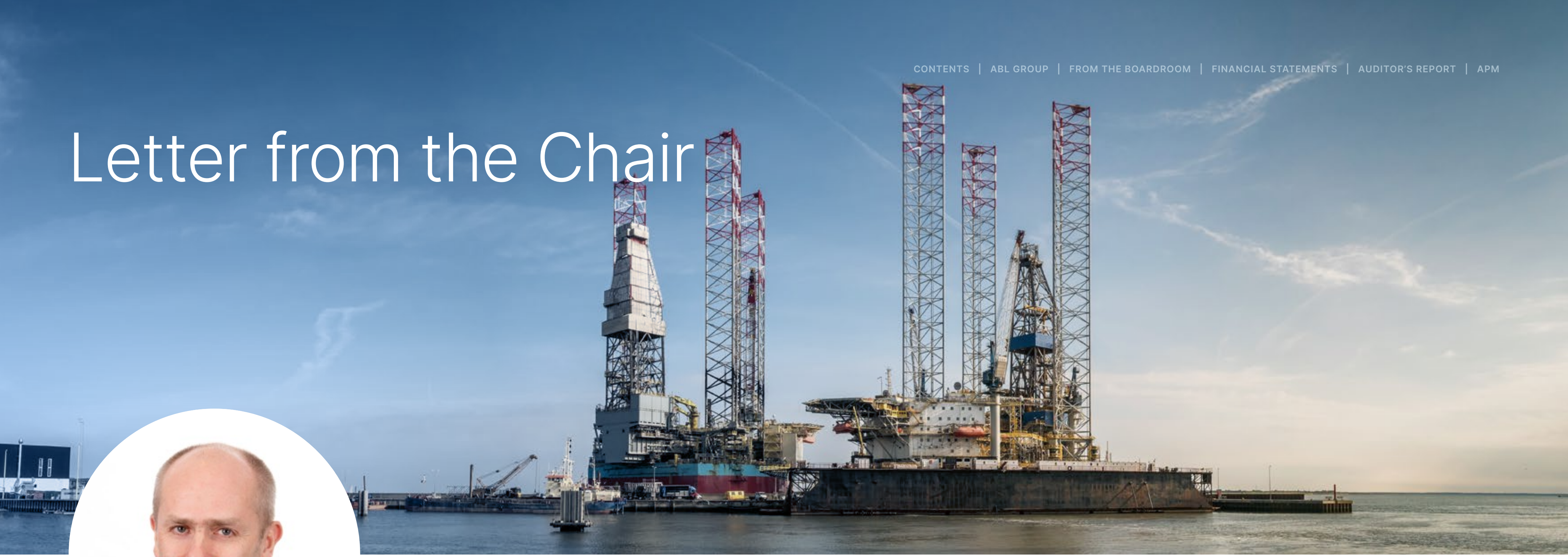
Event	Date
First quarter results	29/04/2022
Annual General Meeting	01/06/2022
Half-yearly results	31/08/2022
Third quarter results	28/10/2022

Ticker symbol

Oslo Børs	AQUA
Reuters	AQUA.OL
Bloomberg	AQUA:NO

ISIN No	NO0010715394
Share Register	DNB Bank ASA Verdipapirservice Postboks 1600 Sentrum 0021 Oslo

Letter from the Chair



Dear fellow shareholders,

What a difference 12 months can make. The public narrative of energy has been largely turned upside down. The market is not the problem for the next few years for ABL Group (ABL). The energy market is about to fire on all cylinders, both renewables, and traditional energy such as oil and gas and nuclear energy.

The combination of significant underinvestment in energy over the last 7–10 years combined with the increased focus on security of supply is changing the narrative of energy fundamentally. Last year the focus was on green and how to close production of energy from nuclear, and oil and gas (O&G) as soon as possible. Last year I discussed this in my letter to shareholders and I stated the following:

> *"My expectation for ABL's markets in 2021 is a continued rapid growth for renewables and moderate growth for the traditional business within Oil and Gas and Marine. However, from 2022 or maybe already in second half of 2021, there is a significant risk for another raw-material cycle in the world economy following a combination of underinvestment in raw-materials in general over the last 7–10 years and strong world GDP growth after Covid-19 recession. In addition, we should not forget that the renewables investments are raw material intensive and the energy to mine, transport, refining, assembling and installing the new renewable energy generation capacity will use traditional energy. I would argue that medium term we will see a boost in used of traditional energy sources to fuel the energy transition. In sum, I expect another upcycle for traditional energy including Oil and Gas based on three key factors; underinvestment last 7–10 years, strong economic recovery after Covid-19 and increased demand for raw materials including energy to fuel the energy transition,"*

Since I wrote the above paragraph, energy prices have increased dramatically and the war in Ukraine has put energy security high on the agenda again. Further, the EU has finally understood that nuclear and natural gas (with carbon capture technology) is a key part of the transition fuel and more likely in my mind continue to be a key source of the long-term supply of clean energy. During the last 12 months nuclear and gas have been included as part of the EU's sustainable finance taxonomy.

The worldwide natural depletion of oil production is about 8% p.a. and the natural depletion of gas production is about 6% p.a.. This implies that every year, just to keep the production flat, you must invest significant amounts in new and existing fields of oil and gas. Over the last 13 years (from 2008 to 2020) the US has increased oil production by 10m barrels per day. During the same period, the world consumption of oil has also increased by about 10m barrels. Hence, in sum for the rest of the world outside the US, the investment in new capacity and in producing fields has only kept production flat during the last 14 years. In the US the main source of increased production has been shale oil. Many observers now forecast that the "easy growth" in shale production is now history and the contribution and growth from shale will be much lower over the next few years. Finally, the growth in consumption of traditional energy is expected to grow in the medium term.

Energy conservation and the continued increase in investments in renewables are gradually reducing the demand for traditional energy in the OECD countries, but the growth in developing countries more than offsets the decline in the developed part of the world.

In my view, we are entering a "perfect storm" for energy. The market will not be the problem – we will see big investments across all energy sources for the next few years, renewables, transitional solutions, and traditional sources of energy. It will be ABL's execution of its strategy and management of the company – or lack of it – that will determine whether we are able to take advantage of this boom in the energy markets.

The challenge of delivering good performance to all our stakeholders in a market characterised by such a "perfect storm" should not be overlooked. Increasing inflation, higher salaries, lack of skilled talent, and more projects than we have resources to source will increase the pressure on management in ABL Group and our employees, and finally our customers. The hourly/daily rate in our oil and gas market has in nominal terms been reduced by up to 30-40% from the peak in 2014. For the first time in 7-8 years, we now see meaningful rate increases again and I expect we will reach previous highs (nominal) within 2-3 years. Nearly a decade of the downturn, layoffs, and reduced compensation to the staff in our industry has drained the oil and gas industry for talent in general. Most of the engineers and key staff leaving the oil and gas industry have found rewarding jobs in IT, renewables, civil engineering, or they have retired. Rate and wage/compensation inflation will go hand in hand the next few years.

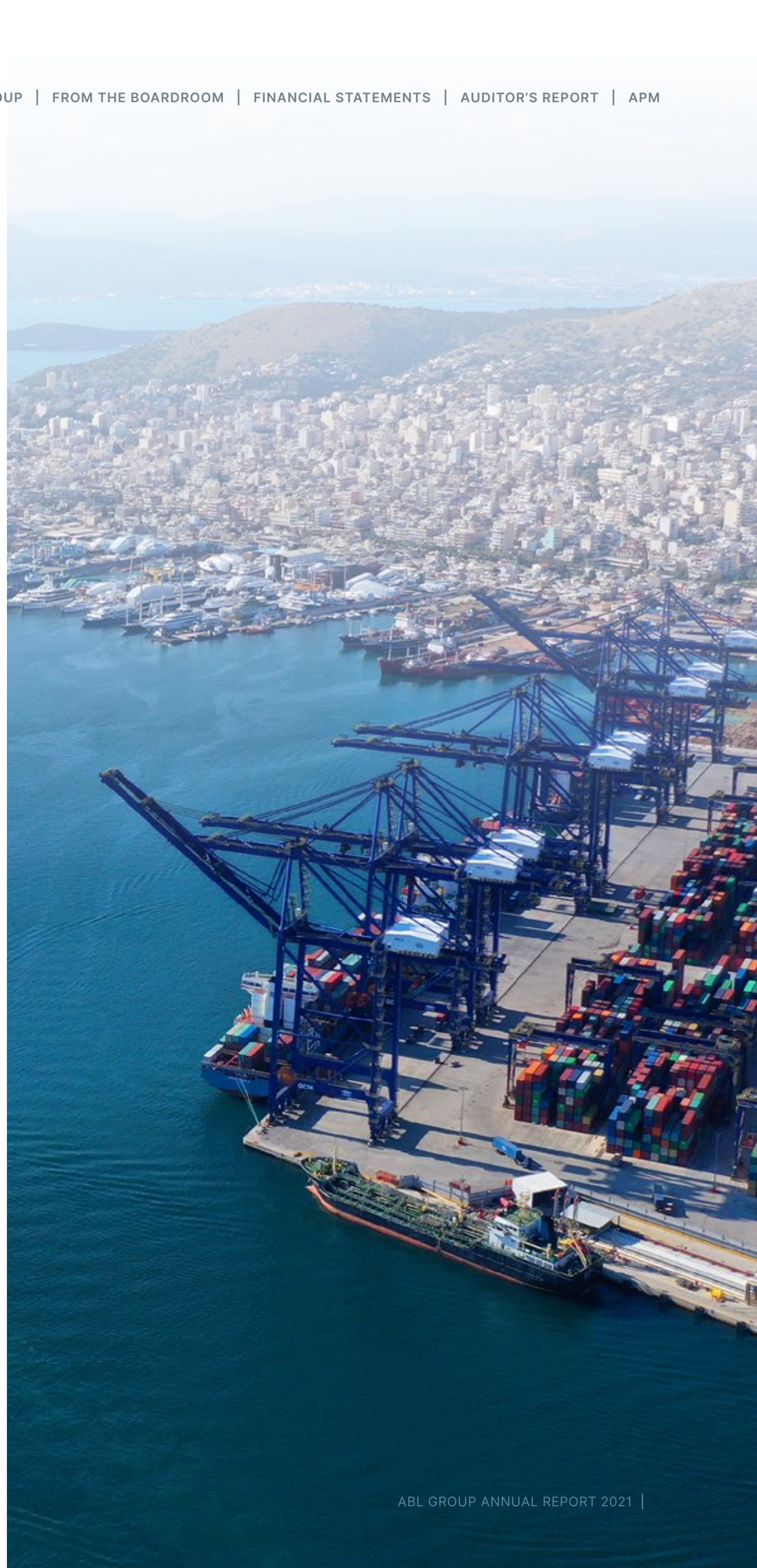
Since the start of 2019 ABL has done 5 acquisitions (including the last 29% of INNOSEA) and increased our revenue from USD 36m to USD 151m, driven by the companies we have acquired and organic growth. The organic growth is expected to accelerate in 2022 and we further expect to continue to consolidate and add new related business lines to our offering. The combination of acquisitions, strong growth in the market, new technology, and inflation will be very demanding for the ABL organisation in the next few years. In addition, the fact that the integration of the acquisitions has partly been affected by various lockdowns during Covid-19 implies that we are somewhat behind realising the planned synergies from the combination of the acquired companies. When we announced the merger with LOC we estimated cost synergies of USD 3.5m. Our synergies target has now been increased to USD 4.0, where only 50% was realised at the end of 2021.

The cocktail of a "perfect storm" in the market and the extreme growth for ABL over the last 3 years, make our effort to professionalise the management and support functions of the company even more urgent. We achieved a lot in 2021, but we have a lot to do also during the next few years. Our internal focus is on the following key factors: 1) continued professionalisation/specialisation of management and support functions, 2) cost synergies, 3) capital efficiency, 4) market reach and service offering, and 5) alignment of incentives between employees and shareholders. I will in the below discuss each of the internal key value drivers in more detail.

Professionalisation and specialisation of management and support functions. The key focus areas for our internal investments and upgrades are IT, legal, recruitment, human resource, training, knowledge management, and strengthening of the financial and commercial competence.

Cost synergies. There are significant cost synergies associated with most acquisitions. But often overlooked is the need for investments in IT and the need for upgrading and specialisation of the management and service functions. The net of cost synergies and investments/new costs is the net synergies from M&A and organic growth. When Aqualis, Braemar Technical Services (BTS), and LOC were separate the indirect cost/overhead was in the region of 25-30% of revenue. A realistic target when the three companies are fully integrated as ABL, is to approach 20% of revenue as overhead/group costs driven by a combination of direct cost savings and more scalability as revenue increases. The focus in 2021 was on integration and investments, especially in IT, to achieve the cost reduction; the net of this is a flat development of overhead as a % of revenue. In 2022 we expect the overhead to gradually reduce as the main investments and changes have been done in 2021.

Capital efficiency. ABL's business is normally classified as a capital-light business with a low or moderate margin. The capital invested in ABL is mainly used for working capital and for cash held in the various offices worldwide. During 2020 we had a positive net cash flow from a reduction of NWC of USD 4.7m while during 2021 this positive development was reversed, and we had an increase in NWC of USD 7.2m. This is a disappointing development and not what we had planned for. We will continue to professionalise the treasury function by establishing cash pooling systems and implementing new software to handle payments from our clients. Our ambitions for reduced use of capital in ABL have not been reduced, only delayed. Capital efficiency is about culture in the organisation as much as about improving systems and payment terms in our contracts. We expect to be back on track and improve our capital efficiency during 2022.



Market reach and service offering. In 2018 the former Aqualis had 19 offices. Today, after the mergers with BTS and LOC, ABL Group has offices in 63 locations in 39 countries and in all major shipping and offshore energy hubs worldwide. Our business is local and global. We are sharing talent and key competence worldwide but the interaction with customers is often local and the projects and equipment we are assisting need often local presence and expertise. In 2018, 80% of our business came from offshore O&G. In 2021 about 52% of ABL's revenue is derived from offshore O&G, about 21% from maritime, and about 27% from offshore renewables. The growth in renewables was especially strong and our revenue grew by 56% and the share of the revenue from renewables increased from 18% in 2020 to 27% in 2021. ABL's target is to have 50% of our revenue in 2025 from renewables and energy transition activity. Based on the growth we expect in maritime and traditional oil and gas this target is challenging, but we currently see no reason to change this target. In 2021 we established organically new business within energy storage, onshore wind and solar, and hydrogen. We have already won significant new business within these areas, illustrating how good infrastructure, reputation, and network combined with hiring experienced engineers with niche competencies and complementary networks lead to concrete results relatively quickly. We did 3 smaller niche acquisitions in 2021 and we have a pipeline of targets for 2022 and expect to continue to grow with a combination of organic and inorganic growth for the next few years.

Alignment of incentives between employees and shareholders.

We value our people; our value comes from them. ABL invests in people, not in hardware. That is our business and our focus.

ABL has established a long-term share-based incentive system (for details see page 59 in the annual report). The employees of ABL currently own about 25% of the shares in the company (fully diluted including outstanding options) and in addition, up to 15% of EBITA is reserved for bonuses to the employees. Hence, employees are party to about 35% of the profit in the company and dividends paid. In ABL we believe the incentive system is key for the stability of the workforce, a higher acceptance for the necessary continuous change in the company, and an aligned focus on profitability and capital efficiency in the company from all stakeholders. A key parameter in our M&A transactions is to incentivise the key employees in the target to not only stay on in the business but also to continue to deliver a good return on the capital we invest in the target.

The strategic focus for ABL. The strategy is based on three main pillars, 1) expansion and growth in renewable energy, the transition energy investment, and other emerging offshore industries, 2) leverage our position within the traditional markets within maritime and oil and gas, including contributing to further consolidation in our industry, and 3) capital efficiency, take out synergies from acquisitions and return capital to our shareholders and employees. Active capital allocation is the tool management and the board is using to improve our return on capital. Reduction of the use of capital (or sale) of business that is not meeting our return on capital requirement should also be expected.

The normalised operating margin in ABL was 6.4% in 2021, a marginal improvement from 5.8% on a Pro-forma consolidated basis in 2020. The management team is working hard with the controllable internal value drivers such as professionalisation of the back-office, taking out synergies, capital efficiency, and realising the benefits of a broader business offering and our extended global network to realise the dynamic income synergies. Our medium-term target is to get to an operating margin of 10% (EBIT margin) and a net working capital of 75 days (of revenue) on a sustainable basis and to reduce the cash requirements of the business. The planned strategy of simultaneously increasing the nominator (EBIT) combined with a reduction of the denominator (capital used) should have a meaningful impact on ROCE and ROE. This may look simple, but it requires hard work and focus to realise this simple math on a sustainable basis.

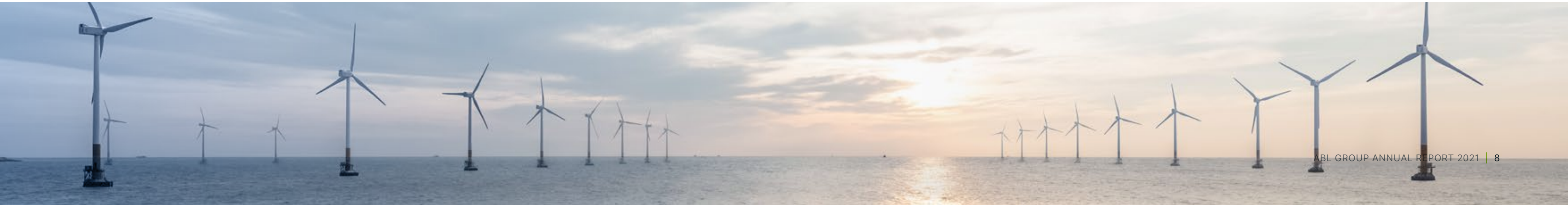
In 2021 we paid a dividend of NOK 0.50 per share (paid in June and November). The board has proposed an ordinary dividend of NOK 0.30 to be paid after the AGM in 2022 and a similar dividend should be expected in November 2022 depending on operational performance. The strategy of the board is to gradually increase the dividend as operations improve and the capital tied up in the operation is reduced to competitive levels.

At the end of 2021, David Wells stepped down from his position as ABL's CEO, as part of a long-standing succession plan. David was one of the founders of ABL (then Aqualis) and he has been the company's CEO since its inception in 2013. He has led the company from zero employees to almost 1000 employees as we are today. This growth happened despite our main market in oil and gas has been in a recession for 80% of the time he served as CEO. Even more importantly, when David stepped down, the new CEO Reuben Segal and the new COO Bader Diab were both recruited internally. This demonstrates the strength of the organisation and the culture he has led and built. The undersigned and the board of directors are very pleased with the new executive team led by CEO Reuben Segal, COO Bader Diab, and CFO Dean Zuzic.

ABL's markets are booming, and I have called it a "perfect storm". But the management challenges while the market is changing as fast as it is at the start of 2022 should not be underestimated. ABL managed to navigate through a reduction in total O&G investments of about 50% from the peak in 2014 to the bottom in 2021, and a reduction of hourly rates for our staff of up to 30-40% during the same period. Now we must demonstrate that we can move from managing a recession to demonstrate that we can make the most of an upturn in the market. I am certain we can deliver in an upturn. Our management has, over the last few years, managed a recession in O&G at the same time as the team has managed a rapidly growing renewable market (56% growth in 2021 alone!). In other words, the growth "skills" are already in the management's DNA. The task is to continue to deliver for all our stakeholders; employees, clients, banks, and our shareholders at the same time as we continue to contribute to decarbonisation of the global energy system and the delivery of affordable energy to the 7.9 billion people in the world. That's our mission for 2022 and beyond. Our focus should always be on the next achievement or target. That goes for sports as well for business.

Glen Ole Rødland

Glen Rødland | Chair of the Board



Renewables

Renewables

ABL Group offers expert technical and engineering consultancy across all renewable energy markets: offshore wind, onshore wind, solar, storage, wave and tidal.

ABL Group is uniquely placed in this market to support clients in the delivery of renewable energy projects at every stage of a project or asset's lifecycle. We combine the group's long-term legacy in de-risking) marine operations and projects, with the specialised technical expertise of our four group companies in supporting clients to deliver renewable energy projects across all generating technologies and markets:

OWC
An ABL Group Company

OWC (Offshore Wind Consultants)
Supporting offshore wind project developers with project development services, owners' engineering and technical due diligence.

EAST POINT GEO
An ABL Group Company

East Point Geo
Supporting offshore and onshore wind developers understand ground engineering risks.

INNOSEA
An ABL Group Company

INNOSEA
Supporting technology providers with feasibility, advisory, analysis, engineering & design across all marine renewable sources.

LONGITUDE
An ABL Group Company

Longitude Engineering
Supporting EPCI contractors with independent engineering, design and analysis of marine operations and supporting infrastructure and assets and SOV design through it's OSD-IMT specialist ship design unit.

ABL

ABL Group
Supporting the insurer and operator with marine assurance and warranty services and offering independent engineering for onshore wind, solar and energy storage.

Independent renewable energy consulting

ABL Group has been an independent and increasingly leading technical advisor and engineering consultant to many of the major developments in offshore wind development over the last 20 years and we have expanded our expertise to support other generation technologies and markets including onshore wind, solar, energy storage and wave and tidal.

Through our global network of 63 offices worldwide, we provide cutting-edge energy and marine technical expertise in all offshore wind energy locations globally. Often trailblazers in this industry, our group companies have contributed with loss prevention services and consulting and engineering on some of the very first offshore wind projects in the world.

Committed to the acceleration of integrated renewable energy sources decarbonising our electricity networks, our multi-disciplinary expertise supports at every project stage to ensure your operation's success – feasibility, development, engineering, construction, operations and maintenance, and end of life across all generation technologies.

Our markets

Offshore Wind

Growth in offshore wind is accelerating and bringing new risks that investors, developers, insurers and EPCI companies all have to understand, eliminate or mitigate. From new emerging markets to new technology such as floating foundations and +15MW wind turbines, the ABL Group can support from early site selection to decommissioning. We bring experience gained during more than three decades of consulting in the energy and marine sectors.

ABL Group has been an independent and impartial partner to many of the major developments in offshore wind development over the last two decades. We can support all forms of early desktop study in early development to owner's engineering fixed or floating projects and provide technical due diligence for some of the largest transactions in the sector. The ABL Group are also the leading provider of MWS in the sector, delivering engineering for EPCIs, and provides design, engineering and construction supervision for SOVs, cable lay vessels, and jack-up installation vessels, loss adjusting, and expert witness and litigation support.

Onshore Wind

The ABL Group delivers independent engineering (IE) services to developers, owners, and lenders in their evaluation of technologies and projects.

Our extensive global footprint also means we are able to easily deploy to support the development of onshore renewables projects in new emerging markets, as in already established markets.

Services include independent engineering and technical due diligence, feasibility studies and owner's engineering, yield, modelling and performance assessment, and strategic and regulatory advisory.

We also provide through a specialist group all aspects of terrain, subsurface and soil geoscience to support ground engineering projects for onshore wind as well as offer loss adjusting and professional witness services.

Onshore Solar

The ABL Group delivers independent engineering (IE) services to developers, owners, and lenders in their evaluation of solar technologies and projects. Our experts cover ground-mounted PV, roof-top PV, floating PV (also see below) and CSP technologies.

Our extensive global footprint also means we are able to easily deploy to support the development of onshore renewables projects in new emerging markets, as in already established markets.

Services include independent engineering and technical due diligence, feasibility studies and owner's engineering, yield, modelling and performance assessment, and strategic and regulatory advisory.

Floating Solar

ABL Group is a pioneer in the development of floating solar PV (photovoltaic) farms, offering a comprehensive package of front-end engineering, design and advisory services to support innovation and construction of this growing technology.

The group has successfully evolved its service offering and inhouse capabilities at pace with the rapidly developing floating solar PV market and is involved in various multinational research and development (R&D) projects.

Energy Storage

Battery storage, or battery energy storage systems (BESS), are systems that enable energy from renewables, like solar and wind, to be stored and then released when electricity customers need power most, they are essential to speeding up energy transition.

The ABL Group has established a recognised position as a trusted technical consultant offering independent engineering and technical due diligence, feasibility studies and owner's engineering, route to market, modelling and performance assessment, and strategic and regulatory advisory.

Wave & Tidal

Wave and tidal energy are vast untapped energy resources offshore. With technology still in its early days, our group companies provide a comprehensive range of technical, advisory, engineering and marine assurance services to support developers at every project stage.

Maritime

Maritime

When it comes to international maritime, experience counts. ABL Group has a maritime legacy spanning more than 150 years since the establishment of the Salvage Association, and in bringing together the trusted reputations and expertise of AqualisBraemar and LOC, we are the leading market provider of loss prevention, loss management and engineering & consulting services to the global maritime industry.

With our entrenched legacy in providing expert support to marine casualties of any type and size worldwide, ABL Group combines expert knowledge with strong collaboration and insight, to deliver a fast, effective response to even the most urgent shipping challenge.

Global Presence in all Maritime Hubs

We have offices located in all major maritime and shipping hubs around the world. We employ a wide range of experts with backgrounds in different areas of the shipping and maritime industry.

We have vast experience in all shipping and maritime-related matters including marine casualties, salvage and wreck removal, hull and machinery, P&I claims, fixed object damage, pollution, personal injury, and ports and harbours, marine accident investigation amongst other areas. Our reputation covers work in ports & harbours, small craft, global shipping, defence and yachts.

Shipping

Our teams of experts support international shipping with our full range of engineering and consulting, loss prevention and loss management services. We bring together the deepest pool of multi-disciplinary expertise to support all areas of shipping, from early advisory and technical due diligence, navigational planning, early engineering, vessel design and modifications, through to operations, with surveys, inspections and audits, as well as world-class marine warranty survey, to supporting in the minimising of losses with marine casualty management, salvage & wreck removal, and expert witness work. ABL Group is at the forefront of rapidly responding to marine casualties worldwide. We have worked on marine casualties of all scales, including some of the largest and most complex incidents in recent history. Our global network of offices enables us to provide a veritable 24/7 global emergency response service.

Global Marine Emergency Specialists

Our global maritime teams provide valuable technical support to the attending casualty specialists, with a range of services to manage the loss, support in any salvage and removal operations, and to conduct marine casualty investigations to understand the cause of the accident.

Ports and Harbours

ABL Group provides a comprehensive range of services necessary for port development, modification, and operation. Whether to develop the modern and efficient port infrastructure needed for the latest generation of cargo ships, to LNG and increasingly Hydrogen and other clean fuel terminals, to supporting ports for the needs of offshore wind construction, or assisting with ports reducing their carbon emissions, the ABL Group has the expertise and tools for our clients.

Our ports and harbours team offer marine studies, including technical due diligence, and engineering consulting services to assist in the development of new and existing port projects.

Defence

ABL Group is a well-known and trusted provider of marine and engineering consulting services to the maritime defence sector. Along with our group company Longitude Engineering, we are well equipped and experienced in managing highly confidential projects for the defence sector across the world.

Our services include naval architecture and engineering for vessel design, conversion and upgrades, advanced analysis and simulation services, marine systems engineering and consulting, marine operations engineering, marine assurance and risk services, as well as support in expert witness, claims and litigation.

Small Craft

We offer a wide range of marine and engineering consulting services to support small craft across the maritime, oil & gas, defence and renewable sectors, providing technical support at any stage of an asset's life-cycle. From Small Patrol, passenger, rescue and rigid inflatable boat design to small boat modifications, Longitude develops design both independently, or by working alongside the client's design team.

Superyachts

A trusted partner to the insurance industry, yacht brokers, management companies and owners worldwide, ABL Yachts offers clients the strength of a large multi-disciplinary superyacht survey team with a collective experience measured in hundreds of years, combined with the heritage and support of one of the marine industry's most respected brands.

Leading on decarbonising the maritime sector

The International Maritime Organisation (IMO) has made a commitment to cutting greenhouse gas emissions from international shipping by at least 50% by 2050 compared to 2008 levels.

ABL Group along with group company Longitude Engineering, have developed specialised in-house capabilities to provide comprehensive advice and technical support to clients in their transition to more sustainable shipping solutions. Our services cover support from early advisory and feasibility, through to design and build, and subsequent marine and risk assurance.

Clean shipping system design

Through expertise in electrical engineering, marine-based green technologies including hybrid-propulsion, fuel-cell and battery technology, combined with Longitude's IMT-OSD unit's long-term vessel design and engineering expertise, and group company Innosea's specialist capabilities in feasibility and analysis of marine renewables, we as a group are highly experienced in supporting with the detailed concept design, engineering, analysis and integration of clean shipping systems.

Marine emissions tracking

We bring an in-depth understanding of industry frameworks such as: The Poseidon Principles, The Sea Cargo Charter and Port Emissions Toolkit, combined with long-term expertise across different segments of the maritime industry.

We provide tailored consultancy and engineering solutions, which will aid clients in their understanding of their carbon and pollutant footprint, and help them in setting up a viable roadmap for future carbon-reduction and compliance with ESG commitments and industry frameworks.

emiTr

emiTr is an ABL group digital tool, an easy-to-use inventory of the complex web of a port's emissions, mapping their both direct and indirect sources, developed by ABL group in collaboration with Shoreham Port – a UK Trust Port. emiTr gives ports and harbours the power to track emissions, calculate the cost and risk of their emissions, and facilitates the necessary data and information to put down a roadmap to take action against your emissions footprint.

Oil & Gas

Oil & Gas

With energy specialists across our network of global offices and our wider global footprint of specialist consultants across more than 300 locations, ABL Group has the market-leading technical expertise to support clients regardless of the project size, type, complexity, and anywhere in the world covering upstream, midstream, onshore and refining and petrochemical projects.

Through-life marine and engineering consulting for Oil & Gas projects

ABL Group provides services at every stage in the lifecycle of an oil and gas project. Between our group companies, we have the knowledge and experience to support right from the start at feasibility, early development and engineering, right through to marine warranty survey, operations and maintenance and end of life support with either life extension support or decommissioning.

Our clients come to us for a full range of services from surveys, inspections and audits to marine and engineering consulting, and engineering and design. We are the world number one provider of marine warranty survey for oil and gas projects, and also provide a world-leading support package for rig operations on a global scale.

World-leading in Oil & Gas MWS

Over the years we have acted as MWS on more than 1000 large energy infrastructure projects of all types, as well as thousands of other smaller marine operations.

Our work has included the world's leading energy insurers and underwriters, as well as oil and gas majors. We are also experienced in providing tailored solutions to smaller energy operators, EPCI companies, oil and gas field service and equipment companies, vessel owners / charterers etc.

Upstream

We provide far-reaching multi-disciplinary expertise supporting rigs throughout the lifecycle of an asset. We offer market-leading services supporting rig moves and rig inspections for rigs of all types and sizes, both onshore and offshore, and anywhere in the world with services including geotechnical engineering support, engineering consulting, MOU transportation MWS etc.

The ABL Group is the market leader in marine warranty survey ('MWS') on offshore T&I operations for upstream infrastructure, with a long track-record in providing technical support to some of the world's most high-profile and complex production platforms and floating infrastructures.

Midstream

ABL Group's oil and gas specialists have been at the forefront of offshore midstream development for over 20 years. Our teams of marine and engineering consultants include specialists in subsea pipeline engineering and SURF technology, with project experience covering some of the world's most high-profile and complex subsea pipeline installation projects, including NordStream 2, Turkstream, Trans-Anatolian ('TANAP') amongst others.

World-leaders in marine warranty survey for pipeline installation, we have an in-depth practical and theoretical understanding of key challenges in pipeline projects and provide comprehensive risk-mitigation strategy, we also offer a range of other marine assurance and risk services, engineering and consulting, to support pipelay work at different projects stages, including with removal operations at decommissioning.

Our engineering and consulting experts from group company Longitude Engineering includes expertise in marine operations engineering, metocean and coastal engineering, advanced analysis and simulation, amongst other areas.

Natural gas is the fastest-growing fossil fuel at over 20% of the global energy mix, with the incentives it can offer as a 'transition' fuel as the lowest emitter of greenhouse gases compared to oil and coal. As a result, the demand for global LNG is projected to continue to grow.

ABL has stayed ahead of this market growth, by supporting as MWS on a number of the world's most significant LNG developments, including Ichthys, Gorgon, Yamal LNG and LNG Canada.

Onshore

In recent years, very large construction projects are being executed with worldwide procurement strategies requiring significant marine transportation campaigns to bring high-value items such as modules, pre-assembled units (PAUs), vessels, equipment and other materials from their place of fabrication/supply to the final site location.

Such projects include multiple loadout, transportation and offloading operations occurring simultaneously in multiple locations. With our far-reaching global footprint and effective centralised global management systems, we have provided seamless MWS, marine assurance and risk, and engineering and consulting services to support onshore projects since the 1980s.

Whilst a significant number of recent projects have been for the construction of LNG export facilities, we have also provided our services to petrochemical, mining and power projects, and for major civil infrastructure projects such as bridges, ports and harbour complexes.

As well as MWS, the wider ABL group offers a broad range of specialised capabilities in engineering and consulting, and marine assurance and risk, to provide all-round third-party support to a cargo transportation by sea or ocean, from early planning of the operation, right through to successful, safe and optimum delivery of the operation.

Refining & Petrochemical

ABL Group has a world-leading track record and trusted reputation amongst the insurance and underwriting markets, as marine warranty surveyor (MWS) on large-scale onshore projects and for project cargo. The development of refining and petrochemical plants more often than not would require sea and ocean transportation of critical and high-value modular assets from different global locations. ABL is well-placed to support with MWS and marine and engineering consulting for the de-risking of critical marine operations.

Loss Adjusting

Our loss adjusters are industry leaders in the adjustment of Upstream, Midstream and Downstream Oil & Gas insurance claims.

With engineers in all disciplines located globally, our adjusting expertise extends across Energy, Power, and alternative power sectors in both the onshore and offshore environments.

Decarbonisation and Hydrogen

The energy transition is accelerating and the ABL Group are leading in a number of areas, from exploring how offshore wind can help reduce the carbon intensity of offshore oil and gas assets to working with clients on proving the hydrogen value chain across all our markets.

Through our OWC unit, we have authored feasibility studies for owners of offshore oil and gas assets in the North Sea and undertaken work in preparation for the Scottish INTOG (Innovation and Targeted Oil and Gas) leasing round, a round to apply for the rights to construct offshore wind farms specifically for the purpose of providing low carbon electricity to power oil and gas installations and help to decarbonise the sector.

We also have an active and sought-after Hydrogen team that work across a number of areas, examples are:

- Hydrogen strategies and road maps for public, semi-public bodies, and large corporates such as OWC's work for the Asian Development Bank and INNOSEA's for the Offshore Hydrogen Analysis and Road Map for France project
- Owner's engineering by including engineering FEED review for Air Product's NEOM Green Hydrogen project in Saudi Arabia
- Design of the hydrogen fuel cell powered seagoing ferry, the HYSEAS III project for CMAL
- The development and design of a green hydrogen production and bunkering barge for mid-sized ports for the DFT and InnovateUK

Members of the Board

Glen Rødland

Chair of the Board

Glen Rødland is an independent investor and is the chairperson and board member in Prosafe SE, SES-X Marine Technologies and ATDL AS, as well as ABL. He was a senior partner at HitecVision for four years, and for ten years was a partner and co-investor of Direct Active Investments in Ferncliff TIH AS. Mr Rødland has worked for 15 years with portfolio management, financial analysis, and investment banking for DNB (Vital) and Swedbank (formerly First Securities and Elcon Securities). In addition, Mr Rødland has also worked in the shipping company Jebsens and as a management consultant in PWC. He has MBA and Post Graduate studies in Finance from NHH and UCLA. Mr Rødland is a Norwegian citizen and resides in Bærum, Norway.

Rune Eng

Independent Non-Executive Director

Rune Eng has significant experience from his many years in the energy sector. His last position was Executive Vice President International of the TGS. He was previously CEO and President of Spectrum Geo Limited (subsequently sold to the TGS Group), a position he held for almost nine years. Mr. Eng has also held various roles at PGS ASA over a period more than 13 years as well as roles in Fugro, Digital Equipment Corporation A/S and GeoTeam Group. Mr. Eng holds a Bachelor of Science in Geophysics from the University of Oslo and a Master of Science in Geophysics from the University of Gothenburg. Mr Eng is a Norwegian citizen and resides in Oslo, Norway.

Yvonne L. Sandvold

Board member

Yvonne L. Sandvold is the founder and Chief Executive Officer of YLS Næringseiendom and the Chair of the Board of Frognerbygg AS. 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.

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 Naxs AB. 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.

Executive Management

Reuben Segal

Chief Executive 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 a focus on design and construction of offshore oil and gas assets, including MODU and MOPU units from FEED through to yard delivery. He has held many senior executive roles in the industry, most recently COO of ABL Group. He holds a Master's degree in Engineering from the University of Newcastle. Mr Segal resides in Dubai, UAE.

Bader Diab

Chief Operating Officer

Dr Bader Diab is one of the founding members of the ABL group and currently holds the position of Chief Operating Officer. He has worked in the offshore energy industry for more than 30 years including postings in the UK, Middle East and United States. Bader has held senior management positions in several offshore and marine consultancies including a recent position of Regional Managing Director – Americas with the ABL Group.

Bader is a Civil / Structural engineer with experience in the global performance of offshore structures, including transportation and installation, and the design of MOUs. He is a registered professional engineer in the states of Texas and Alaska.

Svein O. Staalen

General Counsel

Svein O. Staalen 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 Staalen is a Norwegian citizen and resides in Bærum, Norway.

Dean Zuzic

Chief Financial Officer

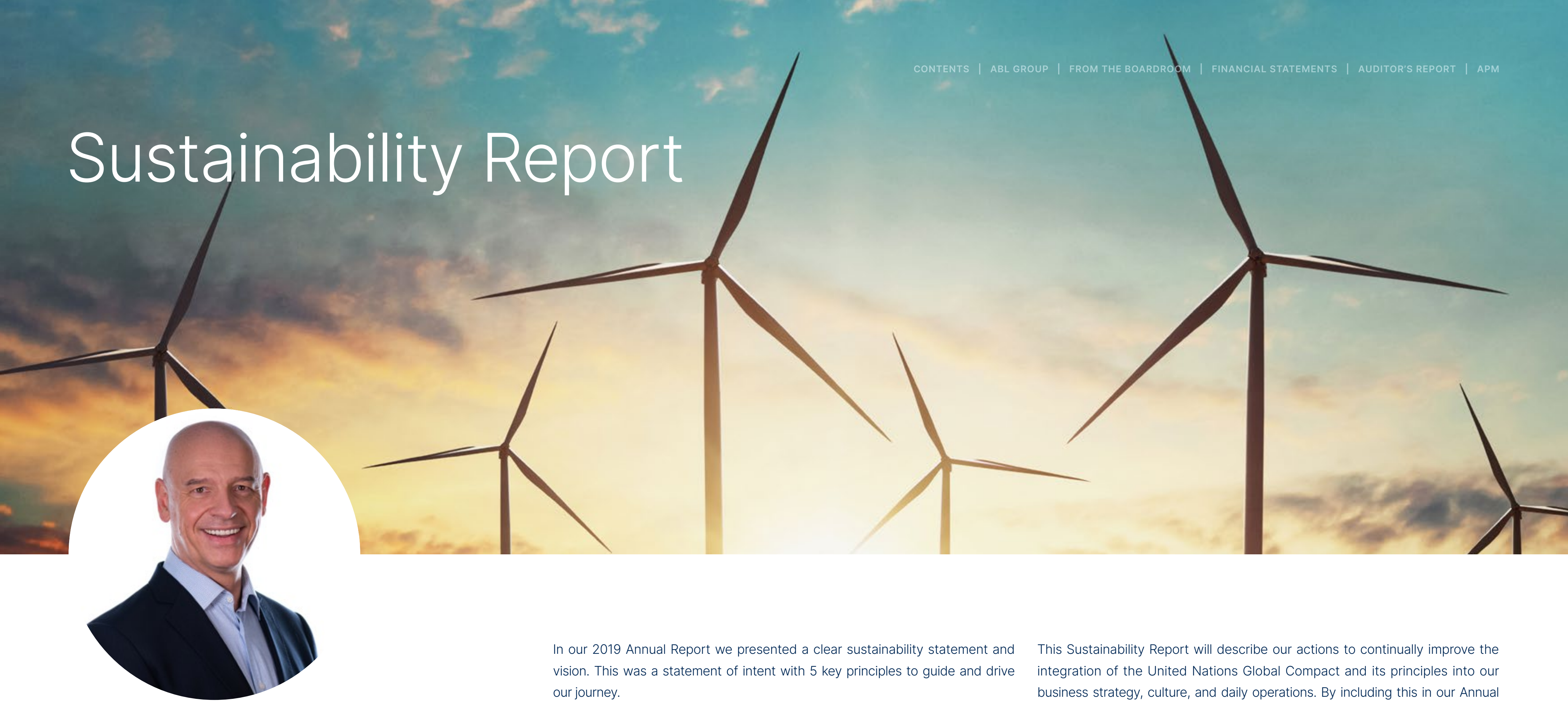
Dean Zuzic is an experienced CFO who has more than 30 years' finance and management experience. He has held CFO roles at Oslo-listed seismic players TGS-NOPEC Geophysical Company ASA and Spectrum ASA. Prior to this, Zuzic held CFO positions at Norwegian recycling group Norsk Gjenvinning, home textile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

RV Ahilan

Chief Energy Transition Officer

Dr Ahilan is a Chartered Engineer with over 30 years' of industry experience, 25 years of which has been at board level. Previously he was CEO of LOC and has held leadership roles in DNV GL, GL Garrad Hassan and Noble Denton. With expertise in hydrodynamics, he has led projects which have set standards and safety factors in jack-up site assessment, mooring systems and marine transportation. He is an Advisory Board Member of WavEC Offshore Renewables and a Trustee of the charity Marine Technology Trust and was Non-Executive Director a vertical axis wind turbine company. He holds a BSc (Leeds) and MS (Caltech) in Civil Engineering, a PhD (Cantab) in Engineering Fluid Mechanics, an MBA (Imperial) and is a Fellow of the Royal Academy of Engineering.

Sustainability Report



ABL Group finishes 2021 larger again, another doubling in size, bringing a significant increase in opportunity, impact, and responsibility. At ABL Group we recognise that for our business to be successful in the age of climate crisis and energy transition, we must redefine what we do in a genuine way to put sustainability at the center of all strategy and operations.

In our 2019 Annual Report we presented a clear sustainability statement and vision. This was a statement of intent with 5 key principles to guide and drive our journey.

This has guided many decisions over the last 12 months:

- Continuing to increase the renewables and other energy transition share of group revenues as we drive towards 50% by 2025
- Broadening our services to help clients decarbonise other sectors such as maritime and oil and gas,
- Creating a Chief Energy Transition Officer role at the executive management level to bring innovation and new services to help our clients decarbonise and the world transition safely but as fast as possible
- Rolling out BS EN ISO 140001:2015 across our global operations
- Working to improve diversity and put a number of foundational policies in place
- Supporting the community, focusing on aligned areas, consistent with our SDGs, with staff and company contribution and volunteering

This Sustainability Report will describe our actions to continually improve the integration of the United Nations Global Compact and its principles into our business strategy, culture, and daily operations. By including this in our Annual Report to shareholders, we also show our commitment to sharing this information with our stakeholders using our primary channels of communication as a key document in our Environmental, Social, and Governance ("ESG") reporting.

R. Segal

Reuben Segal | Chief Executive Officer

The Report

In February 2020 we became a signatory of the United Nations Global Compact and published our first Communication of Progress in February 2021. AqualisBraemar LOC re-affirms our commitment to the ten principles of the UN Global Compact in the areas of human rights, labor, environment and anti-corruption. This report is shaped by the Sustainable Development Goals (SDGs) introduced by the United Nations in 2015.

WE SUPPORT
UN GLOBAL COMPACT

In 2020 we performed our first materiality assessment to explore our priorities on sustainability. We explored and evaluated the aspects of our business that have the biggest environmental, social and governance impact.

The seven materiality topics that we considered to have most impact on and the most importance to AqualisBraemar LOC and our stakeholders are:

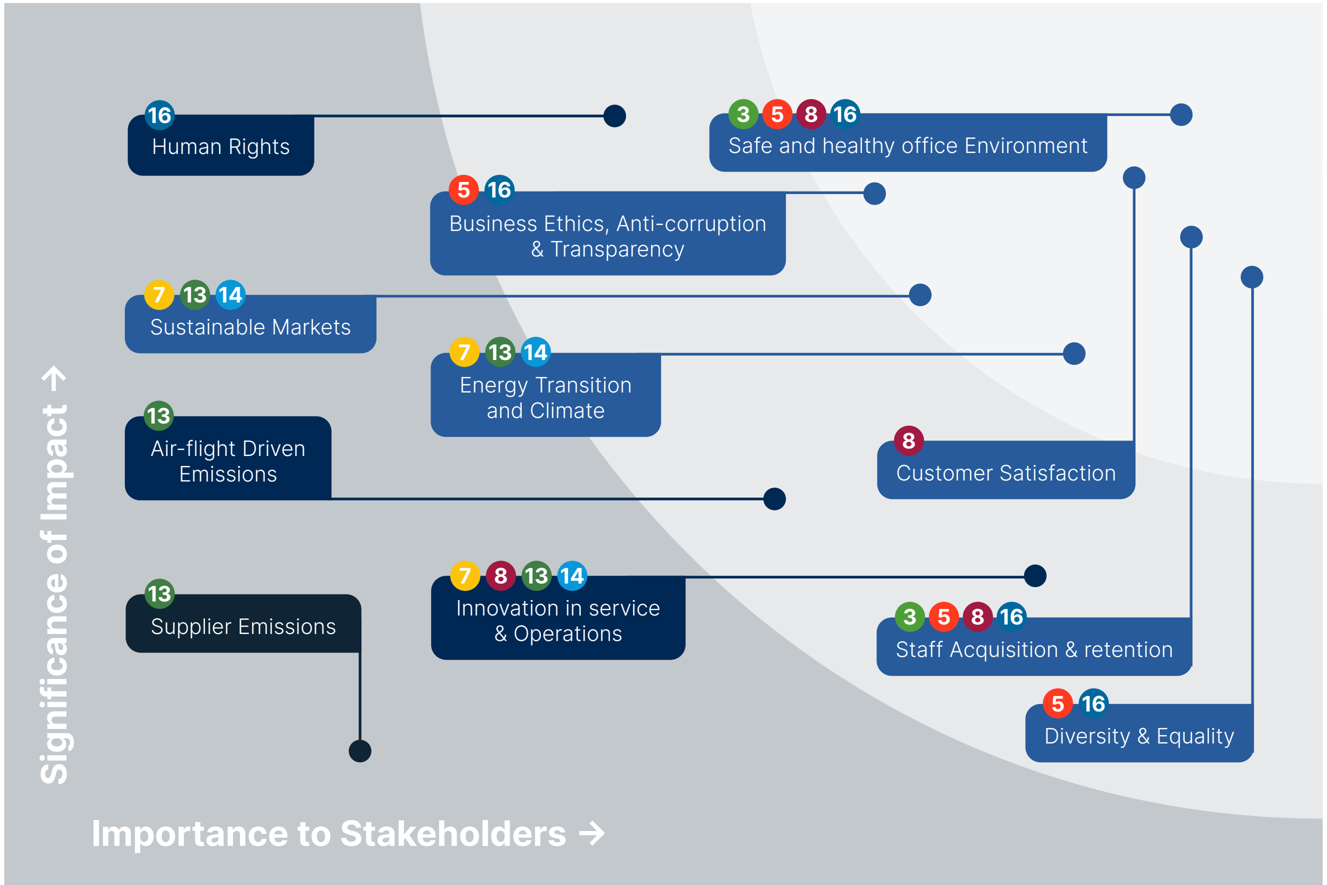
- Safe and healthy attendances
- Business ethics, anti-corruption, and transparency
- Staff acquisition and retention
- Customer satisfaction
- Diversity and equality
- Sustainable markets
- Energy Transition and climate

After our initial benchmarking materiality assessment we consider these seven SDGs have the highest importance to AqualisBraemar LOC and our stakeholders. We further grouped the SDGs we have key focus on into two groups:

- Employee focused, so **how we do business**
- Business focused, so **where we do business**

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 Employee Focus
How we do business

Our Business Focus
Where we do business

Human Rights

Over the past year, ABL Group has gone through a large amount of change. During this transition, we have had to deal with a change in our culture and changing work environments resulting from the pandemic. We understand the importance of our people and how each and every one of our employees has a part in driving the business forward. In order for that to happen successfully, we need to make sure we are investing in them where appropriate. A safe, clean, healthy, and sustainable environment is integral and without a healthy environment we are, unable to fulfill our aspirations.

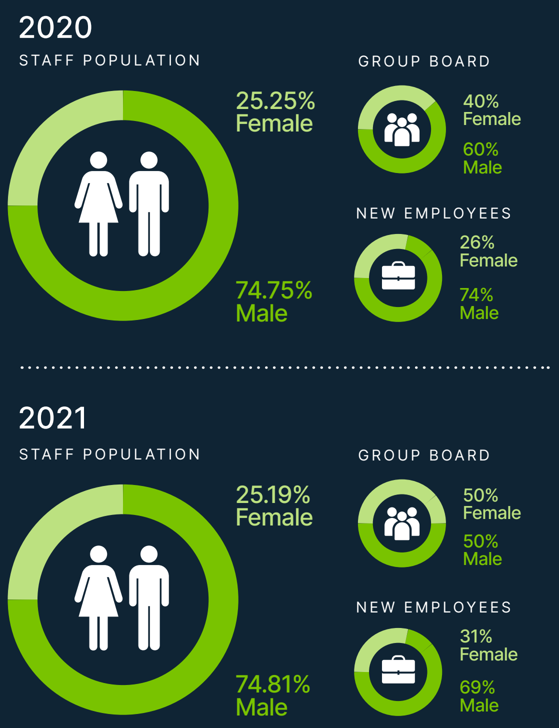
We remain committed to the United Nations Global Compact and its goals surrounding Human Rights. Our Corporate Code of Conduct remains in place for the business which advocates high standards of honesty, integrity, and ethical behaviour in our daily business and expects all representatives of our company to conduct their daily business in a safe, fair, honest, respectful, and ethical manner. People are also happier and healthier when they can be their best selves which underpins high performance.

We are also pleased to report that there have been no suspected violations of our policies in this area.

Throughout 2021 the company signed up for the Target Gender Equality Accelerator Course and is reviewing the areas of improvement for the group against the WEP Tool (The Women's Empowerment Principles Gender Gap Analysis Tool). As a company, we have a lot of the basic principles in place but have significant room for improvement surrounding our recruitment processes and further work to be done providing stand-alone and clearer policies on Diversity & Inclusion.

Throughout 2020 we celebrated the achievements of women engineers and we continued this throughout 2021 to promote diversity and development across the workplace and within our industry. A member of our staff joined the GWEC's development program for "Women in Wind" and has since been approached to participate in a radio p on BBC World Service called "The Conversation", in which an episode is being made with women working in the green/clean/renewable energy sector. In July 2021 we also hosted and participated in a panel discussion for Women in Shipping on Engineering Diversity for the future. This is an area that we would like to concentrate on looking forward and with the help of the Target Gender Accelerator Course, we should be able to set some specific goals. Over the past year, we have employed 157 new employees – 31% of these hires were female compared to 26% in 2020. Although this is a small increase, we see this as an improvement for a maritime/Oil & Gas business that has historically been a male-dominated environment.

Employee Diversity



Nationalities

American	3.3%	Lithuanian	0.2%
Australian	3.2%	Malaysian	3.3%
Bahamian	0.2%	Mexican	3.0%
Bahraini	0.3%	New Zealand	0.2%
Brazilian	3.2%	Norwegian	1.0%
British	30.2%	Pakistani	0.2%
Bulgarian	0.8%	Polish	0.8%
Canadian	2.2%	Portuguese	0.2%
Chinese	6.6%	Romania	0.2%
Croatian	0.2%	Russian	0.5%
Czech Republic	0.2%	Singaporean	6.1%
Danish	0.3%	South African	1.5%
Dutch	1.5%	Spanish	1.7%
Egyptian	1.5%	Taiwanese	0.3%
Filipino	0.3%	Thai	2.7%
Finnish	0.2%	Turkish	0.3%
French	6.0%	Venezuelan	1.8%
German	1.0%		
Greek	1.2%		
Indian	7.0%		
Indonesia	4.0%		
Irish	0.8%		
Israeli	0.2%		
Italian	1.0%		
Japanese	0.3%		
Korean	0.7%		

Within the ABL Group we promote our staff internally and externally through a number of "Meet the Team" blog posts. This helps to promote the skills set we have across our regions and to further integrate our employees with one another.

As a joint business, we now have an enhanced global footprint with around 45 nationalities amongst our employee base. We value the diversity and inclusion of the people with whom we work, and we are committed to equal opportunities.

For 2022 ABL intends to make sure we are upholding fair employment practices through education, recruitment, training, and employee wellbeing. In 5 years, time it is said that around 75% of the workforce will be made up of Millennials, however, we do not limit people´s opportunity to contribute or advance based on age, childcare responsibilities, disability, ethnicity, gender, gender expression, sexual orientation, religion, pregnancy, or other protected personal characteristics.

We believe that a motivated and satisfied workforce is a key enabler of individual and business performance. As the business grows, we will be able to provide further career and development opportunities. It is important to engage with our employees to drive change in a meaningful way to work collaboratively and enhance the power to make a difference and the impact to serve our company's mission and vision.

Following our WEP analysis, it is clear we will also need to conduct further reviews around the gender pay gap and we are currently looking at new recruitment tools to help us track further elements surrounding diversity. Through the new ATS system, we will be able to clearly track and report on specific gender statistics and take proactive steps to recruit women at all levels within the organisation.

- Gender balance in total in the company
  – for 2021, 163 females and 484 males
- Employees in part-time positions
  – 21 part time employees – 12 Female and 9 Males
- Average number of weeks of parental leave for women and men
  – Women 24 weeks, men 4 weeks.
- Employees who work involuntary part-time
  – None

There are still a number of activities to undertake which includes reviewing our appraisal system and tying in staff and development goals with retention rates.

Throughout 2022 we have signed up to put a large number of our employees through specific training courses relating to leadership and management. We want to invest in our employees and provide them with the best tools that they need to succeed, and our next generation of leaders are equipped to deal with issues that may arise within the task force. The business is restructuring to include a more structured shared service centre for the group and we have filled the position of a Group Training Manager.

One of our subsidiary companies within ABL Group has been piloting a series of training courses looking at an Introduction to Line Management with a series of modules taking place over a 12-month period. As this has proven to be successful, we will be looking to roll this out across other areas of the business. Such topics include interviewing, motivation, and how to manage a flexible/hybrid team.

We updated our maternity and paternity policies throughout 2021 to make them more family-friendly and will be putting more focus into looking at our STEM returners (including those returning from maternity leave). We will also be reviewing further support policies such as fertility treatment / fostering / surrogacy / international adoption

Looking forward the company is looking to set up an ESG Committee. This will be made up of smaller inclusion councils looking at specific areas for improvement within the business, i.e diversity and inclusion, good well-being, etc. We believe this will lead to better collaboration, understanding, and communication between our employees. The idea would be for these smaller groups to meet regularly to set plans and objectives for the coming years and monitor progress.

Due to the nature of the business, we do not have specific external audits related to Human Rights Performance, however, this will be something that we will review internally throughout our ESG journey.

Labour

We value the diversity and inclusion of the people with whom we work and we are committed to equal opportunities. We prohibit discrimination, harassment, forced, trafficked, and child labour and are committed to safe and healthy working conditions and the dignity of the individual. Workplace Integrity means fostering and protecting a corporate environment that is inclusive, safe, and professional.

We do not limit people´s opportunity to contribute or advance based on age, childcare responsibilities, disability, ethnicity, gender, gender expression, sexual orientation, religion, pregnancy, or other protected personal characteristics.

At the end of 2021 we hired a new recruit in the capacity of Group Talent and Acquisition Manager, who is currently reviewing our recruitment policies and investigating an Applicate Tracking System to implement across all regions.

We recently introduced a 6-month LinkedIn Recruiter pilot, which will help us drive traffic and create greater visibility/awareness both for the ABL Group as a company as well as in terms of recruitment activity on LinkedIn.

The pilot includes a fixed number of sponsored job postings, direct access to LinkedIn members (helping us to target the right people/talent), recruitment marketing, and will provide a great opportunity for pipelining of candidates as well as management of applications within the system.

The next step will be to roll out our new standard recruitment policy/process. With the recruitment process rolled out and the ATS is in place we will be in a way better position to support recruitment activities across the group, therefore able to track our retention rates and report on our diversity across the group.

The pandemic continued throughout 2021 and the company has introduced a much more flexible approach to work in many locations, a hybrid working pattern has become standard. We maintain that the newly adopted way of homeworking will not hinder any employees' chances of further development and career opportunities within the organisation.

For 2022 we will be rolling out a new ABL Privacy Notice along with guidelines around Personal Data Processing.

We also plan to roll out an employee survey globally in order to provide us with feedback on our policies and processes. In line with the recruitment policy, we are also planning on re-evaluating and designing a cleaner on/off-boarding process to improve the employee experience. We will be exploring a global HRIS system to assist us with implementing better and cleaner processes. Throughout 2022 we need to further our efforts in putting in measures to monitor and report on the demographics of our management and employees by diversity factors.

Currently one of our affiliated companies operates an Engineer Development Scheme and for 2022 we will be looking to roll this out globally across all divisions/ entities to broaden our skillsets and train young engineers for the future. Along with expanding the graduate programme we will be looking to introduce a mentorship program. This will not only be for those graduates within the programme but for those members of staff looking to change roles or further their career in a specific field within the group.

Due to new ways of working, moving forwards our company aims to put more focus on our wellbeing programs. We would like to look at the promotion of physical fitness, promotion of healthy work life balance and stress management. We believe this will have a positive impact towards SDG 3 – Good Health & Wellbeing.

Mental Health is a big topic these days. We have been actively training staff on Mental Health First Aid which in turn will introduce a series of in-house training to line managers to be aware of signs and symptoms should any episodes occur. We have also been piloting training sessions related to stress at work and will be looking to roll this out to wider areas of the company. Additional councils will be set up to look at the areas of emotional well-being, social well-being, and physical well-being in line with our objective for setting up an ESG Committee. There are a number of topics that we are seeing more and more in the media these days relating to sensitive scenarios such as Menopause Awareness. We would like to incorporate training elements for line managers over the next 12 months in order for them to be aware of how certain medical changes can affect the workforce and how to deal with this.

We want ABL to be a safe place with senior leaders being visibly involved in looking at factors that contribute to effective diversity and inclusion.

At ABL we are committed to giving back to the economy and will be looking to roll out a number of charity-based events linked to benefit the environment. We believe that it is important to promote Team collaboration by taking part in social activities and challenges for charity. In 2021 the company took part in a "Race the Thames" challenge in support of seafarers. We want to explore more of these so our staff can engage with each other across the globe, take on new challenges physically and mentally.

Our employees have access to an Employee Assist Programme which remains confidential. Throughout the pandemic, it has been important to promote this service for those that have struggled with the change in the work environment.

Environment

Under sections 3-3a and 3-3c of the Norwegian Accounting Act, ABL Group is required to report on its corporate responsibility. ABL Group 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 fulfill our vision and meet the expectations of our stakeholders.

Our ABL2030 guiding purpose, created and re-committed to in our 2021 Annual Report, is that 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 purpose not only makes environmental 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.

Though we are a company without any operating assets, we take our environmental responsibilities very seriously and our Integrated Management System (IMS), which is certified by LRQA, requires that all projects are reviewed for potentially adverse environmental risks.

ABL Group considers it to be fundamental good business and management practice to be able to identify, understand and take appropriate action on material environmental risks and opportunities to the business, this is pursued via a corporate risk management program and is independently audited as part of its BS EN ISO 140001:2015 certificate.

This process is overseen by the Corporate Risk Committee which includes our CEO, COO, General Council, and other senior management. The robust process encompasses the following:

- Review the corporate risk management framework
- Ensure that risks facing the organization are identified, evaluated, and adequately addressed
- Issue the corporate risk report on a quarterly basis and collate risks reported by regions and business lines.
- Drive and support the further improvement of the risk management process and provide business knowledge to the discussion of risks

We identified 'Climate change and environmental sustainability' as a material business risks and this has resulted in a range of strategic and operational actions to reduce the material risk to ABL Group's business and reduced any negative impact to climate change drivers, but also use our business activities to make a positive impact on UN Global Compact SDGs. A summary is presented in the table below.

Our ABL2030 ESG strategy includes two guiding principles that put environmental sustainability at the core of our business:

- Principle 4. Work towards a company-wide net zero carbon target to stay ahead of our markets & contribute to a net-zero world
- Principle 5. Continue to grow, innovate & develop new services to both accelerate & de-risk the energy transition & create business value

In support to Principle 4, in 2021, we have completed the implementation and accreditation of a group-wide environmental management system according to

Climate Change Risk

RISK / OPPORTUNITY ORIGIN	• Climate change and environmental sustainability	
RISK DESCRIPTION	• Reducing offshore oil and gas market over the medium to long-term due to the energy transition driven by Paris Climate Agreement	• Overexposure to clients with negative ESG profiles such as oil and gas • Market pressure to measure and improve our own ESG performance
POSSIBLE IMPACT	• Loss of investor confidence and so reduced share performance • Reduction of oil and gas opportunities over medium to long-term as market shrinks, with additional competitive pressures impacting pricing	• Reduce attractiveness as a place to work for younger more value driven staff
COUNTER MEASURES	• Establishment our ABL2030 ESG strategy • Diversification into more sustainable market segments such as offshore wind, onshore renewables and maritime sectors such as insurance, adjusting, shipping, expert witness, Yachts, and Ports and Harbours • Targeting 50% of our group revenues from renewables and other energy transition or sustainability-driven revenues by 2025	• Accreditation of our operations to BS EN ISO 140001:2015 • The creation of the position of Chief Energy Transition Officer on our executive team

Climate Change Risk Excerpt from Corporate Risk Register

BS EN ISO 140001:2015. Our environmental management system is designed and specifically structured to cover environmental aspects that ABL Group can control and directly manage, and those it does not control or directly manage but on which it can be expected to have an influence.

The aspects of ABL Group business that interact with the environment are identified and evaluated. Appropriate processes are established to minimise waste, use resources efficiently, encourage recycling and work towards a companywide net zero carbon target.

In terms of supporting Principal 5 and so generating more revenues from renewables and sustainability-driven services we achieved:

- Achieved 53% revenue growth in renewables bringing renewables share to 27% of group revenues
- Worked on 99 offshore wind farms with a total capacity of 68GW and carried out over 100 MWS assi on renewable energy projects
- Formed and launched a new business unit serving the onshore wind, solar, and energy storage and started work on a range of assignments including battery storage feasibility studies
- Partnered on 20% of all capacity awarded in the 25GW ScotWind offshore wind leasing process
- Opened renewables serving hubs in Ireland, France, and Brazil
- Established a climate change resilience capability and led a global industry-wide survey of the impact of climate change on offshore wind
- Significantly expanded our green hydrogen capability and services with key expert hires and project awards such as:
    - Concept design of the HySeas III hydrogen fuel cell ferry for CMAL
    - Design of hydrogen production barge for port bunkering

Following the merger in April 2021, AqualisBreamar & LOC Group aligned and integrated their legacy QHSE management systems, Technical governance, IT & HR systems, Branding, Legal, Commercial and Financial systems to eliminate complexity and to standardise and harmonise across the group.

ABL Group provides broad consultancy services to the Energy and Maritime sectors. In the capacity of a consultancy firm, ABL Group members may provide advice and recommendations to the Client or the Site representatives about the technical environmental aspects or issue and /or the site-specific HSE implementation, however, the Client Management is responsible for directly managing and maintain the workplace. Our Environmental Manual describes roles and responsibilities that ABL places on all employees and subcontractors in order to minimise the impact and to ensure the best available practices are established and adopted. All new hires are given induction training that describes the environmental issues and risks applicable to their role, this is then reviewed annually and communicated to the staff via QHSE consultation and participation methods such as QHSE Committee, Staff Briefings, Team Meetings, Internal Bulletins, and Flashes and Internal SharePoint Site.

In 2021 we began measuring our environmental impact in the offices – the phased return of the employees to the premises as well as bringing together management systems from legacy companies allowed us to review and evaluate the practices and implement standardised system across all offices.

ABL Group conducts its business in a manner that prevents harm to people, the environment, or assets. We are committed to creating a work culture where the prevention of harm is a priority for everyone.

In April 2021, we established a company-wide Integrated Quality, Health, Safety, and Environmental management system ensuring consistent processes and systems within the ABL group. Our Integrated Management System Manual is a comprehensive document establishing processes and policies required to fulfill our legal requirements, client expectations, and most importantly to ensure the health and wellbeing of our employees. Further, Rigorous procedures have been established to identify and manage HSSE risks, Business, Contractual and Legal risks and capitalise on opportunities.

Our Management System was subject to a Global external certification audit by LRQA in November 2021. The outcome was quite positive and ABL has been certified to ISO 9001: 2015, ISO 14001: 2015, and ISO 45001: 2018.

ABL Group Combined Health, Safety and Environmental Statistics for 2020 can be seen in the graphic on the right.

Overall, ABL Group reported 2 lost time injuries in 2021 and the lost time injury frequency rate per million person-hours is at 1.14.[1] These incidents were investigated and lessons learned have been disseminated. Our aim in 2022 is to reduce the number of recordable injury cases through improved processes and internal training.

As part of improving the HSE culture, ABL launched HELP (Hazard Elimination and Learning Program), a behavioural-based safety observation program in May 2021. This program facilitates to capturing all near-misses and HSEQ observations at client sites and ABL Group premises and addresses safety issues with all stakeholders involved. A total of 167 HELP cards were initiated by ABL employees in 2021.

ABL Group Combined Statistics

FY 2021

1,756,640
TOTAL GROUP PERSON-HOURS

0
FATALITY INCIDENTS

3
TOTAL RECORDABLE INJURY CASES (TRIC)

2
LOST TIME INJURIES (LTI)

1.14
LOST TIME INJURY FREQUENCY (LTIF) PER MILLION PERSON-HOURS

0
LOST TIME OCCUPATIONAL ILLNESSES (LTOI)

3
FIRST AID CASES

0
ENVIRONMENTAL POLLUTION CASES

Furthermore, in 2021, we focused on increasing environmental awareness and implemented various green initiatives within ABL Group operations.

Competence development is critical for ABL Group to achieve HSE objectives and build a culture of effective HSE practices. In addition to the mandatory HSE training, an e-learning program focusing on the HSEQ management system and internal processes was rolled out to all staff in 2021.

[1] LTIF for 2020 was 1.00 not 0.00 as incorrectly reported in last year's Sustainability Report.

Anti-corruption

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.

ABL 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 were operate.

The Group advocates high standards of honesty, integrity, and ethical behaviour in its daily business and expects all representatives of ABL Group to conduct their daily business in a safe, fair, honest, respectful, and ethical manner.

ABL Group has a corporate compliance officer, employees are provided training on compliance and are instructed to report suspected violations of the Group's code.

All staff must complete e-learning modules that support our policies. Our goal is continuous improvement, and we are focusing on improving anti-corruption monitoring and reporting.

In 2021, new training on Cyber security and refresher training on Anti Bribery and Corruption compliance were rolled out. Over 80% of staff have completed the Anti Bribery and Corruption refresher training and 50% have completed the Cyber Security training. A total of 1550 users were registered on the Ethics and Compliance training platform and each employee spent an average of 1.3 training hours.

In line with the ABL Group Training Matrix, all new starters are signed up for Anti Bribery & Corruption Compliance and Cyber Security training with immediate effect following the appointment, and refreshers are conducted every 3 years.

The ABL Way of Doing Business - Corporate Code of Ethics and Business Conduct sets 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. This handbook is also shared with our freelancers via the freelancer QHSE Package. Both staff and contractors must acknowledge the reading and understanding of the requirements. The Code of Conduct gives general instructions on employees' responsibilities in preventing bribery and corruption in business dealings, including reporting suspected Violations. The Code of Conduct is further supported by our internal SOP18 on Regulatory Compliance. This focuses further on our compliance requirements with international laws, including sanction laws described in SOP15.

Our Code of Conduct states that our staff has the option to report to their Line Manager, our General Counsel or Group Operations Director. We have recently created and published a Whistleblowing Policy that supports all grievances or suspected wrongdoing instances. This includes bribery, fraud or other criminal activity, miscarriages of justice, health and safety risks, damage to the environment, issues in the workplace, and/or any breach of legal or professional obligations. This policy covers all employees, officers, consultants, freelancers, contractors, work experience or internship workers, volunteers, casual workers, and agency workers of ABL Group. We stress confidentiality will be protected where appropriate and that we will not penalise or discriminate against anyone who provides information to the company relating to what they believe is corrupt or unethical practices.

Regarding taxation, our policy is one of full compliance with all relevant domestic and international laws, rules, and regulations. Management of our tax affairs is also consistent with our ethics policy and code of business conduct, which are built around fairness, openness, and honesty. As a listed company we must also demonstrate full compliance in these areas.

Progress and 2022 goals

SDG	ABL Key Topics	Year Started	Action	Status & Progress Completion
3 GOOD HEALTH AND WELL-BEING	Health & Safety in office/ attendance	2021	Review Mental Health coverage and training	Medical Coverage in each region was explored and some small training programmes rolled out for mental Health and working from home in some locations. Goal to be explored further in 2022 with specific training topics rolled out and in some regions employees looking at mental health first aiders (50%)
		2021	Review Substance abuse	Policy and health schemes reviewed (100%)
		2021	Post pandemic a more flexible working pattern will be established	Implemented (100%)
		2021/ 2022	Encouraging all staff to take a health check assessment	Done ahead of most lock downs but needs to be readdressed in 2022 following the pandemic and introduction of hybrid working so will return to the beginning (0%)
		2021/ 2022	Develop Mentoring programme across the business stream	For 2021 no progress – will be a push in 2022. This also will go hand in hand with expanding the Graduate Scheme for all divisions globally. (0%)
		2022	Expand the Graduate Training Scheme globally	Process underway for September 2022 intake (10%)
		2022	Mental Health Intiatives & Training	15%
5 GENDER EQUALITY	Diversity and Equality Human Rights	2021	Review and amend our non-discrimination policy	Completed (100%)
		2021	Review and assess topics around gender pay gap	Reviewed in Target Gender Eqality Accelerator course but not yet actioned (25%)
		2021	Review and suggest improvement of recruitment policies	Revisited with the hire of Group Talent & Acquisition Manager. Draft in progress and will be implemented along with a new ATS System (75%)
		2021	Review our internal appraisal system and assess possible line management training need	Pushed to 2022 and in line with exploring a complete HRIS system (0%)
		2022	Management Training	Programme for Ashridge Training School rolled out for 2022 training (50%)
		2022	Programme for STEM Returners	
		2022	Review additional Family Friendly Policies	
		2022	Review and implement a separate D&I Policy	
		2022	Implement a more comprehensive ABL Privacy Notice along with guidelines around Personal Data Processing.	Process started (75%)
		2022	Roll out an Employee Engagement Survey	
		2022	Research and start to implement a global HRIS System	Process beginning (5%)
3 AFFORDABLE AND CLEAN ENERGY	Energy Transition & Climate	2021	Launch 2 new services in either renewables or sustainability sectors	Recruited and launched a Wind & Site service and an Onshore Wind, Solar & Energy Storage business unit within 2021 (100%)
		2021	Grow renewables business by 40%	Grew renewables by 53% in 2021 (100%)
		2022	Launch 2 new services in either renewables or sustainability sectors	

SDG	ABL Key Topics	Year Started	Action	Status & Progress Completion
	Energy Transition & Climate	2022	Grow renewables business by 25%	
8 DECENT WORK AND ECONOMIC GROWTH	Human Rights Health & Safety in office/ attendance Diversity and Equality	2021	Develop a Formal Human Rights Policy	Completed (100%)
		Ongoing	Zero lost-time injuries, medical treatment cases or restricted work cases in the office or attendance environment	ABL Group reported 2 lost time injuries in 2021 (0 in 2020) and the lost time injury frequency rate per million person-hours is at 1.14 (1.00) in 2020). Full stats in Report.
13 CLIMATE ACTION	Sustainable Business Model Innovation Air Flight Driven Emissions Suppliers Emissions	2021	Audit the whole group to determine a baseline CO2 emission for the group and put in place a carbon accounting system	Integration between AqualisBraemar and LOC Group slowed down progress, however, we now have BS EN ISO 140001:2015 across all operations. We plan to have a baseline audited within 2022 (20%)
		2021	Roll out ISO 14001: 2015 across all offices in by the end of 2021	Completed (100%)
		2021	Develop our clean shipping service line	Integrated our Group-wide capability to market capability, won first contracts and acquired OSD-IMT a vessel design company to bolster our capability in this segment. (100%)
		2022	Review Travel Agents globally and review our carbon footprint	
		2022	Implement a new electric car benefit scheme in UK	Started (10%)
14 LIFE BELOW WATER	Diversity and Equality Human Rights	2021	Launch 2 new services in either renewables or sustainability sectors	Recruited and launched a Wind & Site service and an Onshore Wind, Solar & Energy Storage business unit within 2021 (100%)
		2022	Launch 2 new services in either renewables or sustainability sectors	
16 PEACE, JUSTICE AND STRONG INSTITUTIONS	Business Ethics & Anti-Corruption	2021	Roll out relevant 3 year Ethics and Compliance re-training to staff	All new starters are signed up for Anti Bribery & Corruption Compliance and Cyber Security training with immediate effect following the appointment, and refreshers are conducted every 3 years.
		2021	Review the need to incorporate additional training to staff in countries that score low on Corruption Perceptions Indexes	Not started in 2022, planning started and will be rolled out in 2022. (5%)
17 PARTNERSHIPS FOR THE GOALS	All SDGs will contribute to Number 17 in some way	2021	Align our ongoing sustainability reporting metrics to the SDGs	Continuous Progress
		2021	Set specific improvement goals	Continuous Progress
		2021	Conduct internal trainings across our organization to educate our employees about ESG	Due to merger between AqualisBraemar and LOC Group this action has been slow, we will progress in 2022 (10%)
		2021	Supporting initiatives to promote transparency and anti-corruption, e.g., UN Global Compact	Continuing to commit to UNGC goals
		2021	Support initiatives to promote human rights in our business areas, e.g., Neptune Declaration	Signed up to Neptune Declaration and continue to promote awareness. Will continue to explore opportunities.
		2022	Setting up an ESG Committee including separate inclusion councils	Structure agreed, will be set up in H1 (15%)

Development of CSR initiatives (Corporate Social Responsibility)

In recognition that our guiding purpose is that the sustainability of the world in which we operate and live is vital for the future of the company, we report here in the continued development of our group-wide CRS programme. This programme encourages colleagues to take time out of their working day to engage in charitable and social initiatives.

Last year we selected initiatives, which each touched on a number of topics driven by the UNGC and that intertwine with the SDGs, namely human rights, health and safety on attendance, and energy transition & climate goals. Furthermore, they promoted our SDGs among individuals in the company and created a space for colleagues to engage in a positive way with the communities and sectors in which we work and live. The activities also brought teams closer together in a non-work environment, encouraging a positive and meaningful culture.

Here is a summary of some of our activity:

ABL Group becomes a signatory of the Neptune Declaration

ABL Group was proud to join more than 850 organisations as a signatory of the Global Maritime Forum's **Neptune Declaration on Seafarer Wellbeing.**

The initiative was set up in response to the pandemic's adverse impacts on seafarer safety and wellbeing, namely the crew change crisis and challenges in vaccinating seafarers. It calls for signatories to promote 4x main actions, as communicated in our graphic.

Recognising that many of our own staff come from seafaring backgrounds, as well as the risk to both human and operational safety at sea, posed by the crew change crisis, we felt compelled to become a signatory in April 2021.

Since then...

- We continue to promote the Neptune Declaration and our support for this initiative, at all relevant maritime events incl. monthly maritime market briefings
- We report intermittent news as we receive it on the declaration, on our corporate Linkedin page

We hope that our vocal support for this initiative, has encouraged others in the industry to become signatories as well.

Support for The Mission to Seafarers

In connection to the above, we announced our group-wide support for the important work of the Mission to Seafarers (MtS) in May 2021.

The Mission to Seafarers is a global charity, which provides practical, emotional and pastoral support to seafarers and their families via a network of over 200 ports worldwide.

In promoting our support for MtS, Group CEO at the time, David Wells commented:

"This is a charity which resonates with us given a large portion of our staff come from seafaring backgrounds themselves. We recognise the vital role MtS plays in providing practical, emotional and pastoral care to men and women working at sea – particularly in these times following the vast impact of the pandemic on shipping communities."

Many of our colleagues across the group support MtS in their own ways as ambassadors, or in delivering supplies to ports, as well as engaging in various charitable functions across the regions (ref. picture above to MtS' annual Golf Tournament, Dubai).

Race the Thames Challenge

In spring 2021 we arranged a team challenge for ABL Group UK offices, to compete in **Race the Thames**, raising money for MtS and for London Youth Rowing (LYR).

60 members of staff from ABL, OWC and Longitude, from all levels, took part in the challenge racing in teams of 8 to complete or exceed 72k in 8 days.

We raised a total of **£5,323.73**, to be split between our two chosen charities.

OWC engages with Business Volunteers

OWC engaged with a professional partner in sourcing and managing CSR volunteer days, called Business Volunteers.

Through this partnership, Business Volunteers paired the OWC London office up with two activity days over the course of last year, both of which were relevant to OWC's commitment to driving a more sustainable and cleaner environment:

- In spring 2021, OWC's London team spent a day building a children's nature garden in southwest London. The day included the team working together to build accessible raised beds for children to learn about growing food and eating healthily
- In October 2021, the same team went canoeing in East London's Regents' Canal to clear up discarded rubbish. Clearing plastic, wood and general waste, not only improves the local environment, but also makes it more attractive to nature and people alike.

Some comments from colleagues who took part:

"It was a brilliant day, getting outdoors, seeing colleagues again and helping make improvements to the local area,"
—Will Philbedge

"It was great to meet people I'd only seen from behind a screen for the last couple of month,"
—Iain Dallas

CSR in 2022

Moving into 2022, we continue to take active steps to encourage a frequent and diverse CSR programme, which both supports ABL Group in fulfilling its SDGs, and encourages a healthy, happy and positive work culture amongst our teams. Through CSR we are committed to becoming a truly sustainable company not only in our business world, but also for the communities and countries in which we work and live.

Corporate Governance

Corporate Governance regulates the relationship between the Group's management, its Board of Directors and the shareholders of the AqualisBraemar LOC ASA (the Company).

The Company 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 the Company has prepared a Corporate Governance policy document. AqualisBraemar LOC ASA 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. The Company'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.

The Company is in compliance with the recommendations of the NCPCG.

2. Business

The Company is a Norwegian public company that offers adjusting, marine, offshore, and renewables consultancy services to the energy, shipping, and insurance industries.

The Group's strategy is to offer its specialist consultancy services through a growing network of global offices.

The scope of the Company'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 shareholders' equity at 31 December 2021 was USD 66.8 million, representing an equity ratio of 58%. 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 2021 the Company had 96,922,583 ordinary shares outstanding with a par value of NOK 0.10 per share (see note 16 to the Financial Statements). The Company has one share class, and each share carries one vote. At 31 December 2021, the Company had 2,090 shareholders, and foreign registered shareholders held 16.16% 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.

The Board has authorisation to increase the share capital in the Company as approved by the shareholders and publicly registered in the Norwegian Register of Business Enterprises (Brønnøysund), both a general authorization and an authorization to be utilized in connection with the employee incentive program. The Company has further issued warrants as also registered in the Norwegian Register of Business Enterprises (Brønnøysund). The Board has authorisation to purchase the Company's own shares, limited to 10% of the total shares outstanding.

Dividend policy

The Company's intention is to pay a semi-annual dividend in support of its objective to maximise capital efficiency. The majority of the Company's free cash flow is intended to be distributed, subject to maintaining a robust cash buffer to satisfy commitments and support working capital requirements, planned capital expenditure, growth opportunities and uncertain future market prospects.

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.

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 21 to the AqualisBraemar LOC group consolidated 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. For shareholders who cannot attend the General Meeting, the Board will nominate the Chair 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 Chair 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.

Chair of the meeting and minutes

The Chair 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 Chair for the General Meeting, and this task will for practical purposes normally be performed by the Chair of the Board.

7. Election Committee

The Election Committee is elected by the General Meeting, including its Chair. 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.

The Company 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, Chair (up for election in 2022)**
- **Lars Løken (up for election in 2022)**

Further information on the membership is available on the Company's webpage.

8. The Board of Directors – composition and independence

The Chair and the other members of the Board are elected for a period of two years at a time and currently comprises four members. All members of the Board may be re-elected for periods of up to two years at a time.

The Chair of the Board, Glen Rødland, owns approx. 15.4% of shares in the Company, through Gross Management AS which is owned 50% and controlled 100% by Mr Rødland.

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 50%.

The current composition of the Board, including Board members' shareholding in the Company per 31 December 2021 is detailed below.

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. In addition to ad hoc email correspondence, the Board has held 10 meetings and calls during the period between 1 January 2021 and 31 December 2021.

Name	Position in the Board	Member since (year)	Up for election (year)	Committee membership	Shareholding in AqualisBraemar LOC ASA*
Glen Rødland	Chair	2014	2022	Audit Remuneration	14,890,351 [1]
Yvonne L. Sandvold	Member	2013	2023	Remuneration	-
Synne Syrrist	Member	2013	2023	Audit Remuneration	-
Rune Eng	Member	2021	2023	Remuneration	198,407 [2]

*** At 31st of December 2021**

[1] The shares are held through Gross Management AS

[2] The shares are held through Eng Invest AS

Audit Committee

The Audit Committee's responsibilities follow from section 6-43 of the Norwegian Public Limited Liability Companies Act. The Committee performs a qualitative review of the quarterly and annual reports of the Company and participates in the quality assurance of guidelines, policies, and other governing instruments pertaining to the Company. The Audit Committee consists of Members of the Board and is elected by the Board. The Committee supports the Board in safeguarding that the Company has sound risk management and internal controls over financial reporting. The Audit Committee monitors compliance with the company's Code of Conduct as well as anti-corruption and third-party representative policies.

The Audit Committee currently consists of the following members:

- **Synne Syrrist, Chair**
- **Glen Rødland**

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.

The Company 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 the remuneration of the Board see note 21 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 the remuneration of the CEO and other members of Executive Management, see note 21 to the Financial Statements, as well as the guidelines and report related to remuneration to Executive Management attached to the notice to the AGM.

13. Information and communication

The Company 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. The Company 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 publically 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 2017. 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 the Company's home page: **www.abl-group.com**

Board of Directors' Report

Background

Aqualis Offshore Holding ASA was incorporated and listed on Oslo Stock Exchange in 2014, and 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 Ltd in 2019 and subsequently changed the name to AqualisBraemar ASA. AqualisBraemar ASA completed the acquisition of LOC Group on 21 December 2020 and subsequently changed the name to AqualisBraemar LOC ASA.

AqualisBraemar LOC ASA and its subsidiaries are herein together referred to as "AqualisBraemar LOC", "AqualisBraemar LOC Group", "ABL", "ABL Group", "Company" or the "Group".

Key figures and events in 2021

- Revenues of USD 150.7 million in 2021 vs USD 77.0 million in 2020
- Operating profit (EBIT) of USD 7.4 million in 2021 vs USD 2.9 million in 2020
- Adjusted EBIT[1] of USD 9.6 million in 2021 vs USD 4.8 million in 2020
- Profit after taxes of USD 3.2 million in 2021 vs USD 1.5 million in 2020
- Adjusted profit after taxes1 of USD 5.4 million in 2021 vs USD 3.3 million in 2020
- Total dividend of NOK 0.5 per share paid during 2021, corresponding to USD 5.5 million
- Completed integration of LOC Group and multiple strategic add-on acquisitions: East Point Geo, OSD-IMT and the remaining 29% stake in Innosea
- Solid financial position with cash balance of USD 19.8 million at 31 December 2021
- 954 full-time equivalent employees[2] at 31 December 2021

[1] Alternative Performance Measures
[2] Including subcontractors

Strategy And Objectives

ABL Group focuses on the provision of high end consultancy to the global energy, shipping and insurance industries. The services can be categorised across three market sectors:

- **Renewables** – Independent engineering and consultancy services to offshore wind industry
- **Oil & Gas** – Engineering and consultancy services to the offshore oil and gas industry
- **Maritime** – Worldwide emergency incident response and surveys to marine insurance industry

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.

Following on from 2019's acquisition of Braemar Technical Services, the acquisition of LOC in December 2020 roughly doubled the size of the company in terms of employees and revenues for the second time in two years. Through 2021, a key focus of the organisation has been to integrate these businesses. These transactions were part of the Company's long-term plan to consolidate the offshore energy and marine consulting space. The combined group of the former Aqualis, BTS and LOC can provide a significantly broader and deeper suite of services to our clients across an increased geographical footprint.

Importantly, the LOC acquisition also increased the Group's renewables footprint and reaffirmed our commitment to the energy transition. The Group's strategic target is for 50% of revenues to come from renewables and sustainability-oriented services in 2025. This share has increased from approximately 6% in 2017 to 27% in 2021, and we are committed to continuing that trajectory.

To ensure flexibility to adapt more quickly to market changes, ABL Group uses a significant number of subcontractors, particularly in the Oil & Gas and Renewables markets. The Group aims to further increase the subcontractor share going forward.

ABL Group will continue to be active in the consolidation/restructuring of our industry. The acquisitions of BTS and LOC were significant steps, but our industry is still fragmented and highly competitive. ABL Group remains focused on value creation for all our stakeholders; customers, employees, and shareholders, not on increasing the size of the company as such. All M&A and other investments need to be value accretive.

Organisation

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. OWC (comprising the activities of OWC, Innosea and East Point Geo entities) and Longitude are managed and reported as separate segments, as projects are more global in nature. Our six reporting segments during 2021 were: Europe, Middle East, Asia Pacific, Americas, OWC and Longitude.

The business is secondarily organised across three market sectors, Renewables, Maritime and Oil & Gas – each with separate global managing directors ensuring consistency of delivery and access to global competency.

During 2021, the Group opened offices in Cork, Marseille, Melbourne and Genoa. The Group will continue to grow its global office network in strategically placed locations to serve growth markets.

Financial Review

Financial statements

The consolidated financial statements of ABL Group are prepared in accordance with International Financial Reporting Standards as adapted by the European Union. A financial review of the Group for 2021 is provided below.

Profit and loss

Total operating revenues increased by 96% to USD 150.7 million compared to USD 77.0 million in 2020. The increase is mainly attributable to the full year effect of the acquisition of LOC. Completion of the LOC Group acquisition took place on 21 December 2020 and was consolidated from the date of acquisition.

Staff costs and other operating expenses increased by 92% to USD 139.6 million compared to USD 72.6 million in 2020. The increase is in line with the increase in revenue.

EBIT amounted to a profit of USD 7.4 million compared to USD 2.9 million in 2020. Adjusted EBIT was USD 9.6 million in 2021 vs USD 4.8 million in 2020.

Revenue in all segments increased substantially in 2021, due to the full year effect of the consolidation of LOC, as well as strong organic growth in our renewables sector.

Profit after taxes amounted to USD 3.2 million in 2021 compared to USD 1.5 million in 2020. Adjusted profit after taxes was USD 5.4 million in 2021 vs USD 3.3 million in 2020.

Cash flow, liquidity and financial position

Net cash outflow from operating activities was USD 0.2 million in 2021. This was mainly due to an increase in working capital and effects related to net exchange differences. Net cash outflow for investing activities was USD 1.0 million in 2021 and was primarily related to the acquisition of LOC. Net cash outflow from financing activities was USD 9.2 million in 2021, primarily caused by payment of dividends and amortisation of the bank debt raised in connection with the LOC acquisition. A total dividend of USD 5.5 million representing NOK 0.50 per share was paid to the shareholders in 2021. At 31 December 2021, cash balance amounted to USD 19.8 million compared with USD 30.6 million at 31 December 2020.

At 31 December 2021, total assets amounted to USD 115.1 million compared with USD 119.0 million as of 31 December 2020. The shareholders' equity was USD 66.8 million at 31 December 2021, corresponding to an equity ratio of 58%. The shareholders' equity was USD 64.6 million at 31 December 2020, corresponding to an equity ratio of 54%. ABL Group had USD 11.6 million of interest bearing bank debt as of 31 December 2021.

The Board of Directors proposes a dividend equal to 0.3 NOK per share to be paid during the first half of 2022, and for dividends to remain on a semi-annual schedule.

AqualisBraemar LOC ASA

AqualisBraemar LOC ASA prepares its financial statements in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway. AqualisBraemar LOC ASA is the ultimate holding company for the Group's operations.

AqualisBraemar LOC ASA reported profit after taxes in 2021 of NOK 25.7 million compared with loss after taxes of NOK 0.1 million in 2020. Total assets as of 31 December 2021 were NOK 594.7 million compared with NOK 621.6 million in 2020. The company's cash balance at 31 December 2021 was NOK 5.9 million vs NOK 31.2 million at 31 December 2020. Net cash flow from operating activities was NOK 3.2 million in 2021. Net cash flow used in investing activities was NOK 26.6 million in 2021 and primarily related to loans given to group companies. Net cash outflow from financing activities was NOK 55.2 million mainly driven by repayment of bank debt and payment of dividend. For tax purposes, the distribution of dividend was considered repayment of paid in capital.

AqualisBraemar LOC 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 2021 was NOK 480.9 million with a corresponding equity ratio of 80.9%. The Board proposes that the profit after tax of NOK 25.7 million is allocated to retained earnings.

AqualisBraemar LOC ASA has its headquarter in Oslo, Norway with five permanent employees at the end of 2021.

Going Concern

Based on ABL Group's cash position at 31 December 2021, and the estimated net cash flow for 2022, AqualisBraemar LOC has the necessary funds to meet its obligations for the next 12 months.

In accordance with the Norwegian accounting act § 3-3a, the Board of Directors confirms that the Financial Statements have been prepared under the assumption of going concern and that this assumption is valid

Risk Factors

Risk exposure and Risk management

ABL Group'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.

ABL Group'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 monitors 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.

ABL Group places a strong emphasis on Quality, Health & Safety Assurance and has management systems implemented, in line with the requirements for its business operations

Credit risk

Credit risk is primarily related to trade receivables. In trade receivables, credit risk include geographic, industry and customer concentration and risks related to collection. ABL Group is tightly managing its receivables as the oil & gas industry is still facing challenging market conditions. Market and customer specific developments affect credit risk.

Interest rate risk

With gross interest bearing bank debt of USD 11.6 million at 31 December 2021, the Group is exposed to interest rate risk. The interest on the Group's bank debt is based on floating interest rates with a fixed margin on top.

Liquidity risk

The Group's policy is to maintain satisfactory liquidity at the corporate level. The Group has a solid cash position which exceeds the interesting-bearing debt at year-end. The Group had cash and cash equivalents of USD 19.8 million, and 11.6 million of interest bearing bank debt, at 31 December 2021. 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

ABL Group 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, ABL Group's net investments in foreign subsidiaries and its foreign currency denominated cash deposits. During the year 2021, the Group had a net foreign exchange loss of USD 0.6 million.

Further details on financial risk can be found in note [23] 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. ABL Group'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 [31].

Social and Environmental Responsibility

In Q1 2020 we 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 ABL2030, recognising that though the journey may be long, we must build the foundations this decade. This report also outlines how ABL Group assesses and mitigates climate risk to its business, markets and its impacts on the wider world. For an update on our social and environmental responsibility please see our Sustainability Report on page [25].

Insurance covering Board of Directors and Executive Management team

AqualisBraemar LOC ASA holds a Directors and Officers Liability Insurance (D&O) covering the Board Members´, CEO's and the executive management's potential liabilities towards the company and third parties.

Markets and Outlook

Outlooks are inherently uncertain and are subject to inter alia changes in market conditions and operational performance.

ABL Group's financial performance in 2022 will be driven by a combination of four key factors;

First, after acquiring BTS in 2019 and LOC in 2020, the size of the company has quadrupled in from a revenue of USD 36m in 2018 to USD 150m in 2021. All three companies had offices in the major shipping and O&G hubs worldwide. We are gradually taking out the synergies from these acquisitions.

During 2021 ABL has consolidated offices in 18 locations worldwide and implemented one ERP system across the group. The estimated cost synergies derived from the LOC combination are still expected to amount to USD 4.0 million, up from an initial estimate of USD 3.5 million. Approximately USD 1.9 million of this has been realised to date on a run rate basis, and we expect the remainder to be realized through 2022. The full year effects of the synergies realised to date, and the gradual phasing in of the remaining synergies, should contribute to margin improvement in the coming year.

Second, we plan to continue to improve and professionalize our support functions including HR, recruitment, graduate program, leadership education, IT (data management/automation of processes) and finance function both centrally and regionally. This is expected 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 2022. The war in Ukraine has placed energy security high on the political agenda, which we believe will result in increased investments and activity across a numbers of energy sources including oil and gas and renewables. During 2021 most of the strong growth in our renewable business was offset by an oil and gas market that remained cautious and focused on short cycle barrels, plus travel restrictions and general slowdown in connection with the Covid-19 pandemic. With the current geopolitical situation, oil price sitting above USD 100/bbl and oil companies signaling a return to capex growth, we expect 2022 and 2023 to represent marked improvements in the oil and gas markets. Rig activity, particularly in the jack-up segment, is expected to continue the gradual recovery witnessed in 2021, and we expect a step change in offshore E&P capex over the next two years.

Finally, as our work in the Renewables sector grows its relative size of our revenue (27% of pro-forma combined revenue in the last 12 months) the continued 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 2021 we saw continued progress towards opening new global markets to 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. While we continue to invest in organic renewables growth, we also see some signs of weakening profitability in parts of the renewables industry, driving us to sharpen our focus on profitability and capital efficiency within the sector.

Activity levels in the marine casualty and energy adjusting markets are expected to be slowly improving as Covid-19 impacts lessen and supply side bottlenecks subside. Short term development remains largely event driven and difficult to forecast.

ABL Group'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.

ABL Group 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. ABL Group 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.

Oslo, 29 April 2022

Glen Rødland
Chair of the Board

Yvonne L. Sandvold
Board member

Synne Syrrist
Board member

Rune Eng
Board member

Reuben Segal
CEO

Responsibility Statement

We confirm that, to the best of our knowledge, the 2021 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, 29 April 2022

Glen Rødland
Chair of the Board

Yvonne L. Sandvold
Board member

Synne Syrrist
Board member

Rune Eng
Board member

Reuben Segal
CEO

Consolidated Financial Statements

Consolidated statement of income

Amounts in USD thousands	Notes	2021	2020
Revenue	4	150,748	77,015
Total revenue		**150,748**	**77,015**
Staff costs	5	(81,978)	(41,495)
Other operating expenses	6	(57,605)	(31,096)
Depreciation, amortisation and impairment	11, 12	(3,790)	(1,477)
Operating profit (loss) (EBIT)		**7,375**	**2,946**
Gain on bargain purchase	7	54	-
Finance income	8	112	399
Finance expenses	8	(765)	(271)
Net foreign exchange gain (loss)	8	(592)	(568)
Profit (loss) before income tax		**6,184**	**2,507**
Income tax expenses	9	(2,965)	(993)
Profit (loss) after tax		**3,218**	**1,513**

Consolidated statement of other comprehensive income

Amounts in USD thousands	Notes	2021	2020
Profit (loss) after tax		**3,218**	**1,513**
Other comprehensive income			
Items that may be reclassified to profit or loss			
Currency translation differences		(475)	1,626
Income tax effect	9	(343)	30
Other comprehensive income for the period, net of tax		**(818)**	**1,657**
Total comprehensive income for the period		**2,400**	**3,170**
Total comprehensive income for the period is attributable to:			
Equity holders of the parent company		2,325	3,170
Non-controlling interests		75	-
		2,400	**3,170**
Earnings per share (USD): basic	10	**0.034**	**0.021**
Earnings per share (USD): diluted	10	**0.028**	**0.018**

Consolidated balance sheet

Amounts in USD thousands	Notes	31 December 2021	31 December 2020
ASSETS			
Non-current assets			
Property, plant and equipment	11	1,137	1,213
Right-of-use assets	12	3,629	4,707
Goodwill and intangible assets	13	27,465	26,665
Deferred tax assets	9	1,708	1,395
Total non-current assets		**33,939**	**33,980**
Current assets			
Trade and other receivables	14	43,235	41,498
Contract assets	4	18,101	12,916
Cash and cash equivalents	15	19,815	30,642
Total current assets		**81,151**	**85,056**
Total assets		**115,090**	**119,036**
EQUITY AND LIABILITIES			
Equity			
Share capital	16	1,323	1,276
Treasury shares	16	(0)	(41)
Share premium	16	64,913	67,080
Consideration shares	7	1,890	1,459
Share-based compensation reserve	16	2,373	897
Retained earnings		8,557	5,413
Foreign currency translation reserve		(12,306)	(11,487)
Total		**66,751**	**64,597**
Non-controlling interests		**114**	**721**
Total equity		**66,865**	**65,319**
Non-current liabilities			
Deferred tax liabilities	9	1,259	682
Long term borrowings	17	3,328	6,414
Lease liabilities	12	2,481	2,340
Provisions	18	2,714	3,214
Other payables		2,947	1,933
Total non-current liabilities		**12,729**	**14,584**

Amounts in USD thousands	Notes	31 December 2021	31 December 2020
Current liabilities			
Trade and other payables	19	24,467	25,207
Contract liabilities	4	949	757
Short term borrowings	17	8,333	8,669
Lease liabilities	12	1,349	2,552
Income tax payable	9	398	907
Provisions	18	-	1,042
Total current liabilities		**35,496**	**39,134**
Total liabilities		**48,225**	**53,718**
Total equity and liabilities		**115,090**	**119,036**

Oslo, 29 April 2022

Glen Ole Rødland

Glen Rødland
Chair of the Board

Yvonne L. Sandvold
Board member

Synne Syrrist

Synne Syrrist
Board member

Rune Eng

Rune Eng
Board member

R. Segal

Reuben Segal
CEO

Consolidated statement of changes in equity

Amounts in USD thousands	Notes	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 2020		1,018	(41)	55,051	-	580	3,900	(13,144)	47,364	-	47,364
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	16	-	-	-	1,459	-	-	-	1,459	-	1,459
Dividends paid		-	-	(3,030)	-	-	-	-	(3,030)	-	(3,030)
Share-based payment expenses	16	-	-	-	-	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
At 1 January 2021		**1,276**	**(41)**	**67,080**	**1,459**	**897**	**5,413**	**(11,487)**	**64,598**	**721**	**65,319**
Comprehensive income		-	-	-	-	-	3,144	(818)	2,325	75	2,400
Cash-settled capital increase (net of transaction costs)	16	41	-	2,260	-	-	-	-	2,301	-	2,301
Shares to be issued as part of the consideration on a acquisition of subsidiary	7	-	-	-	431	-	-	-	431	-	431
Shares isssued as consideration for business combination		6	-	1,048					1,054		1,054
Non-controlling interests on acquisition of subsidiary									-	(609)	(609)
Dividends paid	16	-	-	(5,476)	-	-	-	-	(5,476)	(73)	(5,548)
Share-based payment expenses	16	-	-	-	-	1,475	-	-	1,475	-	1,475
Employee share program issue	7	-	41	-	-	-	-	-	41		41
At 31 December 2021		**1,323**	**-**	**64,912**	**1,890**	**2,372**	**8,557**	**(12,306)**	**66,751**	**114**	**66,865**

Consolidated statement of cash flows

Amounts in USD thousands	Notes	2021	2020
Cash flow from operating activities			
Profit (loss) before taxes		6,184	2,507
Non-cash adjustment to reconcile profit before tax to cash flow:			
Non-cash employee benefits expense - share-based payments	16	1,475	317
Depreciation, amortisation and impairment	11,12	3,790	1,477
Increase (Decrease) in fair value of consideration warrants	8	-	(130)
Gain on bargain purchase		(54)	-
Changes in working capital:			
Changes in trade and other receivables		(6,923)	2,201
Changes in trade and other payables		(252)	2,499
Interest costs- net		488	(18)
Income taxes paid		(3,194)	(1,190)
Net exchange differences		(1,700)	811
Cash flow from (used in) operating activities		**(187)**	**8,474**
Cash flow from investing activities			
Payments for property, plant and equipment		(534)	(150)
Interest received		54	18
Net cash acquired (paid) on acquisition of subsidiaries		(554)	(14,619)
Cash flow from (used in) investing activities		**(1,035)**	**(14,751)**
Cash flow from financing activities			
Dividends paid to company's shareholders	16	(5,476)	(3,030)
Principal elements of lease payments		(2,601)	(1,096)
Proceeds from loans and borrowings		-	14,621
Repayment of borrowings		(3,422)	
Proceeds from issuance of shares capital	16	2,301	15,317
Payments for shares bought back		-	-
Cash flow from (used in) financing activities		**(9,198)**	**25,811**
Net change in cash and cash equivalents		**(10,419)**	**19,534**
Cash and cash equivalents at the beginning of the period		30,642	10,930
Effect of movements in exchange rates		(407)	177
Cash and cash equivalents at the end of the period		**19,815**	**30,642**

Notes to the Consolidated Financial Statements

Note 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. 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 2021, 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 LOC 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 2021. 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 amended standards applied by the Group for the reporting period commencing 1 January 2021 are not expected to have a material impact on the Groups consolidated financial statements:

- Interest Rate Benchmark Reform- amendments to IFRS 9 and IFRS 7- Phase 2

(iv) New standards and interpretations not yet adopted by the group

Certain new accounting standards, amendments and interpretations have been published that are not mandatory for 31 December 2021 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.

- Amendments to IFRS 16 Leases- COVID-19 related rent concessions
- Amendments to IFRS 3 Business Combinations
- IAS 1- Presentation of financial statements on classification of liabilities

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 unrealized gains on transactions between group companies are eliminated. Unrealized 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 recognized in a separate reserve within equity attributable to owners of AqualisBraemar LOC 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 recognized 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 recognized 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 recognized 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 recognized 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 recognized 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 recognized 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 recognized 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 recognized in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings are recognized 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 recognizes 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 recognized 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 recognized 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 recognized 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 recognized, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized 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 recognized in the accounting period in which the services are rendered.

Revenue from such services are recognized 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 recognized 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 recognized.

Revenue from contracts priced on a variable basis is recognized at the contractual rates as labor hours and direct expenses are incurred.

For fixed-price contracts, revenue is recognized 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 labor hours spent relative to the total estimated labor 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.

(ii) Interest income

Interest income is recognized 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 based on 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, based on 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 recognized if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that, at the time of the transaction, affects neither accounting nor taxable profit or loss. 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 realized or the deferred income tax liability is settled.

Deferred tax assets are recognized only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Deferred tax liabilities and assets are not recognized 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 realize the asset and settle the liability simultaneously.

Current and deferred tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

(i) Investment allowances and similar tax incentives

Companies within the group may be entitled to claim special tax deductions for investments in qualifying assets or in relation to qualifying expenditure (e.g. the Research and Development Tax Incentive regime or other investment allowances). The group accounts for such allowances as tax credits, which means that the allowance reduces income tax payable and current tax expense. A deferred tax asset is recognized for unclaimed tax credits that are carried forward as deferred tax assets.

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 recognized 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 derecognized 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 derecognized.

2.9 Leases

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.

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
- amounts expected to be payable by the group under residual value guarantees
- the exercise price of a purchase option if the group is reasonably certain to exercise that option, 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 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
- any initial direct costs, and
- restoration 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 recognized 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 amortized 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).

(ii) Customer relations

The customer contracts were acquired as part of a business combination. They are recognized at their fair value at the date of acquisition and are subsequently amortized on a straight-line based on the timing of projected cash flows of the contracts over their estimated useful lives of 10 years.

2.11 Impairment of assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortization 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 recognized 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 amortized 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 recognized initially at fair value and subsequently measured at amortized 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 bankruptcy proceedings. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate.

The carrying amount of the asset is reduced using an allowance account and the amount of the loss is recognized 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 realized or intended to be sold or consumed in the normal operating cycle.
- Held primarily for the purpose of trading.
- Expected to be realized 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 recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method.

2.17 Provisions

Provisions for legal claims, service warranties and make good obligations are recognized 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 recognized for future operating losses.

Where there are several similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognized as interest expense.

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 recognized as employee benefit expense when they are due. Prepaid contributions are recognized 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 recognized 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 recognized in profit or loss. The provision relating to end of service benefits is disclosed as a non-current liability.

(iii) Bonus plans

The group recognizes 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 recognizes 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.

Employee options

The fair value of options granted under the employee option plan is recognized 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).

The total expense is recognized over the vesting period, which is the period over which all 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 recognizes 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 any dividend declared, being appropriately authorized 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 considered 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 judgments, 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 relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised 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 judgments, 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 recognized in the consolidated financial statements.

(i) Control over subsidiaries

Note 26 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 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 could 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 recognizes 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 experience and interpretations of tax law. This assessment relies on estimates and assumptions and may involve a series of complex judgments 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 recognized for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgement is required to determine the amount of deferred tax assets that can be recognized, 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 reorganization, 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 23 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 25). It excludes dividends, interest income and intra-group transactions.

Amounts in USD thousands	2021	2020
Consultancy services	145,190	74,930
Reimbursement of expenses	5,290	1,828
Other	267	256
Total	**150,748**	**77,015**

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 2021	31 December 2020
Contract assets		
Contract assets related to contracts with customers	18,240	13,062
Loss allowance	(139)	(146)
Total	**18,101**	**12,916**
Contract liabilities		
Contract liabilities related to contracts with customers	**949**	**757**

The contract assets primarily relate to the Group's rights to consideration for work completed but not billed at the reporting date. The group also recognised a loss allowance for contract assets in accordance with IFRS 9, refer note 23 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 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	2021	2020
Salaries and wages	60,996	34,831
Payroll and social security costs	7,210	2,856
Employee's end of service and pension benefits	2,117	887
Share-based payments	1,475	317
Other personnel costs	10,180	2,604
Total	**81,978**	**41,495**
Average number of employees	**704**	**352**

The Group currently has defined contribution plans only.The Group's obligations are limited to annual contributions. AqualisBraemar LOC meets the Norwegian requirements for mandatory occupational pension (*"obligatorisk tjenestepensjon"*).

Note 6. Other operating expenses

Amounts in USD thousands	2021	2020
Subcontractors cost	35,372	19,090
Office lease and maintenance expenses	2,385	1,270
Insurance cost	2,688	1,018
Cost of recharged expenses	3,823	1,857
Transaction costs related to acquisition	76	1,393
General and administrative expenses	13,261	6,468
Total	**57,605**	**31,096**
Remuneration to auditors[1]		
Audit	796	411
Other assurance services	61	7
Other services	-	164
Total	**857**	**582**

[1] All fees are exclusive of VAT

Note 7. Business combination

Acquisition of East Point Ltd ("EPG")

On 18 February 2021, the Company acquired 100% of the voting shares in East Point Geo Ltd ("EPG"), a company incorporated in United Kingdom. For AqualisBraemar LOC, the acquisition enhances our service offerings in the renewable market.

Details of the purchase consideration, the net assets acquired, and excess value allocation are as follows:

The following table summarizes fair value of purchase consideration:

Amounts in USD thousands	
Purchase Consideration	
Cash Consideration	669
Deferred cash consideration	232
Consideration Shares	431
Total purchase consideration	**1,322**

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

(i) At Closing GBP 477,031, cash
(ii) The date falling 1 year after Closing GBP 82,500, cash
(iii) The date falling 2 years after Closing GBP 82500, cash
(iv) The date falling 3 years after Closing 221,361 Consideration Shares
(v) The date falling 5 years after Closing 221,361 Consideration Shares
(vi) The date falling 7 years after Closing 221,361 Consideration Shares

The Sellers shall acquire or subscribe for the Consideration shares at a cost of NOK 0.1 per share (nominal value). The Parties may also mutually agree on settlement of the Consideration Shares through a cash payment equal to the positive difference, if any, between the nominal value of the Consideration Shares and the VWAP on the date falling 3, 5 or 7 years (as relevant) after Closing. For the purpose of settlement of the Consideration Shares, "VWAP" shall mean the average volume weighted share price during the ten (10) trading days preceding the date falling 3,5 or 7 years (as relevant) after Closing.

The total fair value of the Consideration Shares of USD 431 thousand was estimated using the Black & Scholes option pricing model at the date of the acquisition. The fair value of the Consideration Shares was based on the share price of the Company on 19 February 2021 of NOK 8.00 per share, which was the closing share price on the completion day of the acquisition.

The assets and liabilities recognized as a result of the acquisition are as follows:

Amounts in USD thousands	
Fair value of net assets acquired	
Property, plant and equipment	17
Trade and other receivables	223
Contract assets	47
Cash and cash equivalents	670
Trade and other payables	(261)
Net identifiable assets acquired	**697**

There were no other separately identifiable intangible assets or fair value adjustments recognized on the acquisition. The book value of acquired assets and liabilities has been considered the fair value.

Excess value

Amounts in USD thousands	
Excess value	
Fair value of identifiable net assets acquired	697
Less: purchase consideration	(1,332)
Excess value	**635**

Amounts in USD thousands	
Excess value allocated to:	
Goodwill	635
Total	**635**

The goodwill is attributable to the workforce, high profitability of the acquired business and expected synergies with the existing business of the Company. It will not be deductible for tax purposes.

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.

Net cash flow on acquisition of subsidaries

Amounts in USD thousands	
Net cash flow on acquisition of subsidiaries	
Cash acquired	670
Cash paid	(669)
Net cash outflow - investing activities	**(1)**

Impact of acquisitions on the results of the group

East Point Geo Ltd was consolidated as of 19th February 2021. The Group incurred acquisition-related costs of USD 8 thousands on legal fees and due diligence. These costs have been included in other operating expenses in the consolidated income statement.

If the acquisition had occurred on 1 January 2021, consolidated pro-forma revenue and net profit after tax for the year ended 31 December 2021 would have been USD 151.1 million and USD 3.2 million respectively

Note 8. Financial items

Amounts in USD thousands	2021	2020
Finance income		
Interest income	1	18
Change in fair value of warrants (note 18)	-	328
Other finance income	111	54
Total	**112**	**399**
Finance expenses		
Interest on obligations under finance leases	225	89
Other finance expenses	540	182
Total	**765**	**271**
Net foreign exchange gain (loss)		
Net foreign exchange gain (loss)	(592)	(568)
Total	**(592)**	**(568)**

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	2021	2020
Income tax expenses recognised in profit or loss		
Current year income tax expenses	1,404	693
Withholding taxes	1,280	562
Changes in deferred tax	281	(262)
Total	**2,965**	**993**
Income tax effect recognised in other comprehensive income	(343)	30
Total	**(343)**	**30**
Deferred tax assets		
Short-term timing differences	1,708	1,395
Total deferred tax assets	**1,708**	**1,395**
Movement in the deferred tax assets		
At 1 January	1,395	447
Movement to income statement	313	23
Increase as a result of a business combination	-	918
Exchange differences	(1)	8
At 31 December	**1,708**	**1,395**
Deferred tax liabilities		
Long-term timing differences	1,259	682
Total deferred tax liabilities	**1,259**	**682**
Movement in the deferred tax liabilities		
At 1 January	682	409
Movement to income statement	971	(239)
Increase as a result of a business combination	-	550
Movement to reserve	(396)	(30)
Exchange differences	2	(8)
At 31 December	**1,259**	**682**

Amounts in USD thousands	2021	2020
Reconciliation of the effective tax rate:		
Profit before income tax	**6,184**	**2,507**
Income tax using the Group's domestic tax rate of 22% (2019 - 22%)	**1,360**	**551**
Effect of non-deductible expenses or non-taxable income	924	258
Effect of tax rates in other countries	(907)	(371)
Deferred tax assets not recognised	274	390
Withholding taxes	1,280	562
Utilisation or recognition of previously unrecognised tax losses	(102)	(798)
Income tax related to prior years	136	402
Income tax expense recognised in profit or loss	**2,965**	**994**

The Group has recognized deferred tax assets in respect of carry forward losses of its various subsidiaries as at 31 December 2021 and 2020. Management's projections of future taxable income and tax optimization 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 recognized 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. The deferred tax assets not recognised of USD thousands 274 stated above is mainly related to tax losses carry forward.

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.

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	2021	2020
Profit (loss) after tax	3,218	1,513
Earnings per share (USD): basic	0.034	0.02
Earnings per share (USD): diluted	0.028	0.02
Weighted average number of shares (thousands)	95,075	71,323

The following instruments that could potentially dilute basic earnings per share in the future, have been included in the calculation of diluted earnings per share.

Number of instruments (in thousands)	2021	2020
Employee share options (note 16)	17,765	8,315
Performance based warrants (note 7)	-	1,000
Conditional warrants	2,000	2,000
Total number of options and warrants	**19,765**	**11,315**

Note 11. Property, plant and equipment

Amounts in USD thousands	Fixtures and office equipment	Vehicle	Total
Cost			
At 1 January 2020	**1,927**	**56**	**1,983**
Additions	146	4	150
Acquisition of subsidiary	749	22	771
Exchange differences	(530)	5	(525)
At 31 December 2020	**2,291**	**88**	**2,379**
Additions	534	-	534
Disposals	-308	-	-308
Write-off/ transfers	192	-	192
Exchange differences	120	-	120
At 31 December 2021	**2,830**	**88**	**2,918**
Accumulated depreciation			
At 1 January 2020	**1,405**	**19**	**1,424**
Charge for the year	274	12	286
Exchange differences	(546)	3	(543)
At 31 December 2020	**1,133**	**34**	**1,166**
Charge for the year	708	21	729
Disposals	(277)	-	(277)
Write-off/ transfers	220	-	220
Exchange differences	(56)	(1)	(57)
At 31 December 2021	**1,728**	**54**	**1,781**
Net book value at 31 December 2021	**1,103**	**34**	**1,137**
Net book value at 31 December 2020	**1,159**	**54**	**1,213**

Note 12. Leases

The balance sheet shows the following amounts relating to leases:

Amounts in USD thousands	31 December 2021	31 December 2020
Right-of-use assets		
Buildings	3,608	4,685
Office equipment	21	22
	3,629	**4,707**
Lease liabilities		
Current	1,349	2,552
Non-current	2,481	2,340
	3,830	**4,892**

Additions to the right-of-use assets during the 2021 financial year were USD 1.3 million.

The statement of profit or loss shows the following amounts relating to leases:

Amounts in USD thousands	2021	2020
Depreciation charge of right-of-use assets		
Buildings	2,703	1,182
Office equipment	1	9
	2,704	**1,191**
Interest expense (included in finance expenses)	**225**	**89**
Expense relating to short-term leases (included in other operating expenses)	**1,729**	**1,147**

Movement in the Right-of-use assets

Amounts in USD thousands	Buildings	Office equipment	Total
At 1 January 2020	2,345	31	2,376
Acquisition of subsidiary	3,472	-	3,472
Amortisation	-1,182	-9	(1,191)
Exchange differences	50	-	50
At 31 December 2020	**4,685**	**22**	**4,707**
Additions of right-of-use assets	1,277	-	1,277
Amortisation	(2,703)	(1)	(2,704)
Exchange differences	349	-	349
At 31 December 2021	**3,608**	**21**	**3,629**

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 2021	31 December 2020
Lease commitments		
Next 1 year	2,187	240
2 to 5 years	3,069	48
Future minimum lease payments	**5,255**	**288**

Note 13. Goodwill and intangible assets

Amounts in USD thousands	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**
At 1 January 2021	28,835	3,561	32,396
Acquired through business combinations	635	-	635
Acquired through business combinations (PPA adjustment)	689		689
Effect of movements in exchange rates	(353)	-	(353)
At 31 December 2021	**29,806**	**3,561**	**33,367**
Amortisation and impairment			
At 1 January 2020	**5,707**	**-**	5,707
Effect of movements in exchange rates	**24**	**-**	24
At 31 December 2020	**5,731**	**-**	**5,731**
At 1 January 2021	**5,731**	**-**	**5,731**
Amortisation charge		**356**	356
Effect of movements in exchange rates	**(185)**	**-**	(185)
At 31 December 2021	**5,546**	**356**	**5,902**
Net book value at 31 December 2021	**24,260**	**3,205**	**27,465**
Net book value at 31 December 2020	**23,104**	**3,561**	**26,665**
Useful life	Tested for impairment	10 years	

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 2021	31 December 2020
Cash Generating Units (CGUs)		
Middle East	6,544	5,729
Asia Pacific	8,662	5,896
Europe	4,544	32
Americas	1,711	149
OWC	2,798	1,324
Unallocated (LOC acquisition)	-	9,974
Total	**24,260**	**23,104**

Goodwill arising from the acquisitions is attributable to workforce of the acquired businesses (refer note 7). 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 calculated present value. Where the actual future cash flows are less than expected, a material impairment loss may arise.

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:

Cash flow projections and assumptions

A 3 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.

Estimated future cash flows for the different CGUs are estimated based on budgets and long-term estimates. The estimated cash flows for year 2022 is based on budget. The estimated cash flows in the years 2023-2024 are based on current 3-year forecasts for each CGUs. The projected cash flows are based on the expected development in the total overall market, the CGUs performance and that ABL Group over time will reach a margin level in line with what other businesses within the industry historically have achieved.

Cash flows have been used over a period of three years as management believes this reflects a reasonable time horizon for management to monitor the trends in the business. After three years a terminal growth rate has been set to 1.5% for the Oil & Gas and Maritime businesses and 1.7% for the Renewable businesses. The estimated terminal long-term growth is mainly dependent on overall market growth for demand for our services and the CGUs ability to recruit the right personnel and its ability to create revenue growth through then proper utilization of human resources.

Discount rate

The discount rate used is the WACC (Weighted average cost of capital) using CAPM (capital asset pricing model). 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. 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: 10year government yield
- Asset beta: Based on selected peer group consisting of companies with statistical data for the last 5 years (1.04)
- Capital structure: Equity ratio of 80%

The cash flows were discounted using WACC of 10.9%.

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.

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 discount rate of 2.0% points (after tax)
- A reduction in the EBITDA margin of 3.0% points in the terminal year
- A reduction of terminal growth rate to 0.5% point (to 1.0% growth).

The results indicated that a combined change in all the three assumptions in the sensitivity analysis would result in a value in use exceeds the carrying amounts for all CGUs.

Note 14. Trade and other receivables

Amounts in USD thousands	31 December 2021	31 December 2020
Trade receivables	34,738	33,787
Loss allowance	(1,107)	(932)
	33,631	**32,855**
Prepayments	3,652	2,878
Deposits	1,172	481
Other receivables	4,781	5,283
Total	**43,235**	**41,498**

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 23.

Deposits includes USD 0.2 million (2020: 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 2021	31 December 2020
Cash at bank and in hand	19,815	30,642
Total	**19,815**	**30,642**

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 283 thousands at 31 December 2021 (2020: USD 2.3 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 2020	**70,416**	**1,018**	**55,051**	**56,069**
Cash-settled capital increase (net of transaction costs)	22,131	258	15,058	15,316
Dividends paid	-	-	(3,030)	(3,030)
At 31 December 2020	**92,548**	**1,276**	**67,080**	**68,355**
Cash-settled capital increase (net of transaction costs)	4,375	41	2,260	2,301
Share issued as consideration for business combination		6	1,048	1,054
Dividends paid	-	-	(5,476)	(5,476)
At 31 December 2021	**96,923**	**1,323**	**64,912**	**66,235**

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 authorized capital.

In May and August 2021, 3,375,000 and 1,000,000 ordinary shares (December 2020: 22,131,148 ordinary shares) were issued. The Company incurred USD 0.3 million (2020: USD 0.4 million) towards transaction costs that were directly attributable to the issuance of shares.

Share-based compensation reserve

The share-based compensation reserve arises on the grant of share options to employees under the employee share option plans. Further information about share-based payments to employees is set out below.

Employee share option plan

Under the 2019 Long Term Incentive Plan ("LTIP"), the Company had 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 LOC ASA. The options were granted without consideration. The grant of options was 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.

Subject to certain conditions, the option holders are obligated to reinvest 25 percent of the pre-tax net gain on the options in AqualisBraemar LOC 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:

	2021		2020	
In thousands of options	Number of share options	Weighted average exercise price NOK	Number of share options	Weighted average exercise price NOK
At 1 January	8,315	4.02	8,755	4.02
Granted during the year	11,255	5.80	-	-
Exercised during the year	(45)	3.57	(125)	5.34
Adjusted during the year	70	5.79		
Expired during the year	(125)	4.82	-	-
Forfeited during the year	(1,705)	4.79	(315)	3.76
At 31 December	**17,765**	**4.80**	**8,315**	**4.02**

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
01/07/19	29/5/21	4.82		125
20/12/19	11/3/23	3.57	7,335	8,190
04/05/21	14/9/24	5.79	10,430	
			17,765	**8,315**
Weighted average remaining contractual life of options outstanding at end of period			1.95	3.15

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	2021	2020
Weighted average share price	8.32	-
Weighted average exercise price	6.10	-
Expected volatility	58.37%	-
Expected life	3.36	-
Risk free rate	0.73%	-
Expected dividend yield	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 1,5 millions and USD 317 thousands arising from share-based payment in 2021 and 2020 respectively.

Note 17. Bank borrowings

Amounts in USD thousands	31 December 2021		31 December 20120	
	Current	Non-current	Current	Non-current
Bank loans	8,333	3,328	8,207	6,414
Other bank borrowings	-	-	462	-
Total	**8,333**	**3,328**	**8,669**	**6,414**

To finance the acquisition of the LOC Group, in December 2020, the Company entered into a USD 15 million senior secured term loan facilities agreement with Nordea Bank Abp, filial i Norge. The loan facilities consists of two parts, (i) a term loan of USD 10 million, and (ii) a revolving credit facility of USD 5 million to be renewed annually, both with a maturity of three years and with the following financial covenants:

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

Financial covenants were 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. For the majority of the borrowings, the fair values are not materially different from their carrying amounts, since the interest payable on those borrowings is either close to current market rates or the borrowings are of a short-term nature.

The arrangement fees for loan facilities of USD 0.38 million have been netted against the loan proceeds.

The Group's obligations under the Nordea Facility Agreement are guaranteed by the Company and certain material group companies.

Note 18. Provisions

Amounts in USD thousands	31 December 2021		31 December 2020	
	Current	Non-current	Current	Non-current
Provision for employees' end of service benefits	-	2,714	-	2,224
Provision for deferred consideration	-	-	1,042	-
Other provisions	**-**	**-**	**-**	**990**
Total	**-**	**2,714**	**1,042**	**3,214**

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 2021 and 2020, 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 19. Trade and other payables

Amounts in USD thousands	31 December 2021	31 December 2020
Trade payables	7,689	7,331
Accrued employee benefits	4,826	4,137
Taxation and social security contributions	3,829	5,139
Other accrued expenses and payables	8,124	8,600
Total	**24,467**	**25,207**

Trade payables have an average term of three to six months. These amounts are non-interest bearing.

Note 20. Fair values of financial assets and financial liabilities

		Carrying amount		Fair value	
Amounts in USD thousands	**Measurement category**	**31 December 2021**	**31 December 2020**	**31 December 2021**	**31 December 2020**
Financial assets					
Trade and other receivables	Amortised cost	43,235	41,498	43,235	41,498
Contract assets	Amortised cost	18,101	12,916	18,101	12,916
Cash and cash equivalents	Amortised cost	19,815	30,642	19,815	30,642
Total		**81,152**	**85,055**	**81,152**	**85,055**
Financial liabilities					
Trade and other payables	Amortised cost	24,467	25,207	24,467	25,207
Contract liabilities	Amortised cost	949	757	949	757
Bank borrowings	Amortised cost	11,661	15,083	11,661	15,083
Total		**37,077**	**41,047**	**37,077**	**41,047**

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 and bank borrowings 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, trade and other current payables and bank borrowings approximate their carrying amounts due to the short-terms maturities of these instruments.

Note 21. 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 2021.

Compensation to Board of Directors

Amounts in USD thousands	2021	2020
Glen Rødland, Chair	43	37
Yvonne Litsheim Sandvold	21	19
Synne Syrrist	24	19
Ronald Series	21	14
James Kidwell	-	3
Total	**109**	**92**

Compensation to Executive Management

2021 Amounts in USD thousands	Salary	Bonus	Pension	Other	Total
David Wells, CEO	295	7	57	62	422
Dean Zuzic, CFO	280	-	25	1	306
Reuben Segal, COO	238	7	-	130	374
RV Ahilan, Chief Energy Transition Officer	239	10	-	47	296
Svein Staalen, General Counsel	224	6	23	3	256
Total	**1,276**	**30**	**106**	**243**	**1,654**

2020 Amounts in USD thousands	Salary	Bonus	Pension	Other	Total
David Wells, CEO	275	5	53	58	390
Dean Zuzic, CFO	89	-	6	1	95
Kim Boman, CFO	162	3	19	2	185
Reuben Segal, COO	238	4	-	124	367
Svein Staalen, General Counsel	199	-	18	3	220
Total	**961**	**12**	**95**	**188**	**1,257**

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 22).

At 31 December 2021 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 2021

Name	Number of options	Number of shares
Board of Directors		
Glen Rødland, Chair	-	14,890,351[1]
Yvonne Litsheim Sandvold	-	-
Synne Syrrist	-	-
Ronald Series	-	-
Rune Eng		198,407[4]
Executive Management		
David Wells, CEO	135,000	1,126,998[3]
Dean Zuzic, CFO	135,000	-
Reuben Segal, COO	135,000	1,798,003[2]
RV Ahilan, Chief Energy Transition Officer	260,000	737,705
Svein Staalen, General Counsel	135,000	202,864
Total	**800,000**	**18,954,328**

[1] The shares are held through Gross Management AS.
[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
[4] The shares are held through Eng Invest AS.

Note 22. Statement regarding the determination of salary and other remuneration to executive management

In this statement, executive management means CEO, CFO and other executives who are employed at the same level in the organisation.

The Company's salary policy for executive management – main principles for 2021

Due to the international scope of its business, AqualisBraemar LOC 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 consultancy business, AqualisBraemar LOC 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 remuneration primarily shall take the form of a fixed monthly salary, reflecting the level of the position and experience of the person concerned. In principle pension plans, where offered, shall be on the same for management as is generally agreed for other employees. The Company has a bonus plan in place for its employees.

In 2019 the Company 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 share options to selected employees, where each option will give the holder the right to acquire one share in AqualisBraemar LOC ASA. The options are granted without consideration. The grant of options is subject to authorization as granted by the shareholders to issue new shares in connection with the Company's employee incentive program.

Specific conditions and limits with regards to the bonus and share purchase plan are regulated by the overall allocation parameters approved by the Board.

Termination payment agreements, where provided, 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 23. 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 LOC 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 2021		
US Dollars (USD)	157	(157)
31 December 2020		
US Dollars (USD)	372	(336)

Interest rate risk

The Group's exposure to the risk of changes market interest rates relates primarily to the Group's cash and cash equivalents and the bank borrowings. Both risks are considered to have limited effect on the Group's financial statements.

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 19.8 million at 31 December 2021 (2020: USD 30.6 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 2021				
Trade and other payables	24,467	24,467	24,467	-
Bank borrowings	11,661	11,661	8,330	3,330
Lease liabilities	3,830	4,117	1,480	2,638
31 December 2020				
Trade and other payables	25,207	25,207	25,207	-
Bank borrowings	15,083	15,462	8,796	6,667
Lease liabilities	4,892	5,171	2,729	2,442

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, considering 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 analyzed 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 2021 is as follows:

Amounts in USD thousands	31 December 2021	31 December 2020
Trade receivables		
Up to 3 months	25,246	22,644
3 to 6 months	3,368	4,327
6 to12 months	3,718	4,406
Over 12 months	1,300	2,410
Total	**33,632**	**33,787**
Contract assets	18,101	13,062
Total	**51,733**	**46,849**

As at 31 December 2021 the lifetime expected loss provision for trade receivables and contract assets is as follows:

Amounts in USD thousands	Up to 3 months	3 to 6 months	6 to 12 months	Over 12 months	Total trade receivables	Contract assets	Total
31 December 2021							
Carrying amount	24,517	3,955	3,576	1,584	33,632	18,101	51,733
Expected loss rate	0.6%	1.6%	2.6%	33.8%		0.8%	2.4%
Loss allowance	138	66	95	808	1,107	139	1,246
31 December 2020							
Carrying amount	22,644	4,327	4,406	2,410	33,787	13,062	46,849
Expected loss rate	0.5%	1.1%	2.2%	22.0%		1.1%	2.2%
Loss allowance	107	46	99	679	931	146	1,077

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:

	Trade receivables		Contract assets	
Amounts in USD thousands	2021	2020	2021	2020
At 1 January	931	859	146	171
Net remeasurement of loss allowance	249	318	(7)	9
Amounts written-off	(73)	(247)	-	(33)
At 31 December	**1,107**	**931**	**139**	**146**

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 19.8 million (2020: USD 30.6 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 24. Contingencies

Bank guarantees

As at 31 December 2021, performance and financial bank guarantees amounting to USD 1.5 million (2020: USD 1.5 million) were issued by the Group's bankers in the ordinary course of business.

Note 25. Segment information

The Group's businesses are managed by four geographical regions aside from Offshore Wind Consultants ("OWC") and Longitude, 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 Longitude 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 and Longitude. Eliminations reflects the eliminations of intra-group revenue to the extent that these arise within the regions and OWC and Longitude.

Amounts in USD thousands	2021	2020
Revenue		
Middle East	28,473	22,365
Asia Pacific	39,275	22,249
Europe	40,586	14,269
Americas	26,320	13,183
OWC	24,110	14,162
Longitude	8,882	
Eliminations	(16,899)	(9,214)
Total	**150,748**	**77,015**
Operating profit (loss) (EBIT)		
Middle East	2,387	1,707
Asia Pacific	3,248	1,907
Europe	1,727	829
Americas	1,518	225
OWC	1,216	1,365
Longitude	617	
Corporate group	(3,338)	(3,087)
Total	**7,375**	**2,946**

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 and Longitude.

Amounts in USD thousands	31 December 2021		31 December 2020	
	Trade receivables	Contract assets	Trade receivables	Contract assets
Middle East	6,363	1,449	6,408	1,991
Asia Pacific	7,611	6,196	8,400	4,401
Europe	8,274	3,990	9,961	2,411
Americas	6,494	2,945	7,606	2,803
OWC	3,004	2,490	481	1,309
Longitude	1,884	1,033	-	-
Total	**33,631**	**18,101**	**32,856**	**12,916**

Cash and cash equivalents	31 December 2021	31 December 2020
Middle East	2,402	2,183
Asia Pacific	4,707	7,269
Europe	3,398	7,334
Americas	2,781	4,863
OWC	3,356	2,193
Longitude	1,139	
Corporate group	2,032	6,800
Total	**19,815**	**30,642**

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 26. List of subsidiaries

The Group's principal subsidiaries at 31 December 2021 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 2021	Ownership interest 2020	Voting power 2021	Voting power 2020
ABL (Australasia) Pty Ltd	Australia		100%	100%	100%	100%
ABL Energy & Marine Consultants Pte Ltd	Singapore		100%	100%	100%%	100%
ABL Group Korea Ltd	Republic of Korea		100%	100%	100%	100%
ABL Shanghai CO Ltd	China		100%	100%	100%	100%
ABL USA Inc	United States		100%	100%	100%	100%
Aqualis Offshore Serviços Ltda	Brazil		100%	100%	100%	100%
AqualisBraemar LOC (Canada) Ltd.	Canada		100%	100%	100%	100%
AqualisBraemar Holding Limited [1]	United Kingdom		100%	100%	100%	100%
Aqualis Offshore Malaysia Sdn Bhd [2]	Malaysia		49%	49%	100%	100%
AqualisBraemar Marine Services LLC [2]	Qatar		49%	49%	100%	100%
Aqualis Braemar Marine Services LLC (Dubai) [2]	United Arab Emirates		49%	49%	100%	100%
Aqualis Braemar Marine Services LLC (Abu Dhabi) [2]	United Arab Emirates		49%%	49%	100%	100%
Aqualis Offshore UK Ltd	United Kingdom	Adjusting, marine, offshore and renewables consultancy services to the energy, shipping and insurance industries	100%	100%	100%	100%
Braemar Technical Services LLC [2]	United Arab Emirates		49%	49%	100%	100%
PT AqualisBraemar Adjusting Indonesia	Indonesia		80%	80%	80%	80%
Braemar Technical Services (Adjusting) Pte Limited	Singapore		100%	100%	100%	100%
AqualisBraemar Technical Services (Adjusting) Ltd.	United Kingdom		100%	100%	100%	100%
AqualisBraemar LLC	Russia		100%	100%	100%	100%
AqualisBraemar (Pty) Ltd.	South Africa		100%	100%	100%	100%
Braemar Teknik Servis Denizcilik Limited Sirketi	Turkey		100%	100%	100%	100%
AqualisBraemar Technical Services Limited	United Kingdom		100%	100%	100%	100%
AqualisBraemar Pty Ltd	Australia		100%	100%	100%	100%
AqualisBraemar India Private Limited	India		100%	100%	100%	100%
PT AqualisBraemar Offshore Indonesia	Indonesia		100%	100%	100%	100%

Name of entity	Place of business / country of incorporation	Principal activities	Ownership interest 2021	Ownership interest 2020	Voting power 2021	Voting power 2020
AqualisBraemar Sdn Bhd	Malaysia		100%	100%	100%	100%
AqualisBraemar Technical Services Pte Ltd.	Nevis		100%	100%	100%	100%
AqualisBraemar (Thailand) Limited	Thailand		100%	100%	100%	100%
AqualisBraemar Vietnam Company Ltd.	Vietnam		100%	100%	100%	100%
AqualisBraemar Technical Services Holdings Limited [1]	United Kingdom		100%	100%	100%	100%
OWC (Aqualis) GmbH	Germany		100%	100%	100%	100%
Offshore Wind Consultants Ireland Limited	Ireland		100%	0%	100%	0%
Offshore Wind Consultants Taiwan Co. Limited	Taiwan		100%	100%	100%	100%
Offshore Wind Consultants Limited[1]	United Kingdom		100%	100%	100%	100%
OWC Japan Ltd.	Japan		100%	100%	100%	100%
Offshore Wind Consultants sp. z o.o	Poland		100%	100%	100%	100%
Innosea Limited	United Kingdom		100%	71%	100%	71%
Innosea SAS	France		100%	71%	100%	71%
East Point Geo Ltd. (UK) [2]	United Kingdom		100%	0%	100%	0%
LOC (Egypt) for Consultancy Service SAE [2]	Egypt	Adjusting, marine, offshore and renewables consultancy services to the energy, shipping and insurance industries	60%	60%	60%	60%
LOC (Germany) GmbH	Germany		100%	100%	100%	100%
LOC (Guernsey) Limited	Guernsey		100%	100%	100%	100%
LOC (Kazakhstan) LLP	Kazakhstan		100%	100%	100%	100%
LOC (Netherlands) BV	Netherlands		100%	100%	100%	100%
LOC Senegal	Senegal		100%%	0%%	100%%	0%
LOC (Tianjin) Co. Ltd.	China		100%	100%	100%	100%
LOC (Tianjin) Risk Technology Service Co. Ltd.	China		100%	100%	100%	100%
LOC Group Limited	United Kingdom		100%	100%	100%	100%
LOC (Laem Chabang) Co. Ltd.	Thailand		100%	100%	100%	100%
London Offshore Consultants (Aberdeen) Limited	United Kingdom		100%	100%	100%	100%
London Offshore Consultants (France) SARL	France		100%	100%	100%	100%
London Offshore Consultants (Guernsey) Limited	Guernsey		99%	99%	99%	99%
London Offshore Consultants Holdings Ltd.	United Kingdom		100%	100%	100%	100%

Name of entity	Place of business / country of incorporation	Principal activities	Ownership interest 2021	Ownership interest 2020	Voting power 2021	Voting power 2020
London Offshore Consultants (India) Private Limited	India	Adjusting, marine, offshore and renewables consultancy services to the energy, shipping and insurance industries	100%	100%	100%	100%
London Offshore Consultants (Malaysia) SDN BHD [2]	Malaysia		49%	49%	49%	49%
London Offshore Consultants (Nigeria) Limited	Nigeria		100%	100%	100%	100%
London Offshore Consultants (Qatar) LLC [2]	Qatar		49%	49%	49%	49%
London Offshore Consultants (Korea) Ltd.	Republic of Korea		100%	100%	100%	100%
London Offshore Consultants Limited	United Kingdom		100%	100%	100%	100%
London Offshore Consultants (Mexico) SA de CV	Mexico		100%	100%	100%	100%
London Offshore Consultants Norge AS	Norway		100%	100%	100%	100%
London Offshore Consultants Pte Limited	Singapore		100%	100%	100%	100%
London Offshore Consultants WLL [2]	United Arab Emirates		49%	49%	49%	49%
Longitude Consultancy Holdings Limited	United Kingdom		100%	100%	100%	100%
Longitude Consultants Inc.	United States		100%	100%	100%	100%
Longitude Consulting Engineers Limited	United Kingdom		100%	100%	100%	100%
Longitude Engineering de Mexico SA de CV	Mexico		100%	100%	100%	100%
Longitude Engineers PTE Limited	Singapore		100%	100%	100%	100%
Neptune Bidco Limited	United Kingdom		100%	100%	100%	100%
Neptune Midco 1 Limited [1]	United Kingdom		100%	100%	100%	100%
Neptune Midco 2 Limited	United Kingdom		100%	100%	100%	100%
London Offshore Consultants Brasil Ltda.	Brazil		100%	100%	100%	100%
London Offshore Consultants (Hong Kong) Ltd.	Hong Kong		100%	100%	100%	100%
LOC JLA Inc.	United States		100%	100%	100%	100%
John LeBourhis & Associates	United States		100%	100%	100%	100%
Neptune Midco 2 Limited	United Kingdom		100%	0%	100%	0%
London Offshore Consultants Brasil Ltda.	Brazil		100%	0%	100%	0%
London Offshore Consultants (Hong Kong) Ltd.	Hong Kong		100%	0%	100%	0%

Name of entity	Place of business / country of incorporation	Principal activities	Ownership interest 2021	Ownership interest 2020	Voting power 2021	Voting power 2020
London Offshore Consultants (Canada) Ltd.	Canada	Adjusting, marine, offshore and renewables consultancy services to the energy, shipping and insurance industries	100%	0%	100%	0%
London Offshore Consultants (Australia) Pty Ltd.	Australia		100%	0%	100%	0%
LOC JLA Inc.	United States		100%	0%	100%	0%
John LeBourhis & Associates	United States		100%	0%	100%	0%

[1] Investments held directly by AqualisBraemar LOC 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).

Note 27. Shareholder information

The list of top 20 shareholders below is based on the shareholder register as per 31 December 2021. Actual shareholding may deviate due to the use of nominee accounts.

Name of shareholder	No. of shares	% ownership
Gross Management AS	14,890,351	15.4 %
Holmen Spesialfond	9,650,000	10.0 %
Bjørn Stray	6,017,743	6.2 %
Melesio Invest AS	4,611,016	4.8 %
Sober AS	3,500,000	3.6 %
Mustang Capital AS	2,830,334	2.9 %
Hausta Investor AS	2,488,623	2.6 %
KRB Capital AS	2,348,818	2.4 %
MP Pensjon PK	2,081,128	2.1 %
Valorem AS	2,020,000	2.1 %
LGT Bank AG	1,798,003	1.9 %
Trapesa AS	1,751,422	1.8 %
Amphytron Invest AS	1,600,339	1.7 %
Catilina Invest AS	1,555,339	1.6 %
Badreddin Diab	1,517,695	1.6 %
Ginko AS	1,428,480	1.5 %
Quilter Int Isle of Man Ltd	1,261,662	1.3 %
Bankque Pictet & Cie SA	1,126,998	1.2 %
Acme Capital AS	1,077,256	1.1 %
Saxo Bank AS	981,062	1.0 %
Total	**64,536,269**	**66.6 %**

At 31 December 2021, the Company had 2090 shareholders (2020: 2,127), and 16,1% (2020: 37,2%) of the shares of the Company were held by foreign registered shareholders.

Parent Company Financial Statements and Notes

Income statement

Amounts in NOK thousands	Notes	2021	2020
Revenues	2	12,335	9,104
Total revenue		**12,335**	**9,104**
Staff costs	3	(11,122)	(11,072)
Other operating expenses	4	(10,331)	(4,682)
Depreciation		(6)	(4)
Operating profit (loss) (EBIT)		**(9,124)**	**(6,653)**
Finance income	5	35,340	8,630
Finance expenses	5	(4,109)	(175)
Net foreign exchange gain (loss)	5	9,945	(4,130)
Profit (loss) before income tax		**32,052**	**(2,328)**
Income tax income (expense)	6	(6,371)	2,236
Profit (loss) after tax		**25,681**	**(93)**

Balance Sheet

Amounts in NOK thousands	Notes	31 December 2021	31 December 2020
ASSETS			
Non-current assets			
Property, plant and equipments	16	22	28
Investment in subsidiaries	7	232,402	221,293
Non-current portion of receivables	8	329,424	358,450
Total non-current assets		**561,847**	**579,771**
Current assets			
Trade and other receivables	9	26,944	10,573
Cash and cash equivalents	10	5,869	31,213
Total current assets		**32,813**	**41,786**
Total assets		**594,660**	**621,556**
EQUITY AND LIABILITIES			
Equity			
Share capital	11, 12	9,692	9,255
Treasury shares	12	-	(372)
Consideration shares	12	12,769	12,769
Other paid-up capital	12	458,433	448,950
Total equity		**480,894**	**470,602**
Non-current liabilities			
Deferred tax liabilities	6	6,803	432
Bank borrowings	15	28,593	55,506
Provisions	13	-	-
Total non-current liabilities		**35,396**	**55,939**

Amounts in NOK thousands	Notes	31 December 2021	31 December 2020
Current liabilities			
Trade and other payables	14	6,888	16,732
Bank borrowings	15	71,482	69,383
Provisions	13	-	8,900
Dividend payable	12	-	-
Total current liabilities		**78,370**	**95,015**
Total liabilities		**113,766**	**150,954**
Total equity and liabilities		**594,660**	**621,556**

Oslo, 29 April 2022

Glen Rødland
Chair of the Board

Yvonne L. Sandvold
Board member

Synne Syrrist
Board member

Rune Eng
Board member

Reuben Segal
CEO

Statement of Cash Flows

Amounts in NOK thousands	Notes	2021	2020
Cash flow from operating activities			
Profit (loss) before income tax		32,052	(2,328)
Non-cash adjustment to reconcile profit before tax to cash flow:			
Provision for deferred consideration	13	-	(4,464)
Depreciation		6	4
Dividend income		(1,704)	-
Reversal of impairment		(1,528)	
Impairment of loan to subsidiaries		-	-
Share of (profit) loss of an associate		-	-
Changes in working capital:			
Changes in trade and other receivables		(13,883)	(7,725)
Changes in trade and other payables		(11,698)	15,142
Cash flow from (used in) operating activities		**3,245**	**630**
Cash flow from investing activities			
Repayments of loans by group companies		30,554	(211,235)
Investment in subsidiary	7	(5,629)	(10,706)
Dividend received from subsidiary		1,704	-
Payment for property, plant and equipment		-	(32)
Proceeds on disposal of investment in associates		-	-
Cash flow from (used in) investing activities		**26,629**	**(221,972)**
Cash flow from financing activities			
Proceeds from issuance of shares (net of transaction costs)	12	17,808	131,605
Repayments of bank borrowings		(24,815)	124,889
Dividends paid		(48,211)	(28,127)
Cash flow used in from (used in) financing activities		**(55,218)**	**228,368**
Net change in cash and cash equivalents		**(25,344)**	**7,026**
Cash and cash equivalents at beginning of year		31,213	24,187
Cash and cash equivalents at end of year		**5,870**	**31,213**

Notes to the Financial Statements

Note 1. Accounting principles

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 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 26 to the AqualisBraemar LOC 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 recognized 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 utilized. Taxes payable and deferred taxes are recognized directly in equity to the extent that they relate to equity transactions.

Revenue recognition
Revenue is recognized 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, considering contractually defined terms of payment and excluding taxes or duty.

Borrowings
Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of arrangement fees) and the redemption amount is recognized in profit or loss over the period of the borrowings using the effective interest method.

Contingent consideration
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 recognized in income statement.

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 recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance expenses are charged to the 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:

- Office equipment: 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 derecognized 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 income statement when the asset is derecognized.

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 recognized 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 recognized 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 recognized in the same year as they are recognized in the financial statement of the provider. If dividends / group contribution exceeds 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 include 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	2021	2020
Corporate group management fees	12,335	9,104
Total	**12,335**	**9,104**

Note 3. Staff costs

Amounts in NOK thousands	2021	2020
Salaries	8,842	9,272
Payroll and social security	2,192	1,745
Other personnel costs	88	55
Total	**11,122**	**11,072**

At 31 December 2021 the Company had 5 employees (2020: 3 employees). Salaries includes compensation to the board members. AqualisBraemar LOC ASA meets the Norwegian requirements for mandatory occupational pension ("obligatorisk tjenestepensjon"). Please refer to note 21 and 22 in AqualisBraemar LOC 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	2021	2020
Professional fees	4,486	1,980
Share of central costs	520	552
Office rental cost	603	192
Other costs	4,721	1,958
Total other operating expenses	**10,331**	**4,682**

Remuneration to the Auditors[1]

Amounts in NOK thousands	2021	2020
Audit	1,117	773
Other assurance services	528	70
Other services	-	1,546
Total	**1,645**	**2,389**

All fees are exclusive of VAT.

Note 5. Financial items

Amounts in NOK thousands	2021	2020
Finance income		
Interest income on loans to related parties	32,107	4,120
Interest income from bank deposits	1	47
Change in fair value of warrants (note 13)	-	4,464
Dividend from subsidiaries	1,704	-
Reversal of write down on long-term financial assets	1,528	-
Total	**35,340**	**8,630**
Finance expenses		
Interest expenses	4,108	175
Change in fair value of warrants (note 13)	-	-
Other finance expenses	1	-
Total	**4,109**	**175**
Net foreign exchange gain (loss)		
Net foreign exchange gain (loss)	9,945	(4,130)
Total net foreign exchange gain (loss)	**9,945**	**(4,130)**

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.

Loans to subsidiaries have been assessed to be a part of the net investments in the subsidiaries as these are long term in nature and settlement is neighter planned nor likely in the foreseeable future. These are eliminated upon consolidation and exchange differences arising from the translation are recognised in other comprehensive income. Refer to note 8 in AqualisBraemar LOC group consolidated financial statements for further information.

Note 6. Taxes

Amounts in NOK thousands	31 December 2021	31 December 2020
Income tax expense recognised in profit or loss		
Changes in deferred tax	6,371	(2,236)
Total income tax expense (income)	**6,371**	**(2,236)**
Tax base calculation		
Profit before income tax	32,052	(2,328)
Permanent differences	(4,580)	(7,834)
Changes in temporary differences	(16,849)	2,767
Total tax base	**10,623**	**(7,395)**
Temporary differences		
Short term receivables	(3,566)	(5,095)
Long term receivables in foreign currency	35,189	21,446
Provisions	-	(1,568)
Property, plant and equipment	1	(9)
Total	**31,624**	**14,774**
Accumulated losses carried forward	(700)	(11,323)
Base for deferred tax liability	**30,924**	**3,451**
Deferred tax liabilities	6,803	432
Total deferred tax liabilities	**6,803**	**432**

Norway corporation tax rate for 2021 was 22% (2020: 22%). For 2022, there is no change in corporation tax rate. Deferred tax liability as of 31 December 2021 has been calculated based on this rate.

Reconciliation of the effective tax rate:

Amounts in NOK thousands	2021	2020
Profit (loss) before income tax	**32,052**	**(2,328)**
Income tax using the Company's domestic tax rate of 22% (2019 - 22%)	7,051	(512)
Effect of permanent difference	(1,008)	(1,723)
Effect of changes in tax rate	-	-
Income tax (income) expense recognised in profit or loss	**6,044**	**(2,236)**
Effective tax rate	**18.9%**	**96.0%**

Note 7. Investments in subsidiaries

The subsidiaries directly owned by the Company at 31 December 2021 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 31.12.2021	Net profit for the year	Net carrying value NOK '000
AqualisBraemar Holding Limited	UK	GBP	5,194	(2,589)	(1,634)	118,678
Offshore Wind Consultants Limited (OWC)	UK	GBP	0.1	1,080	1,177	8,668
AqualisBraemar Technical Services Holdings Limited (BTS)	UK	GBP	-	9,817	(37)	70,472
Neptune Midco 1 Limited (LOC Group)	UK	GBP	43,920	49,182	(16,464)	23,475
East Point Geo Ltd (EPG)	UK	GBP	-	1	78	11,109
Total						**232,402**

On 18 February 2021, the Company aquired 100% of the shares in East Point Geo Ltd ("EPG"), an independent geoscience consultancy providing support for major offshore and onshore engineering projects, specialising in renewables and oil and gas developments. The transaction completes AqualisBraemar LOC´s geoscience offering to clients, and provides additional growth opportunuties particularly within renewables.For EPG, AqualisBraemar LOC´s global footprint and established brand will enable accelerated growth. The transaction values EPG at an enterprise value of GBP 750 000 settled with a combination of cash, sellers`credit and shares in AqualisBraemar LOC. Settlement of the consideration shares will take place 3 to 7 years after closing of the transaction. Refer to note 7 in AqualisBraemar LOC group consolidated financial statements for further information regarding the acquisition.

On 21 December 2020, the Company acquired 100% of the shares in Neptune Midco 1 Limited ("LOC Group"), a specialised consultancy group out of LOC Group Holdings Limited. The acquisition is expected to increase the group's market share and reduce costs through economies of scale. Refer to note 7 in AqualisBraemar LOC group consolidated financial statements for further information regarding the acquisition.

On 21 June 2019, the Company had 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 was completed by issuing shares and performance based warrants, 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. Subsequent to completion of LOC Group acquisition, the Company agreed minimum one million warrants regardless of performance criteria. The fair value of the warrants of NOK 8.9 million was estimated using the Black and Scholes formula at 31 December 2020 (note 13).

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 are as follows:"

Amounts in NOK thousands	31 December 2021	31 December 2020
Loans to group companies		
Neptune Midco 1 Limited (LOC Group)	277,111	267,863
AqualisBraemar Holding Limited	18,661	57,417
Aqualis Offshore UK Limited	10,779	9,635
AqualisBraemar Technical Services Holdings Limited (BTS)	2,666	8,316
AqualisBraemar Inc.	9,107	8,142
Aqualis Offshore Serviços Ltda	2,944	2,290
OWC Japan Ltd.	2,948	1,287
AqualisBraemar Korea Limited	1,355	1,211
London Offshore Consultants Norge AS	2,296	899
AqualisBraemar S. De R.L. De C.V.	994	886
OWC (Aqualis) GmbH	563	503
Aqualis Braemar Marine Services LLC, UAE	-	-
AqualisBraemar Marine Services LLC	-	-
Total	**329,424**	**358,450**
Non-current portion	329,424	358,450
Current portion	-	-
Total	**329,424**	**358,450**

The loans to Group companies carry an annual interest rate of 10%. Loans to subsidiaries have a long term perspective and does not have a specific repayment date.

Amounts in NOK thousands	31 December 2021	31 December 2020
Due from related parties		
AqualisBraemar Holding Limited	23,495	9,199
	23,495	**9,199**
Due to related parties		
AqualisBraemar Holding Limited	-	129
	-	**129**

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 2020, transactions with related parties included in profit and loss are as follows:

Amounts in NOK thousands	2021	2020
Corporate group management services (note 2)	12,335	9,104
Interest income on loans (note 5)	32,107	4,120
Share of central costs (note 4)	520	552

Note 9. Trade and other receivables

Amounts in NOK thousands	31 December 2021	31 December 2020
Due from related parties (note 8)	23,495	9,199
Other receivables	2,911	1,374
Total	**26,406**	**10,573**

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 2021	31 December 2020
Cash and bank balances	5,869	31,213
Total	**5,869**	**31,213**

Amounts in thousands	31 December 2021		31 December 2020	
Distributed in following currencies:	Currency	NOK	Currency	NOK
US Dollars	219	1,935	227	18,857
Norwegian Krone	3,001	3,001	351	11,233
Euro	93	933	109	1,123
Total		**5,869**		**31,213**

The Company has restricted cash at banks of NOK 487 thousand at 31 December 2021 (2020: NOK 485 thousand). 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 2020	70,416,435	7,042
Cash-settled capital increase (net of transaction costs)	22,131,148	2,213
At 31 December 2020	**92,547,583**	**9,255**
At 1 January 2021	92,547,583	9,255
Cash-settled capital increase (net of transaction costs)	4,375,000	438
At 31 December 2021	**96,922,583**	**9,692**

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 LOC group consolidated financial statements for more information.

Refer to note 27 in AqualisBraemar LOC group consolidated financial statements for further information regarding the company's largest shareholders.

Note 12. Equity

Amounts in NOK thousands	Share capital	Treasury shares	Consideration shares	Other paid-up capital	Total equity
At 1 January 2020	7,042	(372)	-	333,694	340,363
Cash-settled capital increase (net of transaction costs)	2,213	-	-	129,392	131,605
Shares to be issued as part of the consideration on a acquisition of subsidiary	-	-	**12,769**	-	12,769
Dividends	-	-	-	(14,043)	(14,043)
Profit after taxes	-	-	-	(93)	(93)
At 31 December 2020	**9,255**	**(372)**	**12,769**	**448,950**	**470,602**
At 1 January 2021	9,255	(372)	**12,769**	448,950	470,602
Cash settled capital increase (net of transaction costs)	338	-	-	17,371	17,708
Shares isssued as consideration for business combination	100	-	-	10,620	10,720
Shares to be issued as part of the consideration on a acquisition of subsidiary	-	-	-	3,626	3,626
Employee share program issue	-	372	-	396	768
Dividends			-	(48,211)	(48,211)
Profit after taxes	-	-	-	25,681	25,681
At 31 December 2021	**9,692**	**-**	**12,769**	**458,433**	**480,894**

The Board of Directors proposed distribution of dividend of NOK 0.25 per share. The distribution of dividend was approved in AGM held on 2 June 2021 and paid to the shareholders on 17 June 2021. Further cash dividend of NOK 0.25 per share was approved by the Board of Directors and distributed on 2 December 2021. In 2021, total dividend of NOK 48, 211 thousands was paid to the shareholders. For tax purposes, the distribution of dividend was considered repayment of paid in capital.

The Company incurred NOK 2,879 thousands (2020: NOK 3,395 thousands) towards transaction costs that were directly attributable to the issuance of shares.

Refer to note 7,16 in AqualisBraemar LOC group consolidated financial statements for further information regarding the issurance of new shares on acquisition and buy back of treasury shares.

Note 13. Provisions

The performance based warrants issued as part of the BTS acquisition (refer note 7) was settled in 2021 and no provision is outstanding as of 31.12.2021.

Note 14. Trade and other payables

Amounts in NOK thousands	31 December 2021	31 December 2020
Trade payables	2,014	10,429
Due to related parties (note 8)	-	129
Accruals and other payables	4,874	6,174
Total	**6,888**	**16,732**

Trade payables are non- interest bearing and are normally settled on 30 days term.

Note 15. Bank Borrowings

Amounts in NOK thousands	31 December 2021		31 December 2020	
	Current	Non-current	Current	Non-current
Bank loans	71,482	28,593	69,383	55,506
Total	**71,482**	**28,593**	**69,383**	**55,506**

To finance the acquisition of the LOC Group (refer note 7), in December 2020, the Company entered into a USD 15 million senior secured term loan facilities agreement with Nordea Bank Abp, filial i Norge. The loan facilities consisted of two parts, (i) a term loan of USD 10 million, and (ii) a revolving credit facility of USD 5 million to be renewed annually, both with a maturity of three years and with the following financial covenants:

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

Financial covenants were 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, first time on 31 March 2021. For the majority of the borrowings, the fair values are not materially different from their carrying amounts, since the interest payable on those borrowings is either close to current market rates or the borrowings are of a short-term nature.

The Group's obligations under the facility agreement is guaranteed by the Company and certain material group companies.

Note 16. Property, plant and equipments

2021 Amounts in NOK thousands	Office equipment	Total
Cost		
As at 1 January 2021	32	32
Additions	-	-
As at 31 December 2021	**32**	**32**
Depreciation		
As at 1 January 2021	4	4
Depreciation charge for the year	6	6
As at 31 December 2021	**10**	**10**
Net book value at 31 December 2021	**22**	**22**
Useful life	**5 years**	

To the General Meeting of AqualisBraemar LOC ASA

Independent Auditor's Report

Report on the Audit of the Financial Statements

Opinion

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

- The financial statements of the parent company AqualisBraemar LOC ASA (the Company), which comprise the balance sheet as at 31 December 2021, 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 principles, and
- The consolidated financial statements of AqualisBraemar LOC ASA and its subsidiaries (the Group), which comprise the consolidated balance sheet as at 31 December 2021, the consolidated statement of income, consolidated statement of other comprehensive income, consolidated statement of changes in equity and consolidated 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 comply with applicable statutory requirements,
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2021, 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, and
- the financial statements give a true and fair view of the financial position of the Group as at 31 December 2021, 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.

Our opinion is consistent with our additional report to the Audit Committee.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company and the Group as required by laws and regulations and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International

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Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

To the best of our knowledge and belief, no prohibited non-audit services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided.

We have been the auditor of the Company for five years from the election by the general meeting of the shareholders on 15 May 2017 for the accounting year 2017.

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 Group's business operations, who continue to evolve due to ongoing improvement projects, are largely the same as last year. *Impairment assessment of goodwill* carries the same characteristics and risks this year and has consequently been in our focus for the 2021 audit.

Key Audit Matter	How our audit addressed the Key Audit Matter
Impairment assessment of goodwill	
The carrying value of goodwill amounted to USD 24,260 thousands as of 31 December 2021, which is about 20% of total assets. Goodwill should be tested for impairment annually, or when there are indicators of impairment. An impairment test of goodwill was performed at year end 2021. The test did not result in an impairment charge being recognized. The impairment test involved significant management judgement; and a potential impairment loss may have material impact on the carrying value of the Group's assets. The judgement was mainly related to estimating future cash flows and the discount rate. See note 13 (Intangible assets) where the impairment model and key assumptions are disclosed.	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 the mathematical accuracy of the impairment model. We challenged management's use of assumptions in the future cash flow estimate. We found that future cash flow estimates were based on the budgets approved by the Board of Directors. We tested managements' budgeting accuracy by performing look-back analysis of budgeted growth rate and EBITDA margin against actuals. When we found deviations, we assessed management's explanations and corroborated with other evidence available to us. To challenge the assumptions in the impairment model, we held discussions with management. We found that the future cash flow estimates were sensitive to the applied growth rate and EBITDA margin. 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.

Finally, we considered disclosures in note 13 to the consolidated financial statements and found them appropriate.

Other Information

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report and the other information accompanying the financial statements. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report nor the other information accompanying the financial statements.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report and the other information accompanying the financial statements. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the other information accompanying the financial statements and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report and the other information accompanying the financial statements otherwise appears to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report or the other information accompanying the financial statements. We have nothing to report in this regard.

Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable legal requirements.

Our opinion on the Board of Director's report applies correspondingly to the statements on Corporate Governance and Corporate Social Responsibility.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements of the Company use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations. The consolidated financial statements of the

Independent Auditor's Report - AqualisBraemar LOC ASA

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 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 ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

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

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

We also provide the Audit Committee 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

Report on compliance with Regulation on European Single Electronic Format (ESEF)

Opinion
We have performed an assurance engagement to obtain reasonable assurance that the financial statements with file name *5967007LIEEXZXH86096-2021-12-31-en* have been prepared in accordance with Section 5-5 of the Norwegian Securities Trading Act (Verdipapirhandelloven) and the accompanying Regulation on European Single Electronic Format (ESEF).

In our opinion, the financial statements have been prepared, in all material respects, in accordance with the requirements of ESEF.

Management's Responsibilities
Management is responsible for preparing, tagging and publishing the financial statements in the single electronic reporting format required in ESEF. This responsibility comprises an adequate process and the internal control procedures which management determines is necessary for the preparation, tagging and publication of the financial statements.

Auditor's Responsibilities
For a description of the auditor's responsibilities when performing an assurance engagement of the ESEF reporting, see: https://revisorforeningen.no/revisjonsberetninger

Oslo, 28 April 2022
PricewaterhouseCoopers AS

Anders Ellefsen

Anders Ellefsen
State Authorised Public Accountant (Norway)

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	2021	2020
Operating profit (loss) (EBIT)	**7,375**	**2,946**
Depreciation, amortisation and impairment	3,790	1,477
Transaction costs related to acquisition	76	1,393
Restructuring and integration costs	362	185
Share of net profit (loss) from associates	1,475	318
Adjusted EBITDA	**13,078**	**6,320**

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	2021	2020
Operating profit (loss) (EBIT)	**7,375**	**2,946**
Amortisation and imparment	356	
Transaction costs related to M&A	76	1,393
Restructuring and integration costs	362	185
Other special items (incl. share-based expenses)	1,475	318
Adjusted EBIT	**9,645**	**4,843**

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	2021	2020
Profit (loss) after taxes	**3,218**	**1,513**
Amortisation and imparment	356	
Transaction costs related to M&A	76	1,393
Restructuring and integration costs	362	185
Other special items (incl. share-based expenses)	1,475	318
Fair value adjustments	-	(130)
Gain on bargain purchase	(54)	-
Other finance income	-	-
Adjusted profit (loss) after taxes	**5,435**	**3,280**

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	2021	2020
Adjusted profit (loss) after taxes	**5,435**	**3,280**
Average total equity	66,092	34,240
ROE	**8.2%**	**9.6%**

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	2021	2020
Adjusted EBIT	**9,645**	**4,843**
Total assets	115,090	119,036
Less: Non-interest bearing current liabilities	(25,814)	(28,653)
Capital employed	89,276	90,383
Average capital employed	**91,547**	**71,681**
ROCE	**10.5%**	**6.8%**

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, contact 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.

Amounts in USD thousands	31 December 2021	31 December 2020
Working capital		
Trade and other receivables	43,235	41,498
Contract assets	18,101	12,916
Trade and other payables	(24,467)	(25,207)
Contract liabilities	(398)	(907)
Income tax payable	(949)	(757)
Net working captial	**35,523**	**27,543**
Average quarterly revenue over 2 quarters	37,892	35,062
Working capital ratio	**94%**	**79%**

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