

## Annual Accounts 2023

Ferdocean Shipping AS

### Income Statement

Description	Note	2023	2022
Sales Revenue	4,676,931	4,349,000	
Total Operating Revenue	4,676,931	4,349,000	
Cost of Goods Sold	2,520,999	2,767,308	
Salary Expense	1, 2	2,000,652	1,337,622
Depreciation of Fixed and Intangible Assets	3	488,988	448,241
Other Operating Expenses	1, 4	5,870,572	6,370,036
Total Operating Expenses	10,881,210	10,923,208	
Operating Result	-6,204,279	-6,574,208	
Other Interest Income	8,142	5,629	
Other Interest Expenses	615,201	342,687	
Result of Financial Items	-607,059	-337,058	
Result Before Tax Expense	-6,811,338	-6,911,266	
Tax Expense on Result	5	0	0
Annual Result	6	-6,811,338	-6,911,266

## Balance Sheet

### Assets

Description	Note	2023	2022
Fixed Assets			
Intangible Assets - Development	3	2,000,000	2,000,000
Total Intangible Assets	2,000,000	2,000,000	
Machinery/Equipment	3	3,952,671	4,441,659
Total Fixed Assets	3,952,671	4,441,659	
Total Fixed Assets	5,952,671	6,441,659	
Current Assets			
Receivables			
Customer Receivables	0	4,500	
Other Short-term Receivables	1	1,071,847	1,713,737
Total Receivables	1,071,847	1,718,237	
Bank Deposits, Cash, etc.	7	570,548	342,996
Total Current Assets	1,642,394	2,061,233	
Total Assets	7,595,065	8,502,892	

## Equity and Liabilities

Description	Note	2023	2022
Equity			
Paid-in Capital			
Share Capital	8	57,751	56,782
Share Premium	0	137,475	
Total Paid-in Capital	57,751	194,257	
Retained Earnings			
Uncovered Loss	-2,450,427	0	
Total Retained Earnings	-2,450,427	0	
Total Equity	6, 9	-2,392,675	194,257
Liabilities			
Long-term Debt to Credit Institutions	10	3,015,438	3,993,418
Total Other Long-term Debt	3,015,438	3,993,418	
Short-term Debt			
Short-term Debt to Credit Institutions	10	3,425,527	2,490,986
Trade Payables	2,534,921	1,595,302	
Due Public Taxes	391,866	84,584	
Other Short-term Debt	619,989	144,345	
Total Short-term Debt	6,972,303	4,315,217	
Total Debt	9,987,741	8,308,635	
Total Equity and Liabilities	7,595,065	8,502,892	

### Stavanger, 25.06.2024 Board of Directors of Ferdosean Shipping AS

- Per Kristian Nagell, Chairman
- Musa Adnin, Board Member
- Tore Ausland, Board Member

### Accounting Principles

The annual accounts are prepared in accordance with the Accounting Act and NRS 8 - Good accounting practice for small enterprises.

**Taxation** The tax expense in the income statement includes both payable tax for the period and changes in deferred tax. Deferred tax is calculated at 22% based on the temporary differences that exist between accounting and tax values, as well as the tax loss carryforward at the end of the fiscal year. Tax-increasing and tax-reducing temporary differences that reverse or can be reversed in the same period are offset and netted.

**Classification and Valuation of Fixed Assets** Fixed assets include assets intended for long-term ownership and use. Fixed assets are valued at acquisition cost. Depreciation is calculated over the economic life of the asset. Fixed assets are written down to their recoverable amount if a decline in value is expected not to be temporary. The recoverable amount is the higher of net sales value and value in use. Value in use is the present value of future cash flows related to the asset. Impairment is reversed when the basis for the impairment is no longer present.

**Classification and Valuation of Current Assets** Current assets and short-term liabilities normally include items that are due for payment within one year after the balance sheet date, as well as items related to the operating cycle. Current assets are valued at the lower of acquisition cost and fair value.

**Receivables** Customer receivables and other receivables are recorded at face value less provisions for expected losses. Provisions for losses are made based on an individual assessment of each receivable.

## Notes to the Financial Statements

### Note 1: Public Grants

- The company received approval for a project in 2020 for the period 2020 to 2022.
- SkatteFUNN for 2020 of NOK 101,181 was included in 2021.
- SkatteFUNN for 2021 of NOK 613,092 is included in 2021 and included in other short-term receivables at the end of the year.
- The company received NOK 1,251,990 more in final tax settlement in 2022 than accounted for in last year's financial statements; NOK 225,358 was recorded as a reduction of salary expenses and NOK 1,026,382 as a reduction of other operating expenses.
- SkatteFUNN for 2022 of NOK 755,329 is included in 2022 and included in other short-term receivables at the end of the year.

### Note 2: Salary Expenses and FTEs

Description	2023	2022
Salaries	1,571,406	1,297,988
Employer's National Insurance Contributions	236,182	197,982
Pension Costs	61,382	70,212
Other Benefits	131,682	-228,559
Total	2,000,652	1,337,622

- The company employed 3 full-time equivalents in 2023.
- Other benefits are negative due to the proportion of SkatteFUNN received being recorded under this item.

### Note 3: Fixed Assets

Description	Development	Machinery and Equipment	Total
Acquisition Cost 01.01.2023	2,000,000	4,889,900	6,889,900
Accumulated Depreciation 31.12.2023	0	937,229	937,229
Book Value 31.12.2023	2,000,000	3,952,671	5,952,671
Depreciation for the Year	488,988	488,988	

- The company started developing a processing machine in 2021, which was not completed as of 31.12.2023.
- Machinery and equipment were considered financial leasing.

### Note 4: Other Operating Expenses/Transactions with Related Parties

- The company purchased services from one of its owner companies (Ferdocean AS) for NOK 3,618,454 in the year. The corresponding figure last year was NOK 5,838,865.

## Note 5: Tax

Description	2023	2022
Tax Expense on Ordinary Result:		
Payable Tax	0	0
Change in Deferred Tax Benefit	0	0
Tax Expense on Ordinary Result	0	0
Taxable Income:		
Result Before Tax	-6,811,338	-6,911,266
Permanent Differences	40,725	-726,171
Change in Temporary Differences	-293,396	-529,739
Taxable Income	-7,064,009	-8,167,175
Payable Tax in the Balance Sheet:		
Payable Tax on Annual Result	0	0
Total Payable Tax in the Balance Sheet	0	0

- Tax effect of temporary differences and carryforward loss that have given rise to deferred tax and deferred tax benefits, specified by types of temporary differences.

Description	2023	2022	Change
Fixed Assets	823,135	529,739	-293,396
Total	823,135	529,739	-293,396
Accumulated Carryforward Loss	-30,672,862	-23,608,853	7,064,009

- Included in permanent differences for 2022 is SkatteFUNN of NOK 862,333.

## Note 6: Equity

Description	Share Capital	Share Premium	Uncovered Loss	Total Equity
31.12.2022	56,782	137,475	0	194,257
Annual Result	0	0	-6,811,338	-6,811,338
Capital Increase	969	4,223,437	0	4,224,406
31.12.2023	57,751	0	-2,450,427	-2,392,675

- A capital increase was decided in April 2023. The capital increase was registered in Brønnøysund on 26.10.2023.

## Note 7: Bank Deposits

- Funds on the tax withholding account (restricted funds) amount to NOK 207,338.
- The company has reserved NOK 300,000 in a separate account for a bank guarantee.

## Note 8: Shareholders

- The share capital in Ferocean Shipping AS as of 31.12 consists of: | Description | Number | Nominal Value | Book Value | -----|-----|-----|-----| Ordinary Shares | 180,140 | 0.32 | 57,790 | | Total | 180,140 | 57,790 |
- Ownership Structure: | Shareholders | Ordinary | Ownership % | Voting % | -----|-----|-----|-----| | Ferocean AS | 64,980 | 36.07 | 36.07 | | Gunnar Nordbø | 33,760 | 18.74 | 18.74 | | Shield International Ltd | 31,040 | 17.23 | 17.23 | | Ma'Mor Holdings SDN BHD | 29,724 | 16.50 | 16.50 | | Wilmar Gruppen AS | 12,000 | 6.66 | 6.66 | | Morcidea AS | 3,961 | 2.20 | 2.20 | | TE Invest AS | 2,695 | 1.50 | 1.50 | | Quality Group Invest AS | 520 | 0.29 | 0.29 | | Proco Professional Consultants AS | 500 | 0.28 | 0.28 | | Haugjegla Invest AS | 320 | 0.18 | 0.18 | | Mosby Holding | 320 | 0.18 | 0.18 | | Superiore Capital AS | 320 | 0.18 | 0.18 | | Total Shares | 180,140 | 100.00 | 100.00 |

**Note 9: Going Concern** Ferocean Shipping AS collaborated with several financial advisors for capital expansion and facilitation nationally and internationally throughout the period. Due to liquidity concerns, a share issue round was conducted among existing shareholders, where fresh capital was injected into the company (approved and registered in the Brønnøysund Register). The effort to recapitalize the company to achieve stronger operating capital and investment capital for several processing plants has been and is of the highest priority. The company was in dialogue with several major industrial stakeholders (both nationally and internationally), aiming to secure an issue in the company of between NOK 100 million and NOK 150 million. This did not materialize during the year. The board has also received approval from an extraordinary General Assembly to raise NOK 6 million convertible loan from existing shareholders.

Ferocean Shipping AS carried out a successful operation with Equinor on the Oseberg Sør field in February/March 2023, resulting in operating revenues for the company. In addition, further engagement was entered into for Equinor on the same field in May 2023. This task was, however, postponed indefinitely, but contractual compensation from Equinor was received. There was further

interest from oil companies as well as drilling contractors for the company's concept throughout the year, but further contracts were not entered into due to lack of capital and delayed start-up of various drilling campaigns. Based on the above, the company believes that it can ensure a sound basis for continued operation and strengthening of the company's equity through the ongoing share issue. Shareholders have committed to providing financial assistance to cover the company's ongoing financial needs throughout the year should this be necessary.

The above measures, in the board's opinion, reduce the uncertainty about continued operations, and the board thus submits the annual accounts on this basis.

#### Note 10: Pledges and Guarantees

Description	31.12.2023	31.12.2022
Pledged Debt, Pledges, and Guarantees		
Long-term Debt to Credit Institutions	3,015,438	3,993,418
Short-term Debt to Credit Institutions	3,425,527	2,490,986
Total	6,440,965	6,484,404
Accounting Value of Pledged Assets		
Customer Receivables	3,654,000	3,654,000
Total	3,654,000	3,654,000

- Security/Pledge in customer receivables of NOK 10 million and pledge in bank deposits of NOK 300,000. The company previously had an overdraft of NOK 3 million, which was withdrawn in 2023. Long-term debt is financial debt related to leasing equipment.