

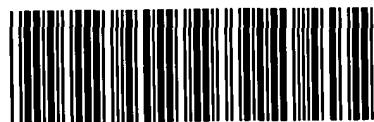
Company Registration No. 08132445

OEG Global Limited

Annual Report and Financial Statements

For the year ended 31 December 2022

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Annual Report and financial statements 2022

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OEG Global Limited

Annual Report and financial statements 2022

Officers and professional advisers

Directors

J M Heiton
N Rahman (Appointed 16 May 2022)

Registered Office

Yarmouth Business Park
Thamesfield Way
Great Yarmouth
Norfolk
NR31 0ER

Legal advisors

Goodwin Procter (UK) LLP
100 Cheapside
London
EC2V 6DY

Auditor

Grant Thornton
Chartered Accountants & Statutory Auditors
13-18 City Quay
Dublin 2
D02 ED70
Ireland

Strategic report

The directors present the Strategic Report of OEG Global Limited ("the Company") and its subsidiary undertakings (collectively "the Group") for the year ended 31 December 2022. The Strategic Report has been prepared for the Group as a whole and therefore gives emphasis to those matters which are significant to the Group when viewed as a whole.

During 2022, the Group continued to implement its strategy of continuing to grow the business while also partaking in the ongoing energy transition such that it materially grew its exposure to the developing offshore wind, particularly through its acquisition strategy. As a result of the Group's strategy, Offshore wind integrated services revenue as a percentage of total Group revenue increased from 6% in 2021 to 32% in 2022 and this is expected to increase further in 2023 due to continued growth and the impact of further acquisitions.

The Group acquired the following three businesses which all provide critical equipment and services primarily used in the construction and operations & maintenance of offshore wind farms. These acquisitions will help reinforce the Group's strategy to support global energy ambitions and meet the energy transition challenge.

Business	Principal activity	Date of acquisition
Manor Energy Group Limited ("Manor")	A leading provider of temporary power, engineering and crew transfer vessel (CTV) services to the offshore wind sector in the UK and Taiwan.	18 January 2022
Specialist Marine Consultants Limited ("SMC")	A leading provider of specialist construction, maintenance, marine and recruitment services to the marine and offshore energy sectors in the UK and Taiwan.	7 July 2022
Opus Marine GMBH ("OPUS")	A leading crew transfer vessel (CTV) operator to the offshore wind sector in Germany and Taiwan.	13 September 2022

Details of the fair value of the net assets acquired and the consideration paid for the acquisitions are set out in note 25.

Principal activities

The principal activity of the Company is that of a holding company for the Group who generally trade as OEG Offshore and OEG Renewables.

OEG Offshore is the largest operator of regulated offshore cargo carrying units in the world, enabling the safe transportation of essential cargo to and from offshore installations.

OEG Renewables provides comprehensive and trusted offshore wind farm solutions dedicated to the technical and operational aspects of construction preparation, installation, and specialist operation & maintenance.

The Group is headquartered in the UK and operates globally with subsidiaries, locally registered branch offices or distributors operating in 37 countries worldwide.

Review of business

The strategy for the Group is to offer a wide range of key upstream energy equipment and services worldwide.

The current year results include the results of the acquisitions from the dates noted above together with a full year of continuing results of the OEG Offshore business. The prior year results presented reflect five months trading results of the acquired offshore business of Modex Group and a full year of continuing results of the OEG Offshore business.

In addition to the business acquisitions noted above the Group invested \$39.9m (2021: \$29.0m) in the expansion of its rental fleet to support the recovery of demand for its activities during 2022, and to expand the services and support growth in the newly acquired offshore wind focused businesses.

Strategic report

Key Performance Indicators

The consolidated statement of profit or loss for the year is set out on page 16. The directors consider turnover and earnings before interest, tax, depreciation, amortisation, and exceptional items ("Adjusted EBITDA") as key performance indicators for the Group.

The Group generated turnover and adjusted EBITDA of \$301.9m (2021: \$154.5m) and \$107.1m (2021: \$62.9m) respectively for the year ended 31 December 2022 which includes a full year of continuing results of the OEG Offshore business together with the trading of the acquisitions (Manor, SMC and Opus) completed at various points throughout the year. The comparative for the year to 31 December 2021 included a full year of the legacy OEG Offshore business and five months trading of the acquired Modex business together with the trading of the other acquisitions (Blue Manta, Hughes Subsea Services, PWS and Fern) completed at various points throughout 2021.

Reconciliation to non-GAAP measures and performance

The reconciliation of the operating profit/(loss) for the year to adjusted EBITDA is set out below:

	Year ended 31 December 2022 \$'000	Year ended 31 December 2021 \$'000
Operating profit/(loss) for the year	32,019	8,509
Adjustments for:		
Depreciation of property, plant and equipment	45,853	38,288
Depreciation expense on right-of-use assets	8,339	7,395
Amortisation of intangible assets	9,053	5,022
Group Restructuring/Integration costs	5,932	869
Acquisition and strategy related costs	5,886	2,857
Adjusted EBITDA	107,082	62,940

The adjusting items are as follows:

Group restructuring/integration costs: The charge for the year was \$5.9m (2021: \$0.9m) and comprises costs incurred as part of the Group restructuring following the business acquisitions in the current and prior year, including the cost of severance, legal, lease termination and other integration costs.

Acquisition and strategy related costs: The charge of \$5.9m (2021: \$2.9m) comprises costs associated with the business acquisitions in the year and the longer-term strategy of the Group.

The above costs are identified as adjusting items as they do not relate to the Group's ordinary trading activities.

Balance sheet and funding

The Group had net liabilities at 31 December 2022 of \$75.3m (2021: net liabilities \$60.6m).

In August 2023 the Group completed a corporate restructuring exercise resulting in the formal release of the intercompany loan, redesignation of preference shares and capitalisation of accrued preference dividend. If this restructuring had taken place at 31st December 2022 the revised net asset position would have been \$434.8m. Post restructure no sums were due or guarantees provided to the immediate or ultimate parent company. See subsequent events section for further information.

The Group generates cash flow from operations to settle its trading liabilities and to service the obligations under its borrowings structure. Please refer to borrowings at note 22 to the financial statements for further details.

In August 2023 the Group signed a new \$140m banking facility. The facility provides the Group flexibility to refinance its existing borrowings, to continue progressing with its highly active M&A pipeline, and to make certain permitted distributions and for general corporate purposes.

On 5 September 2023, the Modex AS FRN Senior Secured \$56.2m (NOK 550,000,000) Bond (the "Bond") was repaid in full.

Strategic report

Principal risks and uncertainties

The principal risks affecting the business are considered to be the cyclical nature of the offshore energy sector, competition from both UK and international rental and service companies, foreign exchange movements on overseas earnings and the attraction and retention of experienced personnel.

The directors believe the Group's market exposure is mitigated in part through diversification across geographies, customers and activities, including a split of activity across conventional and offshore wind markets.

The Group seeks to mitigate personnel risks via its recruitment and retention policies, training schemes and working practices.

The Group's exposure to financial risks including the impact of the is discussed in the Directors' report on page 9.

Future developments

The Group has seen strong results during 2023 as market conditions continued to improve in the Group's end markets and activity levels increased.

As part of our growth strategy, the Group aims to continue to increase the proportion of investment we make into the offshore wind market and have completed three further acquisitions in 2023 as follows:

- In March 2023, the Group completed the acquisition of Pelagian Limited ("Pelagian"), a company that provides consultancy, engineering, and installation management services to the subsea cable and offshore renewable energy industries. With this acquisition, OEG will be better equipped to support the cable sector across different end markets including telecommunications and interconnectors as well as offshore wind.
- In June 2023, the Group completed the acquisition of 23 Degrees Renewables Limited, a company that provides nearshore and onshore power installation services. The acquisition provides a key link to its existing subsea engineering capabilities to further enhance OEG Renewables' integrated service offering in the subsea cable market.
- In August 2023, the Group completed the acquisition of GEOSIGHT Ltd ("GEOSIGHT"), a specialist marine surveying company operating across various sectors, including offshore renewable energy, subsea cables and civils. The acquisition strengthens the Group's survey and positioning offering in the UK and overseas markets.

In June the Group announced the launch of its new division OEG Renewables (OEGR). OEGR consolidates the OEG Offshore group's extensive portfolio of renewable focused capabilities into a single, integrated solutions provider to the worldwide offshore wind sector.

Looking further ahead, the enlarged Group is well positioned for both organic and acquisition led growth and continues to identify new business opportunities across the global market.

Subsequent events

On 9 March 2023, OEG Energy Group Limited (previously Omega Acquisition Limited) acquired 100% of the share capital of OEG Global Limited from OEG Group Limited including the rights to the \$454m intercompany receivable. OEG Energy Group Limited is a company registered in the UK and is controlled by funds managed by Oaktree Capital Management, L.P..

On 20 March 2023, the Group completed the acquisition of Pelagian Limited, a company that provides consultancy, engineering, and installation management services to the subsea cable and offshore renewable energy industries.

On 27 June 2023, the Group completed the acquisition of 23 Degrees Renewables Limited, a company that provides nearshore and onshore power installation services.

Strategic report

Subsequent events (continued)

On 16 August 2023, the Company completed a corporate restructuring exercise whereby OEG Global Limited and OEG Energy Group Limited entered into a formal release of the intercompany loan in consideration for the issue of a single \$1 ordinary share and premium equal to the value of the loan and accrued interest. The accrued preference dividends outstanding in the OEG Global Limited were also capitalised. In addition, there was a redesignation of shares of OEG Global Limited under s636 of the Companies Act 2016 under which the existing share capital was redesignated into one class of ordinary shares. OEG Global Limited subsequently reduced share premium by \$469m and increases distributable reserves by the same amount. Post restructure no sums were due or guarantees provided to the immediate or ultimate parent company.

On 17 August 2023, the Group signed a \$140m facility with lenders including National Westminster Bank PLC as Agent, maturing in August 2026, with two one year extension options. Total commitments of \$140m comprise \$36m drawn Term Loan B ("TLB") and \$104m Revolving Credit Facility ("RCF"). The RCF is provided by NatWest, Citi, and Santander and the TLB is provided by NatWest, Citi, Santander and Goldman Sachs. The facility provides the Company flexibility to refinance its existing borrowings, to continue progressing with its highly active M&A pipeline, and to make certain permitted distributions and for general corporate purposes.

On 25 August 2023, the Group completed the acquisition of GEOSIGHT Ltd., a specialist marine surveying company operating across various sectors, including offshore renewable energy, subsea cables and civils.

On 5 September 2023, the Modex AS FRN Senior Secured \$56.2m (NOK 550,000,000) Bond (the "Bond") was repaid in full.

Directors' statement in performance of their duties under Section 172(1)

In line with Section 172(1) of the Companies Act 2006, the Directors of the Group must act in a way which they consider, in good faith, would most likely promote the success of the Group for the benefit of its members as a whole. In doing this, the directors must have regard, amongst other matters, to the:

- likely consequences of any decisions in the long-term;
- interest of the Group's employees;
- need to foster the Group's business relationships with suppliers, customers and others;
- impact of the Group's operations on the community and environment;
- Group's reputation for high standard of business conduct; and
- need to act fairly as between members of the Group

There must therefore be a careful balance of sometimes competing interests of different stakeholder groups and it is the duty of the Directors to act in such a way should promote the long-term success of the Group as a whole.

The Directors are fully aware of their responsibilities to promote success of the Group in accordance with section 172 (1) of the Companies Act 2006 and ensure good corporate practice. The Board reflects on how the Group engages with its stakeholders and opportunities for enhancement in the future. The relevance of each stakeholder group may increase or decrease depending on the matter in question, so the Board seeks to consider the needs and priorities of each group during its discussions and as part of its decision making.

Effective engagement with key stakeholders is critical to the long-term success of the business. Dialogue with stakeholders assists in identifying the effects of group policies and practices, predicting future developments and trends and realigning strategy.

Shareholders

The Group holds regular meetings with shareholders to discuss operational results, potential opportunities, and strategic direction for the business.

Strategic report

Directors' statement in performance of their duties under Section 172(1) (continued)

Workforce

Our employees, and their motivation and retention, are fundamental to our delivery of our strategy. The health, safety and well-being of our employees is one of our primary considerations in the way we do business. The Group is committed to being a responsible business, maintaining and improving the methods by which employees are involved and can contribute. The group's approach is to fully discuss any matters that may impact the employee's interests, through regular staff communications and meetings.

Customers

The Group is committed to developing and maintaining strong client relationships for the long-term. Management engages with customers on a regular basis, to assess activity levels, performance, and standards of safety. Management embraces customer feedback regarding service and quality, which is given the highest priority, so enabling the Group to provide a better all-round service.

Suppliers

The Group aims to work responsibly with our suppliers who are integral to the successful delivery of our strategy. The Group's Supplier Code of Ethics Policy creates accountability around issues such as human rights, health and safety and environmental impacts to ensure that our suppliers ethical behaviours are consistent with our own.

Community and environment

The Group is committed to operating its business in an environmentally responsible way, and sustainability constitutes a key part of the Group's strategy. Further details are discussed in the Streamlined Energy Carbon Reporting (SECR) report on page 6.

Reputations for high standards of business conduct

Responsible business conduct is fundamental to the long-term success of the Group. The Group is committed to the highest standards of business ethics and corporate social responsibility towards its customers, employees, suppliers, and communities in which it operates. The Group has robust policies and procedures in place setting out the standards and behaviours expected of all employees, agents, contractors, and consultants to help meet the high standards of business conduct, legally and ethically, that is expected.

Streamlined Energy and Carbon Reporting (SECR)

The following sections represent the first report undertaken in accordance with the Streamlined Energy and Carbon ("SECR") Reporting requirements outlined in the Companies Act (2006) for large quoted and unlisted companies. The Group has chosen to voluntarily report on its UK Greenhouse Gas (GHG) emissions.

These following sections contain details on annual GHG emissions, total energy consumption for the Group's UK operations covering our offices, transport assets, and energy efficiency and environmental management actions implemented during the financial year and contains our SECR disclosure for the year ended 31 December 2022.

Methodology

Scope of analysis and data collection

During 2022 we have collected primary data for our offices and business travel activities including: electricity consumption (kWh), electricity transmission and distribution (kWh losses), gas consumption (kWh), onsite fuel usage (litres), company fleet fuel consumption, employee mileage claims (Grey Fleet) and employee business travel and water usage (m³). All primary data used within this report is from 1st January 2022 – 31st December 2022, covering our financial year. The scope of our GHG emissions calculation covers all of the Group's UK operations.

Calculation Methodology

We have used the BEIS and Greenhouse Gas Protocol Corporate Reporting Standard (GHG Protocol) methodology for compiling this GHG data and have calculated our GHG emissions in accordance with the UK Government's reporting guidelines for Company Reporting. To ensure consistency in our reporting we are reporting all GHG emissions in units of CO₂e (carbon dioxide equivalent), and have used 2022 GHG Conversion Factors for Company Reporting, published annually by the Department for Energy Security and Net Zero.

Strategic report

Streamlined Energy and Carbon Reporting (SECR) (continued)

GHG Emissions Scopes

The following reporting scopes (as outlined by the Greenhouse Gas Protocol) are included within this disclosure:

- **Scope 1 GHG Emissions:** direct emissions from sources which OEG owns or controls. This includes natural gas and other fuel consumption in our offices.
- **Scope 2 GHG Emissions:** indirect emissions relating solely to the generation of purchased electricity that is consumed by OEG and electric cars usage.
- **Scope 3 GHG Emissions:** indirect emissions relating to the transmission and distribution of purchased electricity, business travel and water consumption.

Energy Consumption

The table below displays our annual energy consumption for electricity, natural gas, and business travel for the 2022 financial year (1st January – 31st December 2022) for our UK operations. As per SECR reporting requirements this information is presented in kilowatt hours (kWh).

Please note suitable energy (kWh) conversions are currently unavailable for business travel (air), water supply, and water treatment and have therefore been presented as zero within the results table.

Emissions Source	GHG Emissions Scope (GHG Protocol)	Reporting Units	Year ended 31 December 2021	Year ended 31 December 2022
Company Vehicle Fleet	Scopes 1&2	Kilowatt Hour (kWh)	514,187	2,733,428
Electricity	Scopes 2&3	Kilowatt hour (kWh)	845,971	1,185,865
Site Fuels	Scope 1	Kilowatt hour (kWh)	1,168,630	1,130,240
Natural Gas	Scope 1	Kilowatt Hour (kWh)	290,173	660,827
Grey Fleet/Hire Cars	Scope 3	Kilowatt hour (kWh)	-	44,930
Business Travel	Scope 3	Kilowatt Hour (kWh)	-	-
Water Supply	Scope 3	Kilowatt Hour (kWh)	-	-
Water Treatment	Scope 3	Kilowatt Hour (kWh)	-	-
Total Energy Consumption			2,818,961	5,755,290

GHG Emissions Reporting

In accordance with the SECR Emissions Reporting requirements outlined in the Companies Act for large companies our GHG disclosure covering the Group's UK operations for the year ended 31 December 2022 is listed below. Results have been split by Scope as outlined by the GHG Protocol calculation methodology.

GHG Emissions Scope (GHG Protocol)	Reporting Units	Year ended 31 December 2021	Year ended 31 December 2022
Scope 1	tonnes CO ₂ e	467.49	1,094.61
Scope 2	tonnes CO ₂ e	179.62	231.08
Scope 3	tonnes CO ₂ e	22.27	167.71
Total GHG Emissions	tonnes CO₂e	669.38	1,493.40
GHG Emissions Intensity 1	tonnes CO₂e/\$m employee	5.58	3.77

Strategic report

Streamlined Energy and Carbon Reporting (SECR) (continued)

Total GHG Emissions for Scope 1, Scope 2, and Scope 3 for the year ended 31 December 2022 for our UK operations is 1493.40 tonnes CO₂e. Of our total GHG emissions Scope 1 accounts for 73%, Scope 2 accounts for 15%, and Scope 3 counts for 12%. Our GHG Emissions CO₂e Intensity per employee is 3.77 tonnes CO₂e, a decrease of 32% compared to 2021. The year-on-year increase in our total GHG emissions and reduction in emissions per employee reflects the addition of our newly acquired subsidiary organisations within the scope of our reporting.

Energy Efficiency & Environmental Management

During the year the Group has been focusing upon aligning our new acquisitions into the company's wider environmental initiatives. We are currently working on expanding our ISO 14001:2015 Environmental Management System across more of our UK subsidiaries. Alongside this our 2023 budget includes approval to extend LED lighting into all our internal offices/workshops (we have already retrofitted our outside lighting to LED) and install solar panels on two of our larger offices.

The Group will continue to expand our electric vehicle fleet and are currently exploring the use of electric and HVO fuels across our forklift fleet.

Over the coming financial year, the Group is looking to implement a series of near-term and long-term actions identified when we developed our net zero carbon target. These cover a wide range of environmental and energy management measures which will help to increase the energy efficiency of our operations and in turn help to reduce our GHG emissions; in-line with our targets and net zero carbon ambition.

Approved by the Board of Directors and signed on behalf of the Board.



J M Heiton
Director
13 November 2023

Directors' report

The directors present their report and the audited financial statements for the year ended 31 December 2022.

Information on the principal activities, review of business, future developments and principal risks and uncertainties is included in the Strategic Report on pages 2 to 8.

Directors

The following individuals served as directors in the year:

J M Heiton

N Rahman (Appointed 16 May 2022)

Dividends

No interim ordinary dividends were paid during the year (2021: \$74.0m). No final ordinary dividends are proposed.

The cumulative preference share dividends accrued but unpaid at 31 December 2022 amount to \$7.9m (2021: \$7.9m).

Financial risk management objectives and policies

The Group's activities expose it to a number of financial risks including credit, cash flow, liquidity and interest rate risk.

Credit risk

The Group's principal financial assets are trade and other receivables and cash and cash equivalents. The trade and other receivables presented in the consolidated statement of financial position are net of a loss allowance. Allowance is made based on expected loss in the recoverability of the cash flows. The credit risk on trade and other receivables is managed through maintaining good customer relationships and the monitoring of credit levels and settlement periods.

The credit risk on cash and cash equivalents is considered limited with the counterparties being banks with recognised credit ratings assigned by international credit rating agencies.

Cash flow risk

The Group's activities expose it to the financial risks of changes in foreign currency exchange rates. The Group monitors its ongoing exposure and considers forward contracts and fixed interest rate arrangements when applicable. The Group also seeks to mitigate risk by matching foreign currency receipts with foreign currency payments in order to naturally hedge cash flows.

Liquidity risk

The Group's policy is to ensure that it will have sufficient cash to allow it to meet its liabilities when they become due. To achieve this aim, it seeks to maintain cash balances to meet expected requirements for a period of at least 45 days.

Interest rate risk

The Group borrows in desired currencies at floating rates of interest. At 31 December 2022, no interest rate swap instruments were in place.

Directors' report

Financial risk management objectives and policies (continued)

Overseas branches

Registered branches are established in Azerbaijan, Republic of Congo, Trinidad and Tobago, Taiwan and France.

Post balance sheet events

Significant events after the balance sheet date of 31 December 2022 are discussed in the Strategic Report.

Engagement with employees, suppliers, customers and others

Relationships with stakeholders are of strategic importance to the Company and these matters are therefore dealt with in the Strategic Report (under section 172 obligations).

Going concern

As at 31 December 2022 the Group has cash and cash equivalents of \$27.6m and net liabilities of \$75.3m.

In August 2023 the Group completed a corporate restructuring exercise resulting in the formal release of the intercompany loan, redesignation of preference shares and capitalisation of accrued preference dividend. If this restructuring had taken place at 31st December 2022 the revised net asset position would have been \$434.8m. See subsequent events section for further information. Post restructure no sums were due or guarantees provided to the immediate or ultimate parent company.

The Company also signed a new \$140m banking facility in August 2023. The facility provides the Group flexibility to refinance its existing borrowings, to continue progressing with its highly active M&A pipeline, and to make certain permitted distributions and for general corporate purposes.

On 5 September 2023, the Modex AS FRN Senior Secured \$56.2m (NOK 550,000,000) Bond (the "Bond") was repaid in full.

The Group's business activities, together with the factors likely to affect its future development and position, are set out in the Business Review section of the Strategic Report on pages 2 to 8.

The Directors continue to have a high degree of confidence in its' prospects. The Group has made a strong start to 2023 as market conditions continue to improve in the Group's end markets and the directors anticipate that these higher levels of activity will continue through the remainder of 2023.

In assessing going concern we have considered the potential risks and uncertainties arising from the current economic and geopolitical environment, as well as the ongoing impact of the conflict in Ukraine.

Having assessed the Group's financial position and prospects at the time of approving the financial statements, including consideration of reasonably possible downside sensitivities, we are satisfied that the Company and Group has appropriate resources to continue to operate in the ordinary course for at least twelve months from signing the financial statements. Accordingly, the financial statements are prepared on a going concern basis.

Directors' indemnities

The Company has made qualifying third party indemnity provisions for the benefit of its directors', which were made during the year and remain in force at the date of this report.

Disabled employees

Applicants with disabilities are given full and fair consideration during recruitment processes. We are committed to supporting employees with disabilities with regard to training, career development and promotion.

Directors' report

Business relationships

The Group is committed to developing and maintaining strong client relationships for the long-term. Management engages with customers on a regular basis, to assess activity levels, performance, and standards of safety. Management embraces customer feedback regarding service and quality, which is given the highest priority, so enabling the Group to provide a better all-round service. The Group also aims to work responsibly with our suppliers who are integral to the successful delivery of our strategy.

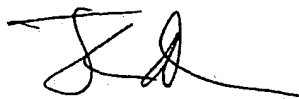
Auditor information

Each of the persons who are a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

Approved by the Board of Directors and signed on behalf of the Board



J M Heiton
Director
13 November 2023

OEG Global Limited

Directors' responsibilities statement

Directors' responsibilities statement

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the group financial statements in accordance with United Kingdom adopted international accounting standards. The directors have chosen to prepare the parent company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 101 "Reduced Disclosure Framework". Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing the parent company financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

In preparing the group financial statements, International Accounting Standard 1 requires that directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements of the financial reporting framework are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the company's ability to continue as a going concern.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions

Independent auditor's report to the members of OEG Global Limited

Opinion

We have audited the financial statements of OEG Global Limited ("Company") and its subsidiaries (the "Group"), which comprise the Consolidated statement of profit or loss, Consolidated statement of comprehensive income, Consolidated and company statement of financial position, Consolidated and company statements of changes in equity, and Consolidated statement of cash flows for the year ended 31 December 2022, and the related notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and accounting standards issued by the Financial Reporting Council including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice) for the Company and the UK-adopted international accounting standards (UK-adopted IAS) for the Group.

In our opinion, the Group and the Company's financial statements:

- give a true and fair view in accordance with the UK-adopted IAS of the assets, liabilities and financial position of the Group as at 31 December 2022 and of the Group financial performance and cash flows for the year then ended;
- give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice of the assets, liabilities and financial position of the Company as at 31 December 2022; and
- have been properly prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ('ISAs (UK)') and applicable law. Our responsibilities under those standards are further described in the 'Responsibilities of the auditor for the audit of the financial statements' section of our report. We are independent of the Group and Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the FRC's Ethical Standard and the ethical pronouncements established by Chartered Accountants Ireland, applied as determined to be appropriate in the circumstances for the entity. 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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's and Company's ability to continue as a going concern for a period of at least twelve months from the date when the financial statements are authorised for issue. Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Other matter

The financial statements of the Group and the Company for the year ended 31 December 2021 were audited by Deloitte LLP who expressed an unmodified opinion on those statements on 22 December 2022.

Other information

Other information comprises information included in the annual report, other than the financial statements and our auditor's report thereon, including the Directors' report and the Strategic report. The Directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies in the financial statements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independent auditor's report to the members of OEG Global Limited

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and its environment obtained in the course of the audit, we have not identified any material misstatements in the Strategic report and the Directors' report. We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of management and those charged with governance for the financial statements

As explained more fully in the Directors' responsibilities statement, management is responsible for the preparation of the financial statements which give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice, including FRS 101, for the Company and UK-adopted IAS for the Group, and for such internal control as Directors determine necessary to enable the preparation of financial statements are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Group and Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or the Company or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Group and Company's financial reporting process.

Responsibilities of the auditor for the audit of the financial statements

The objectives of an auditor 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 their opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. A further description of an auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud)

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatement in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK). The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Based on our understanding of the Group and the Company and its industry, we identified that the principal risks of non-compliance with laws and regulations related to compliance with Financial Conduct Authority and Data Privacy Law, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as Companies Act 2006 and UK tax legislation.

Independent auditor's report to the members of OEG Global Limited

Responsibilities of the auditor for the audit of the financial statements (continued)

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud (continued)

The audit engagement partner considered the experience and expertise of the engagement team (including ITGC specialists, valuation experts in relation to goodwill and intangibles and tax specialists) to ensure that the team had appropriate competence and capabilities to identify or recognise non-compliance with the laws and regulation. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to manipulate financial performance and management bias through judgements and assumptions in significant accounting estimates, in particular in relation to significant one-off or unusual transactions. We apply professional scepticism through the audit to consider potential deliberate omission or concealment of significant transactions, or incomplete/inaccurate disclosures in the financial statements.

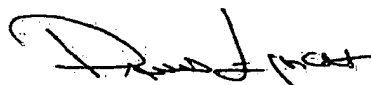
In response to these principal risks, our audit procedures included but were not limited to:

- enquiries of management on the policies and procedures in place regarding compliance with laws and regulations, including consideration of known or suspected instances of non-compliance and whether they have knowledge of any actual, suspected or alleged fraud;
- inspection of the Group and the Company's regulatory and legal correspondence and review of minutes of directors' meetings during the year to corroborate inquiries made;
- gaining an understanding of the Group and the Company's current activities, the scope of authorisation and the effectiveness of its control environment to mitigate risks related to fraud;
- discussion amongst the engagement team in relation to the identified laws and regulations and regarding the risk of fraud, and remaining alert to any indications of non-compliance or opportunities for fraudulent manipulation of financial statements throughout the audit;
- identifying and testing journal entries to address the risk of inappropriate journals and management override of controls;
- designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing;
- challenging assumptions and judgements made by management in their significant accounting estimates, including assessment of impairment of goodwill and other intangibles and expected credit losses; and
- review of the financial statement disclosures to underlying supporting documentation and inquiries of management.

The primary responsibility for the prevention and detection of irregularities including fraud rests with those charged with governance and management. As with any audit, there remains a risk of non-detection or irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or override of internal controls.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the Group's members, as a body, in accordance with chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Group's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Group and the Group's members as a body, for our audit work, for this report, or for the opinions we have formed.



David Lynch (Senior Statutory Auditor)

For and on behalf of

Grant Thornton

Chartered Accountants & Statutory Auditors

Dublin

Ireland

13 November 2023

Consolidated statement of profit or loss
For the year ended 31 December 2022

		Year ended 31 December 2022 \$'000	Year ended 31 December 2021 \$'000
	Notes		
Revenue	5	301,932	154,541
Cost of sales		(181,998)	(96,964)
Gross profit		119,934	57,577
Administrative expenses		(87,915)	(49,029)
Share of results of joint venture	17	-	(39)
Operating profit	6	32,019	8,509
Finance costs	8	(26,033)	(14,636)
Other gains and losses	9	(17,485)	(3,319)
Loss before tax		(11,499)	(9,446)
Income tax	10	(4,931)	(1,227)
Loss for the year		<u>(16,430)</u>	<u>(10,673)</u>

The accompanying notes 1 to 31 form an integral part of these consolidated financial statements.

Consolidated statement of comprehensive loss
For the year ended 31 December 2022

		Year ended 31 December 2022 \$'000	Year ended 31 December 2021 \$'000
	Notes		
Loss for the year		(16,430)	(10,673)
<i>Items that may be reclassified subsequently to the income statement in subsequent periods:</i>			
Exchange differences on translation of foreign operations	24	1,862	(1,076)
Other comprehensive expense for the year, net of income tax		1,862	(1,076)
Total comprehensive loss for the year		(14,568)	(11,749)

Consolidated and company statements of financial position
As at 31 December 2022

		Group		Company	
	Note	2022	2021	2022	2021
		\$'000	\$'000	\$'000	\$'000
Non-current assets					
Goodwill	13	105,635	63,058	-	-
Other intangible assets	14	63,929	67,289	-	-
Property, plant and equipment	15	297,821	293,081	-	-
Right-of-use assets	16	42,683	25,936	-	-
Investments	17	-	-	51,542	51,542
		<u>510,068</u>	<u>449,364</u>	<u>51,542</u>	<u>51,542</u>
Current assets					
Inventories	18	4,059	2,570	-	-
Trade and other receivables	19	97,459	70,842	476,931	413,350
Cash and cash equivalents	20	27,557	28,084	-	-
		<u>129,075</u>	<u>101,496</u>	<u>476,931</u>	<u>413,350</u>
Total assets		<u>639,143</u>	<u>550,860</u>	<u>528,473</u>	<u>464,892</u>
Current liabilities					
Trade and other payables	21	54,429	35,764	-	-
Current tax liabilities	10	1,190	1,929	-	-
Borrowings	22	62,821	446	-	-
Lease liabilities	23	7,850	8,203	-	-
		<u>126,290</u>	<u>46,342</u>	<u>-</u>	<u>-</u>
Non-current liabilities					
Trade and other payables	21	5,481	12,580	-	-
Borrowings	22	529,721	514,039	512,292	449,406
Lease liabilities	23	27,687	16,017	-	-
Deferred tax liabilities	10	25,215	22,565	-	-
		<u>588,104</u>	<u>565,201</u>	<u>-</u>	<u>-</u>
Total liabilities		<u>714,394</u>	<u>611,543</u>	<u>512,292</u>	<u>449,406</u>
Net assets/(liabilities)		<u>(75,251)</u>	<u>(60,683)</u>	<u>16,181</u>	<u>15,486</u>
Equity					
Share capital	24	5,518	5,518	5,518	5,518
Share premium	24	302	302	302	302
Accumulated losses		(83,340)	(66,910)	3,700	3,005
Translation reserve	24	2,269	407	6,661	6,661
Shareholder equity/(deficit)		<u>(75,251)</u>	<u>(60,683)</u>	<u>16,181</u>	<u>15,486</u>

The parent company's profit for the year was \$0.7m (2021: profit of \$84.5m). The financial statements of OEG Global Limited, registered number 08132445, were approved by the Board of Directors on 13 November 2023.

Signed on behalf of the Board of Directors



J M Heiton
 Director

Consolidated and company statements of changes in equity
For the year ended 31 December 2022

Group	Share capital \$'000	Share premium \$'000	Accumulated losses \$'000	Translation reserve \$'000	Total equity \$'000
Balance at 1 January 2021	5,518	302	17,763	1,483	25,066
Loss for the year	-	-	(10,673)	-	(10,673)
Other comprehensive income for the year	-	-	-	(1,076)	(1,076)
Total comprehensive expense for the year	-	-	(10,673)	(1,076)	(11,749)
Dividends paid	-	-	(74,000)	-	(74,000)
Balance at 31 December 2021	5,518	302	(66,910)	407	(60,683)
Loss for the year	-	-	(16,430)	-	(16,430)
Other comprehensive expense for the year	-	-	-	1,862	1,862
Total comprehensive expense for the year	-	-	(16,430)	1,862	(14,568)
Balance at 31 December 2022	5,518	302	(83,340)	2,269	(75,251)

Company	Share capital \$'000	Share premium \$'000	Accumulated losses \$'000	Translation reserve \$'000	Total equity \$'000
Balance at 1 January 2021	5,518	302	(7,513)	6,661	4,968
Profit for the year	-	-	84,518	-	84,518
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income for the year	-	-	84,518	-	84,518
Dividends paid (note 12)	-	-	(74,000)	-	(74,000)
Balance at 31 December 2021	5,518	302	3,005	6,661	15,486
Profit for the year	-	-	695	-	695
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income for the year	-	-	695	-	695
Balance at 31 December 2022	5,518	302	3,700	6,661	16,181

Consolidated statement of cash flows

For the year ended 31 December 2022

		Year ended 31 December 2022	Year ended 31 December 2021
	Note	\$'000	\$'000
Operating activities			
Loss before taxation		(11,499)	(9,446)
Adjustments for:			
Depreciation of property, plant and equipment	15	45,853	38,288
Depreciation of right-of-use assets	16	8,339	7,395
Amortisation of intangible assets	14	9,053	5,022
Gain on disposal of property, plant and equipment		(2,116)	(3,225)
Finance costs	8	26,033	14,636
Foreign exchange loss		18,257	1,497
Fair value assessments		-	(9,868)
Share of post-tax losses of equity accounted joint venture	17	-	39
Operating cash flows before movements in working capital		93,920	44,338
(Increase)/decrease in inventories		(1,415)	369
Decrease in trade and other receivables		(13,914)	(9,327)
Increase in trade and other payables		1,292	5,081
		(14,037)	(3,877)
Cash generated by operations		79,883	40,461
Interest paid		(7,145)	(3,926)
Income taxes paid		(5,681)	(2,379)
Net cash from operating activities		67,057	34,156
Investing activities			
Acquisition of subsidiaries	25	(28,035)	(137,452)
Purchase of property, plant and equipment		(47,638)	(36,511)
Proceeds from sale of property, plant and equipment		7,377	5,296
Net cash used in investing activities		(68,296)	(168,667)
Financing activities			
Repayment of loans	22	(24,721)	(270)
Proceeds from loan from Parent Company	22	39,670	162,118
Repayments of lease liabilities	23	(11,378)	(9,407)
Net cash from financing activities		3,571	152,441
Net increase in cash and cash equivalents		2,332	17,930
Cash and cash equivalents at beginning of year		28,084	10,313
Effect of foreign exchange rate changes		(2,859)	(159)
Cash and cash equivalents at end of year	20	27,557	28,084

Notes to the financial statements

For the year ended 31 December 2022

1. General information

These financial statements are for the year ended 31 December 2022.

The consolidated financial statements have been prepared and approved by the directors in accordance with UK-adopted International Accounting Standards (IAS) issued by the UK Endorsement Board and in accordance with the provisions of the UK Companies Act 2006. The Company has elected to prepare its parent company financial statements in accordance with UK GAAP, including FRS 101 Reduced Disclosure Framework.

The Company is a private company limited by shares incorporated and domiciled in England, United Kingdom, under the Companies Act 2006. The address of the Company's registered office is Yarmouth Business Park, Thamesfield Way, Great Yarmouth, Norfolk, NR31 0ER

The principal activities of the Company and Group are described in the Strategic Report on page 2.

The following subsidiaries are exempt from the requirements of the UK companies Act 2006 relating to the audit of individual accounts by virtue of section 479A of the Act. The Company has issued parent company guarantees to the exempt companies under section 479C of the Act.

Subsidiary Name	Companies House Registration Number
<i>OEG Offshore Group Limited</i>	06498626
<i>OEG Offshore Limited</i>	SC092719
<i>OEG Offshore UK Limited</i>	SC052531
<i>OEG Caspian Limited</i>	SC342458
<i>Arden Holdings Limited</i>	SC099436
<i>HFG Corporate Limited</i>	SC309083
<i>Harran Limited</i>	SC161151
<i>Pegasus Welfare Solutions Limited</i>	10781350
<i>Fern Communications Limited</i>	04514947
<i>Hughes Subsea Services Limited</i>	11003015
<i>Blue Manta International Limited</i>	SC229088
<i>Specialist Marine Consultants Limited</i>	05972360
<i>Sea Jet Systems Limited</i>	14191937
<i>Manor Energy Group Limited</i>	12184008
<i>Manor Renewable Energy Limited</i>	08753840
<i>Manor Marine UK Limited</i>	02590501

Notes to the financial statements

For the year ended 31 December 2022

2. Adoption of new and revised standards

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS Standards), as set out at the significant accounting policies (note 3).

The accounting policies adopted by the Group are consistent with those of the previous financial year, except for the following new and amended IFRS, which have been issued by the International Accounting Standards Board ("IASB") and have been adopted for use by the UK Endorsement Board for annual reporting periods beginning on or after 1 January 2022.

Amendments to IFRS 3 – Reference to the Conceptual Framework

Amendments to IAS 16 – *Property, Plant and Equipment* - Proceeds before Intended Use

Amendments to IAS 37 – *Provisions, Contingent Liabilities and Contingent Assets* - Onerous Contracts - Cost of Fulfilling a Contract

Annual improvements to IFRS Standards 2018-2020

Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

New and revised IFRS Standards in issue but not yet effective

At the date of authorisation of these financial statements, the Group has not applied the following new and revised IFRS Standards that have been issued but are not yet effective:

IFRS 17 *Insurance Contracts* (effective 1 January 2023)

Amendments to IAS 1 *Presentation of Financial Statements* and IFRS Practice Statement 2 *Making Materiality Judgements – Disclosure of Accounting Policies* (effective 1 January 2023)

Amendments to IAS 8 *Accounting Policies*, *Changes in Accounting Estimates and Errors – Disclosure of Accounting Policies* (effective 1 January 2023)

Amendments to IAS 12 *Income Taxes* – Deferred Tax related to Assets and Liabilities arising from a Single Transaction (effective 1 January 2023)

Amendments to IFRS 16 *Leases* – Leases on Sale and Leaseback (effective 1 January 2024)

The directors do not expect that the adoption of the Standards listed above will have a material impact on the financial statements of the Group in future periods.

3. Significant accounting policies

Basis of preparation

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). The consolidated Financial Statements have been prepared in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006.

The Company meets the definition of a qualifying entity under FRS 100 'Application of Financial Reporting Requirements' issued by the FRC. Accordingly, these financial statements were prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework'. As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to share-based payments, financial instruments, capital management, presentation of a cash flow statement, standards not yet effective, certain disclosure in respect of revenue from contracts with customers, impairment of assets and certain related party transactions.

The financial statements have been prepared on the historical cost basis as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

The principal accounting policies adopted are set out below.

Notes to the financial statements

For the year ended 31 December 2022

3. Significant accounting policies (continued)

Investments

Investments in subsidiaries are stated at cost less any provisions for impairment, where appropriate.

Going concern

The going concern basis is applied in the preparation of these financial statements.

As at 31 December 2022 the Group has cash and cash equivalents of \$27.6m and net liabilities of \$75.3m.

In August 2023 the Group completed a corporate restructuring exercise resulting in the formal release of the intercompany loan, redesignation of preference shares and capitalisation of accrued preference dividend. If this restructuring had taken place at 31st December 2022 the revised net asset position would have been \$434.8m. Post restructure no sums were due or guarantees provided to the immediate or ultimate parent company. See subsequent events in note 30 for further information.

The Company also signed a new \$140m banking facility in August 2023. The facility provides the Group flexibility to refinance its existing borrowings, to continue progressing with its highly active M&A pipeline, and to make certain permitted distributions and for general corporate purposes.

On 5 September 2023, the Modex AS FRN Senior Secured \$56.2m (NOK 550,000,000) Bond (the "Bond") was repaid in full.

The Group's business activities, together with the factors likely to affect its future development and position, are set out in the Business Review section of the Strategic Report on pages 2 to 8.

The Directors continue to have a high degree of confidence in its' prospects. The Group has made a strong start to 2023 as market conditions continue to grow in the Group's end markets and the directors anticipate that these higher levels of activity will continue through the remainder of 2023.

In assessing going concern we have considered the potential risks and uncertainties arising from the current economic and geopolitical environment, as well as the ongoing impact of the conflict in Ukraine.

Having assessed the Group's financial position and prospects at the time of approving the financial statements, including consideration of reasonably possible downside sensitivities, we are satisfied that the Company and Group has appropriate resources to continue to operate in the ordinary course for at least twelve months from signing the financial statements. Accordingly, the financial statements are prepared on a going concern basis.

Functional and presentational currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in USD (\$) which is the Company's functional and the Group's presentational currency. All financial information has been rounded to the nearest thousands, except where otherwise indicated.

Basis of consolidation

Subsidiaries are all entities over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another 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.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

Acquisition-related costs are expensed as incurred.

Notes to the financial statements

For the year ended 31 December 2022

3. Significant accounting policies (continued)

Goodwill is initially measured as the excess of the aggregate of the consideration transferred over the fair value of the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in the statement of comprehensive income.

Inter-company transactions, balances, income and expenses on transactions between Group companies are eliminated. Profits and losses resulting from inter-company transactions that are recognised in assets are also eliminated. Accounting policies of subsidiaries are aligned where necessary to ensure consistency with the policies adopted by the Group.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, the results of subsidiaries acquired or disposed of during the year are included in profit or loss from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Goodwill

Goodwill is initially recognised and measured as set out above.

Goodwill is not amortised but is reviewed for impairment at least annually. For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

On disposal of a cash generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Joint ventures

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of joint ventures are incorporated in these financial statements using the equity method of accounting.

Under the equity method, an investment in a joint venture is recognised initially in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the joint venture. When the Group's share of losses of a joint venture exceeds the Group's interest in that joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the joint venture.

Notes to the financial statements

For the year ended 31 December 2022

3. Significant accounting policies (continued)

Revenue recognition

The Group recognises revenue from the following major sources:

- Sale and Rental of Cargo Carrying Units
- Other Services
- Offshore Wind Integrated Services

Revenue is measured based on the consideration to which the Group expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control of a product or service to a customer.

i) *Rental of Cargo Carrying Units*

The Group's rental revenue has distinct performance obligation, treated as a series, due to the overall promise to deliver a series of days of equipment that are substantially the same and have the same pattern of transfer to the customer, with revenue being recognised over time at the rate contracted.

ii) *Sale of Cargo Carrying Units and Other Services*

Revenue for the sale of goods and services are grouped within a contract and have distinct performance obligations to deliver goods and services. Revenue is recognised as the Group satisfies the performance obligation, by transferring a good and service to a customer. A good or service is transferred when the customer obtains control of that good or service.

iii) *Offshore Wind Integrated Services*

Revenue for Offshore Wind Integrated Services are grouped within a contract and have distinct performance obligations to deliver goods and services. Revenue is recognised as the Group satisfies the performance obligation, by transferring a good and service to a customer. A good or service is transferred when the customer obtains control of that good or service.

Leases

Lease identification

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identifiable asset for a period of time in exchange for consideration.

Right-of-use assets

At the commencement date, the right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, less any incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the Group to dismantle and remove the underlying asset or restore the underlying asset or the site on which it is located.

The right of use asset is depreciated on a straight-line basis over the shorter of the estimated useful life of the asset, the lease term. In addition, the right of use asset is periodically reduced by impairment losses, if applicable, and adjusted for certain remeasurements of the lease liability.

Lease liabilities

Lease liabilities are measured using an effective interest method so that the carrying amount of the lease liability is measured on an amortised cost basis and the interest expenses is allocated over the lease term.

Interest on the lease liability in each period during the lease term is the amount that produces a constant periodic rate of interest on the remaining balance of the lease liability. The periodic rate of interest is the discount rate used in the initial measurement of the lease liability. Lease payments are discounted using the interest rate implicit in the lease or the Group's incremental borrowing rate if the rate implicit in the lease is not readily determined. After the commencement date, both interest on the lease liability and variable lease payments not included in the measurement period is recognised in profit or loss.

Notes to the financial statements

For the year ended 31 December 2022

3. Significant accounting policies (continued)

Extensions and terminations

The Group reassesses whether it is reasonably certain to exercise an extension option, or not to exercise a termination option, upon the occurrence of either a significant event or a significant change in circumstances which is in its control. It is considered significant if it affects whether the Group is reasonably certain to exercise (or not exercise) an option not previously included in its determination of the lease term. The Group will revise the lease term if there is a change in the non-cancellable period of a lease.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the low-value assets recognition exemption to leases of assets below \$5,000. Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

Foreign currencies

In preparing the financial statements of the individual companies, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in profit or loss in the period in which they arise.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated at exchange rates prevailing on the reporting date. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in a separate component of equity (attributed to non-controlling interests as appropriate).

Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

The Company's post-employment schemes comprise a defined contribution pension plan.

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognized as an employee benefit expense in the income statement when they are due.

Taxation

The income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Notes to the financial statements

For the year ended 31 December 2022

3. Significant accounting policies (continued)

A provision is recognised for those matters for which the tax determination is uncertain, but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable. The assessment is based on the judgement of tax professionals within the Company supported by previous experience in respect of such activities and in certain cases based on specialist independent tax advice.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, a deferred tax liability is not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled, or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the reporting date.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current tax and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Notes to the financial statements

For the year ended 31 December 2022

3. Significant accounting policies (continued)

Property, plant and equipment

All property, plant and equipment are stated at historical cost less depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only if the subsequent expenditure enhances the economic value or life of the asset and if the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of profit or loss during the financial year in which they are incurred. Depreciation on other assets is calculated using the straight-line method to allocate their cost over their estimated useful lives at annual rates, as follows:

Property improvements	5-100%
Plant & Machinery	4-50%
Office and workshop equipment	10-33%

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognised separately from goodwill are recognised initially at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

The existing finite life intangible assets have a residual value of nil and are amortised on a straight-line basis over their useful economic lives as follows:

Customer relationships – over the estimated life of 5 to 10 years.

Amortisation is recorded within administrative expenses in the consolidated statement of profit or loss.

Impairment of tangible and intangible assets excluding goodwill

At each reporting date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with an indefinite useful life are tested for impairment at least annually.

Notes to the financial statements

For the year ended 31 December 2022

3. Significant accounting policies (continued)

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Financial Instruments

Financial assets and financial liabilities are recognised in the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL). The nature of the Group's financial assets is such that they largely meet the above conditions and therefore are subsequently measured at amortised cost.

Impairment of financial assets

The Group always recognises lifetime ECL for trade receivables, contract assets and lease receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12 month ECL.

Notes to the financial statements

For the year ended 31 December 2022

3. Significant accounting policies (continued)

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12 month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk for a particular financial instrument;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- significant increases in credit risk on other financial instruments of the same debtor; or
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Financial assets (continued)

The Group monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that financial assets that meet either of the following criteria are generally not recoverable:

- when there is a breach of financial covenants by the debtor; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collateral held by the Group).

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 1 year past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognised in other comprehensive income and accumulated in the investment revaluation reserve, and does not reduce the carrying amount of the financial asset in the statement of financial position.

Derecognition of financial assets.

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Notes to the financial statements

For the year ended 31 December 2022

3. Significant accounting policies (continued)

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss. In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the investment's revaluation reserve is reclassified to profit or loss. In contrast, on derecognition of an investment in equity instrument which the Group has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Financial liabilities

Financial liabilities are classified at initial recognition as (i) financial liabilities at fair value through profit or loss, (ii) loans and borrowings, (iii) payables as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Group's financial liabilities include trade and other payables and borrowings. Subsequent measurement depends on its classification as follows:

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is held for trading. A financial liability is classified as held for trading if it has been acquired principally for the purpose of repurchasing it in the near term.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in the Income Statement when the liabilities are derecognised. Amortisation is included as finance costs in the Income Statement. This category applies to interest-bearing loans and borrowings.

Cash and cash equivalents

Cash and cash equivalents include cash in hand and current balances with banks, which are readily convertible to known amounts of cash which are subject to insignificant risk of changes in value.

For the purposes of the consolidated Statement of Cash Flows, cash and cash equivalents consists of cash and cash equivalents, as defined above, as they are considered and integral part of the Group's cash management.

Inventories

i) Raw materials and consumable supplies

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the first-in, first-out (FIFO) method. The cost of work in progress comprises design costs, raw materials, direct labour and other direct costs. It excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

ii) Work in progress

The category 'work in progress' consists of cabins and cargo carrying units under construction. Work in progress is stated at the lower of manufacturing costs and net realisable value. Manufacturing costs being the direct costs of materials and labour, directly attributable work contracted out and other external costs, including a mark-up for fixed and variable manufacturing-related costs. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated total costs related to the work to be performed for completion of the cabins.

Notes to the financial statements

For the year ended 31 December 2022

3. Significant accounting policies (continued)

Finance cost

Finance costs comprise interest expense and are recognised in profit or loss in the period in which they are incurred.

Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

Adjusting and non recurring items

Adjusting and non recurring items are identified as items which are considered to be material due to their size or their nature and require separate disclosure due to their significance on the reported results.

4. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, which are described in note 3, the directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the Group's accounting policies

The following are the critical judgements, apart from those involving estimations (which are presented separately below), that the directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in financial statements.

Acquisition accounting

In accounting for business combinations, separable assets and liabilities acquired have to be identified and their fair values assessed. Judgement is required in identifying all separable assets and then in estimating their fair values. Details concerning the acquisitions in the year are outlined in note 25.

A provisional assessment was undertaken to determine the existence of intangibles acquired as part of the business combinations, with judgement involved in assessing the existence of intangible and accounting estimation involved in determining the fair values attributable to the intangibles, taking into account consideration paid, nature of the acquired entity, historic trading (including customer relationships) and any other relevant factors.

Each category of intangible and its related economic life is considered separately.

Notes to the financial statements

For the year ended 31 December 2022

4. Critical accounting judgements and key sources of estimation uncertainty (continued)

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting period that may 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.

Impairment of goodwill and other intangibles

Determining whether goodwill and other intangibles is impaired requires estimation of the value in use of the cash generating units (CGUs) to which the asset is allocated. Key estimates in the value in use calculation include the future net cash flows expected to arise from each CGU, a suitable discount rate, and long-term growth rate to apply to the cash flows to calculate the net present value.

The carrying value of goodwill and customer relationships at 31 December 2022 is \$105.6m and \$63.9m respectively (2021: \$63.1m and \$67.3m respectively). No impairment was noted in goodwill and customer relationships at 31 December 2022 or 31 December 2021. The key assumptions used, and their sensitivities are included in notes 13 and 14.

Income and corporate taxes

The Group is subject to income taxes in numerous jurisdictions in which the Group operates. Judgement is required in assessing the tax consequences of transactions and estimating the provision for income and corporate taxes. Where the final assessment and outcome is different, such differences will impact the current and deferred taxes assets and liabilities in the year in which such determination is made. Further details on the tax on profit on ordinary activities are set out in note 10.

Impairment of rental assets

Determining whether classes of rental assets are impaired requires an estimation of their recoverable value. The carrying value of rental assets at 31 December 2022 is \$295.7m (2021: \$279.8m). Key areas of estimation uncertainty in the value in use calculation include the future cash flows, the application of an appropriate discount rate and the remaining useful lives of the assets concerned. The value in use calculated is compared to their estimated recoverable value. When assessing the value in use of rental assets consideration is given to the global mobility and transferability of the assets between CGUs. No impairment was noted in the classes of rental assets as at 31 December 2022 or 31 December 2021.

Calculation of loss allowance

The estimation of expected credit loss is based on past experience as well as consideration of current circumstances and outlook. Probability of default constitutes a key input and is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

At 31 December 2022 net trade receivables are \$64.0m (2021: \$52.9m) with an established expected credit loss of \$7.6m (2021: \$4.6m).

Depreciation and amortisation rates

In applying the accounting policy outlined in note 3, the Group estimates the useful lives and residual value of Plant and Machinery with a carrying value of \$295.7m (2021: \$279.8m). The current useful lives are estimated at 10 to 15 years with nil residual value.

In applying the accounting policy outlined in note 3, the Group estimates the useful lives and residual value of customer relationships with a carrying value of \$63.9m (2021: \$67.3m). The current useful lives are estimated at 5 to 10 years with nil residual value.

Notes to the financial statements

For the year ended 31 December 2022

5. Revenue

An analysis of revenue by geographical territory, based on the location of the customer, is set out in the table below.

Revenue	2022 \$'000	2021 \$'000
EMEAC	210,825	85,731
APAC	43,530	34,395
Americas	47,577	34,415
	<u>301,932</u>	<u>154,541</u>

The Group provides goods and services to a large number of customers with no individual party accounting for more than 10% of revenue. The Group's revenue from its major products and services comprises three discrete revenue streams being the sale and rental of cargo carrying units, Offshore wind integrated services and other services.

	2022 \$'000	2021 \$'000
Sale and rental of cargo carrying units	192,312	132,260
Offshore wind integrated services	95,772	9,300
Other services	13,848	12,981
	<u>301,932</u>	<u>154,541</u>

Notes to the financial statements

For the year ended 31 December 2022

6. Loss for the year

The loss for the year has been arrived at after charging/(crediting):

	2022 \$'000	2021 \$'000
Depreciation of property, plant and equipment (note 15)	45,853	38,288
Depreciation expense on right-of-use assets (note 16)	8,339	7,395
Gain on disposal of property, plant & equipment	(2,156)	(3,225)
Amortisation of intangible assets (note 14)	9,053	5,022
Cost of inventories recognised as expense	7,484	3,148
Staff costs (note 7)	48,091	31,423
Loss allowance on trade receivables (note 19)	3,301	(47)
Expense relating to short-term leases	745	696

Included in the gain on disposal of property, plant & equipment of \$2.2m (2021: \$3.2m) above, is a gain of \$7.4m (2021: \$5.3m) as a result of the sale of ex offshore rental cabin and containers, which is recorded as revenue and the associated costs in cost of sales.

In 2021, government grants were recognised in relation to expenses totalling \$0.5m in response to the COVID-19 pandemic. These arrangements were designed to provide relief to companies in respect of staff costs for jobs retained amid the pandemic. These grants were netted within staff costs in 2021.

Reconciliation to non-GAAP measures and performance

The reconciliation of the operating profit/(loss) for the year to adjusted EBITDA is set out below:

	2022 \$'000	2021 \$'000
Operating profit/(loss) for the year	32,019	8,509
Adjustments for:		
Depreciation of property, plant and equipment (note 15)	45,853	38,288
Depreciation expense on right-of-use assets (note 16)	8,339	7,395
Amortisation of intangible assets (note 14)	9,053	5,022
Group Restructuring/Integration costs	5,932	869
Acquisition and strategy related costs	5,886	2,857
Adjusted EBITDA	107,082	62,940

The adjusting items are as follows:

Group restructuring/integration costs: The charge for the year was \$5.9m (2021: \$0.9m) and comprises costs incurred as part of the Group restructuring following the business acquisitions in the current and prior year, including the cost of severance, legal, lease termination and other integration costs.

Acquisition and strategy related costs: The charge of \$5.9m (2021: \$2.9m) comprises costs associated with the business acquisitions in the year and the longer-term strategy of the Group.

The above costs are identified as adjusting items as they do not relate to the Group's ordinary trading activities.

Notes to the financial statements
For the year ended 31 December 2022

6. Loss for the year (continued)

Auditor's remuneration

The analysis of the auditor's remuneration is as follows:

	2022 \$'000	2021 \$'000
Fees payable to the Company's auditor for the audit of the Company's annual accounts		
Fees payable to the company's auditor and their associates for other services to the group	575	407
- The audit of the Company's subsidiaries	-	89
Total audit fees	<u>575</u>	<u>496</u>
 Corporate finance services	-	1,543
Tax compliance services	-	13
Other tax advisory services	-	169
Total non-audit fees	<u>-</u>	<u>1,725</u>

Notes to the financial statements

For the year ended 31 December 2022

7. Staff costs

The monthly average number of persons employed by the Group, including directors, was as follows:

	2022 Number	2021 Number
Management and administration	220	164
Operations	578	297
	<u>798</u>	<u>461</u>

There were no persons employed by the Company.

Their aggregate remuneration comprised:

	2022 \$'000	2021 \$'000
Wages and salaries	41,194	27,320
Social security	4,734	3,100
Other pension costs	2,163	1,529
Staff costs before government grants	<u>48,091</u>	<u>31,949</u>
Government grants (note 6)	<u>-</u>	<u>(526)</u>
Total Staff costs	<u>48,091</u>	<u>31,423</u>

Aggregate directors' remuneration

One director received remuneration during the year (2021: one) in respect of their services to the Company.

The total amounts for directors' remuneration in accordance with Schedule 5 to the Accounting Regulations were as follows:

	2022 \$'000	2021 \$'000
Aggregate emoluments	<u>179</u>	<u>209</u>

One director (2021: one) is a member of a money purchase scheme and contributions in the year were \$7,000 (2021: \$7,000).

	2022 \$'000	2021 \$'000
Highest paid director		
Total amount of emoluments (including pension contributions)	<u>179</u>	<u>209</u>

Contributions of \$9,000 (2021: \$7,000) have been made to the money purchase scheme on behalf of the highest paid director.

Notes to the financial statements

For the year ended 31 December 2022

8. Finance costs

	2022 \$'000	2021 \$'000
Interest on loans with associated companies	18,778	10,830
Bond interest	5,908	2,424
Finance charges payables in respect of leases	1,149	1,312
Bank and other interest	198	70
Total interest expense	<u>26,033</u>	<u>14,636</u>

9. Other gains and losses

Other gains and losses comprise the following:

	2022 \$'000	2021 \$'000
Net foreign currency losses	<u>(17,485)</u>	<u>(3,319)</u>
Total other gains and losses	<u>(17,485)</u>	<u>(3,319)</u>

The foreign currency losses in the current and prior year are arising from financial assets and liabilities at amortised cost.

10. Income tax

	2022 \$'000	2021 \$'000
Current tax charge		
Current year	4,543	2,487
Prior year adjustment	<u>(129)</u>	<u>(433)</u>
Total current tax charge	4,414	2,054
Deferred tax credit		
Current year	1,361	496
Prior year adjustment	<u>(844)</u>	<u>(1,323)</u>
Total deferred tax credit	517	(827)
Tax credit	<u>4,931</u>	<u>1,227</u>

The standard rate of corporation tax applied to reported profit is 19%.

Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

Notes to the financial statements

For the year ended 31 December 2022

10. Income Tax (continued)

As the Group's parent company is domiciled in the UK, the Group uses the UK corporation tax to reconcile its effective tax rate. The credit for the year can be reconciled to the loss before tax as follows:

	2022 \$'000	2021 \$'000
Loss before tax	(11,499)	(33,100)
Tax at the UK corporation tax rate of 19 % (2021: 19%)	(2,185)	(6,289)
Tax effect of:		
Effect of different tax rates of subsidiaries operating in other jurisdictions	1,136	550
Expenses not deductible in determining taxable profit/income not taxable	3,912	2,208
Withholding taxes and unrelieved overseas taxes	1,252	1,212
Change in unrecognised deferred tax assets	87	4,401
Reduction in deferred taxes resulting from a reduction in tax rates	216	893
Adjustments in respect of prior periods	(972)	(1,756)
Other	1,485	8
Total income tax credit	4,931	1,227

UK corporation tax is calculated at 19% (2021: 19%) of the estimated assessable profit for the year. Tax for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions. From 1 April 2023 the corporation tax rate will increase to 25% and deferred tax has been provided at 25% on temporary differences at the balance sheet date.

Current tax payable

	2022 \$'000	2021 \$'000
Current tax		
UK corporation tax	956	724
Income tax payable – overseas jurisdictions	234	1,205
	1,190	1,929

Notes to the financial statements

For the year ended 31 December 2022

10. Income Tax (continued)

Deferred tax balances

Deferred tax liabilities recognised by the Group and the movement during the current and prior year is as follows:

	2022 \$'000	2021 \$'000
Balance at 1 January	22,565	9,826
Recognised in profit or loss	1,361	496
Prior year adjustment	(844)	(1,323)
Acquisitions (note 25)	2,716	13,072
Other movements	-	523
Foreign exchange movements	(583)	(29)
Balance at 31 December	<u>25,215</u>	<u>22,565</u>

Deferred tax assets and liabilities are offset where the Group has a legally enforceable right to do so. Deferred tax as presented on the statement of financial position:

	2022 \$'000	2021 \$'000
Customer relationships	15,996	16,430
Property, plant and equipment	15,664	17,597
Losses	(4,985)	-
Temporary timing differences	(1,460)	(11,462)
Total Deferred Tax	<u>25,215</u>	<u>22,565</u>

No deferred tax has been recognised on deductible temporary differences of \$19.9m and tax losses of \$21.1m as there is insufficient evidence that the assets will be recovered.

11. Result of parent company

As permitted by Section 408 of the Companies Act 2006, the statement of comprehensive income of the parent company is not presented as part of these financial statements. The parent company's profit for the year ended 31 December 2022 was \$0.7m (2021: profit \$82.5m).

12. Dividends

	2022 \$'000	2021 \$'000
Interim dividend per share paid for the year ended 31 December 2021 of nil (2021: \$26.43)	-	74,000
Amounts recognised as distributions to equity holders in the year	<u>-</u>	<u>74,000</u>

Notes to the financial statements

For the year ended 31 December 2022

13. Goodwill

	Total \$'000
Group	
Cost and carrying amount	
At 1 January 2021	13,701
Recognised on acquisitions (note 25)	49,357
	<hr/>
At 31 December 2021	63,058
Recognised on acquisitions (note 25)	42,577
	<hr/>
At 31 December 2022	105,635
	<hr/>

Goodwill acquired in a business combination is allocated, on acquisition, to the cash generating units (CGUs) or group of CGUs that are expected to benefit from that business combination. Goodwill is identified by operating segments which are derived from geographic areas of activity, being the lowest levels for which there are separately identifiable cash flows independent of the cash inflows from other groups of assets.

The carrying amount of goodwill has been allocated to CGUs as follows:

	As at 31 December 2022 \$'000	As at 31 December 2021 \$'000
EMEA	93,980	51,403
Asia Pacific	3,483	3,483
Australia	3,196	3,196
Americas	4,751	4,751
Caspian	225	225
	<hr/>	<hr/>
	105,635	63,058
	<hr/>	<hr/>

The Group tests goodwill annually for impairment or more frequently if there are indications of impairment.

The estimated recoverable amounts were assessed by reference to the individual cash-generating units (CGU's) values in use.

Key assumptions used in calculating the estimated recoverable amount are future trading performance and net cash flows, terminal value growth rate and discount rates. Forecast operational cash flows for 2022, 2023 and 2024 together with a perpetuity on the 2024 forecast cash flows with a long term growth rate of 2% are subjected to selected discount rates to assess their net present values. The post-tax discount rates applied to individual CGU's range from 10.0% to 13.6%. The key assumptions reflect our assessment of future prospects, including trends in the industry and are considered by reference to both external and internal sources.

The Group has conducted an analysis of the sensitivity of the impairment test to changes in the key assumptions used to determine the recoverable amount for each of the group of CGUs to which goodwill is allocated. The directors believe that any reasonably possible change in the key assumptions on which the recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the Asia Pacific, Australia, Americas and Caspian CGUs.

The projected cash flows of the EMEA CGU would need to fall by 19% for the recoverable amount of the CGU to be equal to its carrying value.

Following their review of goodwill, the directors have concluded that there is no impairment of goodwill in any of the CGUs.

Notes to the financial statements

For the year ended 31 December 2022

14. Other intangible assets

Group	Customer relationships \$'000
Cost	
At 1 January 2021	38,423
Recognised on acquisitions	37,931
	<hr/>
At 31 December 2021	76,354
Recognised on acquisitions (note 25)	5,693
	<hr/>
At 31 December 2022	82,047
	<hr/>
Amortisation	
At 1 January 2021	4,043
Charge for the year	5,022
	<hr/>
At 31 December 2021	9,065
Charge for the year	9,053
	<hr/>
At 31 December 2022	18,118
	<hr/>
Carrying amount	
At 31 December 2022	63,929
	<hr/>
At 31 December 2021	67,289
	<hr/>

In accordance with IFRS 3 customer relationships identified as intangibles on business combinations are capitalised and amortised over their estimated useful life of 5 to 10 years. Amortisation is recorded within administrative expenses in the statement of profit or loss.

The carrying amount of customer relationships has been allocated to CGUs as follows:

	As at 31 December 2022 \$'000	As at 31 December 2021 \$'000
EMEA	52,402	54,082
Asia Pacific	564	647
Australia	4,672	5,325
Americas	4,659	5,363
Caspian	1,632	1,872
	<hr/>	<hr/>
	63,929	67,289
	<hr/>	<hr/>

The Group tests other intangibles annually for impairment.

There was no impairment of other intangibles in the year.

Notes to the financial statements

For the year ended 31 December 2022

15. Property, plant and equipment

Group	Property improvements \$'000	Rental Assets \$'000	Office and workshop equipment \$'000	Totals \$'000
Cost				
At 1 January 2021	1,433	170,984	3,003	175,420
Acquisitions (note 25)	3,938	117,578	768	122,284
Additions	4,532	28,974	3,402	36,908
Reclassified from right-of-use (note 16)	6,082	8,035	-	14,117
Disposals	(488)	(16,453)	(352)	(17,293)
Exchange differences	(133)	(5,612)	(289)	(6,034)
At 31 December 2021	15,364	303,506	6,532	325,402
Acquisitions (note 25)	494	28,133	519	29,146
Additions	3,883	39,859	3,971	47,713
Disposals	(375)	(15,627)	(1,071)	(17,073)
Exchange differences	(1,183)	(21,791)	(2,098)	(25,072)
At 31 December 2022	18,183	334,080	7,853	360,116
Depreciation				
At 1 January 2021	186	12,993	677	13,856
Charge for the period	610	36,390	1,288	38,288
Reclassified from right-of-use (note 16)	123	1,061	-	1,184
Disposals	(380)	(15,732)	(339)	(16,451)
Exchange differences	(64)	(4,247)	(245)	(4,556)
At 31 December 2021	475	30,465	1,381	32,321
Charge for the year	444	43,331	2,078	45,853
Disposals	(375)	(7,992)	(900)	(9,267)
Exchange differences	(149)	(5,173)	(1,290)	(6,612)
At 31 December 2022	395	60,631	1,269	62,295
Net book value				
At 31 December 2022	17,788	273,449	6,584	297,821
At 31 December 2021	14,889	273,041	5,151	293,081

Notes to the financial statements

For the year ended 31 December 2022

16. Right-of-use assets

Group	Land and Buildings \$'000	Rental Assets \$'000	Office and workshop equipment \$'000	Total \$'000
Cost				
At 1 January 2021	26,675	20,350	1,131	48,156
Acquisitions (note 25)	3,029	-	320	3,349
Additions	397	-	-	397
Disposals	(192)	-	-	(192)
Reclassified to owned assets (note 15)	(6,082)	(8,035)	-	(14,117)
Exchange differences	(132)	(104)	(19)	(255)
At 31 December 2021	23,695	12,211	1,432	37,338
Acquisitions (note 25)	4,906	9,267	-	14,173
Additions	3,220	9,625	69	12,914
Disposals	-	(240)	-	(240)
Exchange differences	(2,161)	261	(68)	(1,968)
At 31 December 2022	29,660	31,124	1,433	62,217
Depreciation				
At 1 January 2021	1,565	3,612	38	5,215
Charge for the year	4,014	2,887	494	7,395
Reclassified to owned assets (note 15)	(123)	(1,061)	-	(1,184)
Exchange differences	(24)	-	-	(24)
At 31 December 2021	5,432	5,438	532	11,402
Charge for the year	4,240	3,660	439	8,339
Disposals	-	(200)	-	(200)
Exchange differences	-	(7)	-	(7)
At 31 December 2022	9,672	8,891	971	19,534
Net book value				
At 31 December 2022	19,988	22,233	462	42,683
At 31 December 2021	18,263	6,773	900	25,936

The significant land and buildings right-of-use assets are in respect of office and yard rentals within the Group's key markets.

The maturity analysis of lease liabilities is presented in note 23.

Notes to the financial statements

For the year ended 31 December 2022

17. Investments

	Group		Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
At 1 January	-	1,714	51,542	51,542
Share of loss	-	(39)	-	-
Disposals	-	(1,675)	-	-
At 31 December	-	-	51,542	51,542

The subsidiaries of the Group, all of which are included in these consolidated financial statements, are listed at note 31.

In 2021 the Group acquired the remaining 35% share in the joint venture, OEG Unique DWC-LLC, a legal entity incorporated and operating in the United Arab Emirates with a year end of 31 December 2021. Accordingly, OEG Unique DWC-LLC is now classified as a wholly owned subsidiary and is fully consolidated in these consolidated financial statements.

18. Inventories

	2022 \$'000	2021 \$'000
Group		
Raw materials and consumables	3,614	2,275
Work in progress	445	295
	<u>4,059</u>	<u>2,570</u>

Notes to the financial statements

For the year ended 31 December 2022

19. Trade and other receivables

	Group		Company	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Trade receivables	71,629	57,536	-	-
Loss allowance	(7,588)	(4,622)	-	-
Net trade receivables	64,041	52,914	-	-
Amounts due from Group undertakings	-	-	476,931	413,350
Other receivables	25,191	12,969	-	-
Prepayments	8,227	4,959	-	-
	97,459	70,842	476,931	413,350

Trade receivables

The average credit period given on sale and rental of cargo carrying units is 30 days. No interest is charged on outstanding trade receivables.

The Group measures the loss allowance for trade receivables at an amount equal to lifetime ECL. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtors and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and as assessment of both the current as well as the forecast direction of conditions at the reporting date. The Group has recognised a loss allowance of 100 per cent against all receivables over 365 days past due because historical experience has indicated that the recoverability of these receivables is uncertain. No loss allowance is recognised for receivables less than 365 days past due unless there is a specific factor indicating the receivables are impaired.

The Group's non-derivative financial assets consist of cash and trade and other receivables, the latter being non-interest bearing. The Group's exposure to currency and credit risk related to trade receivables is disclosed in note 27.

Amounts due from Group undertakings are repayable on demand and attract interest at market rates.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

The Directors consider that the carrying amount of trade and other receivables approximates to their fair value.

The following table shows the movement in lifetime ECL that has been recognised for trade and other receivables in accordance with the simplified approach set out in IFRS 9.

	Group	
	2022	2021
	\$'000	\$'000
Balance as at 1 January	4,622	5,344
Acquisitions (note 25)	-	211
Amounts written off	(288)	(886)
Net remeasurement of loss allowance	3,301	(47)
Exchange differences	(47)	-
Balance as at 31 December	7,588	4,622

Notes to the financial statements
For the year ended 31 December 2022

20. Cash and cash equivalents

	Group		Company	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Cash and cash equivalents	27,557	28,084	-	-

21. Trade and other payables

	Group		Company	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Trade payables	11,948	9,551	-	-
Other payables	13,721	13,399	-	-
Related party payables	-	60	-	-
Accrued expenses	20,513	13,946	-	-
Deferred consideration	13,728	11,388	-	-
	59,910	48,344	-	-
Trade and other payables				
Non-current	5,481	12,580	-	-
Current	54,429	35,764	-	-
	59,910	48,344	-	-

Trade payables and accruals principally comprise amounts outstanding for trade purchases and ongoing costs. The Group has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

Included within non-current other payables is a dilapidations provision of \$337k (2021: \$377k), deferred consideration of \$3,926k (2021: \$10,976k) and other payables of \$1,218k (2021: \$1,227k).

The directors consider that the carrying amount of trade payables approximates to their fair value.

Notes to the financial statements

For the year ended 31 December 2022

22. Borrowings

	Group		Company	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Unsecured borrowing at amortised cost				
Loans from related parties (note 28)	54	47	-	-
Dividends on "A" and "B" redeemable preference shares	7,877	7,877	7,877	7,877
"A" and "B" redeemable preference shares	48,633	48,633	48,633	48,633
Amounts owed to parent company	453,560	395,112	455,782	392,896
Other loans	11,959	-	-	-
	<u>522,083</u>	<u>451,669</u>	<u>512,292</u>	<u>449,406</u>
Secured borrowing at amortised cost				
Senior Secured Bond include accrued interest	56,238	62,816	-	-
Secured Bank loans	14,221	-	-	-
	<u>70,459</u>	<u>62,816</u>	<u>-</u>	<u>-</u>
Total Borrowings	<u>592,542</u>	<u>514,485</u>	<u>512,292</u>	<u>449,406</u>
Amount due for settlement within 12 months	62,875	446	-	-
Amount due for settlement after 12 months	529,667	514,039	512,292	449,406
	<u>592,542</u>	<u>514,485</u>	<u>512,292</u>	<u>449,406</u>

Analysis of Group borrowings by currency:

	USD	NOK	GBP	EUR	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
31 December 2022					
Loans from related parties	-	-	54	-	54
"A" and "B" redeemable preference shares (including dividends)	-	-	56,510	-	56,510
Amounts owed to parent company	453,560	-	-	-	453,560
Senior Secured Bond include accrued interest	-	56,238	-	-	56,238
Secured Bank Loans	6,681	-	2,108	5,432	14,221
Other loans	-	-	-	11,959	11,959
	<u>460,241</u>	<u>56,238</u>	<u>58,672</u>	<u>17,391</u>	<u>592,542</u>

Notes to the financial statements

For the year ended 31 December 2022

22. Borrowings (continued)

Analysis of Group borrowings by currency:

	USD \$'000	NOK \$'000	GBP \$'000	Total \$'000
31 December 2021				
Loans from related parties	-	-	47	47
"A" and "B" redeemable preference shares (including dividends)	-	-	56,510	56,510
Amounts owed to parent company	395,112	-	-	395,112
Senior Secured Bond include accrued interest	-	62,816	-	62,816
	<u>395,112</u>	<u>62,816</u>	<u>56,557</u>	<u>514,485</u>

The other principal features of the Group's borrowings are as follows.

(i) *Amounts owed to parent company*

The amounts owed to parent company classified as due after more than one year of \$453.6m (2021: \$395.1m) are unsecured and bear interest at 4.25% (2021: 4.25%) per annum. As part of the corporate restructuring exercise completed in August 2023, there was a formal release of the intercompany loan in consideration for the issue of a single \$1 ordinary share and premium equal to the value of the loan and accrued interest.

(ii) *Redeemable Preference shares*

The "A" and "B" redeemable preference shares do not carry the right to vote and rank ahead of ordinary shares with regard to the Company's residual assets. The holders of the "A" and "B" redeemable preference shares participate only to the extent of the par value of the shares and any preference dividend arrears.

The Company is obliged to pay holders of "A" and "B" redeemable preference shares annual dividends of 12 pence per share per annum on 31 July each year up until and including on redemption. The dividend for the current year has been waived. The cumulative preference share dividends accrued but unpaid at 31 December 2022 amount to \$7.9m (2021: \$7.9m).

The "A" and "B" redeemable preference shares and the related accrued dividends are classified as non-current liabilities. The preference and ordinary shares are held by the same parties, being fellow group companies. The directors of these companies have confirmed that repayment of preference shares or dividends will not be sought in the foreseeable future.

(iii) *Other loans*

Other loans primarily relate to a vendor loan as a result of the Opus acquisition (\$10.2m) which bears interest at EURIBOR 1 month + 0.40% pa (or 2.0% pa if lower). There are monthly principal and interest repayments such that the loan will be fully repaid by August 2028.

The remaining balance includes a historic Opus bank loan (\$1.7m) which bears interest at EURIBOR 3 months + 3.75% pa. This loan was fully repaid during April 2023.

(iv) *Senior Secured Bond*

Modex AS a subsidiary of the Group holds Modex AS FRN Senior Secured NOK 550,000,000 Bond (the "Bond") which is listed on the Nordic ABM, a self-regulated marketplace organized and operated by Oslo Børs.

The Bond accrues interest at NIBOR (Norwegian Interbank Offered Rate) plus 7.75% margin and interest is paid quarterly in arrears. The Bond has a maturity date of 2 March 2026.

The Bond Terms contain covenants on leverage, book equity and minimum liquidity. The Group was in compliance with the bond covenants throughout the year and at year end. The Bond was repaid in full on 5 September 2023.

Notes to the financial statements

For the year ended 31 December 2022

22. Borrowings (continued)

(v) Secured Bank loans

The secured bank loans are made up of five loans that are secured against vessels in the rental fleet:

- Two Euro denominated loans with a balance at 31 December 2022 of \$5.4m. These loans bear interest of 1.3% and there are bi-annual principal and interest repayments such that the loans will be fully repaid by November 2028.
- Two USD denominated loans with a balance at 31 December of \$6.7m. These loans bear interest of 5.0% and there are monthly principal and interest repayments such that the loans will be fully repaid by October 2026.
- A GBP denominated loan with a balance at 31 December 2022 of \$2.1m. This loan bears interest of LIBOR + 4.5% and there are monthly principal and interest repayments such that the loan will be fully repaid by September 2025.

23. Lease liabilities

	2022 \$'000	2021 \$'000
Maturity analysis:		
Less than 1 year	9,489	9,011
Between 1 & 2 years	8,337	2,794
Between 2 & 5 years	10,276	4,691
Over 5 years	19,206	16,647
	<u>47,308</u>	<u>33,143</u>
Less: unearned interest	<u>(11,771)</u>	<u>(8,923)</u>
	<u>35,537</u>	<u>24,220</u>
Analysed as:		
Current	7,850	8,203
Non-current	27,687	16,017
	<u>35,537</u>	<u>24,220</u>

The Group does not face a significant liquidity risk with regard to its lease liabilities. The average lease term is 6 years (2021: 4 years). The right of use assets related to the lease liabilities is presented in note 16.

	2022 \$'000	2021 \$'000
Amounts recognised in profit and loss		
Depreciation expense on right-of-use assets (note 16)	8,339	7,395
Interest expense on lease liabilities (note 8)	1,149	1,312
Expense relating to short-term leases	745	696
	<u></u>	<u></u>
Amounts recognised in statement of cash flows		
Cash outflow for leases	<u>(11,378)</u>	<u>(9,407)</u>

Notes to the financial statements

For the year ended 31 December 2022

24. Share capital and reserves

	"A" Ordinary shares \$'000	"B" Ordinary shares \$'000	Total \$'000
Authorised allotted			
Called up share capital			
At 1 January 2022 and in issue at 31 December 2022	4,414	1,104	5,518
	<u>4,414</u>	<u>1,104</u>	<u>5,518</u>

"A" and "B" ordinary shares

The Company has issued "A" and "B" ordinary shares. The share classes rank pari passu with regard to the Company's residual assets and both classes are entitled to one vote per share at meetings of the Company.

At the year end date the Company had 2,800,001 "A" ordinary shares of £1 in issue, and 700,000 "B" ordinary shares of £1 in issue.

The holders of ordinary shares are entitled to receive dividends as declared from time to time, subject to payment of the preference dividend, see note 22.

The share premium reserve contains the premium arising on issue of equity shares, net of issue expenses.

The retained earnings represent cumulative profits or losses net of dividends paid and other adjustments.

Foreign currency translation reserve

The foreign currency translation reserve records exchange differences arising from the translation of the financial information of the Group's entities with a functional currency that is not the Group's presentational currency.

Notes to the financial statements

For the year ended 31 December 2022

25. Acquisitions

During the year ending 31 December 2022, the Group acquired the following three businesses which all provide critical equipment and services primarily used in the construction and operations & maintenance of offshore wind farms. These acquisitions will help reinforce the Group's strategy to support global energy ambitions and meet the energy transition challenge.

Name	Principal activity	Date of acquisition	% voting equity instruments acquired
Manor Energy Group Limited ("Manor")	A leading provider of temporary power, engineering and crew transfer vessel (CTV) services to the offshore wind sector in the UK and Taiwan.	18 January 2022	100%
Specialist Marine Consultants Limited ("SMC")	A leading provider of specialist construction, maintenance, marine and recruitment services to the marine and offshore energy sectors in the UK and Taiwan.	7 July 2022	100%
Opus Marine GMBH ("OPUS")	A leading crew transfer vessel (CTV) operator to the offshore wind sector in Germany and Taiwan	13 September 2022	100%

Notes to the financial statements

For the year ended 31 December 2022

25. Acquisitions (continued)

The provisional fair values identified for the separable assets acquired and liabilities assumed are as set out in aggregate in the table below.

	Book value \$'000	Fair value adjustments \$'000	Total (As acquired) \$'000
Property, plant and equipment (note 15)	31,034	(1,888)	29,146
Right-of-use assets (note 16)	14,825	(652)	14,173
Inventories	320	-	320
Trade and other receivables	17,126	-	17,126
Cash and cash equivalents	12,799	-	12,799
Trade and other payables	(13,904)	-	(13,904)
Current tax liabilities	(479)	-	(479)
Bank loans and other borrowings	(51,335)	-	(51,335)
Lease liabilities	(10,922)	-	(10,922)
Deferred tax (note 10)	(1,293)	(1,423)	(2,716)
Total identifiable net assets	(1,829)	(3,963)	(5,792)
Customer relationships (note 14)	-	5,693	5,693
Goodwill (note 13)	-	42,577	42,577
Total consideration	(1,829)	44,307	42,478
Satisfied by:			
Cash consideration			40,834
Deferred consideration			1,644
Total Consideration			42,478
Net cash outflow arising on acquisition:			
Cash consideration			40,834
Less: cash and cash equivalent balances acquired			(12,799)
			28,035

Goodwill comprises the value of intangible assets which do not meet the criteria for separate recognition including the assembled workforce.

The total consideration of \$40.8m includes \$22.5m for Manor and \$18.3m for SMC.

The deferred consideration of \$1.6m is fixed and payable in four equal installments from October 2022 to April 2024.

Notes to the financial statements

For the year ended 31 December 2022

25. Acquisitions (continued)

The businesses acquired contributed \$70.0m revenue, \$9.1m of profit and \$14.5m of the adjusted EBITDA to the Group results for the period between the date of acquisition and the reporting date.

If the acquisitions had been completed on the first day of the financial year, Group revenues for the year would have been \$321.3m and Group adjusted EBITDA would have been \$110.6m.

The significant adjustments made on acquisition correspond to the adjustment of the machinery to its fair value and the recognition of customer relationships and deferred taxes.

The customer relationship were valued using the multi-period excess earnings method which considers the present value of net cash flows expected to be generated by the customer relationships, by excluding any cash flows related to contributory assets

Key estimates assumptions applied in calculating the value of customer relationships relate to future customer revenues and associated net cash flows and an applied discount rate. Forecast operational cash flows for 2022, 2023 and 2024 together with an annuity on the 2024 forecast cash flows with a long-term growth rate of 2% are subjected to selected discount rates to assess their net present values. The post-tax discount rate applied to was 12.79% and it is assumed customer relationships have a useful life of 5 years.

The key assumptions reflect our assessment of future prospects, trends in the industry and are considered by reference to both external and internal sources.

Acquisition-related costs

Acquisition-related costs (included in administrative expenses) on the acquisition amount to \$0.8m.

Notes to the financial statements

For the year ended 31 December 2022

25. Acquisitions (continued)

Acquisition of Hoover Ferguson Offshore Business

In the prior year ending 31 December 2021, the Group acquired 100% of the shareholding of Modex Holding Limited ("Modex"). The principal activity of the acquired business and its subsidiaries is the sale and rental of specialist offshore containers, baskets, and workshops as well as the manufacture, sale and rental of offshore cabins, modules and equipment rooms for use in the offshore oil and gas and renewable energy industries.

Other acquisitions

In addition, the Group acquired the following companies and their subsidiary undertakings during the year ending 31 December 2021:

Name	Principal activity	Date of acquisition	% voting equity instruments acquired
Pegasus Welfare Solutions Limited	Portable Welfare Hygiene Solutions	24 March 2021	100%
Fern Communications Limited	Manufacture, sale and rental of Radio Communications	28 September 2021	100%
Hughes Subsea Services Limited	Integrated subsea service company	5 October 2021	100%
Blue Manta International Limited, Blue Manta AS, Blue Manta (Asia) Pty Limited ("Blue Manta")	Manufacture, sale and rental of spooling units, baskets and containers	11 December 2021	100%

Notes to the financial statements

For the year ended 31 December 2022

25. Acquisitions (continued)

The fair values identified for the separable assets acquired and liabilities assumed are as set out in the table below.

	Book value \$'000	Fair value adjustments \$'000	Total (As acquired) \$'000
Property, plant and equipment (note 15)	100,469	21,815	122,284
Right-of-use assets (note 16)	3,349	-	3,349
Inventories	1,971	-	1,971
Trade and other receivables	26,510	-	26,510
Cash and cash equivalents	10,798	-	10,798
Trade and other payables	(8,823)	-	(8,823)
Current tax liabilities	(1,197)	-	(1,197)
Bank loans and other borrowings	(65,906)	-	(65,906)
Lease liabilities	(3,564)	-	(3,564)
Deferred tax (note 10)	(3,754)	(9,318)	(13,072)
Total identifiable net assets	59,853	12,497	72,350
Customer relationships (note 14)	-	37,931	37,931
Goodwill (note 13)	-	49,357	49,357
Total consideration	59,853	99,785	159,638
Satisfied by:			
Cash consideration			148,250
Deferred consideration			11,388
Total Consideration			159,638
Net cash outflow arising on acquisition:			
Cash consideration			148,250
Less: cash and cash equivalent balances acquired			(10,798)
			137,452

Notes to the financial statements

For the year ended 31 December 2022

26. Commitments

Capital commitments

At 31 December 2022 the Group had entered into contractual capital commitments amounting to \$1.4m (2021: \$nil).

Contingent liabilities

The Group has no contingent liabilities as at 31 December 2022 (2021: \$nil)

27. Financial instruments

Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. Management continues to develop and implement controls and processes across all entities to identify and monitor risks at Group and local geographic level.

The Group's activities give rise to a variety of financial risks: credit risk, liquidity risk, interest rate risk and cash flow risks (including foreign exchange risk).

The Group's financial instruments are classified as follows:

	2022 Carrying value \$'000	2021 Carrying value \$'000
Financial assets held at amortised cost		
Trade and other receivables	89,232	65,883
Cash and bank balances	27,557	28,084
	<u>116,789</u>	<u>93,967</u>
Financial liabilities held at amortised cost		
Unsecured borrowings	522,083	451,669
Secured borrowings	70,459	62,816
Lease liabilities	35,537	24,220
Trade and other payables	59,910	48,344
	<u>687,989</u>	<u>587,049</u>

Notes to the financial statements

For the year ended 31 December 2022

27. Financial instruments (continued)

Credit risk management

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's credit risk primarily relates to its trade and other receivables and cash and bank balances. Responsibility for managing credit on receivables lies within each operating business with support being provided by Group management.

A customer evaluation is typically obtained from an appropriate credit rating agency. If deemed to be required, appropriate trade finance instruments, such as letters of credit, or payment prior to delivery, will be used to manage credit risk.

Impairment

The aging of trade and other receivables at 31 December that were not impaired was as follows:

	2022 \$'000	2021 \$'000
Current	51,187	31,112
Past due 30-60 days	15,842	10,959
Past due 61-90 days	9,342	6,880
Past due 91+ days	12,861	16,932
	<u>89,232</u>	<u>65,883</u>

The Group believes that the above amounts that are past due are collectible in full, based on historic payment behavior and analysis of customer credit risk, including underlying customers' credit ratings, where available.

Cash and cash equivalents

The Group holds cash and cash equivalents of \$27.6m at 31 December 2022 (2021: \$28.1m), which represents its maximum credit exposure on these assets. The credit risk on liquid funds is considered limited because the counterparties are banks with credit-ratings assigned by international credit-rating agencies.

Guarantees

The Group's policy is to provide financial guarantees only to wholly owned subsidiaries. At 31 December 2022 no third party guarantees were outstanding.

Liquidity risk

With regard to liquidity, the Group's priority is to ensure continuity of funding. The Group prepares cash flow projections, to determine requirements. The Group is forecasting to have adequate resources available.

Maturity

The table below at cash flow risk details the Group's expected maturity for its financial liabilities. The table has been drawn up based on the undiscounted contractual maturities of the financial liabilities. The inclusion of information on non-derivative financial liabilities is necessary in order to understand the Group's liquidity risk management as the liquidity is managed on a net asset and liability basis.

The Group has cash and bank balances of \$27.6m (2021: \$28.1m). The Group expects to meet its obligations from operating cash flows and the proceeds of maturing financial assets.

Interest rate risk

The Group has variable rate debt and cash and therefore net income is exposed to the effects of changes to interest rates. The main floating rate benchmark on variable rate debt is NIBOR (Norwegian Interbank Offered Rate) and relates to the Senior Secured Bond in Norway that accrues interest at NIBOR plus 7.75% margin.

Notes to the financial statements

For the year ended 31 December 2022

27. Financial instruments (continued)

The following sensitivity analysis details the Group's sensitivity to a 100 basis points (1%) increase in NIBOR interest rate throughout the reporting period with all other variables held constant.

	2022 \$'000	2021 \$'000
Impact on profit before tax	(227)	(264)

Cash flow risk

Cash flow risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Activity forecasts are used to monitor cash flow requirements. The Group aims to maintain the level of its cash and cash equivalents at an amount in excess of expected cash outflows on financial liabilities (other than trade payables) over the succeeding 45 days. The Group also monitors the level of expected cash inflows on trade and other receivables together with expected cash outflows on trade and other payables and borrowing obligations.

The following are the remaining contractual maturities of financial liabilities at 31 December 2022 including estimated interest payments and excluding the impact of netting agreements:

31 December 2022	Total \$'000	< 1 year \$'000	1-2 years \$'000	2-5 years \$'000	More than 5 years \$'000
Non-derivative financial Liabilities					
Amounts owed to parent company*	453,560	-	-	-	453,560
Senior secured Bond	56,238	56,238	-	-	-
Secured bank loans	14,221	3,065	3,065	7,624	467
Other loans	12,013	3,572	1,660	4,980	1,801
Redeemable cumulative preference shares and accrued dividends*	56,510	-	-	-	56,510
Trade and other payables	59,910	54,429	2,160	2,984	337
Leases	35,537	7,850	7,025	8,573	12,089
	<u>687,989</u>	<u>125,154</u>	<u>13,910</u>	<u>24,161</u>	<u>524,764</u>
31 December 2021	Total \$'000	< 1 year \$'000	1-2 years \$'000	2-5 years \$'000	More than 5 years \$'000
Non-derivative financial Liabilities					
Amounts owed to parent company	395,112	-	-	-	395,112
Senior secured Bond	62,816	446	-	62,370	-
Redeemable cumulative preference shares and accrued dividends	56,510	-	-	-	56,510
Trade and other payables	48,344	35,763	7,721	4,483	377
Leases	24,220	8,203	2,330	3,695	9,992
Other loans	47	47	-	-	-
	<u>587,049</u>	<u>44,459</u>	<u>10,051</u>	<u>70,548</u>	<u>461,991</u>

* In August 2023 the Group completed a corporate restructuring exercise resulting in the formal release of the intercompany loan, redesignation of preference shares and capitalisation of accrued preference dividend. See subsequent events in note 30 for further information.

The gross outflows disclosed in the table represent the contractual undiscounted cash flows relating to non-derivative and financial liabilities.

Notes to the financial statements

For the year ended 31 December 2022

27. Financial instruments (continued)

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Foreign exchange risk

The Group is exposed to currency risk on sales, purchases and borrowings that are denominated in a currency other than the respective functional currencies of Group entities, primarily USD, NOK, GBP and AUD but also Euros and Singaporean Dollars (SGD). The currencies in which these transactions primarily are denominated are Euro, USD, NOK, GBP, AUD, SGD, MYR, and BRL.

The following analysis details the Group's sensitivity to a 10% strengthening in GBP, NOK and AUD to USD. A 10% weakening against USD would have an equal but opposite effect to that shown below. The analysis has been prepared based on the change taking place at the beginning of the financial year and being held constant throughout the reporting period. A positive number indicates an increase in earnings where the currencies strengthen against USD.

	2022 \$'000	2021 \$'000
GBP	(279)	(558)
NOK	241	(195)
AUD	260	(404)

The Group seeks to naturally hedge foreign currency payments and receipts of the same denomination. Interest on borrowings is denominated in the currency of the borrowing.

In respect of other monetary assets and liabilities denominated in foreign currencies, the Group's policy is to ensure that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short-term imbalances.

Capital risk management

The Group's policy is to maintain a capital base so as to maintain investor and creditor confidence and to facilitate the future development of the business.

The fair values of financial assets and liabilities, together with the carrying amounts shown in the statement of financial position at 31 December 2022 are not significantly different.

28. Related party transactions

Balances and transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note. Transactions between the Group and its associates are disclosed below.

Remuneration of key management personnel

The remuneration of the directors, who are the key management personnel of the Group, is set out in note 7.

Loans to related parties

At the 31 December 2022, a director had a loan balance of \$22,000 (2021: \$20,000) due from Harran Limited, a subsidiary of the Group.

The loan due by Harran Limited accrues interest at 6.0% plus the Bank of England base rate per annum and were repaid in February 2023.

Notes to the financial statements

For the year ended 31 December 2022

29. Parent and ultimate controlling party

From the 9 March 2023 the company is a wholly owned subsidiary of OEG Energy Group Limited, a company registered in the UK and is controlled by funds managed by Oaktree Capital Management, L.P.

At 31 December 2022 the Company was a wholly owned subsidiary of OEG Group Limited, a company registered in the UK. The ultimate parent company was GIIS Invest S.C.P, a company registered in Monaco and is the smallest and largest group to consolidate these financial statements. The registered office of GIIS Invest S.C.P is Chez CATS, 28 Boulevard Princesse Charlotte, 98000 Monaco.

30. Post balance sheet event

On 9 March 2023, OEG Energy Group Limited (previously Omega Acquisition Limited) acquired 100% of the share capital of OEG Global Limited from OEG Group Limited including the rights to the \$454m intercompany receivable. OEG Energy Group Limited is a company registered in the UK and is controlled by funds managed by Oaktree Capital Management, L.P..

On 20 March 2023, the Group completed the acquisition of Pelagian Limited, a company that provides consultancy, engineering, and installation management services to the subsea cable and offshore renewable energy industries.

On 27 June 2023, the Group completed the acquisition of 23 Degrees Renewables Limited, a company that provides nearshore and onshore power installation services.

On 16 August 2023, the Company completed a corporate restructuring exercise whereby OEG Global Limited and OEG Energy Group Limited entered into a formal release of the intercompany loan in consideration for the issue of a single \$1 ordinary share and premium equal to the value of the loan and accrued interest. The accrued preference dividends outstanding in the OEG Global Limited were also capitalised. In addition, there was a redesignation of shares of OEG Global Limited under s636 of the Companies Act 2016 under which the existing share capital was redesignated into one class of ordinary shares. OEG Global Limited subsequently reduced share premium by \$469m and increases distributable reserves by the same amount. Post restructure no sums were due or guarantees provided to the immediate or ultimate parent company.

On 17 August 2023, the Group signed a \$140m facility with lenders including National Westminster Bank PLC as Agent, maturing in August 2026, with two one year extension options. Total commitments of \$140m comprise \$36m drawn Term Loan B ("TLB") and \$104m Revolving Credit Facility ("RCF"). The RCF is provided by NatWest, Citi, and Santander and the TLB is provided by NatWest, Citi, Santander and Goldman Sachs. The facility provides the Company flexibility to refinance its existing borrowings, to continue progressing with its highly active M&A pipeline, and to make certain permitted distributions and for general corporate purposes.

On 25 August 2023, the Group completed the acquisition of GEOSIGHT Ltd., a specialist marine surveying company operating across various sectors, including offshore renewable energy, subsea cables and civils.

On 5 September 2023, the Modex AS FRN Senior Secured \$56.2m (NOK 550,000,000) Bond (the "Bond") was repaid in full.

Notes to the financial statements

For the year ended 31 December 2022

31. Subsidiaries

The Group consists of a parent company, OEG Global Limited, incorporated in the UK and a number of subsidiaries held directly and indirectly by OEG Global Limited, which operate and are incorporated around the world. All holdings are indirectly held via subsidiaries other than OEG Global Limited.

The Group's interest in the voting share capital is 100% unless otherwise stated.

Name of subsidiary (registered address)	Country of incorporation	Principal activity
OEG Global Limited (1)	UK	Intermediate Holding Company
OEG Offshore Group Limited (1)	UK	Intermediate Holding Company
OEG Offshore Limited (2)	UK	Manufacture, sale and rental of cargo carrying units
OEG Offshore UK Limited (2)	UK	Manufacture, sale and rental of cargo carrying units
OEG Caspian Limited (2)	UK	Manufacture, sale and rental of cargo carrying units
OEG Kazakhstan LLP (49%) (5)	Kazakhstan	Sale and rental of cargo carrying units
OEG Offshore Pte Limited (3)	Singapore	Manufacture, sale and rental of cargo carrying units
OEG Asia Pacific Pte Limited (3)	Singapore	Manufacture, sale and rental of cargo carrying units
OEG Offshore Pty Limited (4)	Australia	Manufacture, sale and rental of cargo carrying units
OEG Offshore (Holdings) Inc (6)	USA	Intermediate Holding Company
OEG Offshore Inc (12)	USA	Manufacture, sale and rental of cargo carrying units
OEG Offshore Sdn Bhd (7)	Malaysia	Rental of cargo carrying units
OEG Offshore (Thailand) co., Limited (9)	Thailand	Rental of containers and cabins
OEG Offshore Inc Guyana (8)	Guyana	Rental of cargo carrying units
OEG Offshore USA LLC (10)	USA	Manufacture, sale and rental of cargo carrying units
OEG Offshore do Brasil (13)	Brazil	Manufacture, sale and rental of cargo carrying units
OEG ENVIRO-PAK LLC (11)	USA	Manufacture, sale and rental of cargo carrying units
OEG Offshore AS (16)	Norway	Manufacture, sale and rental of cargo carrying units
OEG Middle East FZE (14)	United Arab Emirates	Rental of cargo carrying units
Ferguson Middle East LLC (49%) (15)	United Arab Emirates	Rental of cargo carrying units
OEG Unique DWC LLC (19)	United Arab Emirates	Manufacture, sale and rental of cargo carrying units
OEG Offshore Limited (21)	New Zealand	Manufacture, sale and rental of cargo carrying units
OEG Offshore SUARL (22)	Senegal	Rental of cargo carrying units
Harran Limited (2)	UK	Manufacture, sale and rental of offshore tanks and aviation refuelling systems
Arden Holdings Limited (2)	UK	Intermediate Holding Company
HFG Corporate Limited (2)	UK	Intermediate Holding Company
Hoover Ferguson Malaysia Sdn Bhd (7)	Malaysia	Rental of cargo carrying units
Ferguson Group Australia Pty Limited (23)	Australia	Intermediate Holding Company
HFG Holdings Australia Pty Limited (23)	Australia	Intermediate Holding Company
Modex Holding Limited (26)	British Virgin Islands	Intermediate Holding Company
Modex Energy Rentals Singapore Pte Limited (25)	Singapore	Rental of cargo carrying units
Modex Middle East FZE (20)	United Arab Emirates	Rental of cargo carrying units
Modex USA Holding, Inc (27)	USA	Intermediate Holding Company

Notes to the financial statements

For the year ended 31 December 2022

31. Subsidiaries (continued)

Name of subsidiary (registered address)	Country of incorporation	Principal activity
Modex LLC (28)	USA	Manufacture, sale and rental of cargo carrying units
Modex AS (17)	Norway	Manufacture, sale and rental of cargo carrying units
Euro Offshore Holding AS (17)	Norway	Intermediate Holding Company
Modex Australia Pty Limited (24)	Australia	Manufacture, sale and rental of cargo carrying units
Modex Asia Limited (33)	Hong Kong	Manufacture, sale and rental of cargo carrying units
Modex Energy Rentals LLC (32)	Marshall Islands	Intermediate Holding Company
Modex Singapore Pte Limited (26)	Singapore	Manufacture, sale and rental of cargo carrying units
Blue Manta International Limited (31)	UK	Manufacture, sale and rental of spooling units, baskets and containers
Blue Manta AS (18)	Norway	Manufacture, sale and rental of spooling units, baskets and containers
Blue Manta (Asia) Pty Limited (34)	Australia	Manufacture, sale and rental of spooling units, baskets and containers
Pegasus Welfare Solutions Limited (1)	UK	Portable Welfare Hygiene Solutions
Fern Communications Limited (29)	UK	Manufacture, sale and rental of Radio Communications
Hughes Subsea Services Limited (30)	UK	Integrated subsea service company
Specialist Marine Consultants Limited (35)	UK	Specialist construction, maintenance, marine and recruitment services
Sea Jet Systems Limited (70%) (1)	UK	Subsea excavation and trenching service
Manor Energy Group Limited (36)	UK	Intermediate Holding Company
Manor Renewable Energy Limited (36)	UK	Provider of temporary power, engineering and vessel solutions to the offshore wind sector
Manor Marine UK Limited (36)	UK	Ship building, marine and general engineering specialists
Containental Offshore Limited (2)	UK	Non-trading
Offshore Containers Limited (1)	UK	Non-trading
Vertec Engineering Limited (2)	UK	Non-trading
Opus Marine GmbH (37)	Germany	Crew transfer vessel operator
Opus Marine Taiwan Co Limited (38)	Taiwan	Crew transfer vessel operator

Notes to the financial statements

For the year ended 31 December 2022

31. Subsidiaries (continued)

Registered addresses:

1. Yarmouth Business Park, Thamesfield Way, Great Yarmouth, Norfolk, NR31 0ER, UK
2. Midmill Business Park, Kintore, Aberdeenshire, AB51 0QG, UK
3. Loyang Offshore Supply Base, 25 Loyang Crescent, TOPS Ave 1, Block 103 #02-07, Singapore, 508988
4. 16 Da Vinci Way, Forrestdale, WA, Australia, 6112, Australia
5. 4 Bld., Mcr.9-A, 130000 Aktau, Mangystau Region, Republic of Kazakhstan
6. c/o A Registered Agent, Inc, 8 The Green, Ste A Dover, Delaware, USA, 19901
7. Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, 50490 Kuala Lumpur, Malaysia
8. 106 Lamaha Street, North Cummingsburg, Georgetown, Guyana
9. 1108/31 Sukhumvit Road, Phra Kanong, Klong Toei, Bangkok 10110, Thailand
10. 1701 Directors Blvd., Suite 300, Austin, Texas, 78744, USA
11. 4308 West Admiral Doyle Drive, New Iberia, Louisiana 70560, USA
12. 111 Garber Street, Cameron LA 70631, USA
13. Estrada Maria Quitéria # 351, Centro Industrial Estrela – Imboassica, Macaé, Rio de Janeiro, Brasil. CEP 27932-376.
14. JAFZA Views LOB 18, 14th Floor Office 1401, Dubai, UAE, 17898
15. Office no.302, Umm Al Nar Sas Al Nakhi, Abu Dhabi, UAE
16. Plattformvegen 9, 4056 Tananger, 1124 Sola, Norway
17. Nordlysvegen 2, 4340 Bryne, Norway
18. Norsea Base Bygg 104, Risavika Havnering 14, 4056 Tananger, 1124 Sola, Norway
19. Office 461, Building E, Business Park, Dubai World Central, P.O. Box 53148, UAE
20. Ajman Freezone Amber Gem Tower (E1Building), Sheikh Khaleefa Bin Zayed Road, AlSawan Area, Ajman, Ajman, UAE, 334155
21. Kingston Offshore Services, 9-11 Moturoa Street, New Plymouth, 4310, New Zealand.
22. 47, Boulevard de la Republique 2 eme etage Cabinet Geni & Kebe, Dakar, Senegal.
23. Butler Settineri 'Spectrum Offices First', Level 1, Unit 16, 100 Railway Road, Subiaco, WA 6008, Australia
24. McKinley Plowman & Associates, Level 2, 5 Davidson Terrace, Joondalup WA 6027, Australia
25. 140 Cecil Street #09-01B PIL Building Singapore 069540
26. c/o CO Services (BVI) Ltd, Rodus Building, P.O. Box 3093, Road Town, Tortola, British Virgin Islands
27. 2711 Centerville Rd, Suite 400, Wilmington, Delaware 19808, USA
28. 4100 NE Evangeline Thruway, Carencro, LA 70520, USA
29. 24 Hadenham Road, Lowestoft, Suffolk, NR33 7N, UK
30. Marine House, 40 Rimrose Road, Bootle, England, L20 4TX
31. 5 Kirkton Avenue, Pitmedden Industrial Estate, Dyce, Aberdeen, AB21 0BF, UK
32. Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Republic of the Marshall Islands MH 96960
33. Unit 810, Stag Building, 148-150 Queen's Road Central, Hong Kong, China
34. C13, 1-9 The Esplanade, Mount Pleasant, WA6153, Australia
35. Medina House, 2 Station Avenue, Bridlington, East Yorkshire, YO16 4LZ
36. Portland Port Business Centre, Castletown, Portland, Dorset, DT5 1PB
37. Kreuzberg 2, 27404 Heeslingen, Germany
38. 31 F-11, No 3, Ziqian 3rd Road, Lingya District, Kaohsiung City 802751, Taiwan (ROC)