



# Prosafe

## PROSAFE SE

(A European public limited liability company registered with the Norwegian Register of Business Enterprises with registration number 823 139 772)

### **Listing of up to 22,543,993,499 shares issued in connection with a private placement**

This prospectus (the "**Prospectus**") has been prepared by Prosafe SE (the "**Company**" and together with its subsidiaries, the "**Group**" or "**Prosafe**") solely for use in connection with the listing on the Oslo Stock Exchange of up to 22,543,993,499 new shares. The Company is a European public limited liability company registered with the Norwegian Register of Business Enterprises (Nw: *Foretaksregisteret*). The private placement of shares is divided in two tranches and directed towards certain lenders and creditors of the Group in connection with the equitisation and conversion of approximately USD 1.1 billion in debt (the "**Private Placement**"). The first tranche consists of an offering of up to 15,000,000,000 new shares (the "**Tranche I Shares**") and the second tranche consists of up to 7,543,993,499 new shares (the "**Tranche II Shares**", and together with the Tranche I Shares, the "**Private Placement Shares**"). The Company's shares (the "**Shares**") are, and the Private Placement Shares will be, listed on the Oslo Stock Exchange under the ticker code "PRS".

**Investing in the Company's Shares involves certain risks. See Section 2 "Risk Factors".**

This Prospectus is dated 14 December 2021

## IMPORTANT INFORMATION

For the definitions of terms used throughout this Prospectus, see Section 16 “Definitions and Glossary of Terms”.

This Prospectus has been prepared in connection with the listing of the Private Placement Shares. The Prospectus has been prepared solely in the English language. The Prospectus has been prepared to comply with the Norwegian Securities Trading Act of 29 June 2007 no. 75 (the "**Norwegian Securities Trading Act**") and related secondary legislation, including Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC, as amended, and as implemented in Norway in accordance with Section 7-1 of the Norwegian Securities Trading Act (the "**EU Prospectus Regulation**"). The Financial Supervisory Authority of Norway (Nw: *Finanstilsynet*) (the "**Norwegian FSA**") has reviewed and approved this Prospectus, as the competent authority under the EU Prospectus Regulation. The Norwegian FSA only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the EU Prospectus Regulation, and such approval should not be considered as an endorsement of the issuer or the quality of the securities that are the subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in the securities.

All inquiries relating to this Prospectus should be directed to the Company. No other person has been authorized to give any information, or make any representation on behalf of the Company in connection with the issuance and listing of the Private Placement Shares, and if given or made, such other information or representation must not be relied upon as having been authorized by the Company.

The information contained herein is current as at the date hereof and is subject to change, completion and amendment without notice. In accordance with Article 23 of the EU Prospectus Regulation, significant new factors, material mistakes or material inaccuracies relating to the information included in this Prospectus which may affect the assessment of the Private Placement Shares and which arises or is noted between the time when this Prospectus is approved by the Norwegian FSA and the listing of the Private Placement Shares on the Oslo Stock Exchange will be mentioned in a supplement to this Prospectus without undue delay. Neither the publication nor distribution of this Prospectus shall under any circumstances imply that there has been no change in the Group's affairs or that the information herein is correct as at any date subsequent to the date of this Prospectus.

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## 1. SUMMARY

### INTRODUCTION AND WARNINGS

<i>Warning</i>	This summary should be read as an introduction to the Prospectus. Any decision to invest in the securities should be based on a consideration of the Prospectus as a whole by the investor. An investment in the Shares involves inherent risk and the investor could lose all or part of its invested capital. Where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor might, under national law, have to bear the costs of translating the Prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only where the summary is misleading, inaccurate or inconsistent, when read together with the other parts of the Prospectus, or where it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in such securities.
<i>Securities</i>	The Company has one class of Shares, and all Shares are equal in all respects. The Shares are registered in the Norwegian Central Securities Depository with ISIN NO0010861990. The shares issued in the Private Placement will be registered in the Norwegian Central Securities Depository on ISIN NO0010861990.
<i>Issuer</i>	The issuer of the securities is Prosafe SE, registered with the Norwegian Register of Business Enterprises with registration number 823 139 772 and LEI code 2138001LK2Z2HSER4U15. The Company's principal office is located at Forusparken 2, 4031 Stavanger, Norway, and its main telephone number at that address is +47 51 64 25 00.
<i>Competent authority</i>	The Financial Supervisory Authority of Norway (Nw.: Finanstilsynet), with registration number 840 747 972 and registered address at Revierstredet 3, 0151 Oslo, Norway, and telephone number +47 22 93 98 00 has reviewed and, on 14 December 2021, approved the Prospectus.

### KEY INFORMATION ON THE ISSUER

#### *Who is the issuer of the securities?*

<i>Corporate information</i>	The issuer of the securities is Prosafe SE, a European public limited company, registered with the Norwegian Register of Business Enterprises and incorporated on 26 March 1997. The Company's registration number is 823 139 772 and its LEI code is 2138001LK2Z2HSER4U15.
<i>Principal activities</i>	Prosafe is a leading owner and operator of semi-submersible accommodation vessels. The company has extensive experience from operations in all major offshore oil and gas regions.
<i>Major shareholders</i>	Shareholders owning five per cent or more of the Company have a notifiable interest in the Company's share capital according to the Norwegian Securities Trading Act. As of 1 December 2021, the Company has a total of 4,200 registered shareholders in the VPS, of which the top 10 registered shareholders are listed below:

#	Shareholders	Number of Shares	Percent
1	NORTH SEA STRATEGIC INVESTMENTS AS	15,479,410	17.59%
2	HV VI INVEST SIERRA MALTA LTD	12,752,142	14.49%
3	Nordea Bank Abp (Nominee)	6,994,421	7.95%
4	State Street Bank and Trust Comp (Nominee)	6,972,694	7.92%
5	State Street Bank and Trust Comp (Nominee)	3,849,160	4.37%
6	Nordnet Bank AB (Nominee)	3,351,547	3.81%
7	HELMER AS	1,950,562	2.22%
8	NORDNET LIVSFORSIKRING AS	1,213,253	1.38%
9	Skandinaviska Enskilda Banken AB (Nominee)	1,095,074	1.24%
10	TEIR, MAGED ELABD SLOMAN ABU	1,000,000	1.14%

<i>Executive management</i>	The Group's management consist of: <ul style="list-style-type: none"><li>• Jesper Kragh Andresen, CEO</li><li>• Stig H. Christiansen, DCEO &amp; CFO</li><li>• Ryan Stewart, COO</li></ul>
<i>Statutory auditor</i>	The Company's auditor is KPMG AS, with registered address at Sørkedalsveien 6, 0369 Oslo.

#### *What is the key financial information regarding the issuer?*

The below tables set out key financial information for the Group for the periods indicated as extracted from the financial statements for the year ended 31 December 2020 and the nine month period ended 30 September 2021 and 2020:

<b>(USD in millions, unless otherwise indicated)</b>	<b>As at and for the nine months ended 30 September, 2021</b>		<b>2020</b>	<b>As at and for the year ended 31 December, 2020</b>
<b>KEY FIGURES</b>				
<b>Income statement, IFRS</b>				
Total revenue	111.7	41.2		56.7
Operating profit/(loss)	(46.6)	(857.5)		(864.3)
Net profit/(loss)	(110.1)	(921.2)		(950.1)
<b>Earnings per share</b>				
Reported	(1.25)	(10.47)		(10.80)
Fully diluted	(1.25)	(10.47)		(10.80)
<b>Balance sheet, IFRS</b>				
Total assets	549.7	601.5		587.7
Total equity	(1,059.8)	(922.9)		(948.5)
Net financial debt (long term debt plus short term debt minus cash)	1,468.8	1,321.7		1,349.1
<b>Cash flow statement</b>				
Net cash flows used in operating activities	(12.3)	(30.8)		(33.1)
Net cash flows used in investing activities	(10.9)	(1.3)		(2.7)
Net cash flow used in financing activities	(30.0)	(1.5)		(2.0)

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

*Material risk factors*

- Risks related to low fleet utilization and rates achieved
- Risks related to operating failure and gangway uptime
- Risks related to cost overruns
- Counterparty risk
- Health, safety and environment risk, including COVID-19
- Legal proceedings and contractual disputes risk
- The market value for the Group's vessels may decrease
- The Group's contract coverage estimates are based on certain assumptions and are subject to unexpected adjustments and cancellations

**KEY INFORMATION ON THE SECURITIES**

**What are the main features of the securities?**

<i>Type, class and ISIN</i>	The Company has one class of ordinary shares with original ISIN NO0010861990.
<i>Currency, par value and number of securities</i>	As of the date of this Prospectus, the Company's share capital consist of 87,986,998 Shares, each with a nominal value of EUR 0.05.
<i>Rights attached to the securities</i>	All Shares carries equal rights to voting and dividends.
<i>Transfer restrictions</i>	All Shares are freely transferable.
<i>Dividend and dividend policy</i>	The Company's aim is that its shareholders receive a competitive return on their Shares through a combination of share price appreciation and a direct return in the form of dividends. However, no

dividends have been paid and no equity buy-backs have been declared or undertaken during 2019, 2020 or 2021.

***Where will the securities be traded?***

The Shares will be traded on the Oslo Stock Exchange

***What are the key risks that are specific to the securities?***

***Material risk factors***

- The trading price of the Shares has fallen significantly in the last years and may continue to fluctuate.
- Major shareholders may exert significant influence
- Beneficial owners of the shares in the Company registered in a nominee account could be unable to exercise their voting rights
- The Company may or may not pay any cash dividends in the future, and shareholders may never obtain a return on their investment.

**KEY INFORMATION ON THE ADMISSION TO TRADING ON A REGULATED MARKET**

***Under which conditions and timetable can I invest in this security?***

***Purpose of the issuance of Shares***

The main purpose of the issuance of Private Placement Shares in the Private Placement is composed of the following components:

- a. substantially reduce the debt load of the Group from the equivalent of approximately USD 1,609.5 million to approximately USD 455.9 million; and
- b. ensure that the Group has adequate liquidity and financial runway for an extended period of time, as well as free flow of liquidity.

***The Private Placement***

The Shares are, and the Private Placement Shares will be, admitted to trading on the Oslo Stock Exchange. Trading in the Private Placement Shares on the Oslo Stock Exchange is expected to commence on or about 17 December 2021 for the Tranche I Shares. The Company has not applied for admission to trading of the Shares on any other stock exchange or regulated market.

***Timetable***

The Private Placement was carried out prior to the date of this Prospectus, and there will be no subsequent offering of offer shares to the public.

***Admission to trading***

The Tranche I Shares are expected to be admitted to trading on the Oslo Stock Exchange on or about 17 December 2021 and the Tranche II Shares are expected to be listed on the Oslo Stock Exchange shortly thereafter.

***Total expenses***

Total expenses in connection with the Private Placement is estimated to USD 20,000.

***Dilution***

Shareholders who did not receive shares in the Private Placement will experience an immediate dilution of around 99% provided both the Tranche I Shares and the Tranche II Shares are issued in full.

***Why is this prospectus being produced?***

***Net proceeds***

Since the shares have been issued by way of equitisation of debt, the Company will not receive any cash proceeds from the Private Placement.

***Conflicts of interest***

The Company is not aware of any conflict of interests arising out of or in connection with the Private Placement.

## **2. RISK FACTORS**

*Investing in the Company involves a high degree of risk. An investment in the Company is suitable only for investors who understand the risk factors associated with this type of investment and who can afford a loss of all or part of their investment. Potential investors should carefully consider the risk factors set out below and the information set out in Section 4.2 “Cautionary note regarding forward looking statements” in addition to the other information contained herein before making an investment decision.*

*The risk factors included in this Section 2, are as of the date of this Prospectus, and are presented in a limited number of categories, where each individual risk factor is sought placed in the most appropriate category based on the nature of the risk it represents. Within each category the risk factors deemed most material for the Group, taking into account their potential negative affect on the Company and its subsidiaries and the probability of their occurrence, are set out first. This does not mean that the remaining risk factors are ranked in order of their materiality or comprehensibility, nor based on a probability of their occurrence. The risks mentioned herein could materialise individually or cumulatively.*

### **2.1 RISKS RELATING TO THE GROUP, ITS BUSINES AND THE MARKET IN WHICH IT OPERATES**

#### **2.1.1 Risks related to low fleet utilization and rates achieved**

Demand for Prosafe's services is global and comes from geographical areas such as the US and Mexican Gulf, Brazil, Asia and Australia, in addition to the traditional North Sea market. The key markets are currently the North Sea and Brazil.

Generally, the demand for Prosafe's services could be affected negatively by oil companies' earnings. Changes in the oil price affect oil companies' cash flows and thus their willingness to invest in exploration and production. If the oil price drops significantly, oil companies typically reduce spending, which in turn may lead to lower demand for accommodation vessels.

Furthermore, in the long-term, the demand will depend on the oil companies' replacement ratio. If oil companies fail to replace reserves, ultimately leading to lower production volumes and need for maintaining and life extending producing installations, demand for accommodation vessels could be reduced.

Although Prosafe's customer base is assumed to be fairly diversified, certain customers may, to a varying degree over time, make up substantial parts of the contract backlog. In line with industry practice, a contract normally contains early cancellation provisions for the customer in specific circumstances. Subject to termination not being due to a breach or negligence on Prosafe's part, the effect on financial results in such cases will normally be wholly or partly offset by a financial settlement in Prosafe's favour.

Demand and supply in the market in which Prosafe operates is subject to cyclical movements in both the global economy and in regional economies. There could be technological shifts and new ways of working offshore, which gives rise to less demand for accommodation semi-submersible vessels or improvement in productivity giving rise to less demand for personnel offshore and with that lower demand for accommodation vessels, which could have a material adverse effect on the Group's financial position.

The global market for semi-submersible accommodation vessels is a niche market, and a continued oversupply of available accommodation vessels will affect utilisation rates and/or day rates negatively, potentially adversely impacting Prosafe's financial position.

In recent years the supply side has grown significantly. In this perspective Prosafe has both played a role to renew its fleet and recycle several older vessels. Competition is anticipated to remain high on a global scale as a consequence of supply growth which is only partly compensated to date by consolidation and recycling.

Ultimately, the balance between supply and demand is a key factor affecting Prosafe's financial position, and major imbalances will have a material adverse effect on the Group's financial position.

#### **2.1.2 Risks related to operating failure and gangway uptime**

Given the nature of the Group's business which involves providing offshore technology and services in selected niches of the global oil and gas industry in harsh weather environments which are subject to various risks, including e.g. harsh weather conditions, marine disasters, explosions and collisions, any operating failure or loss of asset integrity may cause serious accidents that could lead to critical damages and, ultimately, a total loss of the asset. This could have a severe impact on the Company's financial position.

For Prosafe's contracts, the day rate for its vessels is subject to gangway connection/uptime. Consequently, any operating failure leading to downtime on the gangway connection could affect Prosafe's financial position. Such downtime could be caused by human errors, downtime of critical IT systems, cyber-attacks, breakdown of equipment, weather conditions or an otherwise difficult operating environment.

### **2.1.3 Risks related to cost overruns**

Prosafe will from time to time undertake larger projects related to upgrades of existing vessels, including the option to take delivery of the new build Safe Nova & Safe Vega from China Ocean Shipping Company group ("COSCO"), as further described in Section 7.5.8. Such projects carry inherent risks of cost overruns and delays, and any occurrence of such may have an adverse effect on Prosafe's financial position. For more information on the specifics on the new builds, please refer to Section 7.5.8.

### **2.1.4 Counterparty risk**

The Group's clients are mostly reputable national oil companies and large international companies. The Group is exposed to counterparty risks, inter alia and in particular under the Group's charter contracts. For various reasons, including adverse market conditions, decrease in demand, increase in competition, cost saving schemes and governmental or political restrictions, any of the Group's counterparties may seek to cancel or renegotiate chartering contracts, or invoke suspension of periods. The Group's cash flows and financial conditions may be materially adversely affected should its counterparties terminate, renegotiate or suspend their obligations towards the Group under such contracts.

### **2.1.5 Health, safety and environment risk, including COVID-19**

The work processes on-board the Group's vessels can be complex and may have to be undertaken in a potentially difficult environment. Furthermore, the Group's business entails risk of accidental discharges/emissions to the natural environment. Consequently, there is a risk that personnel may be injured, equipment damaged and/or IT systems fail, which gives a risk of operating failure and for example the gangway-connection could be disrupted, meaning the vessel cannot continue its normal operations alongside a production installation, any of which could have a material adverse effect on the Group's business.

The COVID-19 pandemic is affecting the operations of the Group and the markets the Group operate in, negatively. The pandemic involves increased costs and delays to the operations of the Group such as e.g. COVID-19 testing and quarantine of personnel in connection with crew changes on the vessels. As long as the COVID-19 pandemic continues, it may affect the overall performance of the Group, including the Group's ability to provide its services and implement its business plan, and may result in delays, additional costs and liabilities, which in turn could have a material adverse effect on the Group's results, financial condition, cash flows and prospects.

### **2.1.6 Legal proceedings and contractual disputes risk**

In the course of its activities, the Company may become involved in contractual and other disputes and legal proceedings, which may involve claims for significant monetary amounts, some of which may not be covered by insurance, or which could impose restrictions on the Company's business operations. Such proceedings may expose the Company to losses and liabilities and the Company could incur unforeseen expenses and it could occupy a significant amount of management's time and attention. Depending on the outcome, such proceedings may have a negative impact on the financial position and operations of the Company.

In connection with the above, the Gulating Court of Appeal decided on 15 April 2021 that the Company's subsidiary, Prosafe Rigs Pte. Ltd. ("PRPL") shall pay a total of NOK 474,080,660, including legal costs and (approximately USD 56.1 million) and accrued interest, to Westcon Yards AS ("Westcon") (the "Westcon Claim") as of 30 August 2021. NOK 245 million of the claim was settled on 13 September 2021 by payment under a bank guarantee issued by Nordea Bank Abp, filial i Norge ("Nordea"), in favour of Westcon where Nordea on the same date exercised a set-off for the same amount against cash standing on accounts held by PRPL and the Company with Nordea for Nordea's recourse claim against these companies following payment to Westcon under the bank guarantee.

For a description of current material disputes, please refer to Section 13.

### **2.1.7 The market value for the Group's vessels may decrease**

As at the date of this Prospectus, the Group owns and operates seven vessels, as well as having an option to take delivery of two new build vessels located at COSCO's yard in China, as further described in Section 7.5 herein.

The fair market value of the Group's vessels or those vessels the Group may acquire in the future may increase or decrease depending on a number of factors such as:

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

At each balance sheet date, the Group assesses whether there is any indication that a vessel may be impaired. If any such indication exists, the Group will estimate the recoverable amount of the vessel, and write down the vessel to the recoverable amount through the consolidated statement of comprehensive income. Fluctuation in vessel values may result in impairment charges or cause the Group to be unable to sell vessels at a reasonable value, either of which could have a material adverse effect on the Group's business, financial condition and results of operations.

#### **2.1.8 The Group's contract coverage estimates are based on certain assumptions and are subject to unexpected adjustments and cancellations**

The Group's order book (or backlog) represent those estimated future revenues relating to projects for which a customer has executed a contract and has a scheduled a start date for the project. Order book estimates are based on a number of assumptions and estimates to be received by the Group as payment under certain agreements. The realization of the Group's order book is affected by the Group's performance under its contracts. Consequently, there is a risk that the full contract value may not be obtained if the contract is terminated, amended or similar prior to completion. As a result, even if contracts are included in the order book, there can be no assurance that such contracts will be wholly executed by the Group, generate actual revenue or not be renegotiated at a lower price, or even that the total costs already incurred by the Group in connection with the contract would be covered in full pursuant to any cancellation clause. Even where a project proceeds as scheduled, it is possible that the customer may default and fail to pay amounts owed to the Group. Material delays, payment defaults and cancellations could reduce the amount of order book currently reported, and consequently, could inhibit the conversion of that order book into revenues which in turn could have a material adverse effect on the Group's business, results of operations, cash flows, financial condition and/or prospects.

## **2.2 RISKS RELATED TO FINANCING**

### **2.2.1 Risks related to substantial debt level, the feasibility of the proposed debt restructuring and ability to satisfy payment obligations going forward**

The Group has a substantial debt level, including substantial fixed obligations under vessel financings. In order to be able to service its debt obligations, the Group needs to reduce, reschedule and otherwise restructure a material part of its debt. The Restructuring (as defined below) of the Group's debts (including the Private Placement) is not completed until the Private Placement Shares have been delivered to the lenders and transferred to the original ISIN for the listed Shares. Completion of the full debt restructuring is subject to certain conditions subsequent that are currently not satisfied which may be beyond the control of the Company. There is a risk that the debt restructuring will not be completed as contemplated, or has to be completed on less favorable terms or will not be completed at all. Increased and sustained income generation or the Group's failure to achieve satisfactory debt reductions, could have a material adverse impact on the Company's ability to satisfy its payment obligations and with a major risk of a potential bankruptcy (full liquidation) as the ultimate consequence thereof.

Even if the Group is able to restructure its current debt in a satisfactory manner and as planned, the Group's ability to service its debt and ensure compliance with financial covenants in its financing agreements going forward is subject to a number of risk factors, many of which are outside the Group's control, including general demand for oil and gas, the Group's ability to generate sufficient cash flow and operate in the ordinary course of business with positive cash flow, the need for future capital injections and refinancing – and therefore remains highly uncertain. Each of these factors is, to a large extent, subject to economic, financial, competitive, regulatory, operational and other factors, many of which are beyond the Group's control. There can be no assurance that the Group will be

able to generate sufficient cash from its operations and/or obtain new capital to pay its debts or other payment obligations in the future or to refinance its indebtedness in order to be able to service its debt in its ordinary course of business. It is therefore a risk that the Group will continue to breach its debt obligations and other obligations, and that creditors as a result will be entitled to accelerate their claims against the Group. If needed, the Group will be dependent upon its creditors agreeing to waive covenant breaches and other events of default.

Reference is also made to Section 6 below, regarding the dilutive effect of the issue of new Private Placement Shares in connection with the Group's debt Restructuring.

### **2.2.2 Currency risk**

Prosafe is exposed to several currencies. The bulk of revenues are in USD and the vessels are valued and financed in USD. The financial accounts referred to in this Prospectus are therefore compiled in USD.

Operating expenses are mainly denominated in USD, GBP, NOK, SGD and BRL, but depending on the country of operation and nationality of the crew, operating expenses can also be in other currencies, such as EUR and SEK.

Capital expenditure relating to value enhancing investments, such as upgrades and/or refurbishment programs, depending on the origin of equipment and the location of the yard, will usually be in USD, NOK or EUR. Fluctuations in these currencies as against the USD could have an adverse impact on Prosafe's financial position. Prosafe will consider hedging on a case by case basis.

### **2.2.3 Liquidity risk**

As Prosafe after the Restructuring will continue to be partly financed by interest-bearing debt it is subject to liquidity risk. All its loans (as further described in Section 5 of this Prospectus) have a defined maturity date and there will always be a risk that such debt cannot be further refinanced if the Company is unable to pay its loans as they fall due. This could be as a result of specific factors, such as excessive leverage, falling asset values or low earnings/cash flow, or it could arise from macroeconomic factors and the general development in the global credit markets. Failure to further refinance debt may have a material adverse effect on Prosafe's financial position.

## **2.3 RISKS RELATED TO THE SHARES**

### **2.3.1 The trading price of the Shares has fallen significantly in the last years and may continue to fluctuate**

The trading price of the Shares has fallen significantly in the last years and could continue to fluctuate significantly in response to a number of factors beyond the Group's control, including quarterly variations in operating results, adverse business developments, changes in financial estimates and investment recommendations or ratings by securities analysts, or any other risk discussed in this Section 2 materializing or the anticipation of such risk materializing. Furthermore, limited liquidity in the trading market for the Shares could have a negative impact on the market price and ability to sell Shares.

### **2.3.2 Major shareholders may exert significant influence**

A concentration of ownership may have the effect of delaying, deterring or preventing a change of control of the Company, which in turn could have a material and adverse effect on the fair market value of the Shares. Further, the interests of shareholders exerting a significant influence over the Company's Management and affairs and over matters requiring shareholder approval, including the election of the Company's Board of Directors and approval of significant corporate transactions, which may not in all matters be aligned with the interests of the Company and the other shareholders of the Company. Major shareholders may also decide to sell large blocks of Shares, and thereby reducing the market price of the Shares.

### **2.3.3 The Company may or may not pay any cash dividends in the future, and shareholders may never obtain a return on their investment.**

Dividends are not currently part of the plan for this stage of the business development process. The Company aims at making the Shares in the Company an attractive investment object and at providing its shareholders with a competitive return on investment over time, in terms of dividend and/or development in the share price. The Company's target is that the underlying values shall be reflected in the share price. The payment of future dividends will depend on the Company's earnings, financial condition and other factors including cash requirements, taxation, regulation, etc.

Due to the reduction in industry activity levels and challenging market conditions, no dividend has been paid since August 2015. In 2016, the Company and their lenders agreed that the Group will not declare any dividends until deferred bank instalments have been prepaid or cancelled. There is therefore a likely risk that the Company for the foreseeable future will not pay any dividends to its shareholders.

### **3. STATEMENT OF RESPONSIBILITY**

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

14 December 2021

#### **The Board of Directors of Prosafe SE**

Glen Ole Rødland  
Chair of the Board

Nina Udnes Tronstad  
Board member

Birgit Aagaard-Svendsen  
Board member

Alf Christian Thorkildsen  
Board member

## **4. GENERAL INFORMATION**

### **4.1 PRESENTATION OF FINANCIAL AND OTHER INFORMATION**

#### **4.1.1 Financial information**

The Group's audited consolidated financial statements as of and for the year ended 31 December 2020 (the "**Financial Statements**") and the Group's unaudited interim financial statements as of and for the nine months period ended 30 September 2021 (the "**Interim Financial Statements**"), have been incorporated by reference in Section 15.3 of this Prospectus.

The Financial Statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("**IFRS**"), while the Interim Financial Statements have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" as adopted by the EU ("**IAS 34**").

The Financial Statements have been audited by KPMG AS ("**KPMG**"), as set forth in their report included therein describes a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern.

The interim financial statements have not been audited. Other than the Financial Statements, KPMG has not audited, reviewed or produced any report or other information provided in this Prospectus.

#### **4.1.2 Industry and market data**

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

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

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

#### **4.1.3 Other information**

In this Prospectus, all references to "NOK" are to the lawful currency of Norway, all references to "USD" are to the lawful currency of the United States, all references to "EUR" are to the lawful common currency of the EU member states who have adopted the Euro as their sole national currency, all references to "SEK" are to the lawful currency of Sweden, all references to "GBP" are to the lawful currency of the UK, all references to "SGD" are to the lawful currency of Singapore and all references to "BRL" are to the lawful currency of Brazil. No representation is made that the NOK, USD, EUR, SEK, GBP, SGD or BRL amounts referred to herein could have been or could be converted into NOK, USD, EUR, SEK, GBP, SGD or BRL as the case may be, at any particular rate, or at all. The Financial Information is published in USD.

#### **4.1.4 Rounding**

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

#### **4.1.5 Third Party Information**

The Company confirms that where information has been sourced from a third party, such information has been accurately reproduced and that as far as the Company is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. Where information sourced from third parties has been presented, the source of such information has been identified. The Company does not intend, and does not assume any obligations to update industry or market data set forth in this Prospectus.

### **4.2 CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS**

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

When used in this document, the words “anticipate”, “believe”, “estimate”, “expect”, “seek to”, “will”, “may”, “intends”, “assumes” or other words of similar meaning and similar expressions or the negatives thereof, as they relate to the Company, its subsidiaries or its management, are intended to identify forward-looking statements. These forward-looking statements as a general matter are all statements other than statements as to historic facts or present facts and circumstances. The Company can give no assurance as to the correctness of such forward-looking statements and investors are cautioned that any forward-looking statements are not guarantees of future performance. Such forward-looking statements involve, and are subject to, known and unknown risks, uncertainties and other factors, which may cause the actual results, performance or achievements of the Company and its subsidiaries, or, as the case may be, the industry, to materially differ from any future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding Prosafe's present and future business strategies and the environment in which the Company and its subsidiaries operate.

Prospective investors in the Shares are cautioned that forward-looking statements are not guarantees of future performance and that Prosafe's actual financial position, operating result and liquidity, and the development of the industry in which Prosafe operates may differ materially from those made in or suggested by the forward-looking statements contained in this Prospectus. The Company cannot guarantee that the intentions, beliefs or current expectations upon which its forward-looking statements are based will occur. Given the aforementioned uncertainties, prospective investors are cautioned not to place undue reliance on any of these forward-looking statements.

Prospective investors in the Shares are urged to read all sections of this Prospectus and, in particular, Section 2 “Risk Factor” for a more complete discussion of the factors that could affect Prosafe's future performance and the industry in which Prosafe operates when considering an investment in the Company.

All subsequent written and oral forward-looking statements attributable to the Company or to persons acting on the Company's behalf are expressly qualified in their entirety by the cautionary statements referred to above and contained elsewhere in this Prospectus.

### **4.3 APPROVAL BY THE NORWEGIAN FSA**

This Prospectus has been approved by the Norwegian FSA, as competent authority under Regulation (EU) 2017/1129. The Norwegian FSA only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by Regulation (EU) 2017/1129. Such approval should not be considered as an endorsement of the issuer or the quality of the securities that are the subject of this Prospectus.

This Prospectus has been drawn up as a simplified prospectus in accordance with article 14 of Regulation (EU) 2017/1129. Investors should make their own assessment as to the suitability of investing in the securities.

## 5. THE RESTRUCTURING

### 5.1 BACKGROUND TO THE RESTRUCTURING

The Group has faced financial difficulties since late 2019 as a result of challenging market conditions, including oversupply of vessels in the market and insufficient employment demands for the Group's accommodation vessels.

The Group has thus initiated formal restructuring proceedings in Singapore and in Norway. The Company and PRPL are each subject to scheme moratorium protection provided by the High Court of the Republic of Singapore on 30 April 2021 and prolonged by court decision until 31 January 2022 as announced by the Company on 13 September 2021. Such moratoria have also been recognized in respect of the Company and PRPL by the Brazilian Courts. The Brazilian Court further granted the Company's and PRPL's request to extend the moratorium period until 31 January 2022 – also in accordance with the Moratorium Extension Orders made by the Singapore Court on 13 September 2021.

Each of the Company and PRPL are also subject to scheme of arrangements in Singapore pursuant to the Singapore Companies Act Section 210(1) (the "**Schemes**"). In order to secure a global restructuring of the Group, the Company is also subject to a restructuring proceeding in Norway.

A restructuring of the Group was thus needed in light of (i) expired and impending maturity dates under the Group's key financing arrangements, (ii) deteriorating cash generation in light of challenging market conditions driven by the low oil price environment, several years of low activity across the oil and gas industry, a shift in the way the industry operates which impacts vessel utilization and day rates (key metrics for the Group) including reduced spending and deferment of deployment of vessels for contracts through 2020 due to COVID-19, (iii) the Westcon Claim (as described in Section 2.1.6 above) (iv) the fact that the Group's current debt levels were unsustainable, significantly in excess of the value of the secured assets, and not able to be refinanced on market terms. This led to the necessity for a substantial deleveraging and balance sheet restructuring in order to achieve a stable platform with respect to available liquidity and sufficient runway to secure the ongoing future of the Group.

Prior to the restructuring, the Group's main financing arrangements were:

- (a) a Norwegian law governed syndicated senior secured term and revolving credit facilities agreement with the Company as borrower, PRPL and Prosafe Offshore Pte. Ltd. ("**POPL**") as guarantors, originally dated 6 February 2015, as amended and restated, for facilities of up to USD 1.3 billion (the "**1300 Facility**");
- (b) an English law governed syndicated senior secured terms credit facility agreement with the Parent as borrower and PRPL as guarantor originally dated 27 May 2014, as amended and restated, for facilities or originally up to USD 288 million (the "**288 Facility**");
- (c) an English law governed secured seller's credit agreement in respect of the Safe Notos between PRPL and Cosco originally dated 20 August 2016 as amended from time to time (the "**Notos Seller's Credit**"). The Notos Seller's Credit was contractually subordinated to the 288 Facility pursuant to the terms of a Co-ordination Deed dated 4 February 2016 (as amended by an amendment deed dated 27 September 2016) (the "**Deed of Co-Ordination**");
- (d) the Parent had entered into the interest rate swaps in connection with the 1300 Facility with DNB Bank ASA, ABN Amro Bank N.V., Skandinaviska Enskilda Banken AB (publ) and Swedbank AB (publ) (such lenders, the "**Interest Rate Swap Lenders**"), all of which interest rate swaps were terminated prior to the restructuring; and
- (e) the Parent had issued two tranches of subordinated zero coupon convertible bonds which, in aggregate, had an outstanding amount of NOK 173 million (approximately USD 20.5 million) maturing 23 August 2021 and 30 November 2021, respectively (the "**Convertible Bonds**"). All Convertible Bonds have already been converted to shares prior to implementation of the Restructuring.

The Group initiated restructuring discussions with its lenders in December 2019. Discussions continued throughout 2020 and the early part of 2021 (as further described in the Company's stock exchange disclosures set out in Section 9.13) culminating in the parties' achievement of the following key milestones in relation to the Restructuring:

- (i) broad in-principle agreement on a detailed term sheet, setting out the terms of the Restructuring (the "**Term Sheet**") between the Company, its key subsidiaries and a majority of the Group's key financial

creditors (comprising 98.2% of the Group's overall outstanding debt that would be the subject of a Singapore court driven scheme of arrangement); and

- (ii) broad in-principle agreement on a Restructuring Support Agreement to implement the terms of the Term Sheet (the "**RSA**") between the Company, its key subsidiaries and the majority creditors; and
- (iii) a temporary informal stay on payment of any interest and principal was in place from February 2020 to support and enable the negotiations to continue.
- (iv) In relation to the above-mentioned Schemes, following Prosafe SE's and Prosafe Rigs Pte Ltd's applications to the Singapore Court to approve the Schemes, these were agreed at scheme meetings of the scheme creditors held on 28 September 2021. The Schemes obtained the approval of 100% in number and 100% in value from Scheme Creditors present and voting at the Scheme Meetings of each class of Scheme Creditors.
- (v) Following approval of the Schemes, at the hearing of the Singapore Court of the Sanction Applications on 18 October 2021, the Schemes were sanctioned by the Singapore Court further to which, following copies of the orders being lodged with the Accounting and Corporate Regulatory Authority of Singapore the Schemes' Effective Date was achieved on 21 October 2021.
- (vi) The Norwegian Restructuring Plan was sent out to all known unsecured creditors of the Company on 22 October 2021. The Restructuring Plan mirrors the PSE's Scheme in solution and effect, as far as the scope of and permitted by the Norwegian Restructuring Act. The creditors were given until 8 November 2021 to vote on the Restructuring Plan. The Restructuring Plan obtained the approval of 100% in number and 100% in value from the unsecured creditors, where 98% of the total unsecured creditors casted their votes. The Restructuring Plan was sanctioned by the Oslo District Court on 10 November 2021, and will become legally binding and enforceable on 10 December 2021.

The key principles in the negotiations were that the 1300 Facility and 288 Facility should be entitled to a cash payment up front, retaining some of the outstanding debt as an amended loan with the balance being converted into equity of the Company. In accordance with an equitization formula (the "**Equitization Formula**") the 1300 Facility lenders, the 288 Facility Lenders, Cosco and the Interest Rate Swap parties were together to hold 99% of the fully diluted shares in the Company, pro rata to their share of the claims outstanding (save for the Interest Rate Swaps). The Company's subsidiary PRPL had been subject to a litigation proceeding against Westcon Yards AS. Pursuant to Gulating Court of Appeal's judgment on 15 April 2021, PRPL was ordered to pay to Westcon a total amount of approximately NOK 465,000,000. NOK 245 million of the claim has been settled. The Company and PRPL has entered into a settlement agreement with Westcon in order to settle the remaining part of Westcon's claim, in which Westcon is to receive 3% of the shares in the Company. In order to secure a global restructuring of the Group, Cosco will also receive an increased portion of shares in the Company, compared to their underlying claim. Based on the settlement with Westcon an alternative equitization formula (the "**Alternative Equitization Formula**") has been agreed upon, as further set out in the below table.

<b>Alternative Equitization Formula</b>		
<b>Creditor Group:</b>	<b>Debt Equitised (USDm):</b>	<b>Pro-Forma Shareholding:</b>
1300 Facility	982	88.5%
288 Facility	38	3.4%
Interest Rate Swaps	21 <sup>1</sup>	1.9%
Notos Seller's Credit	20	2.2%
Westcon	26 <sup>2</sup>	3%

<sup>1</sup> Amount equitized adjusted for 50% write-off in accordance with terms of the restructuring

<sup>2</sup> Based on FX rate of 8.66 NOK = 1 USD

## 5.2 KEY TERMS OF THE RESTRUCTURING

The key features of the Term Sheet to effect the restructuring proposals were as follows (the "**Restructuring**").

In relation to the 1300 Facility:

- (i) an amount of USD 36 million to be paid to the 1300 Facility lenders on a pro rata basis upon the Restructuring becoming effective;
- (ii) an amount of USD 2 million to be paid to Sparebank 1 SR-Bank ASA;
- (iii) USD 250 million to be reinstated as a New Facility A Loan;
- (iv) USD 45 million to be reinstated as a New Facility B Loan, to be equitized;
- (v) the remaining amount outstanding to be converted to equity in the Company in accordance with the Alternative Equitization Formula set out in the restructuring Term Sheet.

In relation to the 288 Facility:

- (i) an amount of USD 9 million to be paid to the 288 Facility lenders on a pro rata basis upon the Restructuring becoming effective;
- (ii) USD 93 million to be reinstated on the terms of a reinstated 288 Facility; and
- (iii) the remaining amount outstanding to be converted into equity in the Company in accordance with the Alternative Equitization Formula.

In relation to the English law governed seller's credit agreement in respect of the Safe Notos between PRPL and Cosco originally dated 20 August 2016 as amended from time to time:

- (i) the remaining amount outstanding to be converted into equity in the Company in accordance with the Alternative Equitization Formula.

In relation to Westcon:

- (i) the remaining balance of the amount owed by PRPL to Westcon shall be converted into equity in the Company in accordance with the Alternative Equitization Formula;

In relation to the Interest Rate Swaps:

- (i) 50% of the outstanding amounts owing under the Interest Rate Swaps have been cancelled and the remaining 50% converted into equity in the Company in accordance with the Alternative Equitization Formula.

The Company exercised its right to convert outstanding amounts under the Convertible Bonds to shares in the Company on 6 August 2021. The share capital increase was registered with the Norwegian Register of Business Enterprises on 18 August 2021 and the Convertible Bonds were converted on 23 August.

To facilitate implementation of the debt-to-equity conversion contemplated by the plan to restructure the Company (the "**Restructuring Plan**"), on 27 September 2021 an extraordinary general meeting (the "**EGM**") of the Company resolved:

A decision to convert the existing and current obligation confirmed by the auditor, namely the unsecured debt under the 1300 Facility, the 288 Facility and the Interest Rate Swaps, except that USD 45 million of the 1300 Facility (the USD 45 million Tranche B which was originally linked to the outcome of the Westcon litigation) (the "**Conversion Decision**").

A decision to grant the Company's board of directors authority to convert the remaining unsecured debt to be converted as part of the Restructuring Plan, namely the USD 45 million Tranche B, the Westcon Deficiency Claim (the claim held by Westcon not covered by the NOK 245 million guarantee paid to Westcon) and the outstanding amount under the Cosco Notos Seller's Credit (the "**Board Authorization Decision**").

The unsecured debt to be converted under the Conversion Decision will first be converted and registered with the Norwegian Register of Business Enterprises (the "**Step 1 Conversion**" and shares to be issued the Tranche I

Shares). Thereafter, the Board Authorization Decision will be registered with the Norwegian Register of Business Enterprises, and the remaining unsecured debt to be converted under the Board Authorization will be converted (the "**Step 2 Conversion**" and the shares issued the Tranche II Shares).

As part of the Restructuring, the nominal value of the Shares has been reduced from EUR 0.1 to EUR 0.05 in order to facilitate a subscription/conversion price below the existing nominal value required for conversion of the Westcon Deficiency Claim and the Notos Seller's Credit in connection with the Private Placement below and in accordance with the Alternative Equitization Formula (see Section 5.1 above). The reduction of the nominal value took place by utilizing coverage of loss which cannot be covered otherwise, in accordance with the Norwegian Public Liability Companies Act Section 12-1 (1) no. 1. The reduction of the nominal share value provides flexibility if the exchange rate of the debt in US dollars falls against the share price in Euro. The reduction of nominal value of the shares was authorized by EGM where the Company's board of directors was authorized to reduce the share capital by 50 per cent from EUR 8,798,699.8 to EUR 4,399,349.9 by reduction of the nominal value of the Shares from EUR 0.1 to EUR 0.05. The reduction of the nominal value of the shares was registered in the Norwegian Register of Business Enterprises on 6 December 2021.

The USD/EUR exchange rate (or other currency exchange rates applicable against EUR) will be set at the time of the conversion. The exchange rate will have to be set at such future point in time, to ensure that the EUR denominated share capital is paid in full, in accordance with Norwegian law requirements.

### **5.3 REINSTATED DEBT FACILITIES (POST-RESTRUCTURING)**

Subsequent to the implementation of the Restructuring, the Group's main financing arrangements will be as follows:

*The 1300 ARA (formerly the 1300 Facility):*

The Norwegian law governed syndicated senior secured term loan facilities agreement with the Parent as borrower, PRPL and POPL as guarantors, originally dated 6 February 2015, as amended and restated, for facilities representing reinstated debt of up to USD 250 million (the "**1300 ARA**").

The 1300 ARA comprises a USD 250 million interest bearing term loan (being Tranche A) repayable as a bullet at final maturity (subject to excess cash sweep) and a USD 45 million loan to be reinstated as the limited recourse Westcon Facility B Loan (being Tranche B), which shall be equitised in full.

The 1300 ARA is secured by, amongst others:

- (i) Singapore law governed ship mortgages and deeds of covenant over:
  - (A) Safe Boreas;
  - (B) Safe Concordia;
  - (C) Safe Scandinavia;
  - (D) Safe Zephyrus; and
  - (E) Safe Caledonia,((A-D each owned by PRPL and E owned by POPL) and each a "**1300 Secured Vessel**");
- (i) assignments of insurances and earnings in respect of the 1300 Secured Vessels;
- (ii) Singapore and Dutch law pledges of earnings accounts in respect of the 1300 Secured Vessels; and
- (iii) A new joint security package shared with the 288 ARA (as described in more detail below).

The maturity date for the 1300 ARA is 31 December 2025.

*The 288 ARA (formerly the 288 Facility):*

The English law governed syndicated senior secured term credit facility agreement with the Parent as borrower and PRPL as guarantor originally dated 27 May 2014, as amended and restated, for facilities representing reinstated debt of USD 93 million (the "**288 ARA**").

The 288 ARA is secured by, amongst others:

- (i) Singapore law governed ship mortgage and deed of covenant over Safe Notos (owned by PRPL) (the "**288 Secured Vessel**");
- (ii) assignments of insurances and earnings and any intragroup bareboat charter in respect of the 288 Secured Vessel;
- (iii) Singapore and Dutch law governed pledges of earnings accounts in respect of the 288 Secured Vessel; and
- (iv) the new joint security package shared with the 1300 ARA.

The maturity date for the 288 ARA is 31 December 2025.

The joint security package shared between the 1300 ARA and the 288 ARA is regulated by a trust deed dated 30 September 2016 (the "**Trust Deed**") comprising:

- (i) an assignment of intra group claims in respect of receivables under intra-group loans;
- (ii) floating charges in respect of the intra-group loans;
- (iii) Singapore law governed charges over the shares held by the Parent in each of PRPL, POPL and Prosafe Offshore Holdings Pte Ltd (the "**Parent Share Charges**");
- (iv) first ranking account pledge granted by the Parent over unrestricted accounts which are not subject to other security interests (and excluding any account holding equity injection cash made available for specific purposes).

#### **5.4 ADVISORS IN THE RESTRUCTURING**

Prosafe's professional advisers in relation to the Restructuring were Clifford Chance Pte Ltd ("**Clifford Chance**") as to matters of Singapore law, Advokatfirmaet Schjødt AS as to matters of Norwegian and English law.

#### **5.5 INTEREST OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUANCE OF SHARES**

The Company is not aware of any interest of natural or legal persons involved in the issuance of shares relating to this Prospectus.

## 6. THE PRIVATE PLACEMENT

### 6.1 BACKGROUND

Please refer to Section 5 “The Restructuring” for a detailed description of the background for the Private Placement.

### 6.2 THE PRIVATE PLACEMENT

#### 6.2.1 Introduction

In accordance with the Restructuring, the Private Placement will take place in two tranches as described in Section 5.2 above in accordance with the resolution from the EGM as reflected in the minutes from the EGM as announced by the Company on 27 September 2021.

The nominal value of the Shares was on 6 December 2021 reduced from EUR 0.1 to EUR 0.05 in order to facilitate a subscription/conversion price below the existing nominal value required for conversion of the Westcon Deficiency Claim and the Notos Seller's Credit in connection with the Private Placement below and in accordance with the Alternative Equitization Formula (see Section 5.1 above). The reduction was completed by utilizing coverage of loss which could not be covered by other amounts.

The first step in the Private Placement consists of the issuance of 5,000,000,000 – 15,000,000,000 ordinary Tranche I Shares, at a subscription price set by the Board of Directors at the time of issuance per share in connection with the equitization of USD 995,915,113 in debt. The Tranche I Shares were resolved issued by the EGM of the Company on 27 September 2021 under the Conversion Decision.

The Tranche I Shares will be registered in the Norwegian Register of Business Enterprises on or around 17 December 2021, following which the Company's share capital will be increased with minimum EUR 500,000,000 and maximum EUR 1,500,000,000, from EUR 4,399,349.9 to minimum EUR 504,399,349.90 and maximum EUR 1,504,399,349.90 through issuance of minimum 5,000,000,000 and maximum 15,000,000,000 new shares, each with a nominal value of EUR 0.05.

The registration of the Tranche I Shares in the Norwegian Register of Business Enterprises enables the issuance of the Tranche II Shares under the Board Authorization Decision. The Board Authorization Decision will be registered with the Norwegian Register of Business Enterprises on or around 17 December 2021, following which the board may resolve to issue new shares in a capital increase with up to 50% of the new registered capital, i.e. an increase of up to EUR 752,199,674.95 through issuance of up to 15,043,993,499 new shares, each with a nominal value of EUR 0.05.<sup>3</sup> See Section 6.2.2 below.

#### 6.2.2 Resolution relating to the issuance of Private Placement Shares and reduction of share capital

On 27 September 2021, the extraordinary general meeting of the Company passed the following resolution to reduce the share capital of the Company:

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1. *The share capital is reduced from EUR 8,798,699.8 by EUR 4,399,349.9 to EUR 4,399,349.9 by reduction of the nominal value of the Company's shares from EUR 0.10 to EUR 0.05, cf. the Companies Act Section 12-1.*
2. *The reduction amount shall be allocated to cover losses that cannot be covered otherwise. The reduction of share capital is carried out in accordance with the procedure in the Companies Act Section 12-5.*

The share capital reduction was registered in the Norwegian Register of Business Enterprises on 6 December 2021. As a consequence of the above resolution, the Company's extraordinary general meeting passed the following resolution regarding amendment to section 4 in the Company's articles of association:

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<sup>3</sup> The Company does not expect that they will increase the share capital with the maximum amount that the board authorization covers in tranche I of the Private Placement. The Company expects to issue 8,710,712,778 (subject to the subscription/conversion price which will be set by the board at the time of issuance) Tranche I Shares and Tranche II Shares in total in accordance with the Equitization Formula and Alternative Equitization Formula whereby the existing shareholders will be diluted to 1%. Please refer to Section 8.1 of this Prospectus for more information. The shares issued in tranche I affects the share issue in tranche II, as the tranches are interconnected and the share capital in tranche II can only be increased with a maximum of 50% of the issued share capital of tranche I.

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1. From: 'the Company's share capital is EUR 8,798,699.8, divided on 87,986,998 shares, each with a nominal value of EUR 0.10.'
2. To: 'The Company's share capital is EUR 4,399,349.9, divided on 87,986,998 shares, each with a nominal value of EUR 0.05'

On 27 September 2021, before the share capital reduction was registered, the extraordinary general meeting of the Company passed the following resolution to increase the share capital of the Company in connection with the Tranche I Shares:

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3. The Company's share capital shall be increase with minimum EUR 500,000,000 and maximum EUR 1,500,000,000, from EUR 8,798,699.8 to minimum EUR 508,798,699.8 and maximum EUR 1,508,798,699.8 through issuance of minimum 5,000,000,000 and maximum 15,000,000,000 new shares, each with the nominal value of EUR 0.1.
4. The subscription price per share shall be minimum EUR 0.1 and maximum EUR 0.35, of which EUR 0.1 per share comprises share capital and minimum EUR 0 and maximum EUR 0.5 per share comprises share premium. The board is authorised to determine the definite subscription price at a later time, cf. the Companies Act Section 10-1 second paragraph no. 3, in line with the equitisation formula included as Appendix 5. Thus, the aggregate subscription amount in the share capital increase is minimum EUR 500,000,000 and maximum EUR 5,250,000,000, of which minimum EUR 500,000,000 and maximum EUR 1,500,000,000 comprises share capital and minimum EUR 0 and maximum UER 3,750,000,000 comprises share premium.
5. Deviation is made from the existing shareholders' pre-emptive rights. The new shares may be subscribed for by the subscribers listed in Appendix 2, and with such subscription amounts as set out therein.
6. The subscription shall be made on a separate subscription form no later than on 15 October 2021.
7. Upon oversubscription, final allocation of shares not subscribed on by virtue of the preferential right are left ot the board of directors to decide.
8. The subscription amount shall be settled by set-off of receivables which each of the subscribers has on the Company against the claims the Company has against each of the subscribers for the relevant subscription price, as further specified in the statement from the independent expert pursuant to the Companies Act Section 10-2, cf. Section 2-6 as attached as Appendix 3. The set-off shall be deemed carried out by the subscription of the new shares. The Company hereby accepts that the share deposit may be settled by set-off of the mentioned receivables, even if the mentioned receivables are in foreign currency (USD). The Receivable is valued at nominal value in USD per 10 August 2021 (in total up to USD 995,915,113.41) including accrued interest and recalculated to EUR based on the European Central Bank's foreign exchange rate (middle rate, the mid-point between buying and selling rates in the interbank market) for USD: EUR as announced by the European Central Bank on the time of subscription. The Company's board has assessed the value of the Receivables to be converted to at least correspond to the agreed consideration, including the nominal value of the new shares to be issued with the addition of any share premium.
9. The Company may not make use of the subscription amount prior to registration of the share capital increase in the Norwegian Register of Business Enterprises, cf. Section 10-13 the Norwegian Public Limited Liability Companies Act.
10. The expenses connected with the share capital increase are estimated at USD 20,000.
11. The shares give full rights, including rights to dividends, from the time of registration of the share capital increase in the Register of Business Enterprises.
12. In the scenario that the share capital is reduced by 50% pursuant to the proposal included in item 5 of the notice, the nominal value of the shares shall be adjusted to EUR 0.05.

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On 27 September 2021, before the share capital reduction was registered, the extraordinary general meeting of the Company passed the following resolution to grant the board authorization to increase the share capital of the Company in connection with the Tranche II Shares:

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1. The Company's share capital may altogether be increased with EUR 754,399,349.9 through issue of 7,543,993,499 new shares, each with nominal value of EUR 0.1.
2. The authorization may be used to resolve share capital increases with the purpose of convert debt to equity in the Company.
3. The Subscription price and other conditions by use of the authorisation will be determined by the board.

4. *The board is authorised to resolve such amendments to the Company's Articles of Association as the capital increase necessitates.*
5. *The authorisation is valid until the date falling two years from the date of the resolution of the general meeting. The authorisation may be used by one or more subscriptions.*
6. *The shareholder's preferential rights to subscribe shares can be set aside by use of the authorisation.*
7. *The authorisation covers capital increase against contribution in cash and that the share payment obligation may be settled by set off. Thus, the authorisation does cover share capital increase by non-cash payments. The authorisation does not cover decision of merger.*
8. *The authorisation is conditioned upon the resolution set out in item 7 of this agenda is registered with the Norwegian Register of Business Enterprises. In the scenario that the share capital increase in item 7 above is not fully subscribed, the limits for the authorisation shall be adjusted accordingly.*
9. *In the scenario that the share capital is reduced by 50% pursuant to the proposal included in item 5 of the notice, the nominal value of the shares shall be adjusted to EUR 0.05.*

### **6.2.3 Participation of major existing shareholders in the Private Placement.**

Each of Nordea Bank Abp, filial i Norge, DNB Bank ASA, Skandinaviska Enskilda Banken (publ.), Danske Bank (Norwegian Branch), Swedbank (Norwegian Branch), Sparebank 1 SR-Bank ASA, ABN Amro N.V. (Oslo Branch) and ING Group N.V. will own more than 5% of the shares in the Company following the Tranche I Shares private placement.

Other than any of the above mentioned parties, no major existing shareholders, being a shareholder with more than 5% of the shares in the Company, will participate in the Private Placement.

### **6.2.4 Material disparity between the subscription price in the Private Placement and the effective cash cost to members of the Board of Directors and management**

No members of the Board of Directors or management of the Company has acquired Shares during the last 12 months.

### **6.2.5 Net asset value per share prior to and subsequent to the Private Placement**

Net assets value (equal to total assets minus total liabilities) per share prior to the Private Placement and after the Private Placement.

	<b>Prior to the Private Placement</b>	<b>Subsequent to the Private Placement of Tranche I and Tranche II Shares</b>
<b>Shares outstanding</b>	87,986,998	8,798,699,776 <sup>4</sup>
<b>Net asset value per share</b>	-12.045 <sup>5</sup>	0.005 <sup>6</sup>

### **6.2.6 Dilution**

In Tranche I of the Private Placement, the Company's total number of Shares will be increased by a minimum of 5,000,000,000 and a maximum of 15,000,000,000 Tranche I Shares. The Company's total number of Shares will

<sup>4</sup> Final amount of shares to be issued in Tranche I and Tranche II subject to adjustment in the subscription/conversion price which will be set, in accordance with the resolution by the general meeting on 27 September 2021, at time of conversion/issuance of shares, reflecting the applicable USD/EUR exchange rate at such point in time.

<sup>5</sup> Based on total assets of USD 550 million and total liabilities of USD 1,610 million, as reported as of 30 September 2021

<sup>6</sup> Based on total assets of USD 503 million (USD 550 million reported as of 30 September 2021 adjusted for USD 47 million payment to creditors as part of restructuring transaction). Total liabilities of USD 456 million (USD 1,610 million reported as of 30 September 2021 adjusted for equitisation and write-off of USD 1,497 million of existing debt and reinstatement of USD 343 million consisting of ARA 1300 and ARA 288). Refer to Section 8.2 for further details.

be increased by a maximum of 7,543,993,499 Tranche II Shares. The total dilutive effect of the Private Placement will be 99.0% after issuance of the Tranche I Shares and the Tranche II Shares.

	<b>Prior to the Private Placement</b>	<b>Subsequent to the Private Placement of Tranche I and Tranche II Shares</b>
<b>Shares outstanding</b>	87,986,998	8,798,699,776 <sup>7</sup>
<b>Dilutive effect</b>		99.0%

#### **6.2.7 Total expenses incurred in the Private Placement**

Total expenses incurred by the Company in connection with the Private Placement is estimated to USD 20,000.

#### **6.3 SHAREHOLDERS' RIGHTS RELATING TO THE PRIVATE PLACEMENT SHARES**

The Private Placement Shares will be freely transferrable and be issued electronically in dematerialised form in the VPS on ISIN NO0010861990 of the Oslo Stock Exchange listed shares shortly after the date of this Prospectus.

See Section 12 "Shareholder Matters and Norwegian Company and Securities Law" below for a more detailed description of the Shares and rights attaching to them.

#### **6.4 ADVISORS**

The Company's legal advisor in the Private Placement is Advokatfirmaet Schjødt AS.

#### **6.5 GOVERNING LAW AND JURISDICTION**

The Shares issued in the Private Placement are issued in accordance with the rules of the Norwegian Public Limited Companies Act and the Norwegian SE Act relating to companies registered as European Companies (Societas Europea).

This Prospectus is subject to Norwegian law. Any dispute arising in respect of this Prospectus is subject to the exclusive jurisdiction of the courts of Norway, with Oslo District Court as legal venue.

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<sup>7</sup> Represents total shares outstanding after issuance of Tranche I and Tranche II shares. Final amount of shares to be issued in Tranche I and Tranche II subject to adjustment in the subscription/conversion price which will be set, in accordance with the resolution by the general meeting on 27 September 2021, at time of conversion/issuance of shares, reflecting the applicable USD/EUR exchange rate at such point in time.

## 7. PRESENTATION OF PROSAFE SE

### 7.1 INTRODUCTION

The legal name of the Company is Prosafe SE, and its commercial name is “Prosafe”. The Company's principal office is located at Forusparken 2, 4031 Stavanger, Norway, and its main telephone number at that address is +47 51 64 25 00. The Company is a European public limited company registered under the laws of Norway with registration no. 823 139 772 and governed by the Norwegian Public Limited Liability Companies Act and the Norwegian SE Act. The Company was incorporated on 26 March 1997. The Company's LEI code is 2138001LK2Z2HSER4U15. The Company's website may be found on [www.prosafe.com](http://www.prosafe.com). The website does not form part of the Prospectus unless that information is incorporated by reference into the Prospectus.

### 7.2 LEGAL STRUCTURE

The table below sets out the Company's subsidiaries as at 1 December 2021:

Company	Country of incorporation	Direct and indirect shareholding and voting rights
Prosafe SE	Norway	-
Prosafe Services Maritimos Ltda	Brazil	100%
Prosafe Offshore BV	Netherlands	100%
Prosafe AS	Norway	100%
Axis Nova Singapore Pte. Ltd.	Singapore	100%
Axis Vega Singapore Pte. Ltd.	Singapore	100%
Prosafe Offshore Holdings Pte. Ltd.	Singapore	100%
Prosafe Offshore Pte. Limited	Singapore	100%
Prosafe Rigs Pte. Ltd.	Singapore	100%
Safe Eurus Singapore Pte. Ltd.	Singapore	100%
Safe Notos Pte. Ltd	Singapore	100%
Prosafe (UK) Holdings Limited	United Kingdom	100%
Prosafe Offshore Limited	United Kingdom	100%
Prosafe Rigs Limited	United Kingdom	100%

### 7.3 HISTORICAL BACKGROUND AND COMPANY DEVELOPMENT

The Company's vision is to be a leading and innovative provider of technology and services in selected niches of the global oil and gas industry.

The Company was formed in 1997, when the platform drilling and technical services divisions de-merged from Transocean as a separate company and became listed on the Oslo Stock Exchange as Procon Offshore ASA (“Procon”).

Procon merged with Safe Offshore ASA, thereby entering the business segment of accommodation/service vessels, and changed its name to Prosafe ASA. Prosafe ASA acquired the floating production company Nortrans Offshore in 2001, extending its activities to include the conversion, chartering and operation of Floating Production, Storage and Offloading (FPSOs /FSOs).

In 2005, the Company refined its commercial portfolio with the sale of the drilling services division.

In 2006, the Company acquired Consafe Offshore AB, which owned three semi-submersible accommodation/service vessels and one accommodation jack-up.

In 2007 Prosafe transferred its headquarters to Cyprus and was registered as a European Public Limited Liability Company.

In May 2008, the Floating Production division was spun off by establishing a subsidiary, Prosafe Production Public Limited, and by distributing 90.1% of the shares to the shareholders of the Company. Prosafe Production Public Limited was listed on the Oslo Stock Exchange on 2 June 2008. Prosafe SE sold its 9.9% stake in Prosafe Production Public Limited in 2010.

The Group has strengthened its market position by investing in the existing fleet and constructing four new, technologically advanced units. In 2011 and 2012, the Group ordered two Norway compliant, semi-submersible accommodation vessels, Safe Boreas and Safe Zephyrus, from Jurong Shipyard Pte Ltd in Singapore. The vessels were delivered from the yard in 2015 and 2016.

In 2013, the Group ordered two harsh environment semi-submersible accommodation vessels, Safe Notos and Safe Eurus, from COSCO. Safe Notos was delivered from the COSCO in Q1 2016. See additional specific comments for each vessel in Section 7.5 of this Prospectus.

In 2015 and 2016 the Safe Scandinavia was converted to a Tender Support Vessel ("TSV") by Westcon. The TSV modification cost was in excess of USD 300 million compared to the USD 140 million initially budgeted (which gave rise to the Westcon Claim).

In Q1 2016 contracts in Mexico were suspended including cancellation of a letter of intent for a new 4.5 year contract of ca USD 145 million for Safe Notos. As a consequence there was a deterioration of the Group's contract backlog.

As part of refinancing negotiations in 2018 with COSCO, the Group negotiated and agreed with COSCO for the deferred delivery and financing of Safe Eurus, Safe Nova and Safe Vega. This agreement is currently under renegotiation for extension.

The Safe Eurus was delivered from the yard in May 2019 and awarded a three-year contract by Petrobras and commenced operations offshore Brazil in November 2019. Safe Nova and Safe Vega is currently at the COSCO yard in China, as further described in Section 7.5.8 herein.

#### **7.4 PRINCIPAL ACTIVITIES**

The Group owns six semi-submersible accommodation vessels, one TSV and has option to take delivery of two semi-submersible accommodation vessels (Safe Nova and Safe Vega) currently stacked at yard in China, as further described in Section 7.5.8. During 2021, all vessels, except Safe Scandinavia have been on contracts for part of the year, as further described in Section 7.6.

Accommodation vessels are used when there is a need for additional accommodation, engineering, construction or storage capacity offshore. Typically, these vessels will be utilised in connection with installation and commissioning of new facilities, upgrades, modifications and maintenance of existing installations, hook-ups of satellite fields to existing infrastructure, and decommissioning and removal of installations.

The TSV Vessel, Safe Scandinavia, can provide mud storage, mixing and pumping facilities, as well as accommodation, cuttings storage, bulk storage and other associated utilities to an adjacent installation. The mud system has a capacity of 500m<sup>3</sup> and is able to handle, mix and store water-based and oil-based mud.

The Group's vessels have accommodation capacity (i.e. max number of beds) for 159-500 people depending on the type of vessel, and offer high quality welfare and catering facilities, storage, workshops, offices, medical services, deck cranes and lifesaving and firefighting equipment. The vessels are positioned alongside the host installation and are connected by means of a telescopic gangway so that personnel can walk to work.

When on a time charter contract in accommodation operation alongside platforms, the Group has the responsibility for the marine operations (station keeping etc.) and catering and cleaning services are outsourced. Compass Group/ESS is currently main supplier for catering and cleaning services on the vessels. Prior to 2016, the Company had bareboat contracts in Mexico, where Cotemar was responsible for the operations and administration of the vessels. Currently, the Group's vessels are only at time-charter contracts.

The Group has extensive experience from operating gangway connected to fixed installations, Floating Production, Storage and Offloading Vessels, tension-leg platforms ("TLPs"), Semis and Spars platforms. The Group's track record comprises operations offshore including Norway, UK, Denmark, Brazil, Tunisia, West Africa, North-west and South Australia, the Philippines, Russia, USA and the Gulf of Mexico.

To be able to operate in harsh offshore environments such as in the North Sea, a large semi-submersible is required, compared to when operating in more benign water regions, where a smaller semi-submersible is sufficient. To be able to operate in Norway, any vessel-owning subsidiary needs to have an Acknowledgement of Compliance ("AoC"). The Group is therefore dependent on receiving an AoC to operate in Norway. An AoC is an

acknowledgement from the Petroleum Safety Authority (PSA) to the effect that a mobile facility's technical condition and the companies' organisation and management system are assessed to be in conformity with relevant requirements of Norwegian petroleum regulations. Currently three of the Group's vessels have an AoC and the Company needs to maintain the status of these to continue to hold the AoC. In the UK, the authorities require a Safety Case to be able to operate in the UK, which is equivalent to the document in Norway. The Company has four Safety Cases.

The majority of the Group's operations are related to maintenance and modification of installations on fields already in production, while some activity is also related to commissioning of new fields.

Currently all of the Group's external contracts are time charter contracts, meaning that the Group is operating the vessels for customers/oil companies and as such bears the risk for downtime which is caused by an error on the part of the Group.

**7.5 THE FLEET**

The Group's vessels offer high quality welfare and catering facilities, storage, workshops, offices, medical services and lifesaving equipment. Prosafe has the largest semi-submersible accommodation fleet in operation worldwide, with seven vessels, while the second largest is Floatel International with five semi-submersible accommodation vessels.

The Group's new-build vessels have been designed to set a high standard in offshore accommodation; offering hotel quality cabins and modern, spacious recreation areas, Prosafe is fully committed to the welfare and well-being of its clients while also meeting stringent North Sea regulations. The Group is responsible for carrying out maintenance and five year Special periodic surveys (SPS) for the vessels in between contracts.

**7.5.1 Safe Boreas**



Safe Boreas was built at Jurong Shipyard in Singapore to the GVA 3000E design utilising GVA's extensive semi-submersible design experience. The vessel is designed for worldwide operations in the harshest offshore environments including the North Sea, and can operate both in DP and anchored mode, providing maximum cost efficiency and flexibility.

Built to comply with stringent Norwegian and UK regulations, the accommodation vessel incorporates two large atriums allowing natural daylight into the central cabins, mess room and recreational areas.

Safe Boreas has been granted the Acknowledgement of Compliance (AoC) from the Norwegian Petroleum Safety Authority (PSA) allowing the vessel to operate in Norway.

Safe Boreas was delivered from the yard in 2015.

Main vessel data	
Registered name	Safe Boreas

Built	2015
Design	GVA 3000E
Max no of beds	450 (all in single cabins)
Deck area	approx. 2,100 m <sup>2</sup>
Gangway	Telescopic hydraulic 38.5 m +/- 7.5 m
Mooring system	12 point mooring system
Station keeping	DP3
Thrusters	6 x 4.4 MW Azimuthing

### 7.5.2 Safe Zephyrus



Safe Zephyrus was built at Jurong Shipyard in Singapore to the GVA 3000E design utilising GVA's extensive semi-submersible design experience. The vessel is designed for worldwide operations in the harshest offshore environments, including the North Sea.

Built to comply with stringent Norwegian and UK regulations, the accommodation vessel incorporates two large atriums allowing natural daylight into the central cabins, mess room and recreational areas.

Safe Zephyrus has been granted the Acknowledgement of Compliance (AoC) from the Norwegian Petroleum Safety Authority (PSA) allowing the vessel to operate in Norway.

Safe Zephyrus was delivered from the yard in Q1 2016.

<b>Main vessel data</b>	
Registered name	Safe Zephyrus
Built	2016
Design	GVA 3000E
Max no of beds	450 (all in single cabins)
Deck area	approx. 2,100 m <sup>2</sup>
Gangway	Telescopic hydraulic 38.5 m +/-7.5m
Mooring system	12 point mooring system
Station keeping	DP3
Thrusters	6 x 4.4 MW Azimuthing

### 7.5.3 Safe Notos



Safe Notos was built at Cosco to an enhanced Gusto MSC's Ocean 500 design incorporating DP3 station keeping systems, 10-point chain mooring and variable draft operations in the harshest offshore environments, excluding Norway.

Safe Notos was delivered from the yard in Q1 2016.

#### Main vessel data

Registered name	Safe Notos
Built	2016
Design	GustoMSC's Ocean 500
Max no of beds	500
Deck area	approx. 1,500 m <sup>2</sup>
Gangway	Telescopic hydraulic 38.5 m +/-7.5m
Mooring system	10 point mooring system
Station keeping	DP3
Thrusters	6 x 3.7 MW Azimuthing

### 7.5.4 Safe Scandinavia - TSV



Safe Scandinavia is a versatile semi-submersible accommodation vessel capable of operating in all geographical areas, including the UK Continental Shelf and Norwegian Continental Shelf.

Safe Scandinavia has been granted the Acknowledgement of Compliance (AoC) from the Norwegian Petroleum Safety Authority (PSA) allowing the vessel to operate in Norway.

Safe Scandinavia was built in 1984 at the Aker Verdal yard to an Aker H-3.2E design. The vessel was upgraded in 2003 and completed a life extension refurbishment in 2014.

Safe Scandinavia completed a large scale conversion to a tender support vessel in 2016.

<b>Main vessel data</b>	
Registered name	Safe Scandinavia
Built, upgraded	1984, 2003 / 2005 / 2014
Design	Aker H-3.2E
Max no of beds	583 (NCS: 292) (in accommodation mode)
Power generation	6 780 kW (3 diesel generator sets)
Gangway	Telescopic Hydraulic 36.5m +/- 6.0m
Mooring system	12 Point Chain Winches
Station keeping	Moored

### 7.5.5 Safe Caledonia



Safe Caledonia is a thruster assisted moored semi-submersible accommodation vessel capable of operating in the most demanding geographical areas.

The Safe Caledonia was built in 1982 at the GVA / Kockums yard in Sweden to a Pacesetter design and completed a 20 year life extension in 2012/13.

<b>Main vessel data</b>	
Registered name	Safe Caledonia
Built, upgraded	1982, 2004, 2012
Design	Pacesetter
Max no of beds	454
Deck area	350 m <sup>2</sup>
Power generation	16 900 KW (6 diesel generator sets)
Gangway	Telescopic 36.5 +/- 5.5 m
Mooring system	10 Point Wire Winches
Station keeping	DP2 / POSMOOR
Thrusters	4 x 2.4 MW Azimuthing

### 7.5.6 Safe Concordia



Safe Concordia is a self-propelled semi-submersible accommodation and service vessel of twin hull configuration, capable of operating in benign to moderately harsh environments.

Safe Concordia was built at the Keppel FELS shipyard in Singapore and was delivered in March 2005.

#### Vessel data

Registered name	Safe Concordia
Built	2005
Max no of beds	461
Design	Deepwater Technology Group
Deck area	1 300 m <sup>2</sup> (laydown)
Power generation	18 550 kW (5 diesel generator sets)
Gangway	Telescopic Hydraulic 29.5 +/- 5 m
Mooring system	4 Point Wire Winches
Station keeping	DP2
Thrusters	4 x 2.5 MW Azimuthing

### 7.5.7 Safe Eurus



Safe Eurus is a technologically advanced and flexible DP3 semi-submersible ASV designed for worldwide operations, excluding Norway.

The Safe Eurus is an enhanced GustoMSC Ocean 500 design semi-submersible accommodation vessel delivered from COSCO in May 2019, and is the sister ship of the Safe Notos.

#### Main vessel data

Registered name	Safe Eurus
Built	2019
Design	Enhanced GustoMSC Ocean 500

Max no of beds	500
Deck area	1500m <sup>2</sup> plus
Power generation	31 328 kW
Gangway	38m +/- 7,5m
Mooring system	10-point wire winches
Station keeping	DP3
Thrusters	6 x 3.7 MW Azimuth

### 7.5.8 Safe Nova & Safe Vega (not yet delivered)



The Safe Nova and Safe Vega are technologically advanced and efficient DP3 harsh environment semi-submersible ASVs designed for operations worldwide.

The Safe Nova and Safe Vega is constructed at COSCO's Qidong Shipyard to an enhanced GM500A design, incorporating 500 beds, a DP3 station keeping system and a 10-point wire mooring arrangement for flexible and efficient operations in the harshest offshore environments.

The Company has paid an instalment of USD 25 million for each newbuild and the remaining and final amount will have to be paid in instalments upon and following delivery, if delivery takes place.

The delivery date of Safe Nova and Safe Vega was initially 31 August 2021, however, Prosafe has not requested delivery and Safe Nova and Safe Vega were not in deliverable condition such that COSCO was not entitled tender delivery.

The Company is in dialogue with COSCO about extending the options to take delivery of Safe Nova and Safe Vega.

<b>Main vessel data</b>	
Registered name	Safe Nova & Safe Vega
Built	Newbuilds (not yet in deliverable condition)
Design	Enhanced GM500A
Max no of beds	500
Gangway	38.0m +/- 7.5m
Mooring system	10 point wire winches
Station keeping	DP3
Thrusters	6 x 3.8 MW Azimuth
Cranes	Port-side: 70 tonne Starboard-side: 40 tonne
Registered name	Safe Nova & Safe Vega

For more technical information about the fleet see: <https://www.prosafe.com/fleet/vessels/>.

**7.6 FLEET CONTRACT STATUS**

The below table sets out the Group’s contract status as of 1 December 2021.



Contract: firm committed charter period of a vessel by a client commencing from completion of mobilisation until commencement of demobilization.

Options: Period(s) available to the client by providing due notice that extend the firm committed charter period of a vessel.

**7.7 CORPORATE GOVERNANCE**

Prosafe's system of corporate governance forms the basis for a transparent business model with clear segregation of roles, responsibilities and accountabilities between shareholders, the Board of directors, Executive Management and the organisation.

**Norwegian Code of Practice**

Prosafe SE is a European public company (Societas Europaea) listed on the Oslo Stock Exchange.

Corporate governance in the Company follows the principles contained in the Norwegian Code of Practice for Corporate Governance in its latest version of 17 October 2018 (the “**Corporate Governance Code**”). The Company is committed to ensuring that high standards of corporate governance are maintained and is in compliance with the Corporate Governance Code.

The corporate governance principles and practices as required by the Accounting Act Section 3-3b and the details of how Prosafe complies with the Norwegian Code of Practice for Corporate Governance are accounted for in its report on Corporate Governance.

The Norwegian Code of Practice for Corporate Governance covers 15 topics which are designed to ensure that the division of roles between shareholders, the Board of directors and the Company's Executive Management is regulated in a way that strengthens confidence among shareholders, employees, the capital market and other interested parties to ensure control and compliance, equal treatment of shareholders and maximum value creation over time.

The Company has accordingly implemented sound corporate governance. The Directors’ Report, which is published annually, specifically refers to a comprehensive Corporate Governance Report included in the annual report and published on Prosafe's website at <https://www.prosafe.com/investor-information/corporate-governance/>.

## **7.8 HEALTH, SAFETY AND ENVIRONMENT**

### **7.8.1 Introduction**

Prosafe operates an integrated management system certified to ISO9001:2015 (Quality Management), ISO14001:2015 (Environmental Management), ISO45001:2018 (Occupational Health and Safety Management) and ISO50001:2018 (Energy Management) and work to continuously improving its performance.

### **7.8.2 Safety**

Safety is a core value in Prosafe. We look upon the objective of zero incidents as a goal to work towards and a way of thinking. We are committed to working actively to avoid injuries and accidents.

Systematic preventive health, safety and environment work is a line management responsibility in Prosafe. Involvement by management and Shipboard Management, leadership and commitment, and close cooperation with the organisation onshore and offshore, including employee representatives and safety delegates, are key factors in achieving our goal of operating without accidents.

We encourage our employees to identify and assist in the development of new systems and procedures which deliver improved safety results.

In 2020, Prosafe recorded zero incidents classified as a Lost Time Injury ("**LTI**"), i.e. those injuries resulting in an employee being absent from the next work shift due to the injury. This is on the same level as in 2019, when there were also not recorded any LTIs. The LTI frequency is calculated by multiplying the number of LTIs by 1 million and dividing this by the total number of man-hours worked.

The Total recordable injury frequency rate ("**TRIFR**") is calculated by multiplying the number of all injuries requiring medical treatment by 1 million and dividing this the total number of man-hours worked. In 2020, the TRIFR was 1.81, an increase from 0.82 in 2019.

All injuries and serious incidents are unacceptable to Prosafe. Where such events occur, we strive to ensure that suitably resourced investigations are undertaken to identify root causes and introduce risk-reducing measures aimed at preventing recurrence. The findings of these investigations are conveyed to the rest of the organisation to transfer such experience. These are in the Company's view important measures for reaching the Company's goal of zero injuries and incidents.

#### **Continuously supporting safety awareness**

Prosafe endeavours to promote and support a zero mind-set with our employees and sub-contractors. In order to facilitate this, a number of activities and management tools are facilitated. These are described in more detail on Prosafe's website at <https://www.prosafe.com/fleet/hsseq/safety/> where you can also find a description of the continuous preventive work and improvement efforts.

#### **Contingency plans**

Prosafe has established contingency plans to limit harm to people, the environment and material assets. These plans will facilitate that correct, relevant and timely information is provided to the outside world if and when required.

The Group carry out regular emergency response training and exercises in cooperation with its customers and third parties.

### **7.8.3 Work-life balance**

Sick leave was 0.46 per cent in 2020, a reduction from 2.26 per cent in 2019.

The company monitors and manages all areas of absence (actual and potential) closely and strive to take the appropriate actions. Prosafe also takes steps to enable employees to return to work on light duties, either in the office or on shorter vessel trips to re-assimilate the employee's return to work.

Special attention is paid to employees exposed to certain hazards such as high noise environments, exposure to chemicals and other conditions that may be harmful to health. The company carries out regular occupational health assessments for this purpose.

#### 7.8.4 Environment

Care for the environment is one of Prosafe's core values and forms an integral part of the Company's business planning. Prosafe's goal is zero accidental discharges to the sea and zero accidental emissions to the air.

National authorities require companies operating in their waters to demonstrate compliance with strict rules and regulations. In addition to complying with national laws, Prosafe has internal policies and guidelines for risk management based on international standards.

##### Environmental management

Prosafe's goal is zero accidental discharges to the sea and zero accidental emissions to the air, which is in line with our principles for sustainable development. Prosafe actively pursues and commits to reducing direct emissions from its vessel operations in collaboration with its clients and respective industry body organisations.

Prosafe produces Environmental Impact Assessments for each of the vessels the Company manages or operates. The assessments take into account the mode of operation of the vessel together with generic geographical considerations. Local assessments are typically performed with the clients who will usually be operating under the terms of an operator's permit.

All accidental discharges and emissions are reported and followed up in the same way as injuries and material damage.

##### Greenhouse gas emissions

Prosafe calculates the emissions of carbon dioxide ("**CO<sub>2</sub>**"), carbon monoxide ("**CO**"), nitrogen oxide ("**NO<sub>x</sub>**"), sulphur dioxide ("**SO<sub>2</sub>**"), methane ("**CH<sub>4</sub>**") and volatile organic compounds ("**VOC**") for the fleet based on the fleet's diesel consumption. Prosafe's fleet carries low sulphur marine diesel with a maximum sulphur content of 0.1%, thereby exceeding the requirement within MARPOL (as defined below) Annex VI Regulation 14.1 prohibiting the carriage of fuel oil with sulphur content exceeding 0.5%.

It is important to note that the amount of diesel consumed, and thereby also the amount of emissions, will vary largely depending on:

- the number of vessels being operated throughout the year
- the fleet utilisation (i.e. the amount of time that the vessels have been operating)
- the vessels' operation mode - dynamic positioned ("**DP**") vessels maintain their position by means of thrusters and will therefore use far more diesel and thereby also have substantial higher emissions, than vessels that maintain station by moorings

The number of vessels that uses DP and the number of days that these vessels keep their position by using DP will vary from year to year. This implies that the amounts of emissions per year are not directly comparable.

Prosafe calculates its Greenhouse Gas ("**GHG**") emissions according to the GHG protocol. The calculated emission data for vessels operated by Prosafe were as follows for the years 2016 - 2020:

Tonnes pr. year	2020	2019	2018	2017	2016
Consumed diesel	17,836	40,858	35,486	33,250	42,872
CO <sub>2</sub>	57,075	130,746	113,555	106,400	137,190
CO	280	641	557	522	673
NO <sub>x</sub>	1,059	2,427	2,108	1,975	2,547
SO <sub>2</sub>	71	163	142	133	171
CH <sub>4</sub>	3	7	6	6	8
VOC	36	82	71	67	86

The Company actively monitors and manages staff travel and reports on global CO2 emissions. Prosafe's employees are encouraged to limit travelling to the extent possible and use telephone or video conference when possible.

### **Reducing our ecological footprint**

The Company is seeking solutions to reduce emissions in order to reduce its impact upon the environment. Environmental considerations are an important aspect when planning vessel refurbishments and upgrades, e.g. when shifting to more fuel-efficient equipment and by continuous improvement in operating procedures.

Prosafe cooperates with clients and authorities to reduce the impact of its operations on the natural environment. An example of this is a contract where Prosafe receives incentives when the daily diesel consumption is reduced.

The Company's vessels have International Air Pollution Prevention ("**IAPP**") certificates, International Oil Pollution Prevention ("**IOPP**") certificates and International Sewage Pollution Prevention ("**ISPP**") certificates. These certificates are all issued under the International Convention for the Prevention of Pollution from Ships ("**MARPOL**") and are subject to periodic survey.

### **Facilitating improvement over time**

In 2009, Prosafe joined the Confederation of Norwegian Enterprises ("**NHO**") Environmental Agreement on NOx. By signing the Agreement, Prosafe committed itself to prevent and reduce environmental problems caused by emissions of NOx in its offshore operations.

Refurbishment projects of vessels have included the replacement of older engines with low NOx engines resulting in a reduction of diesel and lub oil consumption, thereby contributing to a reduced environmental impact. The replacement of old tonnage has resulted in seven older vessels being replaced with four new built vessels throughout 2016-2020 with more efficient diesel engines, producing less NOx emissions.

It is noted that the 2020 average direct GHG emissions Standard scope 1 is slightly higher than in 2019. The main reason for this is the difference in number and types of vessels in operation in 2020 compared to 2019. The value is derived from dividing the Company's total GHG value with the total number of days on contract which makes it sensitive to both number and types of vessels because of their different load and combustion characteristics. Naturally different contract durations and other factors as weather conditions also influence the fuel consumption.

Going forward, the Company will continue to gradually implement new technology and refurbish equipment in order to further reduce emissions.

### **Spills**

Prosafe had no reportable discharges to the natural environment in 2020. The Company's vessels take proactive measures to mitigate the potential for any spills and regularly conduct exercises to test its Oil Prevention Emergency Response & Spill contingency plans.

### **Responsible recycling**

Prosafe continues to high-grade its fleet by selling the oldest and most inefficient vessels for recycling at certified ship recycling yards. Eight vessels have been sold for recycling since mid-2016.

In all cases, Prosafe will adhere to relevant conventions (including the 2009 Hong Kong Convention and 1989 Basel Convention), adopt best practise, provide financial guarantees and appoint independent recycling yard representation where necessary, until the asset is completely recycled, and conduct extensive diligence when recycling an asset.

### **Use of chemicals and hazardous substances**

Prosafe has an approved 'Chemicals list' that is based on a risk assessment matrix and hierarchy of controls. All chemical and hazardous substances are subject to an evaluation which identifies a 'Hazard Categorisation' to the substance.

The categorisation of the product takes consideration of the impact and effect the substance may have on health and the natural environment. Substances are assigned to either a 'High', 'Medium' or 'Low' category for the representative hazard to health and the environment. The 'Hazard categorisations' are maintained and updated within the Company's online chemical management system.

Where 'High Hazard' chemicals are identified, it is general practice for Prosafe to seek to substitute these chemicals with lower 'Hazard chemicals'.

The Company continues to conduct further evaluations to help identify safer/greener substitutes for current high/medium risk substances.

#### **Waste management**

When a Prosafe vessel operates alongside an offshore installation, it will come under the umbrella of the host installation's operating permits. Prosafe and its client's management systems are cross-referenced within interface documents, and responsibilities are clearly defined.

All Prosafe vessels are subject to MARPOL requirements and have implemented a waste management system that is documented in Group's the 'Garbage Management Manual'. The plan includes assessments of all potential waste products originating on board together with the requirements for waste segregation for transportation ashore.

Prosafe manages waste produced locally whilst monitoring third parties' waste disposal performance.

#### **Ballast water**

Ballast water management for the Company's vessels is controlled within the confines of the International Maritime Organisation ("IMO") regulation.

Prosafe's vessels have International Ballast Water Management ("IBWM") certificates. These certificates are all issued under the 'International Convention for the Control and Management of Ship' Ballast Water and Sediments' and are subject to periodic survey.

#### **Discharge of sewage**

The discharge of sewage is controlled within the confines of IMO regulation. All vessels within the fleet have been subject to ISPP surveys and have been issued certification in accordance with MARPOL Annex IV by the relevant flag.

### **7.8.5 Governance**

Prosafe is committed to complying with all applicable laws, including fair competition and antitrust, anti-corruption and anti-bribery, and insider trading.

#### **Code of Conduct**

Prosafe's Code of Conduct provides the framework for what Prosafe considers to be responsible conduct, but is not exhaustive. If laws and regulations in a country are more stringent than Prosafe's 'Code of Conduct', local rules shall apply.

The 'Code of Conduct' imposes an obligation to report possible violations of the Code or other unethical conduct. The Company's managers are required to take their control responsibilities seriously to prevent, detect and respond to ethical issues. Employees are encouraged to discuss concerns with their immediate supervisor or other managers. Concerns may also be raised with the 'Safety, Sustainability and Ethics Committee' and through the whistleblower system.

#### **Promoting integrity and transparency**

Prosafe's 'Whistleblowing Policy' encourages a culture of openness within Prosafe and describes the internal process for whistleblowing aiming at detecting, preventing and combating corrupt and/or unethical behaviour in Prosafe and to set out the relevant guidelines as to how to report concerns and how such matters are handled.

All such reporting will be handled with discretion and in a professional manner, with no retaliation imposed on those who report suspected or unethical behaviour, and the individual may remain anonymous.

The Company's 'Performance Management Procedure' shall ensure that an employee's grievance is treated in a fair, consistent and responsive manner, together with providing a channel for the hearing of the grievance and a fair resolution. All grievances raised under this procedure shall be treated confidentially.

Prosafe's 'Safety, Sustainability and Ethics Committee' is responsible for:

- Maintaining and further developing Prosafe's 'Code of Conduct';
- Ensuring that disclosures are dealt with as quickly as possible and as near to the point of origin as possible;

- Where appropriate, give recommendations and advice on dealing with ethical dilemmas;
- Ensuring that alleged breaches are investigated thoroughly and fairly;
- Reporting at least annually and otherwise when needed, to Prosafe's audit committee and Board of Directors.

#### **Anti-corruption and facilitation payments**

Prosafe's principles regarding anti-bribery and anti-corruption are crystal clear – the company has zero tolerance. This is also described in the Company's 'Code of Conduct' and in the 'Anti-bribery and Anti-corruption policy'.

Any breaches of suspicion or breaches of the Code of Conduct must be flagged. If in doubt, employees must consult their manager or the Safety, Sustainability and Ethics Committee.

#### **Supplier follow-up**

Prosafe encourages suppliers, consultants and other business partners within its sphere of influence to observe the Company's Core Values, Code of Conduct and its standards for corporate social responsibility, health and safety, the environment, quality assurance and training and competence.

Environmental, social and governance ("ESG") is a focus area in the procurement process and in supplier audits. The main tool for ensuring ESG implementation in the supply chain is the 'Prosafe Approved Supplier Verification Questionnaire', which requests suppliers to sign and commit themselves to following Prosafe's ESG principles.

Suppliers are subject to the same standards as used by Prosafe within its "Integrated Management System". Through planned, scheduled and follow-up efficacy monitoring and audit activities, Prosafe will review and verify that defined standards and requirements are met.

Suppliers are expected to:

- respect all individuals and basic human rights standards
- comply with applicable laws and regulations
- conduct their business without bribery or corruption
- engage in fair competition
- uphold labour standards and prevailing trade union agreements (if applicable)
- uphold and support Prosafe's Core Values and Code of Conduct

Prosafe were unable to conclude any meaningful sub-contractor audits during the year 2020, as a consequence of COVID-19 and imposed statutory restrictions on local and cross border travel, social distancing requirements and direct instructions from both local and national governments to work from home. Normally, these audits included focus on Environment, Social and Governance, including self-assessment status, measures in place, objectives, ambitions and targets.

#### **Audits**

Prosafe measures achievement of continual improvement through internal, external and third-party audits. In 2020, Prosafe conducted 5 internal audits. Clients conducted 8 audits on Prosafe in 2020, while 7 audits were conducted by certification/industry bodies and authorities.

#### **Personal data**

Prosafe takes its responsibilities seriously with regards to management of personal data and complies with the EU General Data Protection Regulation. Consequently, Prosafe has the necessary data protection procedures in place to ensure appropriate standards of protection of personal data and that the privacy of its people and stakeholders is safeguarded in accordance with the requirements under the relevant laws.

#### **Our actions**

New employees are introduced to Prosafe's history, operations, vision, core values and 'Code of Conduct'. They are also offered the necessary training in the Company's policies and procedures.

In 2020, Prosafe conducted several mandatory e-learning programs for employees, consultants and agency personnel.

At year-end, the rate of completion for these e-learning programs was as follows:

- UN – the fight against corruption: 88 per cent, an increase from 78 per cent in 2019
- Cyber security awareness: 91 per cent, an increase from 59 percent in 2019

Management's target is to have 100% of the employees to complete the programs.

## 8. CAPITALISATION AND INDEBTEDNESS

### 8.1 CAPITALISATION

The following table sets forth information about the Group's combined capitalisation as at 30 September 2021, derived from the Group's unaudited consolidated interim financial statements for the period ended 30 September 2021.

	As at 30 September 2021	Adjustment amount	As adjusted
<i>(All figures rounded and in USD millions)</i>			
<b>Total current debt (including current portion of non-current debt):</b>			
Guaranteed			0
Secured 1)	1469.6	-1470.5	-0.9
Unguaranteed and unsecured 2)	57.7	-26.1	31.6
<b>Total current debt:</b>	<b>1,527.3</b>	<b>-1496.6</b>	<b>30.7</b>
<b>Total non-current debt (excluding current portion of non-current debt):</b>			
Guaranteed 3)	2.1		2.1
Secured 4)	78.9	343	421.9
Unguaranteed and unsecured 5)	1.2		1.2
<b>Total non-current debt: 6)</b>	<b>82.2</b>	<b>343</b>	<b>425.2</b>
<b>Total indebtedness</b>	<b>1,609.5</b>	<b>-1153.6</b>	<b>455.9</b>
<b>Shareholders' equity</b>			
Share capital 7)	9.7	491.4	501.1
Legal reserve(s)	0	0	0
Other reserves 8)	-958.2	595.6	-362.6
<b>Total shareholders' equity</b>	<b>-948.5</b>	<b>1087.0</b>	<b>138.5</b>
<b>Total capitalisation</b>	<b>661.0</b>	<b>-66.6</b>	<b>594.4</b>

1. Current secured debt adjusted with USD 1470.5 million in Adjustment amount column. This comprises of: (i) the 1300 Facility (1<sup>st</sup> priority mortgage in all vessels except Safe Notos and Safe Euris) USD 1269.2 million in the Company's accounts which is adjusted for unamortised borrowing cost (while USD 1270.3 million principal outstanding to lenders without adjustment of unamortised borrowing cost, to be equitised to lenders); (ii) the 288 Facility (1<sup>st</sup> priority mortgage in Safe Notos) USD 139.6 million; (iii) swap termination USD 42 million; (iv) Notos seller credit (2<sup>nd</sup> priority mortgage Safe Notos and PCG) USD 19.7 million. These shall be settled via reinstatement of non-current debt of USD 343 million (1300 ARA and 288 ARA), equitisation of debt of c. USD 1060 million (bank debt and 50% of swap claim), cash payment of USD 47 million and cancellation of 50% of swap claim of USD 21 million. As adjusted current debt is negative 0.9, comprising of Euris seller credit current portion debt USD 3 million and negative USD 3.9 million unamortised borrowing cost for Euris seller credit.

2. Unguaranteed and unsecured current debt consist of: (i) remaining Westcon debt of USD 26.1 million. Pursuant to Gulating Court of Appeal's judgment on 15 April 2021, Prosafe was ordered to pay to Westcon a total amount of approximately NOK 465 million. NOK 245 million of the claim has been settled and the remaining Westcon debt of USD 26.1 million to be equitised (seen in Adjustment amount column); (ii) Accounts payable of USD 1.1 million; (iii) Taxes payable of USD 9.2 million; (iv) other current interest-free liabilities of USD 21.1 million; and (v) leases of USD 0.1 million.

3. Pension liability of USD 2.1 million.

4. Safe Euris seller credit non-current debt of USD 78.9 million as of 30 September 2021. Adjustment amount of USD 343 million (1300 ARA and 288 ARA) and as adjusted non-current secured debt of USD 421.9 million.

5. Unsecured leases of USD 1.2 million.

6. Total non-current debt consist of: (i) pension liability of USD 2.1 million (guaranteed); (ii) Eurus seller credit USD 78.9 million (1<sup>st</sup> priority mortgage over Safe Eurus vessel); and (iii) unsecured leases of USD 1.2 million as of 30 September 2021. Then Adjustment amount of USD 343 million, consisting of ARA 1300 (reinstated USD 250 million) and ARA 288 (reinstated USD 93 million). As adjusted figure sums it up to USD 425.2 million in total non-current debt.

7. Adjustment amount in share capital of USD 491.4 million. This is derived from issuance of 8,710,712,778 Tranche I Shares and Tranche II Shares in total. The subscription/conversion price will, in accordance with the resolution by the general meeting on 27 September 2021 be set at time of conversion/issuance of shares, reflecting the applicable USD/EUR exchange rate at such point in time. As adjusted figure of USD 501.1 million. The figures mentioned in the above table are based on an exchange rate of 1 USD = 0.88629 EUR as of 22 November 2021 as per www.oanda.com.

8. Other reserves: Total amount of debt equitized equals USD 1,086,991,412. Increase in other reserves equals the difference between the total amount of debt equitized and the increase in share capital resulting from the issuance of shares to all creditors (USD 491,414,366.5; USD 595.6 million in the Adjustment amount column. As adjusted figure of negative USD 362.6 million.

## 8.2 NET FINANCIAL INDEBTEDNESS

The following table set forth information about the Group's combined net financial indebtedness as at 30 September 2021, derived from the Group's unaudited consolidated interim financial statements for the period ended 30 September 2021.

	<b>As at 30 September 2021</b>	<b>Adjustment amount</b>	<b>As adjusted</b>
<i>(All figures rounded and in USD millions)</i>			
(A) Cash	107.1	-47	60.1
(B) Cash equivalents	0		
(C) Trading securities	0		
<b>(D) Liquidity (A)+(B)+(C) 1)</b>	<b>107.1</b>	<b>-47</b>	<b>60.1</b>
(E) Current financial debt (including debt instruments, but excluding current portion of non-current financial debt) 2)	1,496.6	-1496.6	0
(F) Current portion of non-current financial debt 3)	-0.8	0	-0.8
<b>(G) Current financial debt (E)+(F)</b>	<b>1,495.8</b>	<b>-1496.6</b>	<b>-0.8</b>
<b>(H) Net current financial indebtedness (G)-(D)</b>	<b>1,388.7</b>	<b>-1449.6</b>	<b>-60.9</b>
(I) Non-current financial debt (excluding current portion and debt instruments) 4)	80.1	343	423.1
(J) Debt instruments	0		
(K) Non-current trade and other payables	0	0	0
<b>(L) Non-current financial indebtedness (I)+(J)+(K) 5)</b>	<b>80.1</b>	<b>343</b>	<b>423.1</b>
<b>(M) Net financial indebtedness (H)+(L)</b>	<b>1468.8</b>	<b>-1106.6</b>	<b>362.2</b>

1. A and D: In Adjustment amount column USD 47 million to be paid in cash at Restructuring Effective date; USD 36 million to be paid to 1300 Facility lenders, USD 9 million to be paid to 288 Facility lenders, and USD 2 million (on pledged account in favor of SR Bank) to be paid to SR Bank

2. E: In Adjustment amount column, current financial debt of USD 1496.6 million to be moved out of current debt. These adjustments comprise of: (i) 1300 Facility (1<sup>st</sup> priority mortgage) USD 1269.2 million in company accounts, which is adjusted for unamortised borrowing costs (while USD 1270.3 million principal outstanding to lenders without adjustment of unamortised borrowing cost, to be equitized to lenders); (ii) 288 Facility (1<sup>st</sup> priority mortgage) USD 139.6 million; (iii) swap termination USD 42 million; (iv) Notos seller credit (2<sup>nd</sup> priority mortgage and PCG) USD 19.7 million; (v) Remaining Westcon claim of USD 26.1 million. These adjustments to be settled via reinstatement of debt of USD 343 million (1300 ARA and 288 ARA), equitisation of debt of c. USD 1087 million (bank debt, Westcon claim and 50% of swap claim), cash payment of USD 47 million and cancellation of 50% of swap claim of USD 21 million.

3. F: Eurus seller credit current portion debt USD 3 million and negative USD 3.9 million unamortised borrowing cost for Eurus seller credit and leases of USD 0.1 million.

4. I: Non-current debt consists of: (i) Eurus seller credit USD 78.9 million; and (ii) unsecured leases of USD 1.2 million as of 30 September 2021. Then Adjustment amount of USD 343 million, consisting of ARA 1300 (reinstated USD 250 million) and ARA 288 (reinstated USD 93 million). As adjusted figure sums it up to USD 423.1 million in Non-current debt.

5. L: Non-current financial indebtedness consists of: (i) Eurus seller credit USD 78.9 million; and (ii) unsecured leases of USD 1.2 million as of 30 September 2021. Then Adjustment amount of USD 343 million, consisting of ARA 1300 (reinstated USD 250 million) and ARA 288 (reinstated USD 93 million). As adjusted figure sums it up to USD 423.1 million in Non-current debt.

### **8.3 CONTINGENT AND INDIRECT INDEBTEDNESS**

The Group has issued several performance guarantees and parent company guarantees where liability will be contingent upon certain events to occur. Per the date of this Prospectus the largest contingent liabilities relates to three parent company guarantees issued by the Company. The different parent company guarantees are related to three seller's credits in which the three of the Company's subsidiaries are obligors and in respect of the Safe Eurus, Safe Vega and Safe Nova vessels respectively.

### **8.4 WORKING CAPITAL**

The Company is of the opinion that the working capital available to the Company is not sufficient for the Company's present requirements, for the period covering at least 12 months from the date of the Prospectus.

If the Company fails to implement the Restructuring, the Company estimates that it will no longer have sufficient working capital during December 2021. The Company estimates that it needs to convert approximately EUR 1 billion of debt for the working capital to be sufficient for at least 12 months from the date of the Prospectus.

The Company expects to convert approximately EUR 1 billion of debt as part of the Private Placement described in Section 5.

As described in Section 5, each of the Company's and PRPL's Schemes in Singapore were sanctioned by the High Court of the Republic of Singapore on 18 October 2021 and became legally binding and enforceable on 18 November 2021. Pursuant to the Schemes, unsecured creditors will have their claims converted to equity in the Company. Secured creditors will receive small cash distributions and amended facility agreements and security packages will be instated in order for the Group to secure further operations. The Norwegian Restructuring Plan was sent out to all known unsecured creditors of the Company on 22 October 2021. The Restructuring Plan mirrors the PSE's Scheme in solution and effect, as far as the scope of and permitted by the Norwegian Restructuring Act. The creditors were given until 8 November 2021 to vote on the Restructuring Plan. The Restructuring Plan obtained the approval of 100% in number and 100% in value from the unsecured creditors, where 98% of the total unsecured creditors casted their votes. The Restructuring Plan was sanctioned by the Oslo District Court on 10 November 2021, and will become legally binding and enforceable on 10 December 2021.

The unsecured debt to be converted under the Step 1 Conversion and the Step 2 Conversion is expected to be registered with the Norwegian Register of Business Enterprises in December 2021 and January 2022, respectively.

The Company is optimistic that the Restructuring will secure sufficient working capital for at least 12 months from the date of the Prospectus. Although the Company deems it highly likely, no assurance can be given that the Restructuring will be completed.

If the Company does not successfully implement the Restructuring, the Company may enter into liquidation and/or bankruptcy proceedings.

## **9. SELECTED FINANCIAL AND OTHER INFORMATION**

### **9.1 INTRODUCTION AND BASIS FOR PREPARATION**

The audited Financial Statements and unaudited Interim Financial Statement have been incorporated by reference into this Prospectus, as further set out in Section 15.3 herein.

### **9.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

For information regarding accounting policies and the use of estimates and judgements, please refer to note 2 of the Group's audited consolidated financial statements as of and for the year ended 31 December 2020, incorporated by reference in Section 15.3 of this Prospectus.

### **9.3 INVESTMENTS**

Since 30 September 2021, there has been no significant investments made by the Group.

### **9.4 TREND INFORMATION**

#### **9.4.1 Recent trends**

Most of Prosafe's contracts for 2020 were postponed to 2021 due to the COVID-19 pandemic, resulting in a healthy utilisation and improved earnings during 2021. In addition, Prosafe has been able to develop its order book during 2021 by adding both contract extensions to existing contracts and new contracts covering both 2021 and 2022. The oil price has during 2021 recovered from the low levels triggered by the COVID-19 pandemic. With an oil price currently above USD 80 per barrel, Prosafe expects the oil and gas companies to increase their investments into their oil and gas activities.

In the short term, the increased capital investment will focus on existing fields. However, the energy transition may take longer time and be more complicated than most observers believe. Investments in greenfield developments (new oil and gas fields) will likely see a comeback from 2022/2023, leading to a further increase in the activity for the oil service industry from the middle of this decade.

In the short term, the activity level is relatively high. Based on current contracts and recent market views, there are good prospects for a high activity level and improved earnings in 2022. However, beyond 2022, visibility remains low, which is in line with a historic trend in the offshore accommodation industry. As such, the Company remains of the opinion that the industry needs further consolidation and vessel recycling and anticipates this to occur in the years ahead.

#### **9.4.2 Changes in financial performance**

Since 30 September 2021, there has been no significant change in the financial performance of the Group.

#### **9.4.3 Changes in financial position**

Since 30 September 2021, there has been no significant change in the financial position of the Group.

### **9.5 MATERIAL CONTRACTS**

Neither the Company nor any member of the Group has entered into any material contracts outside the ordinary course of business for the two years prior to the date of this Prospectus. Further, no member of the Group has entered into any contract outside the ordinary course of business that contains provisions under which any member of the Group has any obligation or entitlement which is material to the Group as at the date of this Prospectus.

### **9.6 RELATED PARTY TRANSACTIONS**

Subsequent to the date of the last published financial statements, the Company has entered into an engagement letter with OMP Management AS for the purpose of providing advice and support in regards to industry analysis and potential M&A transactions. OMP Management AS is a Norwegian company that is controlled by HitecVision VI LP, which together with another HitecVision fund (HitecVision VII LP) are major shareholders in the Company. The fee payable by the Company is USD 17,500 per month and a success fee if a transaction, as defined in the engagement letter, should occur with the involvement of OMP Management AS. The success fee shall be calculated on the basis of the enterprise value of the company or asset(s) acquired and be between 0.75%-1.25%

of the total enterprise value, depending on the size of the transaction. The success fee shall furthermore in all circumstances be capped at USD 3.5 million in any single transaction. The Company and OMP Management AS may terminate the engagement letter by three months' prior written notice to the other. The Company has the right to suspend the engagement for up to six months in the case of a period of low activity for strategic initiatives and M&A opportunities in its market. During such periods of suspension, the obligations to pay the retainer fee shall not apply.

The Company has entered into a framework agreement with Global Maritime. Under the framework agreement, the Company has ordered Global Maritime to undertake projects on emission reduction initiatives for two of the Company's vessels. Global Maritime is majority-owned by HitecVision, which through one or more entities is a major shareholder of the Company. The Global Maritime projects costs are about USD 1.6 million, of which about USD 1 million is accrued as of end October 2021.

## 9.7 OVERVIEW OF DISCLOSED INFORMATION OVER THE LAST 12 MONTHS

Companies listed on Euronext Expand are subject to disclosure requirements under the Norwegian Securities Trading Act and related secondary legislation, including Regulation (EU) No 596/2014. Below is a summary of certain disclosures made by the Company on [www.newsweb.no](http://www.newsweb.no) in the 12 months prior to the date of this Prospectus.

### Financial information:

Date	Title	Content
20 August 2020	Prosafe SE: Second quarter and first half report 2020	"The process with lenders for a sustainable financial solution is constructive and progressing. Reported EBITDA for the second quarter was negative by USD 10.1 million (USD 53.1 million positive), primarily reflecting all time low activity. Cash flow from operations was negative by USD 5.5 million (USD 19.9 million positive). Although the market conditions and macro environment continue to be challenging due to effects of Covid-19 and the parallel oil price collapse, the company remains in constructive discussions with clients relating to upcoming and ongoing contracts on such subjects as temporary suspensions and/or deferral as well as commercial and payment terms. Further details are described in the Operations section later in this report. The company has also successfully implemented further cost and spend saving initiatives to adapt to the new reality and protect liquidity. Prosafe had liquidity reserve of USD 177.5 million at the end of Q2 2020 (USD 241 million). The forbearance arrangement previously reported expired at the end of July. However, the process and creditor discussions remain constructive and lenders in general maintain their support of the company. Pending conclusions, the company continues to operate on a going concern basis to protect and create value through challenging market conditions on the assumption that there is justified hope for a sustainable financial solution."
5 November 2020	Prosafe SE: Third quarter 2020 results	"Reported EBITDA for the third quarter was negative by USD 1.2 million (USD 26.3 million positive), reflecting low activity. The company successfully protected its order book through the Covid-19 pandemic. Liquidity reserve per end of quarter is USD 164.5 million. The process with lenders for a sustainable financial solution remains constructive. Although it is too early to say what a final solution may look like, it is anticipated that there will be a significant equalization of debt which is likely to result in minimal or no recovery for current shareholders."
7 December 2020	Financial calendar	"FINANCIAL YEAR 2020 04.02.2021 - Quarterly Report - Q4 FINANCIAL YEAR 2021 19.08.2021 - Half-yearly Report 26.03.2021 - Annual Report 06.05.2021 - Annual General Meeting 06.05.2021 - Quarterly Report - Q1 04.11.2021 - Quarterly Report - Q3 10.02.2022 - Quarterly Report - Q4"
4 February 2021	Prosafe SE: Fourth quarter 2020 results	"Reported EBITDA for the fourth quarter was USD 0.7 million (USD 6.4 million negative), reflecting cost efficiency partly offset by lower average day rates. Underlying EBITDA adjusted for one-offs was USD 2.8 million. Liquidity reserve at year-end was USD 160.3 million. The Company aims to conclude a sustainable financial solution with lenders as soon as possible. "
8 February 2021	Financial calendar	"FINANCIAL YEAR 2021 19.08.2021 - Half-yearly Report 26.03.2021 - Annual Report 05.05.2021 - Annual General Meeting 06.05.2021 - Quarterly Report - Q1 04.11.2021 - Quarterly Report

25 March 2021	Financial calendar	- Q3 10.02.2022 - Quarterly Report - Q4 The date for the Annual General Meeting has been changed to 5 May 2021. " "FINANCIAL YEAR 2021 19.08.2021 - Half-yearly Report 25.03.2021 - Annual Report 05.05.2021 - Annual General Meeting 05.05.2021 - Quarterly Report - Q1 04.11.2021 - Quarterly Report - Q3 10.02.2022 - Quarterly Report - Q4 "
25 March 2021	Prosafe SE: Annual report 2020	"Prosafe's Annual report for 2020, which also includes the company's Environmental, Social and Governance (ESG) report, has been published on <a href="http://www.newsweb.no">www.newsweb.no</a> ( <a href="http://www.newsweb.no">http://www.newsweb.no</a> ) and <a href="http://www.prosafe.com">www.prosafe.com</a> ( <a href="http://www.prosafe.com">http://www.prosafe.com</a> ) with direct link <a href="https://www.prosafe.com/investor-information/annual-reports/">https://www.prosafe.com/investor-information/annual-reports/</a> "
12 April	Prosafe SE: Notice of Annual General Meeting 2021	"The Annual General Meeting of Prosafe SE will be held at the offices of Advokatfirmaet Schjødt, Ruseløkkveien 14, 0201 Oslo, Norway on 5 May 2021 at 09.00 a.m. CEST. Due to the extraordinary situation caused by the Covid-19 pandemic and in light of travel and meeting recommendations and restrictions currently in place, Prosafe urges shareholders to vote electronically in advance or submit proxy forms, and not attend the meeting in person. The notice of the Annual General Meeting and appendices will be distributed to Prosafe's registered shareholders and can be downloaded from <a href="http://www.newsweb.no">www.newsweb.no</a> ( <a href="http://www.newsweb.no">http://www.newsweb.no</a> ) or <a href="http://www.prosafe.com">www.prosafe.com</a> ( <a href="http://www.prosafe.com">http://www.prosafe.com</a> ) "
22 April 2021	Prosafe SE: Supporting statement to the 2020 Annual Report in light of the ruling in the Westcon matter	"Reference is further made to announcement on 15 April 2021, in which Prosafe informed that the Gulating Court of Appeal had decided against Prosafe in the Westcon matter, thereby awarding full payment to Westcon of amounts claimed and thus reversing the ruling by the Stavanger District Court in the first instance. In light of the ruling, Prosafe has today issued a supporting statement to its 2020 annual report and accounts. The statement is attached. "
5 May 2021	Prosafe SE: Annual General Meeting held	"The Annual General Meeting resolved to approve all matters as proposed in the Notice. The minutes from the Annual General Meeting can be downloaded from <a href="http://www.newsweb.no">www.newsweb.no</a> ( <a href="http://www.newsweb.no">http://www.newsweb.no</a> ) and <a href="http://www.prosafe.com">www.prosafe.com</a> ( <a href="http://www.prosafe.com">http://www.prosafe.com</a> )"
5 May 2021	Prosafe SE: First quarter 2021 results	"Reported EBITDA for the first quarter was negative by USD 10.1 million (a positive of USD 1.1 million), reflecting lower utilization and lower average day rates. Liquidity reserve at end Q1 was USD 141.7 million. The Company lost the Westcon court case unexpectedly and the judgement implies full payment to Westcon in the sum of NOK 465 million. Prosafe is considering an appeal to the Supreme Court. Prosafe continues to make good progress with its lenders and is close to reaching an agreement on terms which have support from a very significant lender majority. The Company's objective is to have formal support from a sufficient amount of creditors required for implementation by June. Although it remains too early to conclude or reveal the full details, it is expected that such solution will imply a significant balance sheet recapitalization, including a debt equitization with minimal recovery for current shareholders."
4 June 2021	Prosafe SE: Restructuring plan agreed with lenders	"Prosafe is pleased to announce that it has received support from lenders of Prosafe SE and Prosafe Rigs Pte. Ltd. on a comprehensive and material restructuring of the financial indebtedness of the group (the "Transaction"). The Company has received acknowledgment of credit approval (subject to certain conditions) in support of the Transaction from ca. 79% across the USD 1300 million facility and the USD 144 million facility with additional credit approvals expected by mid-June 2021. The terms of the Transaction will result in significant de-leveraging of the balance sheet with ca. 75% debt reduction, corresponding reduction in annual debt service, a sufficient cash balance and in sum a significantly improved balance sheet and improved financial flexibility. Highlights of the proposed financial restructuring: * Significant de-leveraging: ca. USD 1,100 million of total debt reduction (amount subject to timing of closing and accrued interest to that date). Reinstatement under the USD 1,300 million facility and the USD 144 million facility of USD 250 million and USD 93 million, respectively [...]"
6 September 2021	Prosafe SE: Notice of Extraordinary General Meeting	"An Extraordinary General Meeting of Prosafe SE will be held at the offices of Advokatfirmaet Schjødt, Ruseløkkveien 14, 0201 Oslo, Norway on 27 September 2021 at 09.00 a.m. CEST."
27 September 2021	Prosafe SE: Extraordinary General Meeting held	"Pursuant to the Notice of 6 September 2021, an Extraordinary General Meeting of Prosafe SE was held today, 27 September 2021. The Extraordinary General Meeting resolved to approve all matters as proposed in the Notice. The minutes from the Extraordinary General Meeting are attached and can be downloaded from

4 November 2021	Prosafe SE: Third quarter 2021 results	<p>www.newsweb.no (<a href="http://www.newsweb.no">http://www.newsweb.no</a>) and <a href="http://www.prosafe.com">www.prosafe.com</a> (<a href="http://www.prosafe.com">http://www.prosafe.com</a>)."</p> <p>"EBITDA for the third quarter was USD 12.5 million (USD 1.2 million negative), reflecting a high activity level with a fleet utilization rate of 70.9 per cent (16.4 per cent). The liquidity reserve was USD 107.1 million at the end of the quarter. Several contract extensions and two new contracts were secured. As informed in previous press releases, the financial restructuring process is on track with formal support from all lenders. The Extraordinary General Meeting approved the solution on 27 September 2021 and the Singapore scheme was sanctioned on 18 October 2021. The Norwegian reconstruction process is underway, and the Company anticipates that the overall process will be completed before or around year-end 2021. Upon completion, this transaction will result in a significant de-leveraging of the balance sheet with approximately 75 per cent of debt reduction, debt service based on cash sweep and a more robust financial situation. Post implementation, existing banks/creditors will own 99 per cent of the equity and current shareholders will own 1 per cent of the equity."</p>
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### Financial situation and process with lenders disclosures:

Date	Title	Content
31 July 2020	Prosafe SE: Update on financial situation and process with lenders	<p>"The forbearance arrangement previously reported has now expired. However, the process and creditor discussions remain constructive and lenders in general maintain their support for the company to continue to operate on a going concern basis and seek a long-term financial solution while reserving their rights. Pending conclusion of these discussions, the company continues to operate on a business as usual basis to protect and create value through challenging market conditions.</p> <p>On this basis the company will continue to defer making payments of scheduled instalments and interests under both bank facilities. Similarly, payment of the final instalment owed and due under the seller credit to Cosco for the Safe Notos remains as initially reported on 13 February subject to ongoing discussions with Cosco and the lenders."</p>
1 November 2020	Prosafe SE: Update on financial situation and process with lenders	<p>"The process and creditor discussions continue. The discussions remain constructive and lenders in general maintain their support for the company to continue to operate on a going concern basis and seek a long-term financial solution while reserving their rights. The company is seeking a sustainable balance sheet, although it is too early to say what a solution may look like and thus also indicate the financial and accounting effects of the same. The target remains to agree a sustainable solution during the second half of 2020. Pending conclusion of these discussions, the company continues to operate on a business as usual basis to protect and create value through challenging market conditions. On this basis the company will continue to defer making payments of scheduled instalments and interests under both bank facilities. Similarly, payment of the final instalment owed and due under the seller credit to Cosco for the Safe Notos remains as initially reported on 13 February subject to ongoing discussions with Cosco and the lenders."</p>
5 January 2021	Prosafe SE: Update on financial situation and process with lenders	<p>"The company's creditor discussions continue, and the target remains to agree a sustainable financial solution on a consensual and cost efficient basis as early as possible. It is still unclear what a final solution may look like, but as previously reported a significant equitization of debt is anticipated which in turn is likely to result in minimal or no recovery for current shareholders. Pending conclusion of the creditor discussions, the company continues to operate on a business as usual basis to protect and create value through challenging market conditions. On this basis the company will continue to defer making payments of scheduled instalments and interests under both bank facilities. Similarly, payment of the final instalment owed and due under the seller credit to Cosco for the Safe Notos remains as initially reported on 13</p>

		February 2020 subject to ongoing discussions with Cosco and the lenders. "
30 April 2021	Prosafe SE: Update on Financial Process with Lenders	"Prosafe confirms that the company and its lenders are making good progress and are close to reaching agreement on terms which have the support of a very significant majority of its lenders. Although it is too early to conclude or reveal the full details of the solution, it is expected to include a significant balance sheet recapitalization involving an equitization of debt. As part of the ongoing process, Prosafe SE and Prosafe Rigs Pte. Ltd. have today filed for moratorium in Singapore with the support of more than 95% of the lenders calculated by amount across the USD 1,300 million senior secured term and revolving credit facility and the USD 144 million term loan facility. The moratorium will facilitate protection of going concern value pending finalization of term sheet negotiations with its major creditors and, thereafter, implementation of the agreed solution. Prosafe's objective is to continue business as normal during this final phase of discussions and the implementation process. To the extent that a fully consensual solution is not achievable, the intention is to implement a solution using a Singapore Scheme of Arrangement combined with other arrangements, to the extent required."
3 May 2021	Prosafe SE and subsidiary company Prosafe Rigs Pte. Ltd. - Update on Financial Process with Lenders	"On 30 April 2021, Prosafe SE and Prosafe Rigs Pte. Ltd. had respectively filed HC/OS 422/2021 ("OS 422") and HC/OS 425/2021 ("OS 425") for moratorium protection in Singapore. As part of the moratorium announced earlier, the Court has fixed a directions hearing for both OS 422 and OS 425, to be held via Zoom on Friday, 7 May 2021 at 3pm Singapore time. Creditors who wish to attend the hearing (either in person or through their solicitors) should inform the solicitors of Prosafe SE and Prosafe Rigs Pte. Ltd. of their intention to do so. Creditors may do so by emailing Mr. Elan Krishna (elan.krishna@cliffordchance.com (mailto:elan.krishna@cliffordchance.com)) and Mr. Loh Tian Kai (tiankai.loh@cliffordchance.com (mailto:tiankai.loh@cliffordchance.com)) of Cavenagh Law LLP with their details before 5pm Singapore time on Thursday, 6 May 2021. Prosafe SE and Prosafe Rigs Pte. Ltd will make the appropriate announcements as and when there are any further material developments on the financial process and the matters above. Please monitor Prosafe SE's website for any announcements or update on the process."
7 May 2021	Prosafe SE: Prosafe SE and subsidiary company Prosafe Rigs Pte. Ltd. - Update on Financial Process	"At the Directions Hearing, the Singapore Court gave directions for the timelines leading up to the hearing of Prosafe SE's and Prosafe Rigs Pte. Ltd.'s ("PRPL") applications in HC/OS 422/2021 and HC/OS 425/2021 for moratorium protection in Singapore (the "Moratorium Applications Hearing")"
12 May 2021	Prosafe SE: Prosafe SE and subsidiary company Prosafe Rigs Pte. Ltd. - Update on Financial Process	"The Singapore Court has confirmed that the hearing of Prosafe SE's and Prosafe Rigs Pte. Ltd.'s ("PRPL") applications in HC/OS 422/2021 and HC/OS 425/2021 for moratorium protection in Singapore (the "Moratorium Applications Hearing") will be held on Thursday, 27 May 2021 at 10am Singapore time. Creditors who wish to attend the Moratorium Applications Hearing (either in person or through their solicitors) should inform the solicitors of Prosafe SE and Prosafe Rigs Pte. Ltd. of their intention to do so, by emailing Prosafe.Queries@CliffordChance.com (mailto:Prosafe.Queries@CliffordChance.com) with their details before 4pm Singapore time on Monday, 24 May 2021. Any creditor who is intending to attend through its corporate representative (i.e. without instructing solicitors) must also provide a copy of the letter of authorisation by the creditor company authorising the corporate representative to attend the Moratorium Applications Hearing and represent the creditor company. Further, all creditors of Prosafe SE and PRPL (regardless of whether they intend to attend the Moratorium Applications Hearing) are requested to write in via email before 4pm Singapore time on Monday, 24 May 2021 to state whether they support or oppose the respective entity's application for moratorium protection in Singapore (Prosafe SE under HC/OS 422/2021, and PRPL under HC/OS 425/2021)."
21 May 2021	Prosafe SE: Prosafe SE and subsidiary company Prosafe Rigs Pte. Ltd. - Update on Financial Process	"This is a reminder that creditors who wish to attend the Moratorium Applications Hearing (either in person or through their solicitors) should inform the solicitors of Prosafe SE and Prosafe Rigs Pte. Ltd. of their intention to do so, by emailing Prosafe.Queries@CliffordChance.com (mailto:Prosafe.Queries@CliffordChance.com) with their details before 4pm Singapore time on Monday, 24 May 2021. Any creditor

27 May 2021	Prosafe SE: Prosafe SE and subsidiary company Prosafe Rigs Pte. Ltd. - Update on Financial Process	who is intending to attend through its corporate representative (i.e. without instructing solicitors) must also provide a copy of the letter of authorisation by the creditor company authorising the corporate representative to attend the Moratorium Applications Hearing and represent the creditor company. Further, all creditors of Prosafe SE and PRPL (regardless of whether they intend to attend the Moratorium Applications Hearing) are requested to write in via email before 4pm Singapore time on Monday, 24 May 2021 to state whether they support or oppose the respective entity's application for moratorium protection in Singapore (Prosafe SE under HC/OS 422/2021, and PRPL under HC/OS 425/2021)." "At the Moratorium Applications Hearing held today, the Singapore Court granted Prosafe SE's and PRPL's applications in HC/OS 422/2021 and HC/OS 425/2021 for moratorium protection in Singapore which shall apply to any act of any person in Singapore, or within the jurisdiction of the Court, whether the act takes place in Singapore or elsewhere."
4 June 2021	Prosafe SE: Restructuring plan agreed with lenders	"Prosafe is pleased to announce that it has received support from lenders of Prosafe SE and Prosafe Rigs Pte. Ltd. on a comprehensive and material restructuring of the financial indebtedness of the group (the "Transaction"). The Company has received acknowledgment of credit approval (subject to certain conditions) in support of the Transaction from ca. 79% across the USD 1300 million facility and the USD 144 million facility with additional credit approvals expected by mid-June 2021. The terms of the Transaction will result in significant de-leveraging of the balance sheet with ca. 75% debt reduction, corresponding reduction in annual debt service, a sufficient cash balance and in sum a significantly improved balance sheet and improved financial flexibility."
18 June 2021	Prosafe SE and subsidiary company Prosafe Rigs Pte. Ltd. - Update on Financial Process	"As at 18 June 2021, the Company has received acknowledgment of credit approval (subject to certain conditions) in support of the Transaction from ca. 96% across the USD 1300 million facility and the USD 144 million facility with additional credit approvals expected by end-June 2021. Following the grant of the moratorium protection, on 9 June 2021 petitions were presented to the Court of Session in Scotland seeking recognition, in Scotland, of the moratorium protection granted by the Singapore Court."

#### Other disclosures:

Date	Title	Content
3 September 2020	Prosafe SE: Prosafe and Shell agree on 2021 North Sea campaign	"Prosafe and Shell U.K. Limited ('Shell') have agreed to defer and amend the contract for the Safe Zephyrus to provide accommodation services in support of the Shearwater platform turnaround. The revised firm duration of the contract of 115 days commences in March 2021 although Shell has the option of adding either 30 or 45 days to the front end resulting in an earlier commencement date. Shell retains the option to extend the contract after the firm duration by up to 30 days."
14 September 2020	Prosafe SE: Part conversion of convertible bonds, new shares issue	"Notice for part conversion has been received on the basis of which Convertible Bonds of nominal value NOK 15,000,000 have today been converted into 600,000 new ordinary shares in the Company, based on the conversion price of NOK 25 per share. Following the conversion, the remaining outstanding principal of the Convertible Bonds is reduced to NOK 35,706,341. The number of outstanding shares in the Company has increased to 82,464,212 shares, each of nominal value EUR 0.1."
26 October 2020	Prosafe SE: Prosafe secures a contract on the Norwegian Continental Shelf in 2022	"Prosafe has been awarded a contract by ConocoPhillips Skandinavia AS to provide accommodation support using either the Safe Boreas or Safe Zephyrus on the Ekofisk field in relation to the tie-in of the Tommeliten Alpha field development."
9 November 2020	Prosafe SE: Safe Notos contract extension with Petrobras	"Prosafe has signed a contract extension with Petrobras Netherlands B.V. ('Petrobras') for the provision of the Safe Notos semi-submersible vessel for safety and maintenance support offshore Brazil. The original three years and 222-day firm period was due to complete in July 2020, but the extension will result in operations through to mid-November 2021. The contract extension allows for up to 30 days for 5-yearly class renewal inspections. Total value of the contract amendment including the extension is approximately USD 28.7 million."
5 January 2021	Prosafe SE: Contract for Safe Concordia in 2021	"Prosafe has signed a contract to provide accommodation and construction support using the Safe Concordia in Trinidad and Tobago in Q2 2021."

27 February 2021	Prosafe SE: Safe Boreas to provide accommodation support at Buzzard	"Prosafe has signed a contract with CNOOC Petroleum Europe Limited for the charter of the Safe Boreas to provide gangway connected operations supporting the Buzzard platform complex in the UK sector of the North Sea. The firm duration of the contract commencing mid-April 2021 is 100 days with three 30-day options. The Safe Boreas will perform the gangway connected work scope using dynamic positioning, providing CNOOC Petroleum Europe Limited flexibility in operation. Total value of the contract excluding the option periods is approximately USD 8.5 million. "
15 April 2021	Prosafe SE: Gulating Court of Appeal judgement in the case between Prosafe and Westcon regarding the TSV Safe Scandinavia conversion	"The Stavanger District Court decided in 2018 that Westcon must pay Prosafe NOK 344 million plus interest and NOK 10.6 million in legal costs. Westcon filed an appeal, and Prosafe filed a counter appeal on 28 May 2018. The Gulating Court of Appeal has today decided that Prosafe shall pay to Westcon NOK 302,510,457 plus interest and legal costs, in total about NOK 465 million. The judgement implies full payment to Westcon of the amount claimed. Compared to the judgement in the first instance by the Stavanger District Court, the result in the Gulating Court of Appeal is a complete reversal of the result. A judgement from a Court of Appeal is usually final, as the possibilities of further appeal are very limited."
12 May 2021	Prosafe SE: Prosafe appeals the Westcon judgement to the Supreme Court	"The Gulating Court of Appeal decided that Prosafe had to pay Westcon NOK 302,510,457 plus interest and legal costs, in total about NOK 465 million related to the conversion of the Safe Scandinavia at Westcon yard. This was a complete reversal of the result in the first instance by the Stavanger District Court, where Westcon was sentenced to pay Prosafe NOK 344 million plus interest and NOK 10.6 million in legal costs. Prosafe has decided to address the shortcomings of the judgement by the Gulating Court of Appeal through an appeal to the Supreme Court."

## 10. BOARD OF DIRECTORS, MANAGEMENT AND EMPLOYEES

### 10.1 BOARD OF DIRECTORS

#### 10.1.1 Overview

The Board of Directors is responsible for the overall and strategic management of the Company and for ensuring that the Company's operations are organized and controlled in a satisfactory manner.

The Company's Articles of Association provide that the Board of Directors shall consist of a minimum of three and a maximum of seven members.

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

<u>Name</u>	<u>Position</u>	<u>Served since</u>	<u>Term expires</u>
Glen Ole Rødland	Chair	2016	Annual General Meeting 2022
Nina Udnes Tronstad	Board member	2019	Annual General Meeting 2022
Birgit Aagaard-Svendsen	Board member	2017	Annual General Meeting 2022
Alf Christian Thorkildsen	Board member	2020	Annual General Meeting 2022

#### 10.1.2 Brief biographies of the Board members

##### **Glen Ole Rødland, Chair**

Glen Ole Rødland has 13 years' experience as an analyst and corporate finance from a leading Scandinavian Investment Bank. He has been an investor and has been managing investments/portfolio for an Investment fund, Private Office and Private Equity for 16 years. The main focus of Mr. Rødland has historically been on energy, shipping, oil service and other commodity industries.

Mr. Rødland also has considerable experience as a board member and chairman of several Norwegian public companies and international companies. He is currently Chairman of Prosafe SE and of AqualisBraemar LOC ASA.

Mr. Rødland's qualifications include an MBA and Postgraduate Studies in Finance completed at the Norwegian School of Economics and Business Administration (NHH) and UCLA.

Mr. Rødland has been a director since 2016 and was appointed Interim Chairman on 25 May 2016 and Chairman on 30 November 2016. He is due for re-election at the AGM in 2022.

<i>Current directorships and executive management positions.....</i>	Chairman, Prosafe SE Chairman, AqualisBraemar LOC ASA Chairman, Corona Maritime AS Chairman, Tego Maritime AS Chairman, Corona Maritime Holding AS Chairman, Gross Management AS
<i>Previous directorships and executive management positions last five years.....</i>	Chairman, SeaDrill Ltd Chairman, Axactor SE

*Ownership interests* ..... Mr. Rødland has a small indirect ownership interest in Prosafe due to his indirect ownership interest in HitecVision VII, L.P.

### **Birgit Aagaard-Svendsen, Board Member**

Ms. Aagaard-Svendsen is a board professional with an extensive board experience dating back to the early 90-ties. Outside Prosafe, Ms. Aagaard-Svendsen is Audit Committee Chairman of DNV Group AS, Aker Solutions ASA, Seadrill Ltd, West of England Ship Owners Mutual Insurance Association and KommuneKredit (Denmark) and as well as Board Member of Copenhagen Malmö Port, Stiftelsen Det Norske Veritas and Otto Mønsted A/S.

Ms. Aagaard-Svendsen has held several senior management and CFO positions. Until 2016 she was Chief Financial Officer of J. Lauritzen for 18 years. During the period between 2011 and 2015, she was Chairman for the Danish committee on Corporate Governance.

Ms. Aagaard-Svendsen has a Constructional Engineering degree from the Technical University of Denmark and a Graduate Diploma in Business Administration, from the Copenhagen Business School. In addition, miscellaneous executive programs at IESE (Barcelona); IMD (Lousanne) and INSEAD (Paris).

Ms. Aagaard-Svendsen has been a Director of Prosafe since 2017 and is due for re-election at the AGM in 2022.

*Current directorships and executive management positions* ..... Board member, Prosafe SE  
Board member, KommuneKredit  
Board member, Seadrill Ltd  
Board member, Copenhagen Malmö Port AB  
Board member, Aker Solutions AS  
Board member, DNV GL Group AS and Stiftelsen Det Norske Veritas  
Board member, Grama Design Aps  
Board member, Otto Mønsted A/S  
Board member, West of England Ship Owners Mutual Insurance Ass.

*Previous directorships and executive management positions last five years* ..... Board member, Reapplix A/S  
Board member, Axis Offshore Pte.Ltd  
Deputy chairman, Dalhoff Larsen & Horneman A/S  
Chairman, Danish Society for Education and Business

### **Nina Udnes Tronstad, Board Member**

Mrs. Udnes Tronstad is a senior executive and a board professional since 2015. She has held senior executive roles in companies such as Aker Solutions, Kvaerner and former Statoil.

Mrs. Udnes Tronstad has extensive experience as an independent board director for private and listed companies, as well as public enterprises. Outside Prosafe, she is currently Chair of Source Energy and Board member of Norges Bank, GIEK and Fishency Innovation.

Mrs. Udnes Tronstad has a MSc in chemical engineering from the Norwegian University of Science and Technology (NTNU).

Mrs. Udnes Tronstad has been a Director of Prosafe since 2019 and is due for re-election at the AGM in 2022.

*Current directorships and executive management positions* ..... Board member, Prosafe SE  
Chair of Source Energy AS  
Board member, Norges Bank

Board member, Bladt Industries  
Board member, Fishency Innovation AS

*Previous directorships and executive management positions last five years.....* Board member, NTNU  
Board member, Peab AB  
Board member, Ramboll group  
Board member, Polarcus  
Board member, GIEK (NW: *Garantiinstituttet for eksportkreditt*)  
Trelleborg AB

### **Alf Christian Thorkildsen, Board Member**

Mr. Thorkildsen has more than 30 years of managerial experience from the oil and gas industry. Mr. Thorkildsen is currently Senior Partner in HitecVision AS where he has been employed since 2013. Prior to this, he served as Chief Executive Officer for Seadrill, Chief Finance Officer for Seadrill and Chief Financial Officer for Smedvig ASA. Mr. Thorkildsen started his career in 1980 in Larsen and Hagen Shipping and worked thereafter for 20 years in Shell in numerous senior positions.

Mr. Thorkildsen has considerable experience as a board member of several public companies and is currently board member of Offshore Merchant Partners, Atlantica Offshore Drilling, Energy Drilling and Hav.

Mr. Thorkildsen has a degree in business from Handelsakademiet in Norway and an MBA from Arizona State University.

Mr. Thorkildsen has been a Director since 2020 and is due for re-election at the AGM in 2022.

*Current directorships and executive management positions.....* Senior Partner in HitecVision  
Board member, Offshore Merchant Partners AS  
Board member, Prosafe SE  
Board member, Atlantica Tender Drilling Ltd  
Board member, Energy Drilling Management Pte. Ltd.  
Chairman, Rmc AS  
Chairman, Rmc Holding AS  
Chairman, Omp Holding AS  
Chairman, Hv Vii Invest Juliet AS  
Chairman, Sgk Proshop AS  
Chairman, Ty Offshore Invest AS  
Chairman, Hvas Invest Zeta AS  
Board member, Hav Energy Holding AS  
Board member, Hv Kraft Invest AS  
Board member, Stavanger Golfklubb

*Previous directorships and executive management positions last five years.....* Board member, Golar LNG Partners

*Ownership interests .....* Mr Thorkildsen has a small indirect ownership interest in Prosafe due to his indirect ownership interest in HitecVision VI, L.P and HitecVision VII, L.P.

The address of the Company's principal office, Forusparken 2, 4031 Stavanger, Norway, serves as business address for the members of the Board of Directors in relation to their directorship with the Company.

The Board members are independent of the Company's executive personnel and material business contacts, and save for Alf C. Thorkildsen also independent of the Company's main shareholders.

## 10.2 EXECUTIVE MANAGEMENT

### 10.2.1 Overview

The table below sets forth the members of the Company's Executive Management as of the date of this Prospectus.

Name	Position	Served since
Jesper Kragh Andresen	Chief Executive Officer	2017
Stig H. Christiansen	DCEO & Chief Financial Officer	2017
Ryan Stewart	Chief Operating Officer	2020

### 10.2.2 Description of the Executive Management

#### Jesper Kragh Andresen, CEO

Mr. Andresen (born 1974) has been Chief Executive Officer since March 2017.

He holds an Executive MBA from INSEAD, France/Singapore, and a Master's degree in law from University of Copenhagen.

Prior to joining Prosafe, Mr. Andresen has held various positions including CEO in Axis Offshore, President of Lauritzen Offshore (Singapore) Pte. and Managing Director of J. Lauritzen Singapore.

<i>Current directorships and executive management positions</i> .....	CEO of Prosafe SE Chairman, Prosafe AS Board member, Prosafe Offshore B.V. Board member, Safe Notos Pte Ltd Chairman, Prosafe Rigs Pte Ltd Board member, Prosafe Offshore Pte Ltd
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<i>Previous directorships and executive management positions last five years</i> .....	Chairman, Prosafe Management AS Chairman, Prosafe Offshore AS Board member, Prosafe Holding Limited Board member, Prosafe Rigs (Cyprus) Limited
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<i>Ownership interests</i> .....	0 shares
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#### Stig H. Christiansen, CFO

Mr. Christiansen (born 1968) has been Deputy Chief Executive Officer and Chief Financial Officer since March 2017. He joined Prosafe as CFO in August 2015 and was Acting CEO from April 2016 until March 2017.

He holds an MBA in International Business Economics from the University of Aalborg, Denmark, and a Bachelor of Commerce from the University of Birmingham, UK.

Mr. Christiansen has more than 20 years of experience from management and finance positions in the oil and gas industry. He has been Chief Executive Officer of the international oil service provider Add Energy Group AS and Senior Vice President – Group Finance in Statoil. Mr. Christiansen was employed by Prosafe in the period from 1997 to 2005, the last five years of which as Chief Financial Officer for the Group.

<i>Current directorships and executive management positions</i> .....	DCEO & CFO, Prosafe SE Chairman, Viking Fotball AS Chairman, Zaptec AS Board member, Ex-Tech Group Board member, ResQ Board member, Prosafe AS, Board member, Prosafe Rigs Pte Ltd Board member, Prosafe Offshore Pte Ltd Board member, Prosafe Rigs Limited
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Board member, Prosafe Offshore Limited  
Board member, Prosafe (UK) Holdings Limited  
Board member, Safe Notos Pte Ltd

*Previous directorships and executive management positions last five years*..... CFO, Prosafe SE  
Board member, Ross Offshore  
Board member, Prosafe Management AS  
Board member, Prosafe Offshore AS  
Board member, Prosafe Rigs (Cyprus) Limited  
Board member, Prosafe Holding Limited

*Ownership interests* ..... 0 shares

### **Ryan Stewart, COO**

Mr. Stewart (born 1973) has been Chief Operating Officer of Prosafe since August 2020.

He holds Master's degree in law from The Robert Gordon University and a BSc in Engineering, also from The Robert Gordon University. Mr. Stewart joined Prosafe in 2001 and has held several positions, last as Chief Commercial Officer. Prior to joining Prosafe, he held various positions in the North Sea oil industry.

*Current directorships and executive management positions*..... COO of Prosafe SE  
Board member, Prosafe Offshore Limited  
Board member, Prosafe Offshore B.V.  
Board member, Prosafe (UK) Holdings Limited  
Board member, Prosafe Rigs Limited

*Previous directorships and executive management positions last five years*..... CCO of Prosafe SE  
Board member, Prosafe Offshore Accommodation Limited  
Board member, Prosafe Offshore Pte Ltd

*Ownership interests* ..... 0 shares

The address of the Company's principal office, Forusparken 2, 4031 Stavanger, Norway, serves as business address for the members of the executive management in relation to their employment with the Company.

### **10.3 CONFLICT OF INTERESTS, FAMILY RELATIONSHIP, DIRECTORSHIPS ETC.**

Director Alf Christian Thorkildsen is a Senior Partner in HitecVision, being a major shareholder of the Company. Mr. Thorkildsen has been elected as a Director on the basis of his position in HitecVision.

The Company has furthermore entered into an engagement letter with OMP Management AS, being wholly owned by HitecVision for the purpose of providing advice and support in regards to industry analysis and potential M&A transactions.

To the Company's knowledge, there are no other potential conflicts of interests between any duties to the Company or its subsidiaries, of any of the Board members or members of the Executive Management and their private interests and or other duties. There are no family relations between any of the Company's Board members or Executive Management.

There are no other arrangements or understanding with major shareholders, customers, suppliers or others regarding membership of the Board of Directors or the executive management.

#### 10.4 DETAILS OF ANY CONVICTIONS FOR FRAUDULENT OFFENCES, BANKRUPTCY ETC.

No member of the Board of Directors or the Executive Management have for at least the previous five years preceding the date of this Prospectus been;

- Convicted in relation to any fraudulent offences;
- Involved in any bankruptcies, receiverships or liquidations or companies put into administration when acting in the capacity of member of an administrative, management or supervisory body;
- Subject to any official public incrimination and/or sanctions by statutory or regulatory authorities (including designated professional bodies), or been disqualified by a court from acting as a member of the administrative, management or supervisory body of an issuer or from acting in the management or conduct of the affairs of any issuer.

#### 10.5 SHARE OPTION PLAN

The Company currently has no ongoing share option plans.

All authorizations to increase the share capital are presented in Section 11.5 “Outstanding Authorizations”.

#### 10.6 EMPLOYEES

As of 30 September 2021, the Group has 99 employees.

#### 10.7 SHAREHOLDINGS

##### 10.7.1 Board of Directors

The table below sets out the number of shares owned by the Board of Directors as of the date of this Prospectus:

	Shares	Options	Warrants
Glen Ole Rødland	-	-	-
Nina Udnes Tronstad	-	-	-
Birgit Aagaard-Svendsen	3,000	-	-
Alf Christian Thorkildsen	-	-	-

##### 10.7.2 Executive Management

The table below sets out the number of shares beneficially held by the Company’s executive management as of the date of this Prospectus:

	Shares	Options	Warrants
Jesper Kragh Andresen	-	-	-
Stig H. Christiansen	-	-	-
Ryan Stewart	-	-	-

##### 10.7.3 Restrictions on the disposal of shares

There are no restrictions on the disposal of shares owned by members of the Board of Directors or executive management.

## **11. THE SHARES**

### **11.1 SHARES AND SHARE CAPITAL**

The Company's issued and registered share capital as of the date of this Prospectus is EUR 4,399,349.9 divided into 87,986,998 Shares, each fully paid and with a nominal value of EUR 0.05.

The Shares have been created under the laws of Norway and are registered in book-entry form in the VPS with ISIN NO0010861990. All Shares are validly issued and fully paid. The Company has only one class of Shares. Each Share carry one vote and all Shares carry equal rights in all respects, including rights to dividends. All Shares are freely transferable, meaning that a transfer of Share is not subject to the consent of the Board of Directors or rights of first refusal.

Beneficial owners of the Shares registered in a nominee account (through brokers, dealers or other third parties) could be unable to exercise their voting rights for such Shares, unless their ownership is re-registered in their names with the VPS prior to any general meeting of shareholders. There is no assurance that beneficial owners of the Shares will receive the notice of any such general meeting in time to instruct their nominees to either effect a re-registration of their Shares or otherwise vote their Shares in the manner desired by such beneficial owners.

### **11.2 OTHER FINANCIAL INSTRUMENTS**

Outstanding warrants in the Company as of 31 December 2020 were 3,435,982, each of which gives right to subscribe for one new share in the company at a subscription price of NOK 21.37 in relation to potential delivery of Safe Nova and Safe Vega (see further conditions in item 5.2 above). All warrants have been terminated as part of the Restructuring.

### **11.3 SHAREHOLDER AGREEMENTS**

As of the date of this Prospectus, the Company is not aware of any shareholders' agreement or ongoing lock-up arrangements with respect to the Company's Shares.

### **11.4 STOCK EXCHANGE LISTING, SHARE REGISTRAR AND SECURITIES NUMBER**

Prosafe SE is a European public limited liability company and the Shares are issued pursuant to the Norwegian Public Limited Companies Act. The Company's Shares were listed on the Oslo Stock Exchange in 1997 under ticker "PRS". All Shares hold the same rights, and each Share gives one voting right. The Private Placement Shares will be registered in the Norwegian Central Securities Depository on ISIN NO0010861990.

The Shares are registered in the Norwegian Central Securities Depository (VPS), and the registrar is DNB Bank ASA. The Company's shares are registered under ISIN NO0010861990.

The Shares are not, and the Private Placement Shares will not be, listed on any other regulated market, equivalent third country markets or an SME Growth Market.

### **11.5 OUTSTANDING AUTHORIZATIONS**

The Company's extraordinary general meeting resolved on 27 September 2021 to authorize the board of directors to increase the Company's share capital in two steps, as described below and in Section 5.2. The authorization is valid until the date falling two years from the date of the resolution of the general meeting.

The Company's extraordinary general meeting resolved the following on 27 September 2021:

- (a) a share capital increase of minimum EUR 500,000,000 to maximum EUR 1,500,000,000 (as provided for in the EGM resolution) which will take place by way of conversion of claims in the amount of USD 995,915,113 (approximately EUR 831,000,000); and
- (b) an authorization to the board of Prosafe to increase the share capital at an amount up to EUR 754,399,349.

## 11.6 DIVIDEND POLICY AND RESTRICTIONS

Prosafe's long-term objective is to provide shareholders with a competitive, risk-adjusted yield on their shares through a combination of share price appreciation and direct return in the form of dividend.

The Company has not paid dividends during the years that ended on 31 December 2020, 2019, 2018, 2017 and 2016, and has not paid dividends during 2021 until the date of this Prospectus.

The Company's financing arrangements include restrictions on the Company's ability to pay dividends and this will also be the case following the Restructuring Effective Date. At the date of this Prospectus, under the current facility agreements, dividend payment is prohibited unless the following criteria are satisfied in which case, the borrower distribute up to 100% of its annual net profits after taxes:

- 12 month financial forecast provided which demonstrates, pre and post distribution, compliance with minimum liquidity, leverage ratio and interest coverage ratios;
- no default or event of default is continuing or may occur as a result; and
- lenders have received an aggregate prepayment equal to certain deferred instalments and skipped instalments under specific clauses.

Under the latest amended and restated facility agreements, i.e. following the Restructuring Effective Date, dividend may only be paid after obtaining prior written consent of the majority lenders.

As the Company has resolved to reduce the share capital for coverage of loss that cannot be covered otherwise without notice to the creditors, a resolution to distribute dividends may not be adopted until three years have elapsed from the registration in the Register of Business Enterprises in December 2021, unless the share capital subsequently has been increased by an amount at least equal to the reduction.

## 11.7 SHAREHOLDERS

As of 1 December 2021, the Company had approximately 4,200 shareholders. The Company's 20 largest shareholders as registered in the VPS as of 1 December 2021 are shown in the table below.

### Overview of top 10 shareholders as of 1 December 2021:

#	Shareholders	Number of Shares	Percent
1	NORTH SEA STRATEGIC INVESTMENTS AS	15,479,410	17.59%
2	HV VI INVEST SIERRA MALTA LTD	12,752,142	14.49%
3	Nordea Bank Abp (Nominee)	6,994,421	7.95%
4	State Street Bank and Trust Comp (Nominee)	6,972,694	7.92%
5	State Street Bank and Trust Comp (Nominee)	3,849,160	4.37%
6	Nordnet Bank AB (Nominee)	3,351,547	3.81%
7	HELMER AS	1,950,562	2.22%
8	NORDNET LIVSFORSIKRING AS	1,213,253	1.38%
9	Skandinaviska Enskilda Banken AB (Nominee)	1,095,074	1.24%
10	TEIR, MAGED ELABD SOLIMAN ABU	1,000,000	1.14%
11	SLIM JIM AS	800,000	0.91%
12	Morgan Stanley & Co. International	624,854	0.71%
13	Avanza Bank AB (Nominee)	559,962	0.64%
14	GILANI, AZHAR HUSSAIN	540,026	0.61%
15	THE NORTHERN TRUST COMP, LONDON BR (Nominee)	536,614	0.61%
16	Danske Bank A/S (Nominee)	523,269	0.59%
17	Citibank, N.A. (Nominee)	468,495	0.53%
18	KBC Bank NV (Nominee)	466,050	0.53%
19	IZAJ, SAZIA	415,000	0.47%
20	Nordea Bank Abp (Nominee)	402,127	0.46%

As far as the Company is aware of, there are no other natural or legal person other than the shareholders shown in the table above, which indirectly or directly has a shareholding in the Company above 5% which must be notified under Norwegian law.

To the extent known to the Company, there are no persons or entities who, directly or indirectly own or control the Company. There are no arrangements, known to the Company, the operation of which may at a subsequent date result in a change of control of the Company.

The Company's Articles of Association do not contain any provisions that would have the effect of delaying, deferring or preventing a change of control of the Company. No special measures to ensure abuse of control of the Company have been taken.

#### **11.8 PUBLIC TAKEOVER BIDS**

No public takeover bids by third parties in respect of the Company's equity have occurred during the financial year ended 31 December 2020 or in the current financial year.

## **12. SHAREHOLDER MATTERS AND NORWEGIAN COMPANY AND SECURITIES LAW**

The following is a summary of certain information relating to the Shares and certain shareholder matters, including the Company's articles of association and a summary of applicable Norwegian corporate and securities law in effect as of the date of this Prospectus. The summary does not purport to be complete and is qualified in its entirety by the Company's articles of association and Norwegian law.

Under Norwegian law, all shares are to provide equal rights in a company. However, Norwegian law permits a company's articles of association to provide for different types of shares (e.g., several classes of shares). In such case, a company's articles of association must specify the different rights, preferences and privileges of the classes of shares and the total par value of each class of shares. The Company's articles of association provide for a single class of shares with equal rights.

There are no restrictions affecting the right of Norwegian or non-Norwegian residents or citizens to own the Shares. The Company's articles of association do not contain any provisions restricting the transferability of Shares.

### **12.1 THE GENERAL MEETING OF SHAREHOLDERS**

The Company's shareholders exercise supreme authority in the Company through the general meeting. A shareholder may attend the general meeting either in person or by proxy. The Company is required to include a proxy form with notices of general meetings.

In accordance with Norwegian law, the annual general meeting of the Company's shareholders is required to be held each year on or prior to 30 June. Pursuant to article 8 of the Company's articles of association, the following business must be dealt with and decided at the annual general meeting:

1. Approval of the annual accounts and annual report, including distribution of dividends.
2. Any other matters that according to applicable laws or the Articles of Association are to be decided upon by the general meeting.

Norwegian law requires that written notice of general meetings is sent to all shareholders whose addresses are known at least 21 days prior to the date of the meeting, unless the Company's articles of association stipulate a longer period. The Company's articles of association do not include any provisions on this subject. Pursuant to article 12 of the Company's articles of association, documents concerning matters to be considered at the general meeting are not required to be sent to the shareholders, provided that the documents are made available for the shareholders at the Company's website. The same applies for documents which according to law shall be included in or attached to the notice of the general meeting. A shareholder is entitled to request that documents concerning matters to be handled at the general meeting are sent to him/her.

Any shareholder is entitled to have an issue discussed at a scheduled general meeting if such shareholder provides the Board with notice of the issue within seven days prior to the deadline for the notice to the general meeting, along with a proposal to a draft resolution or a justification for the matter having been put on the agenda. If the notice has been issued when such a written demand is presented, a renewed notice must be issued if the deadline for issuing notice of the general meeting has not expired.

In addition to the annual general meeting, extraordinary general meetings of shareholders may be held if deemed necessary by the Board. An extraordinary general meeting shall also be convened for the consideration of specific matters at the written request of the Company's auditor or shareholders representing a total of at least 5% of the share capital.

### **12.2 VOTING RIGHTS**

The articles of association of the company do not set forth additional conditions with regard to changing the rights of shareholders than required by the Norwegian Public Limited Companies Act.

Each Share carries the right to one vote at the Company's general meetings. No voting rights can be exercised with respect to treasury Shares held by the Company.

Decisions that the general meeting is entitled to make under Norwegian law or the Company's articles of association are in general made by a simple majority of the votes cast. In the case of elections, the persons who obtain the most votes cast are elected.

Certain decisions, including but not limited to increase or reduction of the Company's share capital, approval of a merger or demerger, and amendment of the Company's articles of association, require the approval of at least two-thirds of the aggregate number of votes cast at the general meeting, as well as at least two-thirds of the share capital represented at the meeting.

Decisions that would (i) reduce any shareholder's right in respect of dividend payments or other rights to the assets of the Company or (ii) restrict the transferability of the Shares through introduction of a consent requirement, of a right of first refusal upon transfers, or of a requirement that shareholders must have certain qualifications, require a majority vote of at least 90% of the share capital represented at the general meeting in question as well as the majority required for amendments to the Company's articles of association. Certain other types of changes in the rights of shareholders require the consent of all shareholders affected thereby as well as the majority required for amendments to the Company's articles of association.

There are no quorum requirements at general meetings. In general, in order to be entitled to vote, a shareholder must be registered as the owner of Shares in the Company's share register in the VPS or, in the case of a share transfer, report and show evidence of the shareholder's share acquisition to the Company prior to the general meeting. Beneficial owners of Shares that are registered in the name of a nominee are generally not entitled to vote under Norwegian law, nor are any persons who are designated in the register as holding such Shares as nominees. Readers should note that there are varying opinions as to the interpretation of Norwegian law in respect of the right to vote for nominee registered Shares.

### **12.3 ADDITIONAL ISSUANCES AND PREFERENTIAL RIGHTS**

If the Company issues any new shares the Company's articles of association must be amended, which requires a two-thirds majority of the aggregate number of votes cast at the general meeting, as well as at least two-thirds of the share capital represented at the general meeting. In connection with an increase in the Company's share capital by a subscription for Shares against cash contributions, Norwegian law provides the Company's shareholders with a preferential right to subscribe for the new shares on a pro rata basis in accordance with their then-current shareholdings in the Company. The preferential rights may be waived by the general meeting by the same majority vote as required for amendments to the Company's articles of association.

The general meeting may, with a two-thirds majority vote as described above, authorize the Board to issue new shares. Such authorization may be effective for a maximum of two years, and the par value of the Shares to be issued may not exceed 50% of the share capital at the time the authorization is registered with the Norwegian Register of Business Enterprises. The preferential right to subscribe for Shares against consideration in cash may be set aside by the Board only if the authorization includes such possibility for the Board.

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

### **12.4 MINORITY RIGHTS**

Norwegian law contains a number of protections for minority shareholders, including but not limited to those described in this and preceding paragraphs. Any shareholder may petition the courts to declare a decision of the Board or general meeting of shareholders invalid on the grounds that it unreasonably favours certain shareholders or third parties to the detriment of other shareholders or the company itself. In certain circumstances shareholders may require the courts to dissolve the company as a result of such decisions to the extent particularly strong reasons are considered by the court to make necessary dissolution of the Company.

Minority shareholders holding 5% or more of the Company's share capital have a right to demand in writing that the Company's Board convene an extraordinary general meeting to discuss or resolve specific matters.

## **12.5 LEGAL CONSTRAINTS ON THE DISTRIBUTION OF DIVIDENDS**

Dividends in respect of a fiscal year, if any, will be declared at the Company's annual general meeting in the following year. Under Norwegian law, dividends may be paid in respect of a fiscal year for which audited financial statements have been approved by a majority vote at the annual general meeting, and any proposal to pay a dividend must be recommended by the Company's Board and approved by its shareholders at a general meeting. The shareholders at the Company's annual general meeting may vote to reduce, but may not adopt a resolution to increase, the dividend proposed or accepted by the Company's Board. Dividends declared and approved in this manner accrue to those shareholders who were shareholders at the time the resolution was adopted, unless otherwise stated in the resolution.

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

- Pursuant to section 8-1 of the Norwegian Public Limited Companies Act the Company may only distribute dividend to the extent that the Company's net assets following the distribution covers (i) the Company's share capital, (ii) the reserve for valuation differences and (iii) the reserve for unrealized gains. From the amount that may be distributed, a deduction shall be made for the aggregate nominal value of treasury shares that the Company has purchased for ownership or as security before the balance date. Deductions shall also be made for credit and collateral etc. according to sections 8-7 to 8-10 from before the balance date which pursuant to these provisions shall lie within the scope of the funds the company may distribute as dividend. No deduction shall, however, be made for credit and collateral etc. that is reimbursed or settled before the time of decision, or credit to a shareholder to the extent that the credit is settled by a netting in the dividend. Transactions after year end which according to law requires free equity, reduce the dividend basis.
- The calculation of the distributable equity shall be made on the basis of the balance sheet in the approved annual accounts for the last fiscal year, however so that the registered share capital as of the date of the resolution to distribute dividend shall apply. Following the approval of the annual accounts for the last fiscal year, the general meeting may also authorize the Board to declare dividend on the basis of the Company's annual accounts.
- Dividend may also be distributed by the general meeting based on an interim balance sheet which has been prepared and audited in accordance with the provisions applying to the annual accounts and with a balance sheet date not further into the past than six months before the date of the general meeting's resolution.
- Dividend may only be distributed to the extent that the Company after the distribution has a sound equity and liquidity.

According to the Norwegian Public Limited Companies Act, there is no time limit after which entitlement to dividends lapses. Further, said Act contains no dividend restrictions or specific procedures for non-Norwegian resident shareholders. For a description of withholding tax on dividends that is applicable to non-Norwegian residents, see section 13.

Under Norwegian foreign exchange controls currently in effect, transfers of capital to and from Norway are not subject to prior government approval. However, all payments to and from Norway shall be registered with the Norwegian Currency Registry. Such registration is made by the entity performing the transaction. Further, each physical transfer of payments in currency shall be notified to the Norwegian customs. Consequently, a non-Norwegian resident may receive dividend payments without Norwegian exchange control consent if such payment is made through a licensed bank.

## **12.6 DISCLOSURE OBLIGATIONS**

If a person's, entity's or consolidated group's proportion of the total issued shares and/or rights to shares in a company listed on a regulated market in Norway (with Norway as its home state, which is the case for the Company) reaches, exceeds or falls below the respective thresholds of 5%, 10%, 15%, 20%, 25%, 1/3, 50%, 2/3

or 90% of the share capital or the voting rights of that company, the person, entity or group in question has an obligation under the Norwegian Securities Trading Act to notify the Oslo Stock Exchange and the issuer immediately. The same applies if the disclosure thresholds are passed due to other circumstances, such as a change in the Company's share capital.

The disclosure obligation also requires an investor to disclose agreements giving an investor voting rights over another party's shares if the total holding of shares and voting rights cross any of the mentioned thresholds.

## **12.7 MANDATORY TAKEOVER BIDS, SQUEEZE OUT, ETC.**

The Norwegian Securities Trading Act requires any person, entity or consolidated group who becomes the owner of Shares representing more than 1/3 of the voting rights of the Company to, within four weeks, make an unconditional general offer for the purchase of the remaining Shares in the Company. A mandatory offer obligation may also be triggered where a party acquires the right to become the owner of Shares which, aggregated with the party's own shareholding, represent more than 1/3 of the voting rights in the Company, and the Oslo Stock Exchange decides that acquiring such rights must be regarded as effectively being an acquisition of the Shares in question.

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

When a mandatory offer obligation is triggered, the person subject to the obligation is required to immediately notify the Oslo Stock Exchange and the company in question accordingly. The notification is required to state whether an offer will be made to acquire the remaining shares in the company or whether a sale will take place. As a starting point, a notification to the effect that an offer will be made cannot be retracted. The offer and the offer document required are subject to approval by the Oslo Stock Exchange before the offer is submitted to the shareholders or made public.

In the mandatory offer, all shareholders shall be treated equally and the price to be paid per share shall be at least as high as the highest price paid or agreed by the acquirer during the last six months prior to the date the threshold was exceeded. However, if it is clear that the market price was higher when the mandatory offer obligation was triggered, the Norwegian Securities Trading Act states that the offer price shall be at least as high as the market price. If the acquirer acquires or agrees to acquire additional shares at a higher price prior to the expiration of the mandatory offer period, the acquirer is obliged to restate its offer at such higher price. The offer must be made in cash or contain a cash alternative at least equal in value to any non-cash offer. Pursuant to the Norwegian Securities Trading Act section 6-6, a repeated bid obligation applies when passing 40% and 50% of the votes of the Company.

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

Any person, entity or consolidated group who has passed any of the above-mentioned relevant thresholds for a mandatory offer without triggering such an obligation due to an applicable exemption, and who has therefore not previously made an offer for the remaining Shares in the Company in accordance with the mandatory offer rules, is, as a main rule, obliged to make a mandatory offer in the event of a subsequent acquisition of Shares in the Company (subsequent offer obligation).

## **12.8 COMPULSORY ACQUISITION**

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

shareholder. Through such compulsory acquisition, the majority shareholder becomes the owner of the remaining shares with immediate effect.

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

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

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

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

## **12.9 LIABILITY OF DIRECTORS**

Members of the Board owe a fiduciary duty to the Company and its shareholders. Such fiduciary duty requires that the board members act in the best interests of the Company when exercising their functions and exercise a general duty of loyalty and care towards the Company. Their principal task is to safeguard the interests of the Company.

Each member of the Board may be held liable by the Company for any damage they negligently or wilfully cause the Company. Norwegian law permits the general meeting to exempt any such person from liability towards the Company, but such exemption is not binding unless substantially correct and complete information relating to the grounds for any liability claim was provided at the general meeting when the decision was made. If a resolution to grant such exemption from liability or not to pursue claims against such a person has been passed by a general meeting with a majority below that required to amend the Company's articles of association, shareholders representing more than 10% of the share capital or, if there are more than 100 shareholders, more than 10% of the shareholders may pursue the claim on the Company's behalf and in its name. The cost of any such action is not the Company's responsibility, but can be recovered from any proceeds that the Company receives as a result of the action. If the decision to grant an exemption from liability or not to pursue claims is made by a majority required to amend the articles of association, the minority shareholders cannot pursue the claim in the Company's name.

## **12.10 DISTRIBUTION OF ASSETS ON LIQUIDATION**

Under Norwegian law, a company may be wound-up by a resolution of the company's shareholders in a general meeting passed by the same majority as required to amend the articles of association. The Shares rank equally in the event of a return on capital by the Company upon a winding-up or otherwise.

## **12.11 RIGHTS OF REDEMPTION AND REPURCHASE OF SHARES**

The share capital may be reduced by decreasing the par value of the Shares or by redemption of issued Shares. Such a decision requires the same majority as required to amend the articles of association. Redemption of individual Shares requires the consent of the holders of the Shares to be redeemed.

A Norwegian company may purchase its own shares if an authorization for the board of directors of the company to this effect has been given by a general meeting with the approval of at least two-thirds of the aggregate number of votes cast and Shares represented at the meeting. The aggregate par value of treasury shares so acquired and held by the company must not exceed 10% of the company's share capital, and treasury shares may only be acquired if the company's distributable equity, according to the latest adopted balance sheet, exceeds the consideration to be paid for the shares. The authorization by the general meeting cannot be given for a period exceeding two years.

## **12.12 ARTICLES OF ASSOCIATION**

As of the date of this Prospectus, the Articles of Association of Prosafe SE are as follows:

### **Article 1 – Name**

The business name of the company is Prosafe SE.

### **Article 2 – Registered office**

The registered office of the company is located in the municipality of Stavanger in Norway.

### **Article 3 – Objectives**

Prosafe SE shall own and operate vessels and other offshore tonnage, related to oil and gas activities, as well as conduct any activity related to ownership and operation related to this. Prosafe SE may invest in companies within the same or other sectors.

### **Article 4 – Share capital**

The company's share capital is EUR 4,399,349.9 divided into 87,986,998 shares each with a nominal value of EUR 0.05.

The company's shares shall be registered with the Central Securities Depository.

When two or more persons hold the same share jointly, the more senior shareholder, based on the order in which the name of the shareholders stands in the register of shareholders, shall act as shareholder towards the company on behalf of all co-owners.

### **Article 5 – The board of directors**

The company is organised in accordance with the one-tier system in the SE Regulation art. 43 to 45.

The company's board of directors shall consist of between three and seven members who are elected for a term of up to two years.

The composition of the board shall be in accordance with the rules of the Public Limited Liability Companies Act and the SE Act with corresponding administrative regulations.

### **Article 6 – Signatory right**

The Board of Directors jointly or the Chairman of the Board and the CEO jointly are authorized to sign on behalf of the company. The Board of Directors may assign procuration.

### **Article 7 – General meeting**

Documents relating to matters to be dealt with by the company's general meeting, including documents which by law shall be included in or attached to the notice of the general meeting, do not need to be sent to the shareholders if such documents have been made available on the company's website. A shareholder may nevertheless request that documents that relates to matters to be dealt with at the general meeting, shall be sent

to him/her.

The board may determine that shareholders shall be entitled to cast votes in writing, including by use of electronic means, in a period before the meeting. The board may set further guidelines for such advance voting

The annual general meeting shall discuss and decide upon the following:

- (i) Approval of the annual accounts and annual report, including distribution of dividends.
- (ii) Any other matters that according to applicable laws or the Articles of Association are to be decided upon by the general meeting.

#### **Article 8 – Nomination Committee**

The company shall have a nomination committee consisting of two to three members. The majority of the members shall be independent in relation to the board members and the company management. The general meeting will elect the members of the nomination committee, including the chairperson, for a term of up to two years.

The nomination committee shall give a proposal for chairperson and other members of the board of directors as well as remuneration to the board members related to the work as board member.

The general meeting determines the remuneration to the members of the nomination committee. The general meeting may adopt instructions for the nomination committee.

#### **Article 9 – Accounting currency**

The company's accounting currency is USD.

#### **Article 10 – Governing law**

The Norwegian SE Act and the SE Regulation apply to any other matters. The rules of the Norwegian Public Limited Liability Companies Act apply correspondingly only to the extent that they are appropriate, and unless otherwise provided by the SE Regulation, the Articles of Association issued pursuant to the SE Regulation, or the SE Act.

\* \* \*

### **13. LEGAL MATTERS**

PRPL and Westcon commenced civil proceedings against each other in 2016. On 15 April 2021 the Gulating Court of Appeal (Norway), decided that PRPL was obliged to pay an amount of NOK 465 million including interest and legal costs to Westcon. PRPL appealed the decision to the Supreme Court of Norway. The appeal was denied by the Supreme Court 27 August 2021, after which Gulating Court of Appeal's decision became legally enforceable. As of 30 August 2021 the total outstanding amount under the claim was NOK 474,080,660, including accrued interest.

NOK 245 million was settled on 13 September 2021 by a payment under a bank guarantee issued by Nordea in favour of Westcon. The same date, Nordea exercised a set-off of the same amount against cash standing on accounts held by PRPL and the Company with Nordea to settle Nordea's resource claim against these companies following the payment to Westcon under the bank guarantee.

PRPL, the Company and Westcon has settled the remaining amount to be covered by a 3% allocation of shares to Westcon in the Company pursuant to the Tranche II Shares. The solution is also secured by the scheme of arrangement for PRPL in Singapore.

The Company has made provisions (USD 8 million) for potential tax payments for the UK based on formal tax enquiry from UK tax authority (HMRC – HM Revenue and Customs) related to previous contracts in the UK.

Other than as set out above, there are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Group is aware) that may have, or have had during the course of the preceding 12 months, significant effect on the Group and/or the Group's financial position or profitability.

## 14. NORWEGIAN TAXATION

*The following is a brief summary of certain Norwegian tax considerations relevant to the acquisition, ownership and disposition of Shares by holders that are residents of Norway for purposes of Norwegian taxation (**resident or Norwegian shareholders**) and holders that are not residents of Norway for such purposes (**non-resident or foreign shareholders**).*

*The summary is based on applicable Norwegian laws, rules and regulations as at the date of this Prospectus. Such laws, rules and regulations may be subject to changes after this date, possibly on a retroactive basis for the same tax year. The summary is of a general nature and does not purport to be a comprehensive description of all tax considerations that may be relevant and does not address taxation in any other jurisdiction than Norway.*

*The summary does not concern tax issues for the Company and the summary only focuses on the shareholder categories explicitly mentioned below. Special rules may apply to shareholders who are considered transparent entities for tax purposes, for shareholders holding shares through a Norwegian permanent establishment and for shareholders that have ceased or cease to be resident in Norway for tax purposes.*

*Each shareholder, and specifically non-resident shareholders, should consult with and rely upon their own tax advisers to determine their particular tax consequences.*

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

### 14.1 TAXATION OF DIVIDENDS

#### 14.1.1 Resident corporate shareholders

Dividends distributed from the Company to Norwegian corporate shareholders (i.e. limited liability companies and certain similar entities) are generally exempt from tax pursuant to the Norwegian participation exemption (Nw.: *fritaksmetoden*). However, 3 pct. of such dividends are taxable as ordinary income at a current rate of 22 pct., implying that dividends distributed from the Company to resident Norwegian corporate shareholders are effectively taxed at a rate of 0.66 pct.

#### 14.1.2 Resident personal shareholders

Dividends distributed from the Company to Norwegian personal shareholders are taxed as ordinary income at a current rate of 22 pct. to the extent the dividends exceed a statutory tax-free allowance (Nw.: *skjermingsfradrag*). The tax basis is upward adjusted with a factor of 1.44 before taxation, implying that dividends exceeding the tax-free allowance are effectively taxed at a rate of 31.68 pct.

The tax-free allowance is calculated and applied on a share-by-share basis. The allowance for each share equals the cost price of the share multiplied by a risk-free interest rate determined based on the interest rate on Norwegian treasury bills with three months maturity plus 0.5 percentage point, and adjusted downwards with the tax rate. The allowance one year is allocated to the shareholder owning the share on 31 December. Norwegian personal shareholders who transfer Shares during an income year will thus not be entitled to deduct any calculated allowance related to the transaction year. The Directorate of Taxes announces the risk free-interest rate in January the year after the income year.

Any part of the calculated allowance one year exceeding distributed dividend on a Share (excess allowance) can be carried forward and set off against future dividends (or capital gains) on the same Share (but may not be set off against taxable dividends or capital gains on other Shares). Furthermore, for the purpose of calculating the allowance the following years, any excess allowance is added to the cost price of the share and thereby included in the basis for the calculation of allowance the following years.

Norwegian personal shareholders may hold Shares through a Norwegian share saving account (Nw.: *aksjesparekonto*). Dividends received on Shares held through a share saving account will not be taxed with immediate effect. Instead, withdrawal of funds from the share saving account exceeding the paid in deposit, will be regarded as taxable income, regardless of whether the funds are derived from gains or dividends related to the shares held in the account. Such income will be taxed with an effective tax rate of 31.68%, cf. above. Norwegian personal shareholders will still be entitled to a calculated tax free allowance. Please refer to Section 14.2.2 for further information in respect of Norwegian share saving accounts.

### **14.1.3 Non-resident corporate shareholders**

Dividends distributed from the Company to non-resident shareholders are in general subject to Norwegian withholding tax at a rate of currently 25 pct., unless otherwise provided for in an applicable tax treaty or the recipient is tax resident within the European Economic Area (the EEA) (ref. Section 14.1.5 below for more information on the EEA exemption). Norway has entered into tax treaties with approximately 80 countries. In most tax treaties the withholding tax rate is reduced to 15 pct. or lower.

Non-resident corporate shareholders, who have been subject to a higher withholding tax than applicable, may apply to the Central Office for Foreign Tax Affairs for a refund of the excess withholding tax deducted. The same will apply to non-resident corporate shareholders who have suffered withholding tax although qualifying for the Norwegian participation exemption.

All non-resident corporate shareholders must document their entitlement to a reduced withholding tax rate by either (i) presenting an approved withholding tax refund application or (ii) present an approval from the Norwegian tax authorities confirming that the recipient is entitled to a reduced withholding tax rate. In addition, a certificate of residence issued by the tax authorities in the shareholder's country of residence, confirming that the shareholder is resident in that state, must be obtained. The documentation must be provided to either the nominee or the account operator (VPS).

The withholding obligation in respect of dividends distributed to non-resident corporate shareholders and on nominee registered shares lies with the company distributing the dividends and the Company assumes this obligation.

If foreign corporate shareholders are engaged in business activities in Norway, and their Shares are effectively connected with such business activities, dividends distributed on their Shares will generally be subject to the same taxation as that of Norwegian corporate shareholders.

Foreign corporate shareholders should consult their own advisers regarding the availability of treaty benefits in respect of dividend payments, including the possibility of effectively claiming refund of withholding tax.

### **14.1.4 Non-resident personal shareholders**

Dividends distributed from the Company to non-resident personal shareholders are in general subject to Norwegian withholding tax at a rate of currently 25 pct., unless otherwise provided for in an applicable tax treaty. Norway has entered into tax treaties with approximately 80 countries. In most tax treaties the withholding tax rate is reduced to 15 pct. or lower. For foreign personal shareholders which are tax resident within the European Economic Area (the EEA), please refer to Section 14.1.5 below.

If foreign personal shareholders are engaged in business activities in Norway, and their Shares are effectively connected with such business activities, dividends distributed on their Shares will generally be subject to the same taxation as that of Norwegian personal shareholders.

Foreign personal shareholders, who have been subject to a higher withholding tax than applicable, may apply to the Central Office for Foreign Tax Affairs for a refund of the excess withholding tax deducted.

All non-resident personal shareholders must document their entitlement to a reduced withholding tax rate by obtaining a certificate of residence issued by the tax authorities in the shareholder's country of residence, confirming that the shareholder is resident in that state. The documentation must be provided to either the nominee or the account operator (VPS).

Non-resident personal shareholders should consult their own advisers regarding the availability of treaty benefits in respect of dividend payments, including the possibility of effectively claiming a refund of withholding tax.

### **14.1.5 Shareholders tax resident within the EEA**

Dividends distributed from the Company to personal shareholders tax-resident within the EEA are upon request entitled to a deductible allowance. The shareholder shall pay the lesser amount of (i) withholding tax according to the rate in the applicable tax treaty or (ii) withholding tax at 25 pct. after deduction of the tax-free allowance. Any excess allowance may be carried forward, cf. Section 14.1.2.

Non-resident personal shareholders which are tax-resident within the EEA may hold their Shares through a Norwegian share saving account. Dividends received on and gains derived upon the realization of Shares held through a share saving account by a non-resident personal shareholder resident in the EEA for tax purposes will not be taxed with immediate effect. Instead, withdrawal of funds from the share saving account exceeding the non-resident personal shareholder's paid in deposit, will be subject to withholding tax at a rate of 25% (unless reduced pursuant to an applicable tax treaty). Capital gains upon realization of Shares held through the share saving account will be regarded as paid in deposits, which may be withdrawn without taxation. Losses will correspondingly be deducted from the paid in deposit, reducing the amount which can be withdrawn without withholding tax.

The obligation to deduct and report withholding tax on Shares held through a saving account, cf. above, lies with the account operator.

Dividends distributed from the Company to corporate shareholders tax resident within the EEA are exempt from Norwegian withholding tax, provided the shareholder is the beneficial owner of the dividends received on the Shares and is genuinely established and performs genuine economic business activities within the EEA.

## **14.2 TAXATION UPON REALISATION OF SHARES**

### **14.2.1 Resident corporate shareholders**

For Norwegian corporate shareholders capital gains upon realization of Shares are generally exempt from tax. Losses are not deductible. Special exit rules apply for resident corporate shareholders that cease to be tax resident in Norway.

### **14.2.2 Resident personal Shareholders**

For Norwegian personal shareholders capital gains upon realization of Shares are taxable as ordinary income in the year of realization, and have a corresponding right to deduct losses that arise upon such realization. The tax liability applies irrespective of time of ownership and the number of Shares realized. The tax rate for ordinary income is currently 22 pct. The tax basis is adjusted upwards with a factor of 1.44 before taxation/deduction, implying an effective taxation at a rate of 31.68 pct.

The taxable gain or loss is calculated per Share as the difference between the consideration received and the cost price of the Share, including any costs incurred upon acquisition or realization of the Share. Any unused tax free allowance on a Share (see above) may be set off against capital gains on the same Share, but will not lead to or increase a deductible loss. I.e. any unused allowance exceeding the capital gain upon realization of the Share will be annulled. Any unused allowance on one Share may not be set off against gains on other Shares.

If a shareholder disposes of Shares acquired at different times, the Shares that were first acquired will be deemed as first disposed (the first in first out ("FIFO") principle) when calculating a taxable gain or loss.

Special exit tax rules apply for resident personal shareholders that cease to be tax resident in Norway.

Norwegian personal shareholders may hold Shares through a Norwegian share saving account (Nw.: *aksjesparekonto*). Gains derived upon the realization of Shares held through a share saving account will be exempt from immediate Norwegian taxation and losses will not be tax deductible. Instead, withdrawal of funds from the share saving account exceeding the Norwegian personal shareholder's paid in deposit, will be regarded as taxable income, subject to tax at an effective tax rate of 31.68%. Norwegian personal shareholders will be entitled to a calculated tax free allowance provided that such allowance has not already been used to reduce taxable dividend income (please see Section 14.1.2 above). The tax-free allowance is calculated based on the lowest paid in deposit in the account during the income year, plus any unused tax-free allowance from previous years. The tax-free allowance can only be deducted in order to reduce taxable income, and cannot increase or produce a deductible loss. Any excess allowance may be carried forward and set off against future withdrawals from the account or future dividends received on Shares held through the account.

### **14.2.3 Non-resident shareholders**

Gains from realization of Shares by non-resident shareholders will not be subject to taxation in Norway unless (i) the Shares are effectively connected with business activities carried out or managed in Norway, or (ii) the Shares are held by an individual who has been a resident of Norway for tax purposes with unsettled/postponed exit tax.

### **14.3 NET WEALTH TAX**

Norwegian corporate shareholders are not subject to net wealth tax.

Norwegian personal shareholders are generally subject to net wealth taxation at a current rate of 0.85% on net wealth exceeding NOK 1,480,000. The Shares will be included in the net wealth with 55% of their listed value as of 1 January in the assessment year. The value of debt allocated to the Shares for Norwegian wealth tax purposes is reduced correspondingly (i.e. to 55%).

Non-resident shareholders are generally not subject to Norwegian net wealth tax, unless the Shares are held by an individual in connection with business activities carried out or managed from Norway.

### **14.4 STAMP DUTY / TRANSFER TAX**

Norway does not impose any stamp duty or transfer tax on the transfer or issuance of Shares.

Norway does not impose any inheritance tax. However, the heir continues the deceased/giver's tax positions, including the cost price for tax purposes, based on principles of continuity.

### **14.5 THE COMPANY'S RESPONSIBILITY FOR THE WITHHOLDING OF TAXES**

The Company is responsible for and assumes the obligation to deduct, report and pay any applicable withholding tax to the Norwegian tax authorities.

### **14.6 CAUTIONARY NOTE**

Potential investors should be aware that the tax legislation of the investor's Member State and of the Company's country of incorporation may have an impact on the income received from the securities.

## 15. ADDITIONAL INFORMATION

### 15.1 INDEPENDENT AUDITOR

The Company's auditor is KPMG AS, with business registration number 935 174 627 and business address Sørkedalsveien 6, 0369 Oslo. The partners of KPMG are members of Den Norske Revisorforeningen (The Norwegian Institute of Public Accountants).

The consolidated financial statements of the Company as of 31 December 2020 and 2019 and for each of the years then ended, incorporated by reference in the prospectus, have been audited by KPMG AS, independent auditors, as stated in their report incorporated by reference. The audit report covering the 31 December 2020 consolidated financial statements contains an emphasis of a matter paragraph that describes a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern.

In the independent auditor's report for 2020, KPMG included the following material uncertainty related to going concern:

We draw attention to Note 2 in the consolidated financial statements and the Board of Directors' report, which describes that the equity turned negative early 2020. The Group incurred a net loss of USD 950,1 million during the year ended December 31, 2020 and, as of that date, the Group's liabilities exceeded its total assets by USD 948,5 million. The Company incurred a net loss of USD 944,0 million during the year ended December 31, 2020 and, as of that date, the Company's liabilities 103 exceed its total assets by USD 850,8 million. Furthermore, the Company has deferred making payments of scheduled instalments and interests under its USD 1,300 million and USD 144 million credit facilities. These conditions, along with other matters as set forth in the liquidity section of note 19 and note 25 of the consolidated financial statements and the Board of Directors' report, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

### 15.2 ADVISORS

The Company's legal advisor is Advokatfirmaet Schjødt AS.

### 15.3 INCORPORATION BY REFERENCE

Section in Prospectus	Reference	Reference document and web address
4 and 9	Unaudited interim report	Q3 2021 report: <a href="https://www.prosafe.com/wp-content/uploads/2021/11/2021-Q3-report.pdf">https://www.prosafe.com/wp-content/uploads/2021/11/2021-Q3-report.pdf</a>
4 and 9	Audited annual report, including an overview of the Company's accounting policy and explanatory notes and the auditor's report	Annual report 2020: <a href="https://www.prosafe.com/wp-content/uploads/2021/03/2020-Annual-Report-1.pdf">https://www.prosafe.com/wp-content/uploads/2021/03/2020-Annual-Report-1.pdf</a>

### 15.4 DOCUMENTS ON DISPLAY

Copies of the following documents will be available for inspection at the Company's principal office at Forusparken 2, 4031 Stavanger, Norway, during normal business hours from Monday to Friday each week (except public holidays) for the term of this Prospectus:

- the Articles of Association of the Company;
- all reports, letters, and other documents, historical financial information, valuations and statements prepared by any expert at the Company's request any part of which is included or referred to in the Prospectus.
- information incorporated by reference into this Prospectus
- this Prospectus.

The above document will also be available on the Company's website [www.prosafe.com](http://www.prosafe.com).

## 16. DEFINITIONS AND GLOSSARY OF TERMS

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

<b>Term</b>	<b>Definition</b>
1300 Facility	Credit facilities agreement with PRPL and POPL as guarantors, originally dated 6 February 2015, as amended and restated, for facilities of originally up to USD 1.3 billion
1300 Secured Vessel(s)	Safe Boreas, Safe Concordia, Safe Scandinavia, Safe Zephyrus and Safe Caledonia
288 Facility	Credit facility agreement with the Parent as borrower and PRPL as guarantor originally dated 27 May 2014, as amended and restated, for facilities of originally up to USD 288 million
288 Secured Vessel	Singapore law governed ship mortgage and deed of covenant over Safe Notos (owned by PRPL)
AoC	Acknowledgement of Compliance
Bonds	A total two tranches of subordinated zero coupon convertible bonds, which were converted prior to the date of this Prospectus
CH4	Methane
Clifford Chance	Clifford Chance Pte Ltd
CO	Carbon monoxide
CO2	Carbon dioxide
Company	Prosafe SE
Corporate Governance Code	Norwegian Code of Practice for Corporate Governance in its latest version of 17 October 2018
COSCO	Cosco Shipping (Qiding) Offshore Co. Ltd.
Deed of Co-Ordination	A Co-ordination Deed dated 4 February 2016 (as amended by an amendment deed dated 27 September 2016)
DP	Dynamic positioned
ESG	Environmental, social and governance
EU Prospectus Regulation	Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017
Financial Statements	The Group's audited consolidated financial statements as of and for the year ended 31 December 2020
GHG	Greenhouse Gas
Group	The Company together with its subsidiaries
IAPP	International Air Pollution Prevention
IAS 34	International Accounting Standard 34 "Interim Financial Reporting" as adopted by the EU
IBWM	International Ballast Water Management
IFRS	The accounting standards "International Financial Reporting Standards" as adopted by the European Union
IMO	International Maritime Organisation
Interest Rate Swap Lenders	The lenders in the Interest Rate Swaps
Interest Rate Swaps	Fixed interest rate swaps with DNB Bank ASA, ABN Amro Bank N.V., Skandinaviska Enskilda Banken and Swedbank AB in connection with the 1300 Facility
Interim Financial Statements	The Group's Interim Financial Statements for the nine month period ended 30 September 2021
IOPP	International Oil Pollution Prevention
ISPP	International Sewage Pollution Prevention
KPMG	KPMG AS
LTI	Lost Time Injury
MARPOL	International Convention for the Prevention of Pollution from Ships
NHO	Confederation of Norwegian Enterprise's
Norwegian FSA	The Financial Supervisory Authority of Norway
Norwegian Securities Trading Act	The Norwegian Securities Trading Act of 29 June 2007 no. 75
Notos Seller's Credit	An English law governed seller's credit agreement in respect of the Safe Notos between PRPL and Cosco originally dated 20 August 2016 as amended from time to time
NOx	Nitrogen oxide
Parent Share Charges	Singapore law governed charges over the shares held by the Parent in each of PRPL, POPL and Prosafe Offshore Holdings Pte Ltd
POPL	Prosafe Offshore Pte. Ltd.

Private Placement	The private placement completed by the two tranches, Tranche I Shares and the Tranche II Shares in connection with the equitisation of USD 1.1 billion in debt
Private Placement Shares	The new shares which will be issued following the Private Placement
Procon	Procon Offshore ASA
Prosafe	The Company together with its subsidiaries
Prospectus	This prospectus dated 14 December 2021, prepared by Prosafe SE in connection with the listing of the Private Placement Shares on the Oslo Stock Exchange
PRPL	Prosafe Rigs Pte. Ltd.
Restructuring	The key features of the Term Sheet to effect the restructuring proposals
RSA	Broad in-principle agreement on a Restructuring Support Agreement (subject to relevant credit approvals) to implement the terms of the Term Sheet
Shares	The Company's shares
SO2	Sulphur dioxide
Term Sheet	Broad in-principle agreement on a detailed term sheet, setting out the terms of the Restructuring
TRIFR	The Total recordable injury frequency rate
Trust Deed	The joint security package shared between the 1300 Facility and the 288 Facility is regulated by a trust deed dated 30 September 2016 (as amended by an amendment deed dated 14 September 2018)
TSV	Tender Support Vessel
VOC	Volatile organic compounds
VPS	The Norwegian Central Securities Depository
Westcon	Westcon Yard AS
Westcon Claim	The Gulating Court of Appeal decided on 15 April 2021 that Prosafe shall pay a total of around NOK 465 million (USD 54.5 million) to Westcon.



**Prosafe SE**  
Forusparken 2  
N-4031, Stavanger  
Norway

**SCHJØDT**

**Advokatfirmaet Schjødt AS**  
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Oslo