Annual Report 2023

Start reading

Prosafe

We are a leading owner and operator of semi-submersible accommodation vessels

$98 m	41 %	$258 m	7
Operating revenue 2023	2023 Fleet utilisation	Backlog incl. options	Accommodation vessels

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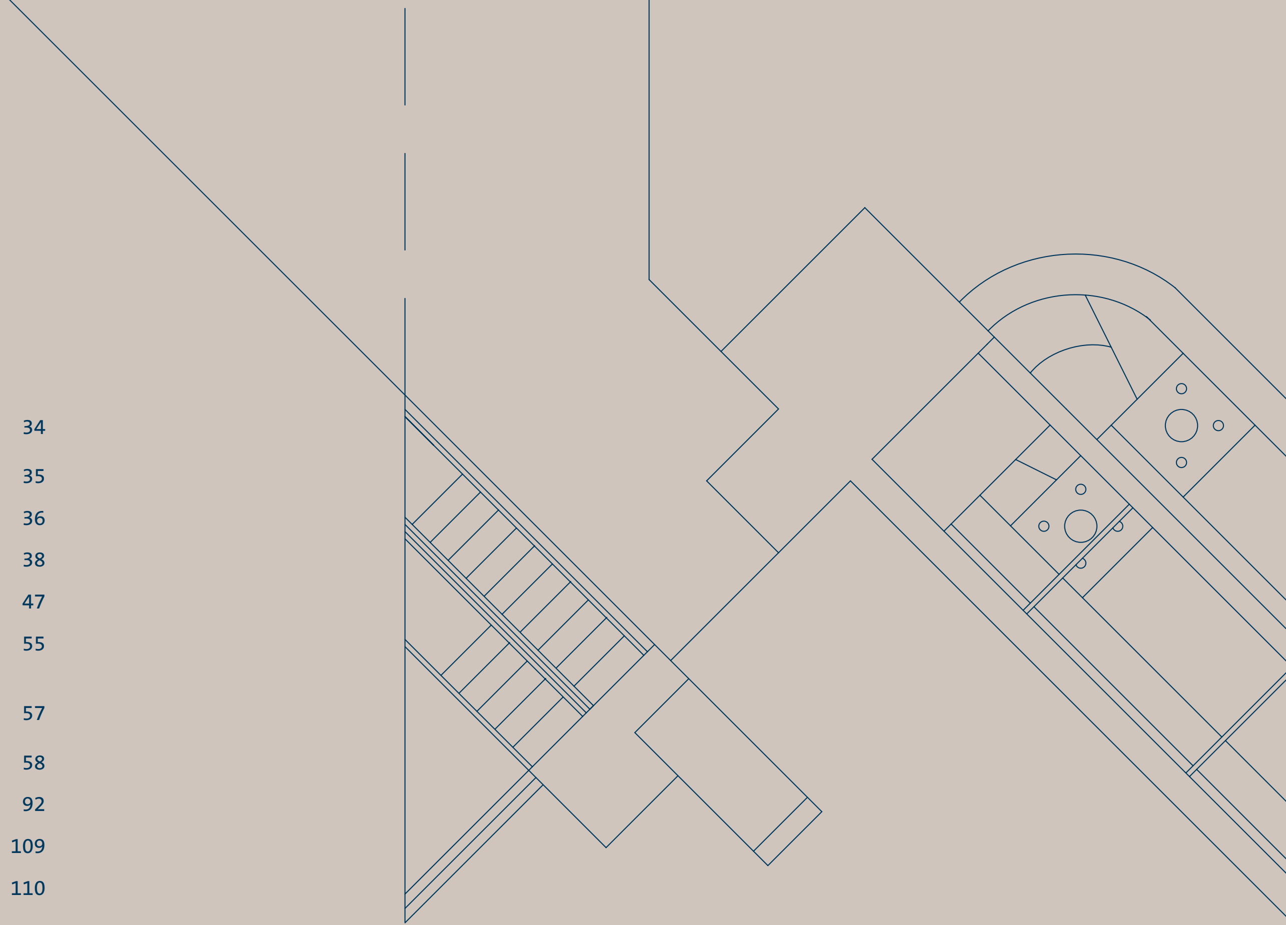

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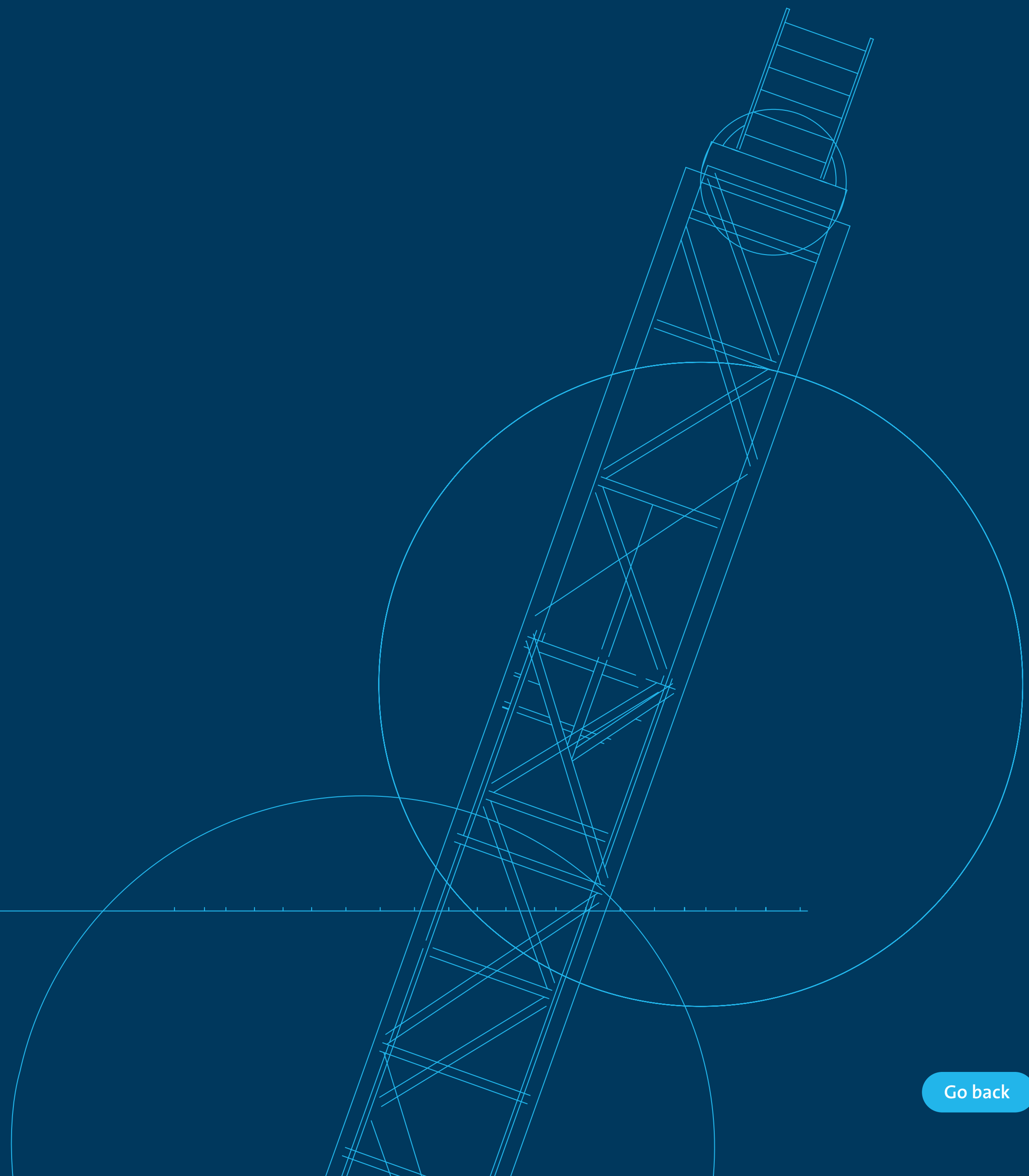
Year in brief

Prosafe experienced high operational activity related to new contracts. The Company also participated in many tenders during 2023. Driven by low activity in the North Sea, including the impact of the UK windfall tax, vessel utilisation was lower than hoped for. The Company is optimistic on the market outlook, particularly from 2025 onwards, and expects new contracts at attractive day rates.



Highlights 2023

Mobilisation of Safe Zephyrus from the North Sea to Brazil for 650-day contract with Petrobras

Mobilisation of Safe Concordia from Trinidad to US Gulf of Mexico for 330-day contract + options

Execution of hull-cleaning and compliance work on Safe Notos and SPS for Safe Eurus

Good operating and safety performance on all vessels

Continued development of the organisation and appointment of new CEO

Favourable market outlook with Prosafe controlling a significant share of open high-end accommodation capacity from 2024 to 2026

Net result
(67.8)
million USD
2022: 1.5

EBITDA
(10.5)
million USD
2022: 61.4

Earnings per share
(6.00)
USD
2022: USD 0.17

Net cash flow from operations
(11.5)
million USD
2022: 49.2

Net cash flow
(17.0)
million USD
2022: 17.7

Net profit (loss)
(67.8)
million USD
2022: 1.5

Fleet utilisation
41.0%
2022: 70.6%

Operations
1,043
operating days
2022: 1,738

Key figures

		2023	2022	2021	2020	2019
Profit or loss						
Operating revenue	MUSD	97.7	198.9	141.1	56.7	225.4
EBITDA	MUSD	(10.5)	61.4	24.9	(9.5)	97.1
Operating profit (loss)	MUSD	(41.6)	31.9	(49.8)	(864.3)	(342.6)
Net profit (loss)	MUSD	(67.8)	1.5	927.9	(950.1)	(399.9)
Earnings per share (fully diluted)	USD	(6.00)	0.17	263.3	(10,798.20)	(4,540.00)
Financial position						
Total assets	MUSD	492.7	500.0	492.8	587.7	1,480.2
Interest-bearing debt	MUSD	419.5	422.2	423.3	1,509.4	1,397.9
Net interest-bearing debt	MUSD	344.9	330.6	349.4	1,349.1	1,199.8
Book equity	MUSD	33.8	37.3	36.3	(948.5)	0.2
Book equity ratio	%	6.9	7.5	7.4	(161.4)	0.2
Liquidity[1]	MUSD	74.6	91.6	73.9	160.3	198.1
Net working capital	MUSD	5.1	9.8	(11.3)	(8.9)	(35.1)
Net cash flow	MUSD	17.0	17.7	(86.4)	(37.8)	57.8
Valuation						
Market capitalisation at year-end	MUSD	120.8	115.1	158.0	10.4	19.7
Share price	NOK	68.8	128.2	158.4	1,080.0	2,110.0
Operations						
Fleet utilisation rate	%	41.0	70.6	54.5	20.4	50.9
Employees						
Number of employees at year-end	Employees in direct employment	255	182	103	99	150
HSSE						
Lost time injuries	Per millionworked hours	1.0	0.0	0.0	0.0	0.0
Total recordable injury frequency	Per millionworked hours	3.68	0.00	0.00	1.81	0.82
Sick leave	% of total working hours	0.99	1.31	0.27	0.46	2.26

[1] Liquidity equals cash and deposits, and includes USD 2.2 million in restricted cash

About Prosafe

Prosafe is a leading owner and operator of semi-submersible accommodation, safety and support vessels.

Prosafe owns and operates six semi-submersible accommodation, safety and support vessels and one Tender Support Vessel (TSV). In addition, the Company has two new build accommodation vessels at the yard.

The versatile fleet comprises five dynamically positioned, one anchor moored and one passive position moored vessel, capable of operating in the most demanding offshore environments.

Prosafe's vessels support energy companies on various offshore projects, primarily in the global offshore oil and gas sector, and may also serve offshore wind installations. Operations are related to the lifecycle of offshore installations such as maintenance and modification on fields already in production, hook-up and commissioning of new fields, tiebacks to existing infrastructure and decommissioning.

The vessels are operated in dynamic positioning (DP) mode by use of own engines and thrusters or in a moored mode, while being gangway connected via a telescopic gangway to the client's installation so personnel can safely walk to work. The vessels are normally provided on a time charter basis where Prosafe crews and operates the vessels directly.

Prosafe's vessels have accommodation capacity for up to 500 people and offer high quality welfare and catering facilities, storage, workshops, offices, cinema/auditorium, medical services, deck cranes and lifesaving and firefighting equipment.

Prosafe has a long track record from demanding operations world-wide, with leading operational performance and good safety records. The Company has extensive experience from operating gangway connected to fixed installations, FPSOs, TLPs, Semi-submersibles and Spar platforms. The main operating regions are the North Sea, Brazil and Gulf of Mexico.

Prosafe is listed on the Oslo Stock Exchange with ticker code PRS.

Vision
To be a leading and innovative provider of technology and services in selected niches of the global offshore energy industry.

Mission
To provide customers with innovative and cost-efficient solutions in order to maximise shareholder value and to create a challenging and motivating workplace.

Strategy
To be the preferred provider of high-end accommodation vessels globally.

Values
Profitability, Respect, Innovation, Safety, Ambition, Focus, the Environment

Vessels at a glance and current location

Brazil

Safe Eurus
DP3 – Worldwide[1]
- Contracted to Petrobras until February 2027
- 100 per cent utilisation in 2023 excluding SPS

Safe Notos
DP3 – Worldwide[1]
- Contracted to Petrobras until July 2026
- 100 per cent utilisation in 2023 excluding hull cleaning

Safe Zephyrus
DP3 – Worldwide
- Contracted to Petrobras until February 2025
- 100 per cent utilisation since contract start May 2023
- Marketed for Brazil and North Sea contracts

North Sea and Gulf of Mexico

Safe Concordia
DP2 – Worldwide[2]
- Firm contract extended to 10 November 2024 with 2x30-day options to January 2025 in US Gulf of Mexico
- 100 per cent utilisation since contract start August 2023
- SPS due March 2025

Safe Boreas
DP3 – Worldwide
- Actively marketed, currently in Norway

Safe Caledonia
TAMS – UK North Sea
- Actively marketed, currently in the UK

Safe Scandinavia
TSV/accommodation – UK / NCS
- Tender assist ("TSV") or accommodation support
- Accommodation capacity
  – 155 beds NCS
  – ~300 beds UK / Rest of world

[1] Worldwide operations excluding Norwegian Continental Shelf (NCS)
[2] Worldwide excluding North Sea (UK and NCS)
NCS – Norwegian Continental Shelf
TAMS – Thruster assisted mooring system

CEO message

Well positioned in a tightening market

Global demand for offshore accommodation vessels is increasing as energy companies invest more in exploration and production (E&P). Whether it is maintenance and modification work on existing infrastructure or installation of new offshore production systems to offset the depletion of existing fields, Prosafe's vessels and support services enable safe and efficient project execution for our clients. We are well positioned to capture the tightening market through increased utilisation and day rates, controlling a significant share of the open high-end capacity prioritised by clients in our key North Sea and Brazil markets

Terje Askvig
Chief Executive Officer

Safety

We strongly promote a safety culture with a zero-incident mindset, which means that no accidents or incidents are acceptable. Safe operations are our license to operate. Our 2023 health and safety statistics were acceptable, with one Lost Time Incident (LTI). Sick leave was low at 0.99 per cent, a reduction from 1.31 per cent the previous year.

Market

In recent years, there has been a general increase in activity and day rates across various segments of the oil service industry, the offshore accommodation market included. Our niche is late in the E&P cycle, and we expect increased demand and further rate increases as the accommodation market catches up with E&P spending. We see strong fundamental drivers based on high energy demand and increased economic activity. This is further supported by tragic conflicts in Ukraine and the Middle East which emphasise the need for a stable and dependable supply of energy.

The energy transition is both desirable and inevitable. COP28 in the United Arab Emirates was a step in the right direction. However, to solve the energy dilemma, demand for hydrocarbons needs to decrease. Such decrease needs to be matched with competitive new energy sources to enable a just transition. Large parts of the world will not accept energy shortages and significantly increased energy prices.

Oil and gas and the oil service industry will continue to play an important role in securing access to affordable energy for several decades to come. This will require the installation of new offshore production assets and the maintenance of installed infrastructure, implying a need for our services in the foreseeable future. This includes our core markets in the North Sea and Brazil, which both are critical to regional and global security of energy supply.

In Brazil, the stated goal is to increase production from 3 million to 5 million barrels of oil per day by 2030. This requires a significant expansion of the production infrastructure in coming years, with the number of floating production units expected to increase from 70 to 90. Our activity in Brazil is mainly tied to maintenance and modification of this increasing production infrastructure.

There is no denying that the 2023 North Sea market was disappointing with record low maintenance work being carried out, especially in the UK sector. This was likely heavily influenced by the windfall tax which was levied on UK oil and gas activity. Last year, was the first year on record with no accommodation vessels at work in the UK sector of the North Sea. However, we already see this changing with improved activity in 2024 and new tenders in the market for 2025.

Operations

Four of our seven vessels were working for all or part of the year in Brazil and the US Gulf of Mexico. This compares to 2022, when six vessels were working for all or part of the year. Operational activity was high in 2023, with two vessels mobilised for new contracts, contract modifications on one vessel and one vessel completing its five-year special periodic survey.

Prosafe continued its efforts to reduce emissions related to its operations. However, the decrease in the number of operating days increased our GHG intensity. This reflects the complexity of our sustainability journey, where operational efficiencies, customer requirements and environmental impacts intersect. Our focus on safety and the broader sustainability strategy was solidified. We have updated our sustainability reporting to reflect the latest SASB standards, illustrating our commitment to transparency and quality in everything we do. We are actively preparing for disclosure against the EU's Corporate Sustainability Reporting Directive (CSRD) and will undertake a double materiality analysis in 2024.

Finance

Financially, 2023 was a disappointing year. Revenue decreased with 51 per cent and EBITDA decreased with 117 per cent, and there were no additions to backlog. Contract preparations and mobilisations impacted available liquidity and we raised capital to maintain a robust financial position. We are confident that 2024 and the years beyond will provide improved financial performance. Most of our debt matures at the end of 2025. We will work closely with our lenders and other stakeholders to find the optimal timing and structure for a refinancing. Capturing the improved market by growing our backlog is an integral part of the refinancing strategy.

Outlook

Looking ahead it is clear that 2024 is likely to be a slow year. Three vessels are on contract with Petrobras in Brazil throughout the year, and one vessel is working in the US Gulf of Mexico for ten months, with additional options to end of the year. This provides high utilisation on the active part of our fleet, but visibility for further demand is limited. From 2025 and beyond, the outlook is improving significantly with increased demand both in the North Sea, Brazil, as well as other markets around the world.

We control substantially all available high-end capacity in the North Sea for the 2025 and 2026 summer seasons and our clients are communicating several potential campaigns in this period. Ten accommodation vessels are currently operating in Brazil, taking up almost half of the global supply of 23 applicable vessels. Increased production in Brazil will lead to more demand, and we expect new tenders for multi-year contracts. Today, Prosafe is the largest single operator in the country with three active vessels.

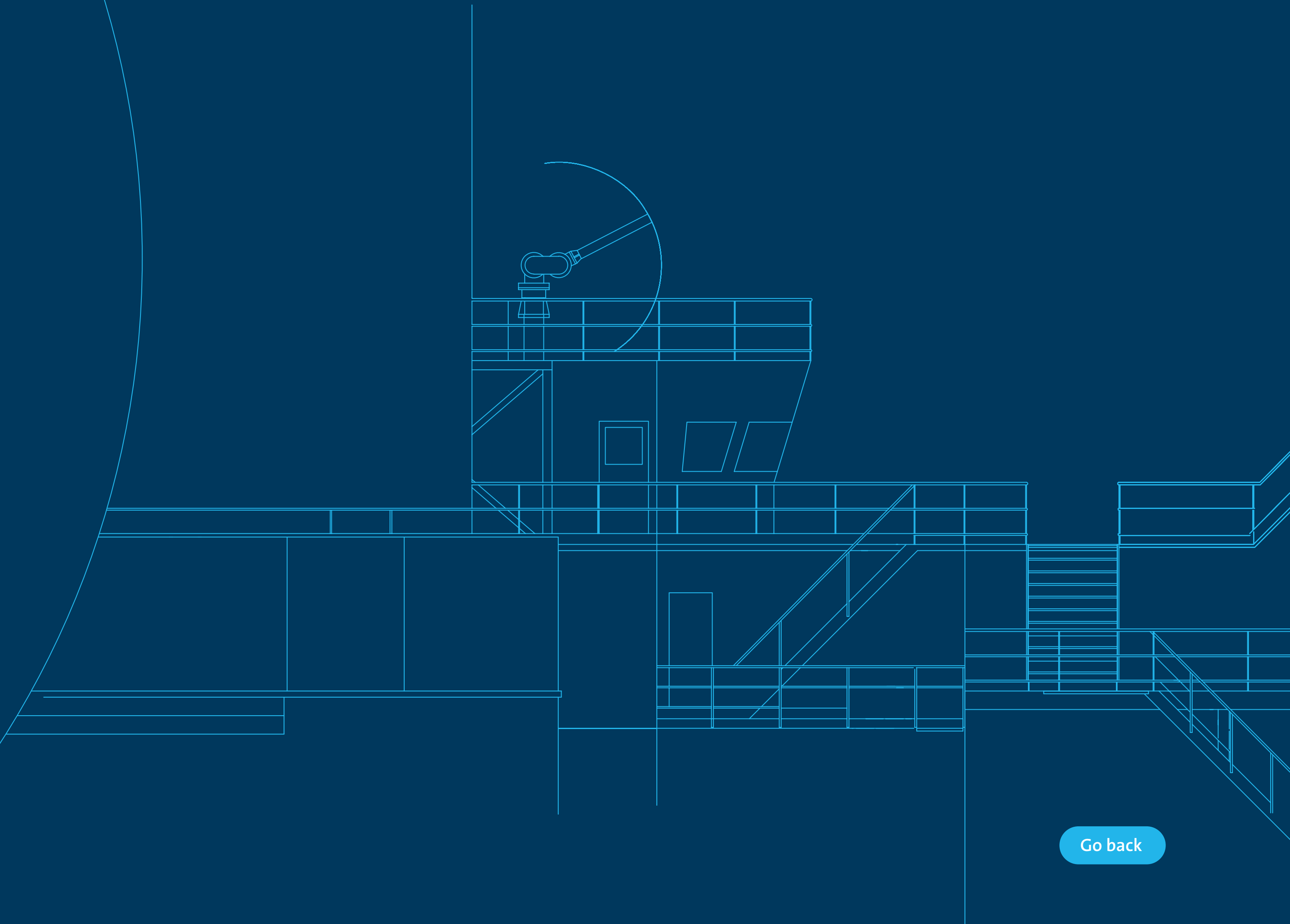
We expect day rates to continue to increase and high-end accommodation vessels to be scarce in the coming years as activity increases and supply remains stable or even declines. It is highly unlikely that additional supply from newbuild accommodation vessels will materialise in the foreseeable future and we control two of the last remaining new builds at yard.

I would like to thank our shareholders, both existing and new, for their confidence in and continued support of Prosafe as demonstrated in last year's two private placements. We see a tighter accommodation market in the coming years and are confident in the ability to create long-term value for all our stakeholders. Finally, I would like to thank my colleagues for their hard work and dedication through a challenging period. Your contribution is the platform upon which we will build a very exciting and profitable future for Prosafe.

Terje Askvig
CEO

Sustainability

Prosafe aims to be a socially responsible company and to further develop its business in a sustainable manner. In order to ensure long-term viable development and profit, the company balances environmental, social and financial objectives, and integrates them into its daily business activities and decisions.



Key sustainability performance activity metrics

Climate[1]

Absolute

95,525

tonnes CO_2e GHG emissions (Scope 1 + 2 + 3)

(115,556 in 2022)

Intensity

71.0

CO_2e GHG emissions (Scope 1+3 fuel) per operating day

(59.5 in 2022)

Biodiversity

1

Spill

(0 in 2022)

Employees

255

full-time employees

(182 in 2022)

Diversity

33.8%

female onshore employees

(33.3% % in 2022)

8.4%

female offshore employees

(5.1% % in 2022)

Business Integrity and Anti-Corruption

82%

of employees completed Anti-corruption training

(86% in 2022)

0

fines and sanctions for non-compliance with laws or regulations

Operations

1,043

operating days

(1,738 in 2022)

Health & Safety

1

Lost Time Injury Incident

(0 in 2022)

Sickness absence

0.99%

(1.31% % in 2022)

[1] Climate figures have been restated to those reported in the previous annual period

Introduction

"In a year marked by strong operational performance and high project activity, Prosafe has taken steps towards further integrating sustainability into our core operations. Our pragmatic approach, starting with emissions and energy efficiency, has helped us on our path to reduce GHG emissions, and we have embraced technology to foster safe and efficient operations. Safety remains our guiding principle. Incidents are thoroughly investigated to find the root cause and findings are shared across the fleet to ensure transfer of experience and prevent re-occurrence.

As we align with emerging sustainability standards and prepare for CSRD reporting, we are not just committed to compliance; we are also dedicated to being proactive in our actions and governance. Our journey is ongoing, and with diligence and collaboration, we will continue steering Prosafe towards a sustainable, socially responsible future"

Terje Askvig, CEO

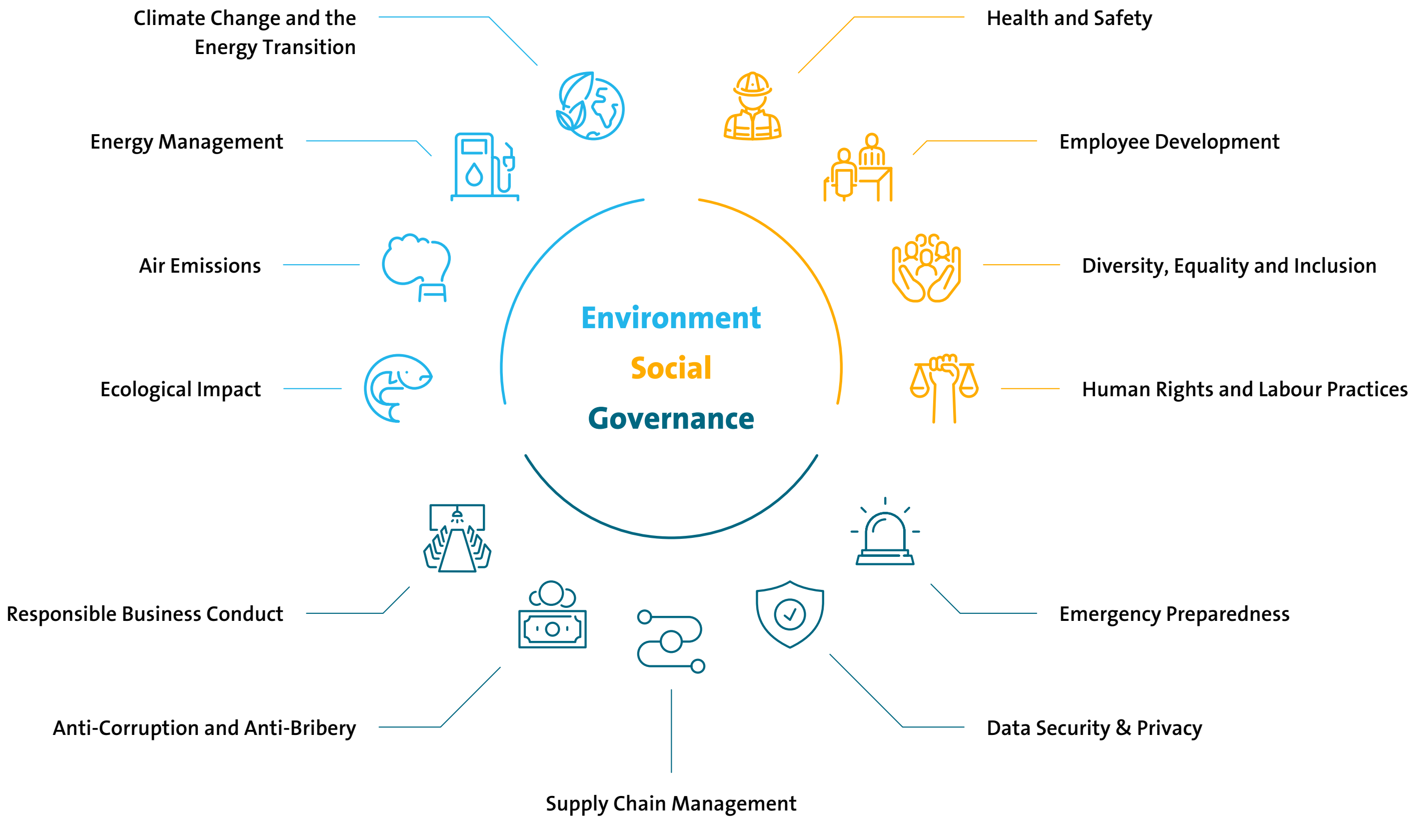
This report has been prepared to meet the disclosure requirements of the Sustainability Accounting Standards Board (SASB) Marine Transportation and Oil and Gas Services Standards (2023), with reference to the Global Reporting Initiative (GRI) Standards (2021). The report adheres to the Corporate Social Responsibility (CSR) requirements of the Norwegian Accounting Act section 3-3c and follows the guidance of the Norwegian Shipowners' Association for ESG reporting. Prosafe has followed the recommendations of the Financial Stability Board's Task Force on Climate-related Financial Disclosures (TCFD). The report covers material environmental, social and governance impacts, and the management approach of Prosafe for the 2023 calendar year.

Prosafe's approach to sustainability

Prosafe is committed to identifying, addressing and reporting its sustainability impacts. The Company has established governance and management structures which clearly set out the responsibility and accountability within the business for Environmental, Social and Governance (ESG) impacts. The Company uses internationally recognised standards for identifying (GRI) and reporting (SASB) material sustainability topics.

In 2023, Prosafe completed several significant sustainability projects:

- Materiality review of material sustainability topics using GRI 3 Materiality Standard
- Climate risk review and reporting recommended TCFD, disclosures
- Independent GHG emissions accounting (including scope 3 emissions where data available)
- Human rights risk assessment and disclosure against the Norwegian Transparency Act, including a comprehensive human rights impact assessment of workers and contractors on the Safe Concordia while in the yard in Curaçao
- Sustainability reporting upgrade, including SASB Marine Transportation and Oil and Gas Services Standards (2023)



Material sustainability topics for Prosafe

Prosafe identifies and assesses the environmental, social and governance (ESG) impacts that are material to its business. The assessment of material topics for reporting follow GRI's materiality standard (GRI 3: Material Topics). The materiality determination process in 2022 included internal review, peer benchmarking, stakeholder dialogue and independent expert opinion. A report detailing the review process, including analysis and assessment of impacts, was prepared by an independent consultant and adopted by management. Recommended material topics were presented to, and approved by, Prosafe's Board of Directors. Topics which have a significant environmental, social, human rights or economic impacts are considered material.

Prosafe's stakeholders include employees, customers, suppliers, investors, analysts, banks, NGOs, employee representatives and trade unions. Ongoing engagement with key stakeholders in day-to-day business interactions is supported by focused engagement when critical impacts are identified and when Prosafe seeks to understand how to avoid, remedy or mitigate potential adverse impacts. There has been no change to the material topics in this reporting year; the Company intends to conduct a CSRD-compliant double materiality assessment in 2024.

Environmental

- Climate Change and the Energy Transition
- Air Emissions
- Energy Management
- Ecological Impact

Social

- Health & Safety
- Employee Development
- Diversity & Equality
- Human Rights & Labour Practices

Governance

- Responsible Business Conduct
- Anti-Corruption & Anti-Bribery
- Supply Chain Management
- Data Security & Privacy
- Emergency Preparedness

How Prosafe contributes to the UN SDGs

Prosafe has been a signatory to the UN Global Compact since 2008. The Company is committed to integrating the UN Global Compact's ten principles in the areas of human rights, labour standards, environment and anti-corruption into our strategy, policies, culture and operations.

Prosafe supports the UN's Sustainable Development Goals (SDGs) and shares the view that its business has a key role to play in the implementation of the goals. The Board of Directors and senior executive management have been involved in the assessment of the Company's contribution to the development goals.

The Company has identified four SDGs where it believes Prosafe has a relevant impact: SDG 3: Good health and wellbeing; SDG 8: Decent work and economic growth; SDG 13: Climate action; SDG 14: Life below water.

In 2023, our contribution to relevant SDGs was as follows:

Relevant SDGs		2023 Performance	Prosafe's contribution
3 GOOD HEALTH AND WELL-BEING	**SDG 3** Health and wellbeing	Lost time incident frequency of 1.23 No fatalities Low sickness absence (0.99 per cent)	Providing safe, secure and healthy workplaces, with safety as our first priority. Health and safety management is accredited to ISO 45001.
8 DECENT WORK AND ECONOMIC GROWTH	**SDG 8** Decent work and economic growth	Human rights risk assessment in relation to the implementation of the Norwegian Transparency Act Anti-bribery and anti-corruption training (82 per cent staff trained) Create value for our stakeholders	Providing meaningful and fairly compensated work, decent working conditions, training staff in ethical business practices and assessing and addressing potential human rights risks in the supply chain.
13 CLIMATE ACTION	**SDG 13** Climate action	Completed Climate Risk Assessment and reporting of TCFD recommended disclosures. Scope 1, 2 & 3 GHG emissions were 98,897 tonnes. Scope 1 & 3 GHG emission intensity 94.82 tonnes per operating day.	Committed to GHG reductions in line with Paris Agreement (50 per cent by 2030) and transparent reporting of emissions. Energy management is accredited to ISO 50001.
14 LIFE BELOW WATER	**SDG 14** Life below water	One minor spill of 2.7 m^3 to sea. No non-regulatory release of ballast water.	Ensuring best practice. Environmental management is accredited to ISO 14001

Environment

Prosafe places a high priority on environmental responsibility, aligning its business strategy with its core values of protecting the environment. We work closely with clients and stakeholders to achieve our ultimate goal of zero negative impacts to the air and sea through our operations.

Climate Change and the Energy Transition

Why is it important

At Prosafe, we acknowledge the impacts of climate change and need for societies to transition to low and no carbon energy sources. We are working to facilitate this transition in our role as an offshore support service provider and we are actively assessing the physical and economic risks and opportunities associated with climate change and the global energy transition.

Our Approach

Prosafe is committed to reducing its GHG emissions. Adapting to the energy transition and mitigating its risks is a central part of our overall strategy. Our goal is to adapt our current operations and explore new business opportunities that support the shift to a more sustainable energy system.

A full disclosure of climate risk has been prepared according to the recommendations of the Task Force on Climate-related Disclosure (TCFD) and is included in Appendix 2.

Our Performance in 2023

With reduced operations in 2023, our total GHG emissions decreased to 95,525 tonnes (115,556 in 2022) of carbon dioxide equivalents (CO_2e).

- Scope 1 GHG emissions include fuel paid for and burnt by Prosafe, largely when off contract i.e. non-operating days and when mobilising for contracts
- Scope 2 GHG emissions include electricity related emissions from our offices and operating sites
- Scope 3 GHG emissions include fuel paid for by our customers and burnt by Prosafe i.e. operating days

GHG emissions and intensity	2023	2022	2021
Direct GHG emissions (Scope 1) (CO_2e tonnes)	41,431	23,993	25,828
Energy indirect GHG emissions (Scope 2) (CO_2e tonnes, location-based)	14	20	-
Other indirect GHG emissions (Scope 3) (CO_2e tonnes)	54,080	91,542	72,517
GHG emissions intensity (Scope 1+2+3) (per contract day in CO_2e tonnes)	71.0	59.5	-

Scope 1 emissions increased due to mobilising for new contracts from the North Sea to Brazil (Safe Zephyrus) and from Trinidad & Tobago to the US Gulf of Mexico (Safe Concordia). Total GHG emissions (Scope 1+2+3) decreased by 17.3 per cent in 2023 compared to 2022, driven by a decline in operating days. Our GHG emission intensity increased by 19.3 per cent in 2023 to 71.0 tonnes (59.5 in 2022) CO_2e per operating day, accounting for all fuel burned throughout the course of the year. We believe this is the most accurate and useful measure of the carbon intensity of our business activities, as it includes all fuels burnt in both contract and off-contract activities. The increased GHG intensity comes as a result of all operating vessels working in more onerous dynamic position mode, which causes increased fuel consumption in comparison to moored operations. Note – the 2022 total emissions and intensity figures for 2022 were restated in 2023 due to previous miscalculation.

Energy Management

Why is it important

Energy management impacts our financial performance and environmental impact. Our operations' energy use directly affects greenhouse gas emissions, air quality, and resource depletion. We are committed to managing and minimising our energy footprint and aligning our operations with sustainable practices.

Our Approach

We adopt a multifaceted strategy for energy management, focusing on:

- Investment in energy-efficiency: Integrating advanced energy-efficient technologies into our operations.
- Cultivating sustainable practices: Encouraging energy-conscious behaviours among our staff.
- Systematic monitoring: Diligently tracking and analysing energy consumption to pinpoint areas for enhancement.
- Continuous review and adaptation: Our energy management system undergoes regular evaluation and refinement, ensuring alignment with our targets and optimal energy utilisation.

We concentrate on two primary areas within the vessel energy chain for efficiency improvements:

1. Optimised energy conversion: In our fleet, we aim for substantial efficiency gains by enhancing the initial energy conversion from fuel to electricity. This involves optimising the operation of diesel generators, specifically by running fewer generators at higher and more efficient loads.
2. Minimising energy demands: Our focus thereafter extends to reducing the electrical and thermal energy requirements of onboard equipment and systems.

Data-driven decision making is central to our strategy. Leveraging our existing digital infrastructure, we're enhancing our fleet's connectivity through the deployment of cloud-based data acquisition, analytical tools, and advanced energy metering. This robust framework offers the insights needed to refine operational practices, identify technology upgrade opportunities, and assess the impact of our initiatives.

Our Performance in 2023

In 2023, we continued our efforts to reduce energy consumption onboard the vessels in scope and maintained certification to the internationally recognised ISO 50001 energy management standard. We continued the roll-out of our digital platform in the fleet, as well as improvements on energy advisory functions, and visibility for both onshore and offshore vessel management teams to monitor energy use whilst vessels are in operation.

Two of our four Dynamically Positioned (DP) vessels can operate using two engines instead of three in normal operational weather conditions, resulting in fuel savings and thereby reduced emissions. To maximise the potential for operating with this more efficient engine configuration, we must work with our stakeholders, clients, technical authorities and regulators to gain client acceptance for this mode of operation. This remains a major priority.

We continue to investigate operational and technical upgrades that will allow us to improve the energy efficiency of existing equipment and systems and are developing continuous improvement plans for the fleet.

In 2023, our total energy consumption decreased due to a 40 per cent reduction in the number of operating days.

Energy consumption	2023	2022	2021
Energy consumption (kWh) onshore	99,311	109,491	92,738
Fuel consumed (tonnes)	35,532	42,982	36,024

Air Emissions

Why is it important

Local air emissions from maritime activities can negatively impact air quality and ecosystems, creating respiratory and other health impacts for people and wildlife.

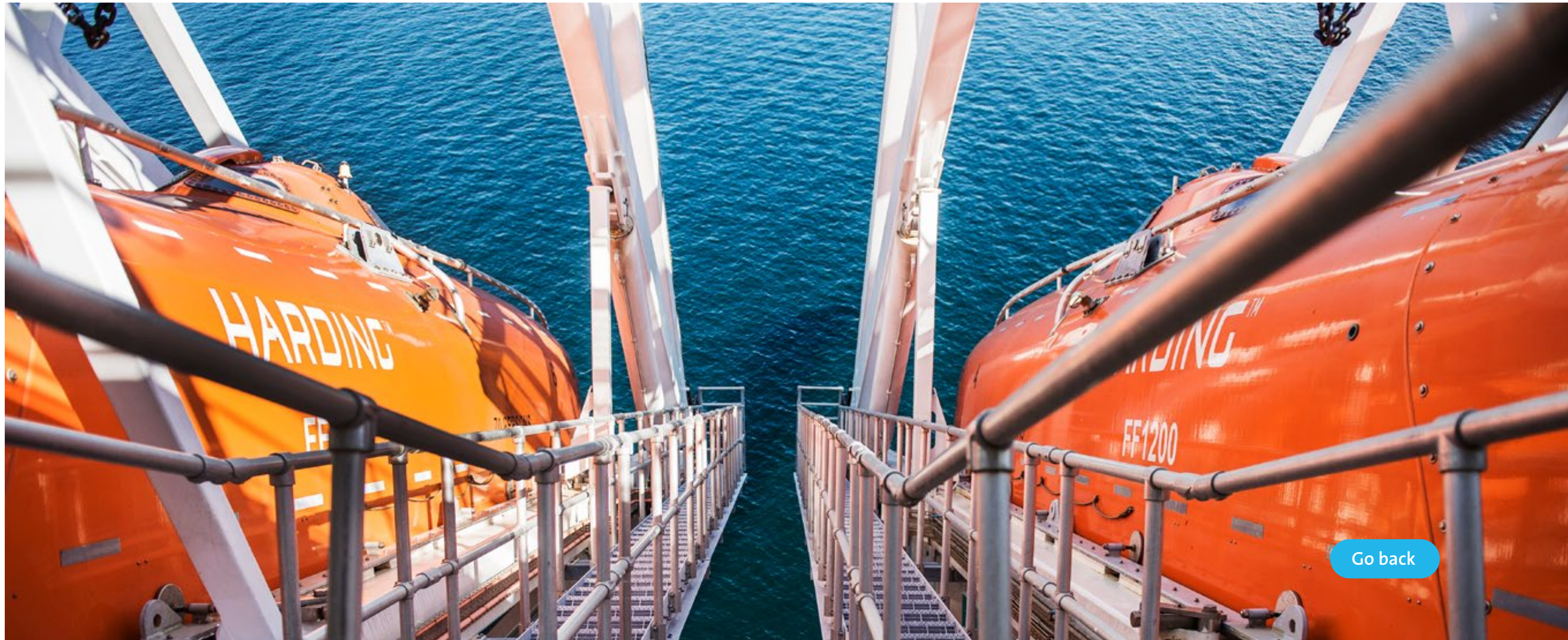
Our Approach

Our energy management and emission reduction programmes not only reduce GHG emissions but have a corresponding reduction in local air pollutants from cleaner combustion. In addition:

- The Prosafe fleet use only low sulphur fuel, following IMO requirements for maximum 0.5 per cent sulphur content, reducing down to 0.1 per cent when operating in regional Environmental Control Areas
- Introduction of shore power use for vessels in layup in Norway, where shore side infrastructure is available together with low carbon intensity on the electrical grid
- Monitoring and managing staff business travel to limit emissions from air travel
- Encouraging remote work and video conferencing to minimise emissions from commuting

All of Prosafe's vessels have International Air Pollution Prevention (IAPP) certificates and are subject to regular review. Our emissions to air decreased in 2023, driven by a decrease in the number of operating days.

Air emissions	2023	2022	2021
Nitrous oxides (NO_x tonnes)	638	375	-
Sulphur oxides (SO_x tonnes)	30	17	-
Particulate matter (PM10 tonnes)	12	7	-



Ecological Impact

Why is it important

As a company operating offshore support vessels, we prioritise and address the ecological impact of our operations. This includes reducing and managing waste, preventing accidental spills and discharges to the natural environment, and reducing our impact on biodiversity. By taking proactive measures to minimise our impact, we aim to ensure that we are operating in an environmentally responsible and sustainable manner.

Our Approach

Prosafe takes a proactive approach to addressing its ecological impact, with a focus on reducing waste, preventing spills and discharges, and minimising impact on biodiversity. Our vessels are equipped with International Oil Pollution Prevention (IOPP) certificates and International Sewage Pollution Prevention (ISPP) certificates to ensure that we are following relevant regulations.

We have an approved Hazardous Substance list and seek to substitute high-risk hazardous substances with lower hazardous products wherever possible. When operating alongside offshore installations, we co-operate with the waste management requirements in the operator's operational permits. Additionally, all of our vessels have a waste management system in place that is documented in the Garbage Management Manual, including assessments of all potential waste products and the requirements for waste segregation for transportation ashore.

Ballast water management is controlled within the confines of the International Maritime Organisation (IMO) regulations, with all our vessels holding International Ballast Water Management (IBWM) certificates. Discharge of sewage is also controlled within the confines of IMO regulations, and all of our vessels have been subject to International Sewage Pollution Prevention (ISPP) surveys and have been issued certification in accordance with MARPOL Annex IV.

Our Performance in 2023

In 2023, Prosafe had one reportable discharge of 2.7 m^3 to the natural environment. We regularly conduct exercises to test our Oil Prevention Emergency Response & Spill contingency plans, and our performance in recent years demonstrates our commitment to operating in an environmentally responsible and sustainable manner. Our ballast water management practices and discharge of sewage remained within the limits of IMO regulations, for which we had no accidental or non-regulatory releases. The amount of waste generated decreased in 2023, partially driven by a decrease in the number of operating days.

Spills and waste	2023	2022	2021
Unplanned spills or emissions to ground / sea / air	1	0	0
Total waste (tonnes)	2,463	4,499	2,959
Hazardous waste	214	246	186

Social

Prosafe's success depends upon the combined capabilities and contributions of our employees. Their motivation, knowledge and competence are fundamental to the company's further sustainable development. We are committed to offering our employees a safe and stimulating working environment where everyone is treated fairly and with respect.

Health and Safety

Why is it important

At Prosafe, we understand the significance of ensuring the well-being of our stakeholders. We consider health and safety as a vital aspect of our operations and a critical component of our social responsibility. Our approach to health and safety is driven by our core values and our commitment to ensuring that everyone returns home safely and providing a safe and healthy work environment.

Our Approach

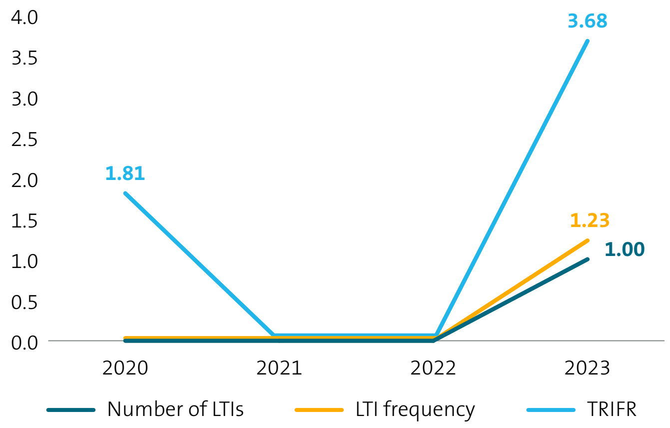
Health, safety, and environment are driven by the HSEQ and HR departments and strong leadership and collaboration are critical to achieving our goals. We have established policies that provide clear guidance and consider both our legal and moral obligations. Our safety culture promotes employee engagement and empowers our employees to act, with a focus on promoting understanding, feedback, and continuous learning. We strive for zero incidents, injury-free and healthy workplaces.

Our Performance in 2023

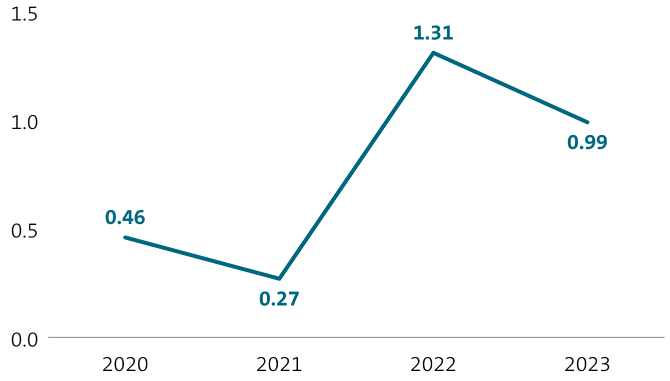
In 2023, Prosafe recorded one Lost Time Injury (LTI), resulting in a Lost Time Injury Frequency Rate (LTIFR) of 1.23 and a Total Recordable Injury Frequency Rate (TRIFR) of 3.68. Sick leave was low at 0.99 per cent, a decrease from the previous year. Prosafe closely monitors and manages absence, and efforts are made to support employees in returning to work, including occupational health assessments and implementation of phased returns. In 2024, we plan to continue promoting safe and sustainable operations while offering a safe and healthy working environment. In addition to the current commitments to physical health and wellbeing, we will continually look for new ways in which we can support the mental health and wellbeing of our staff, both onshore and offshore.

Health and safety	2023	2022	2021
Sick leave	0.99%	1.31%	0.27%
Lost time injuries (LTI)	1	0	0
Fatalities	0	0	0
TRIF (Total Recordable Injury Frequency)	3.68	0	0
LTIF (Lost Time Injury Frequency)	1.23	0	0
MTC (Number of Medical Treatment Cases)	1	0	0
RWC (Number of Restricted Work Cases)	1	0	0
HOC (Number of Hazard Observation Cards)	9,087	13,184	10,142
Total exposure hours	815,502	908,999	841,230
Contractor fatalities	0	0	0

HSE comparison



Sick leave (%)



Employee Development

Why is it important

Employee development is critical to the success of Prosafe, as it directly contributes to the growth and success of both the employees and the Company. It helps employees to enhance their skills, knowledge and abilities, and enables them to meet their full potential. Investing in employee development leads to increased job satisfaction, motivation, and engagement, which results in higher levels of productivity and a more positive work environment.

Our Approach

At Prosafe we promote continuous dialogue with line managers throughout the year and ensure that a formal annual appraisal structure is followed to capture a variety of aspects that can be formally recorded and referred back to. Within annual appraisal dialogues, employees meet with their line managers to review individual work performance and the achievement of personal objectives, giving and receiving feedback and setting objectives for the following year. This dialogue is also used to set individual development plans, discuss career planning opportunities and identify training and development needs for the forthcoming year. All employees are eligible for appraisal dialogue.

Our approach to employee development is centred around three key principles: continuous learning, individualised development plans, and a supportive work environment.

We believe in providing our employees with ongoing learning opportunities through workshops and training programs. Additionally, we work with each employee to create development plans that align with their career goals and the Company's objectives. Our supportive work environment encourages open communication, collaboration, and provides resources for employees to grow professionally.

Our Performance in 2023

In 2023, we continued to prioritise employee development and saw significant results. Our focus on providing a challenging and motivating workplace and a supportive work environment was reflected in our employee satisfaction survey, where out of 253 respondents, 43.1 per cent strongly agreed and 39.1 per cent agreed they would recommend Prosafe as a good place to work. These results are at the same satisfactory level as the previous year and demonstrate the effectiveness of our approach to employee development and the positive impact it has on our employees, the working environment and our business.

The voluntary employee turnover in the Group was 15.78 per cent in 2023, compared with 20.6 per cent in 2022.

Diversity, Equality and Inclusion

Why is it important

At Prosafe, we believe that diversity, equality and inclusion are critical to our success and growth as a company. We understand that a workplace that embraces diversity, with employees from different backgrounds, cultures, and experiences, fosters creativity, innovation, and better decision-making.

Our Approach

Prosafe is committed to promoting diversity and equality and fostering an inclusive workplace for all employees, regardless of gender, age, disability, pregnancy and maternity, nationality, religion, or sexual orientation. Our equal opportunity policy and practices ensure that all employees are treated fairly and equitably, and that only relevant qualifications and professional criteria are considered when making appointments, conducting performance evaluations, and settling remuneration.

Historically, the offshore maritime industry has largely been a male dominated environment due to the nature of the industry and has attracted and retained a low proportion of women. At Prosafe, we are actively working to ensure the operating and employment environment we create is attractive to women and any current or potential employee, regardless of gender, age, disability, pregnancy and maternity, nationality, religion, or sexual orientation.

Prosafe launched a standalone Diversity, Equity and Inclusion Policy at the end of 2023. Rollout will take place in the course of 2024 through intranet articles, discussion points in meetings and dedicated e-learning courses.

Our Performance in 2023

Prosafe's commitment to diversity and equality is reflected in its global workforce, with employees originating from 12 different countries from around the world. Women made up 16.08 per cent of all employees, with a steady increase in female offshore employees from 5.1 per cent in 2022 to 8.4 per cent in 2023. Women constituted 40 per cent of the Board of Directors. The average age of employees was 45, and fixed-term employees made up 0.8 per cent of the workforce in 2023. The Company is continuously working to overcome the demographic imbalances of the maritime industry and to create a diverse and inclusive workplace that empowers all employees to reach their full potential.

Female %	2023	2022	2021
Board of Directors	40.0%	40.0%	50.0%
Senior executive management	0%	0%	0%
Onshore employees	33.8%	33.3%	40.4%
Offshore employees	8.4%	5.1%	4.8%
Total onshore + offshore	**16.1%**	**15.4%**	**26.3%**

Prosafe is committed to fostering an equal, diverse and inclusive work environment where all staff are treated with respect and dignity at all times. There will be no unlawful discrimination against any job applicant, staff or contractor working for Prosafe. This principle is applied to all areas of employee relations including but not limited to, recruitment and selection, promotion, training and development and pay and benefits. We aim to ensure that all individuals are recruited, developed and promoted and remunerated for their work based on professional qualifications, education, experience, conduct and merit. In 2024, Prosafe will implement a new benchmarking tool which will allow us to ensure the pay and reward of staff is in line with other leading industry providers. At the end of 2023, across all geographical locations, the average salary was USD 48 per hour for male employees and USD 26 per hour for female employees, resulting in an unadjusted gender pay gap of 45.8 per cent.

Only 0.4 per cent of the employee population is currently working on a part time basis, with the Company having a flexible working policy in place to ensure that the correct work life balance is maintained, particularly for those with childcare and caring responsibilities.

Total employees 2023

Female **16.1%**

Male **83.9%**

Onshore employees 2023

Female **33.8%**

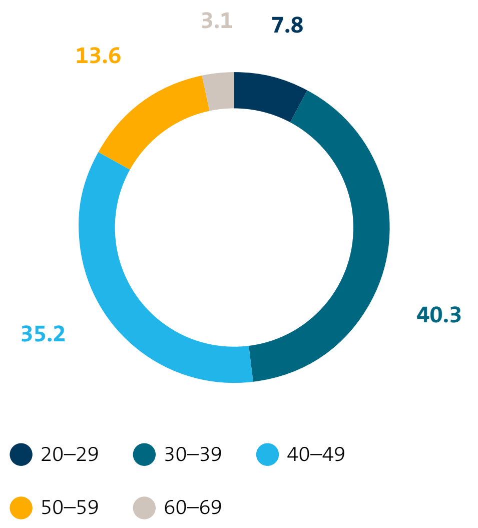
Male **66.2%**

Senior executive management 2023

Female **0%**

Male **100%**

Age distribution (%)



Human Rights and Labour Practices

Why is it important

Prosafe is committed to respecting human rights and labour standards, as stated in its Sustainability Policy, Human Rights Policy and Code of Conduct. As a company with operations across developed and in developing regions, Prosafe may be potentially exposed to human rights and labour standard violations in its own operations and indirectly through its supply chain and third-party contractors. Identifying and assuring against these risks is an ongoing, top priority for Prosafe and its partners.

Our Approach

Prosafe's approach to respecting human rights and labour standards starts with its commitment to its workforce and ends with its suppliers and contractors. The Company aims to ensure that all staff across its value chain are treated fairly, without discrimination, and have a healthy and safe working environment. The Company respects the right to freedom of association and the right to negotiate through relevant representative bodies. Prosafe's Human Rights Policy is aligned with the International Bill of Rights and the ILO Fundamental Conventions and provides a framework for managing human rights risks.

Prosafe is taking additional actions to ensure compliance with the Norwegian Transparency Act. This act requires companies to carry out human rights' due diligence in line with the OECD Guidelines for Multinational Enterprises. In addition, companies must report on the actions taken to mitigate adverse human rights impacts and their effectiveness, as well as to respond to requests for information from the public.

Prosafe has identified the following material human rights issues:

- Employees' right to a healthy and safe work environment and living environment
- Freedom from forced labour and human trafficking
- Access to a clean, healthy, and sustainable environment.
- Non-discrimination in hiring, employment, pay and benefits
- Freedom from workplace harassment.

Prosafe has conducted a gap analysis of its approach to human rights due diligence to identify potential areas for improvements which will be implemented in 2024. At the end of 2023, an e-learning program about Respecting human rights in business was rolled out to all employees.

A full Norwegian Transparency Act Statement has been published on Prosafe's website together with this report. www.prosafe.com/investor-information/annual-reports

Our Performance in 2023

In 2023, Prosafe further reviewed its responsible supply chain process and initiated a number of actions as part of the implementation of the Norwegian Transparency Act. The Company had offices and/or operations in five countries scoring 100, 93, 83, 72 and 47, respectively in the Freedom in the World report. The lowest score of 47 is for Singapore and is mainly related to political freedom and civil liberties. Our Singapore activities consist of seven office employees with wage levels and working conditions at par with company practice.

Prosafe did not receive any legal claims from employees regarding human rights violations and no breaches of the Code of Conduct were observed in 2023.

Our annual global employee engagement survey's results in 2023 were at par with those of the previous year, with employees reporting continued good experiences across several subject areas such as employee engagement, performance, and communication. However, we believe that there is still room for improvement and are continuously working towards enhancing our employees' satisfaction and engagement.

Governance

Prosafe believes that good corporate governance will strengthen confidence in the Company and help to ensure the greatest possible value creation over time in the best interests of shareholders, employees and other stakeholders.

Responsible Business Conduct

Why is it important

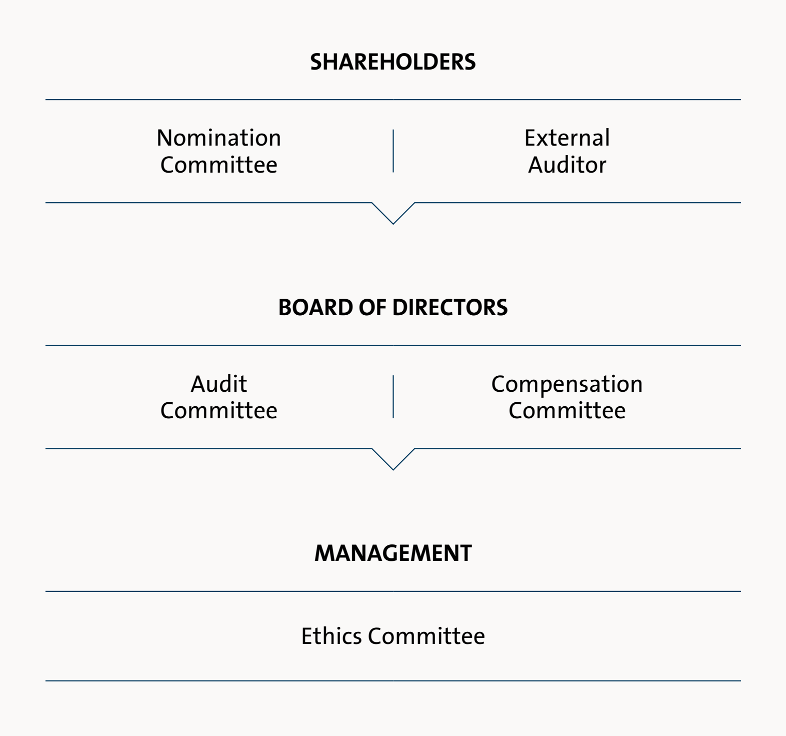
Responsible business conduct, including ethical, transparent and compliant practices, is crucial in order to maintain trust and confidence of stakeholders, employees, customers and the wider society. As a company with global operations, Prosafe recognises the criticality of implementing sustainable and responsible business practices to promote its long-term growth and success.

Our Approach

Prosafe's approach to responsible business conduct is rooted in its Core Values, Code of Conduct, and various governing policies such as its Corporate Social Responsibility Policy and principles for Corporate Governance. These policies provide the framework for what the Company considers to be responsible conduct and set clear rules and expectations for ethical standards for all employees.

The Company's management system is certified to International Maritime Organisation's International Safety Management Code and accredited to several rigorous ISO standards for quality, environmental, health and safety, and energy management. Prosafe is committed to complying with all applicable laws, rules and regulations in every country it operates and conducting business in a fair, ethical and transparent manner.

Prosafe's Ethics Committee shall facilitate for anonymous whistleblowing and ensure that reported concerns are investigated and dealt with. The Company encourages its employees to report any suspected breaches or unethical behaviour through established whistleblowing channels, which include an online reporting tool for safe, anonymous reporting. The Ethics Committee will also maintain and further develop Prosafe's Code of Conduct.



Our Performance in 2023

Over the past year, Prosafe has worked vigorously to embed sustainability into its policies and management systems. The Company has consulted with external experts and stakeholders to devise several quantitative environmental, social and governance KPI targets to drive its development and regularly discusses sustainability opportunities, risks and goals with the Board of Directors and senior executive management.

Prosafe has an online reporting tool for safe, anonymous whistleblowing that enables employees to report any suspected or unethical behaviour. All reports are handled with discretion and in a professional manner, with no retaliation imposed on those who report and the ability to remain anonymous. There were four whistleblowing cases over the past year, all relating to employee relations and of minor seriousness. All cases have been transferred to the Human Resources department and have been closed.

Ethical business practice	2023	2022	2021
Number of whistleblowing cases	4	2	0

Anti-Corruption and Anti-Bribery

Why is it important

Anti-corruption and anti-bribery practices are critical to maintaining our reputation as a responsible and ethical business. These endeavours ensure that the Company operates within the law and in line with the expectations of its stakeholders. By taking a zero-tolerance approach to corruption and bribery, we aim to safeguard ourselves against wrongdoing and demonstrate our commitment to transparency and good governance.

Our Approach

Prosafe takes a proactive approach to preventing corruption and bribery by embedding anti-corruption and anti-bribery principles into its Code of Conduct and Anti-bribery and Anti-corruption Procedure. The Company has zero-tolerance for all forms of corruption, including facilitation payments and political contributions. All employees are expected to adhere to these principles and complete mandatory training. Prosafe assesses and manages corruption risk through country risk assessments, compliance reviews, and due diligence reviews of business partner integrity.

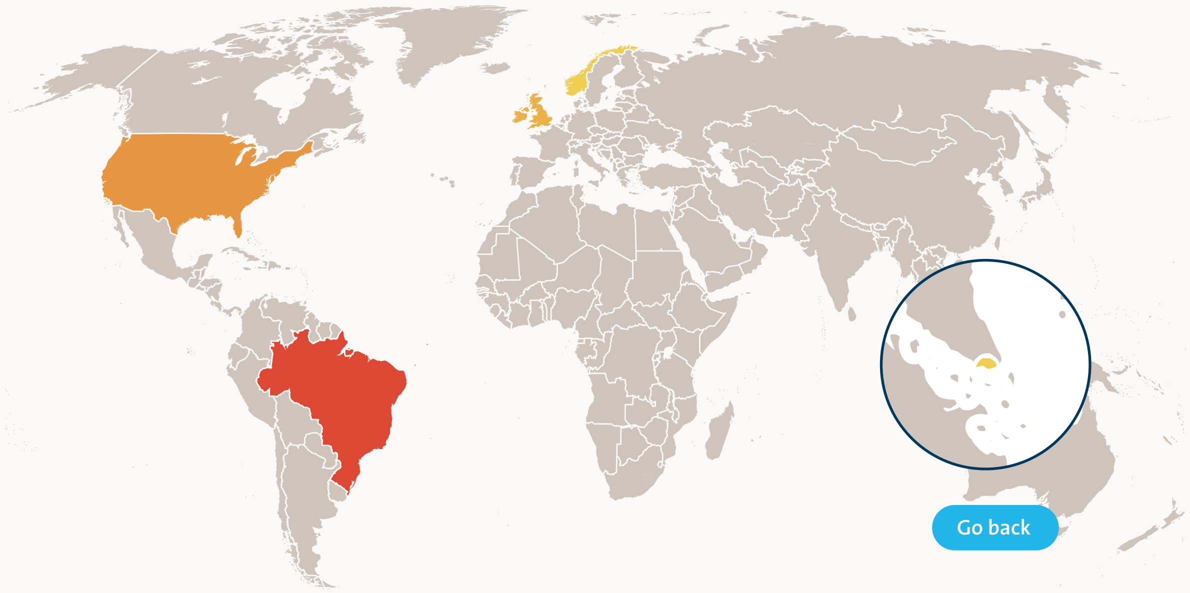
Our Performance in 2023

In 2023, Prosafe had no legal action taken against it related to corruption, and the Company was not aware of any ongoing investigations or legal actions involving anti-competitive, anti-trust, or monopoly violations. Additionally, none of Prosafe's revenue was derived from projects located in the 20 countries ranked lowest by Transparency International's Corruption Perceptions Index.

In recognition of the heightened corruption risk in Brazil, Prosafe uses three independent suppliers to conduct due diligence reviews of its vendors; one company covers the basic compliance and due diligence requirements, one covers IMS requirements and is responsible for the ASVQ, and another covers Petrobras-specific mandates and checks third-party embarkment documentation for all parties. Third party integrity due diligence is conducted on existing and potential commercial agents.

Topic	2023	2022	2021
Political contributions	0	0	0
Facilitation payments	0	0	0
Number of monetary fines and non-monetary sanctions for non-compliance with laws and/or regulations	0	0	0

Corruption Perceptions Index Ranking	Country	Score
4	Norway	84
5	Singapore	83
20	United Kingdom	71
24	USA	69
104	Brazil	36



Supply Chain Management (Sustainability Due Diligence)

Why is it important

At Prosafe, we are acutely aware of the influential role our suppliers and business partners play in not just our success but also in societal, environmental, and stakeholder impacts. It is fundamental for us to ensure that our supply chain is not only efficient but also aligns with our steadfast commitment to sustainability and social responsibility. This commitment is the cornerstone of our operations, reflecting our dedication to ethical practices and respect for people and the planet.

Our Approach

To uphold and embed these values within our operations, Prosafe has implemented a stringent Supply Chain Management (sustainability) Due Diligence process. This process is built upon our Core Values and Code of Conduct, integrating principles of corporate social responsibility, health and safety, the environment, quality assurance, and training and competence.

We actively engage our suppliers and business partners, encouraging them to internalise and reflect these values and principles. To this end, the Prosafe Approved Supplier Verification Questionnaire (ASVQ) is a pivotal tool, allowing us to assess and continuously monitor the sustainability practices of our partners. Moreover, we conduct regular audits on our critical suppliers to ensure steadfast adherence to our standards.

Our Performance in 2023

During 2023 we made further improvements to our supply chain management practices. Aligned with the Norwegian Transparency Act’s mandates, we undertook several initiatives to fortify our processes.

A cornerstone of our efforts was a preliminary risk assessment targeted at key suppliers, particularly those involved in people-related services (such as crewing providers/ medical providers) and European Original Equipment Manufacturers (OEMs) that provide the Company with service engineers in regions that are deemed higher risk. This assessment was designed taking into account several critical factors:

- The nature of goods/services, especially those incorporating manpower.
- The geographical location of service provision.
- The perceived risk in the region of operation.
- The annual financial engagement with the suppliers.
- The historical relationship and performance track record with Prosafe

Following this risk assessment, our approach has been one of diligent monitoring and evaluation. Through the use of detailed questionnaires, and, where necessary, targeted audits, we ensure our suppliers and partners not only meet but exceed the established standards and requirements.

Our ongoing mission is to continually refine these processes, ensuring complete adherence to our obligations for protecting human rights, strict compliance with laws and regulations, and the eradication of practices like bribery and corruption. We are committed to fostering fair competition, upholding labour standards, and ensuring that our partners are in full alignment with Prosafe’s Core Values and Code of Conduct.

Data Security and Privacy

Why is it important

Data security and privacy are of the utmost importance in today's digital age, as sensitive information can easily be stolen or misused if proper security measures are not in place. The safeguarding of personal data and privacy is also a legal obligation for Prosafe under the European Union's General Data Protection Regulation (GDPR).

Our Approach

Prosafe is committed to upholding the highest standards of data security and privacy for its employees, stakeholders and clients. Compliance with GDPR is just the starting point. We implement rigorous procedural and organisational controls, coupled with advanced protective measures. Our strategy includes:

- Continuous enhancement of cybersecurity defenses, focusing on robust control of remote access to IT and Operational Technology (OT) systems.
- Strengthened email security protocols to prevent unauthorised access.
- Regular security awareness initiatives, tailored to equip our employees with the knowledge and skills necessary for safeguarding data, especially in remote working environments.

Our Performance in 2023

In 2023, Prosafe encountered one business email compromise and fraud incident. However, there were no other incidents related to data loss, integrity compromise, or downtime in critical IT systems due to cyber-attacks. This isolated case has been a catalyst to further strengthen our cybersecurity measures. Actions taken include among others implementation of multifactor authentication with number matching, activating use of conditional access in our network infrastructure, enhanced security monitoring through our 24/7 Security Operation Center and an updated cyber awareness program.

We take pride to consistently be compliant with GDPR, successfully protecting the personal data of our people and stakeholders. Our commitment to data privacy and an updated security is evidenced by our performance metrics:

Topic	2023	2022	2021
Cyber-attacks resulting in loss of data, loss of integrity or other loss	1	0	0
Cyber-attacks resulting in downtime of critical IT systems	0	0	0
Notifications about GDPR breaches	0	0	0

Go back

Emergency Preparedness

Why is it important

Emergency preparedness is critical to ensure the safety of our people, the environment and material assets in the event of a crisis. Having effective contingency plans and regular training and exercises helps to minimise harm and ensure the timely provision of relevant information to the outside world.

Our Approach

Acknowledging the unpredictability of crises, Prosafe has entrenched a culture of readiness. Our comprehensive contingency plans are not static documents but living frameworks, consistently evolving through insights gained from regular emergency response training and collaborative exercises. We engage with customers and third parties to simulate real-life scenarios, ensuring a high level of preparedness across all levels of our operations and value chain.

Our Performance in 2023

In 2023, our vigilance and dedication to emergency preparedness were reflected in the absence of significant emergency incidents. This zero-incident milestone is a testament to the robustness of our emergency protocols and the effectiveness of our ongoing drills and training sessions. However, complacency has no place in our safety culture. Despite this success, we persistently seek ways to further enhance our emergency preparedness.

Topic	2023	2022	2021
Number of emergency drills and exercises conducted within the vessel fleet. (Includes client participation when the vessel is in an operational contract)	324	469	500
Number of emergency response exercises conducted between vessels and onshore emergency response management teams	5	7	5

Governance

Prosafe believes that good corporate governance will strengthen confidence in the Company, and help to ensure the greatest possible value creation over time in the best interests of shareholders, employees and other stakeholders.

Senior executive management

Terje Askvig
CEO

Mr Askvig joined Prosafe in 2023. Mr Askvig has experience from shipping, oil service, family office and private equity. For the last 11 years, he has been Operating Partner and Senior Advisor in Triton Partners, a leading European private equity firm. Before joining Triton Partners, Mr. Askvig worked as CEO of Eitzen Chemical for five years and seven years in Fred. Olsen & Co, latest as Managing Director of Fred. Olsen Renewables.

During his period as partner with Triton Partners, he was Chairman/Board member of DeepOcean, Chairman and “deal Captain” of Nordic Tankers and Herning Shipping (Denmark), as well as holding directorships on various other Triton related companies. He has also served or is serving on the board of OSM Thome Group and Avarn Security Group, as well as chairing the nomination committee of Höegh Autoliners.

Reese McNeel
CFO

Mr McNeel joined Prosafe in 2022. Mr McNeel has more than 20 years of experience from management and financial positions, including many years of experience from the offshore industry. Prior to joining Prosafe, he served as Deputy Chief Executive Officer & Chief Financial Officer at Atlantica Tender Drilling Ltd. and as Chief Executive Officer and Chief Financial Officer of Sevan Marine ASA.

He holds a Master of Business Administration from the IESE Business School in Barcelona and a degree in Finance and Economics from Utah State University.

Ryan Stewart
CCO

Mr Stewart joined Prosafe in 2001 and has held several positions, last as Chief Operations Officer. Prior to joining Prosafe, he held various positions in the North Sea oil industry.

He holds an LLM in Oil and Gas Law from The Robert Gordon University and a BSc in Engineering, also from The Robert Gordon University.

Board of Directors

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, aquaculture 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, ABL Group, Pascal Technologies, Borgestad ASA and Høganes Borgestad AB, and Board member of Deep Value Driller and Atlantica Tender Drilling.

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.

Birgitt Aagard-Svendsen
Non-executive Director

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 AS and KommuneKredit (Denmark), and Board Member of Stiftelsen Det Norske Veritas, Copenhagen Malmø Port AS and Otto Mønsted A/S.

Ms Aagaard-Svendsen has held several senior management and CFO positions. At latest and 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 (Lausanne) and INSEAD (Paris).

Nina Udnes Trondstad
Non-executive Director

Mrs Udnes Tronstad is a board professional with extensive board experience as an independent board director for private and listed companies. Outside Prosafe, she is currently Chair of Source Energy and Board member of Norges Bank.

She has held senior executive roles in companies such as former Statoil, Aker Solutions and Kvaerner and has been Board member of Giek, Trelleborg AB, Peab AB, Bladt Industries A/S and NTNU.

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

Halvard Idland
Non-executive Director

Mr. Idland is an entrepreneur and investor focused on the energy industries. He co-founded DBO Energy which played an integral part of building and finanicng 3R Petroleum, a listed Brazilian E&P company. Currently the Latin American E&P ventures are driven through Swedish listed Maha Energy, where DBO is a reference shareholder and Idland holds a board position.

Through Janeiro Energy, Idland and his partners, develop and are active investors in energy transition and technology companies, such as Holu, Energi.ai, Pagaleve and Empower New Energy. Mr. Idland also co-founded and is Chairman of Dream Learn Work, a Norwegian-Brazilian NGO providing technical education for underprivileged youth. Previously Idland has worked for companies such as DNB, Aker Yards Brasil, DOF Brasil and Pareto.

Mr Idland has a M.Sc. in Economics and Business Administration from the Norwegian School of Economics.

Gunnar Eliassen
Deputy Chair

Mr. Eliassen is the founder and Managing Member of SNC Winther Holdings Ltd. and has an extensive background in the oil service industry. Before establishing SNC Winther Holdings Ltd. in 2023, he worked in Seatankers Services (UK) LLP from 2016 to 2023 and as a Partner in Pareto Securities from 2011 to 2015. Mr. Eliassen is currently Chair of the Board of Scana ASA and Soiltech AS, and a board member of Vantage Drilling Ltd. and KLX Energy Services Inc. Previous experience includes being a board member in Seadrill Ltd., Seadrill Partners Ltd., Northern Drilling Ltd., Noram Drilling AS, Valaris Ltd., and Quintana Energy Services Inc.

Mr. Eliassen graduated from the Norwegian School of Economics with a Master in Finance. Mr. Eliassen was elected to the Prosafe Board in February 2024.

Board of Directors report

Prosafe SE, the “Company” or the “Parent Company”, is a leading owner and operator of semi-submersible accommodation vessels. The Company and its subsidiaries are referred to as the “Group” or “Prosafe”).

Prosafe owns and operates six semi-submersible accommodation, safety and support vessels and one tender support vessel (TSV) that can also operate as an accommodation vessel. The fleet offers high quality accommodation and support services to the offshore oil and gas and renewables industry with a global track record. The Parent Company is legally domiciled in Norway and is the ultimate owner of all Group companies. Prosafe is listed on the Oslo Stock Exchange with ticker code PRS.

Introduction

In 2023, Prosafe experienced increased activity, going from two active rigs in the first quarter to four rigs in operation in the fourth quarter. The increase was related to the start of contracts awarded in 2022 for work in Brazil for the Safe Zephyrus and the US Gulf of Mexico for Safe Concordia. Activity in the North Sea region was lower than expected.

There was no addition to Prosafe’s order backlog in 2023. Prosafe has a strategy to pursue sustainable rates in an improving offshore accommodation market. Prosafe controls a substantial portion of the open capacity that is compliant with the regulation for the Norwegian continental shelf (NCS) through 2026.

In connection with the start of operations for Safe Zephyrus and Safe Concordia, the organisation successfully executed significant reactivation and mobilisation projects during 2024. The team also executed hull cleaning and contractual compliance work for Safe Notos and the special periodic survey (SPS) of Safe Eurus. These projects led to increased costs and investment requirements, which were financed with the support of Prosafe’s shareholders through two share issues during the year.

Strategy

Prosafe’s strategy is to be a preferred supplier of high-end offshore accommodation vessels globally. Prosafe expects improving demand for accommodation vessels and services in the coming years, especially in Brazil with an expanding investment program for new FPSOs[1] and in the North Sea region for maintenance projects. Prosafe believes sector returns will improve on the back of this increased demand for accommodation vessels.

New CEO and management team

During 2023, the Board continued the process of establishing a new management team to execute Prosafe’s strategy. In November

[1] FPSO: Floating production, storage and offloading

2023, Terje Askvig joined as CEO of the Company, bringing extensive strategic, financing and transaction experience from leadership positions within shipping, oil service and investment management. The Board would also like to thank Jesper Kragh Andresen for his years of service to the Company.

Operations and projects

At year-end, the fleet comprised seven fully owned vessels, plus two new builds, the Safe Nova and the Safe Vega, at yard in China. Vessel specifications and details of the current contracts can be found on the Company's website www.prosafe.com/fleet/vessels

Safe Notos has been operating for Petrobras in Brazil since December 2016. The vessel is currently on a four-year contract with Petrobras that commenced in 2022, in direct continuation of the previous contract. Safe Notos was off-hire for 30 days in May and June for hull cleaning and certain contract modifications.

Safe Eurus has been operating for Petrobras in Brazil since December 2019. In February 2023, the vessel commenced its second four-year safety and maintenance support contract with Petrobras in direct continuation of the previous contract. Safe Eurus was off-hire in November and December for special periodic survey (SPS), hull cleaning and compliance work.

At the end of April, Safe Zephyrus started operation for Petrobras in Brazil on a 650-day contract. Before contract start, the vessel mobilised from Europe and underwent regulatory compliance work required for operations in Brazil and by Petrobras.

In August, Safe Concordia commenced a 330-day firm contract in the US Gulf of Mexico with up to six months of options to extend the duration. In January 2024, the client declared four out of the six option periods. Safe Concordia underwent mobilisation work in Curaçao before the current contract.

Prosafe's three other accommodations rigs; Safe Boreas (Norway), Safe Caledonia (UK) and Safe Scandinavia (Norway), were in lay-up pending future work.

The Company has focused on efficient execution of the mobilisations and preparations for the contracts that started during the year. Despite this, the projects were subject to cost escalations and schedule overruns. As a consequence, the technical and operational structure has been reorganised and strengthened to minimise risk of similar developments in future projects.

Prosafe places a high priority on its responsibility towards sustainable business relating to ESG, aligning its business strategy with its core values of protecting the environment, people and compliance with governance standards. Prosafe works closely with clients and stakeholders to achieve the ultimate goal of zero negative impacts to the air and sea from operations.

Order backlog

The total order backlog[1] on 31 December 2023 amounted to USD 258 million (USD 357 million) of which USD 239 million relates to firm contracts and USD 19 million relates to options. In January 2024, four out of six option periods were declared by the charterer of Safe Concordia increasing the firm backlog by USD 13 million. The secured utilisation for 2024 is currently 54.8 per cent, while secured utilisation for 2025 is 30.1 per cent.

Market

The market for offshore accommodation vessels is driven by maintenance, modification and life extension of existing oil and gas infrastructure as well as the hook-up and installation of platforms and FPSOs. Investments in oil and gas activity are expected to increase significantly in the coming years, which is anticipated to lead to higher offshore activity and demand for accommodation vessels. The transition to new energy sources, particularly offshore wind and carbon capture, may in the future also lead to opportunities for the accommodation rig market.

Globally, there are approximately 28 offshore accommodation vessels in the mid to high-end market Prosafe operates, comprising of semi-submersibles, jack-ups and ship-shaped hulls. Of the total, approximately 18 are considered high specification.

Prosafe is the market leader, owning a total of seven vessels. This includes four high-specification vessels. The fleet also includes one vessel operating in the US Gulf of Mexico and one laid up in the UK, as well as a Tender Support Vessel (TSV) in cold lay-up.

[1] Order backlog = amount of contracted revenue not yet recognised in the income statement.

Prosafe maintains that the industry would benefit from further consolidation and vessel recycling and intends to be a key driver in consolidation in the coming years.

North Sea: Norway and UK

The North Sea (UK and Norway) is a key market. In 2023, the Company had two vessels idle and available for charter in the North Sea, based on the current backlog these vessels will also be idle for 2024.

Beyond 2024, the Company expects higher activity levels due to increased demand for accommodation to meet maintenance and tie-in campaigns being planned by clients. There is ongoing bidding for 2025 with awards expected in the first half of 2024.

Future accommodation vessel demand will likely be driven by the continued need for oil and gas throughout the energy transition. The timing of demand will ultimately depend on several factors including, amongst others, capacity in the offshore industry supply chain, the timing of project investment decisions and execution, the oil price and the regulatory environment.

Brazil

The main demand driver in Brazil is maintenance and modification work on the large and growing fleet of FPSOs. Semi-submersibles remain the preferred design for long term charter contracts with Petrobras and other international FPSO operators as units for maintenance and safety (UMS). Prosafe considers Brazil and the nearby region as a key market. Demand for high-end accommodation vessels is increasing with nine vessels active in 2023, up from five vessels in mid-2018.

Further growth is expected in Brazil with a forecasted long-term requirement for ten to thirteen UMSs in operation supported by an increasing number of FPSOs. In addition to Petrobras, other oil and gas operators in Brazil, such as Equinor, Shell, Modec and SBM, also use accommodation vessels to support both newer installations and aging assets. Prosafe expects further demand with start-up from late 2024 and early 2025. Additional long-term work in Brazil for high-end vessels could further reduce available capacity in the North Sea and other markets from the second half of 2024 and onwards.

Rest of the world

Demand for semi-submersible offshore accommodation vessels in geographical markets outside the North Sea and Brazil is characterised by low visibility. Opportunities are monitored and pursued on an opportunistic basis. Currently, the Safe Concordia is operating in the US Gulf of Mexico. This is a region which often require semi-submersible accommodation vessels to support offshore projects.

Energy transition

Prosafe supports the energy transition in effort to minimise potential environmental and climate change impacts. The transition process will be complex and require substantial resources over time. This includes development of new solutions for carbon capture, energy management, alternative fuels, electrification and new ways of working. Prosafe expects continued high activity in the oil and gas industry in the foreseeable future, with a parallel focus on investments in energy management and efforts to reduce carbon intensity and emissions. These efforts are over time expected to provide the Company with new more sustainable business opportunities.

Health, safety, security and the environment (HSSE)

Robust HSSE performance is fundamental to all of Prosafe's operations and is therefore reflected in its core values. Prosafe works proactively and systematically to reduce incidents, injuries and absence.

Prosafe operates with a zero-accident mindset which means that no accidents or serious incidents are acceptable. Multiple initiatives have been implemented over the years to further strengthen the safety culture. These and new initiatives will be continuously developed in order to improve safety performance further.

In 2023, Prosafe recorded one incident classified as a Lost Time Injury (LTI) (2022: 0), i.e. those injuries resulting in an employee being absent from the next work shift due to the injury. Sick leave was 0.99 per cent in 2023, a decrease from 1.31 per cent in 2022.

In 2023, Prosafe had one accidental discharge to the natural environment (zero in 2022). The two incidents have been thoroughly investigated to identify the root cause, and the findings have been shared across the fleet to ensure transfer of experience and prevent re-occurrence. Prosafe continues to actively work to avoid accidental discharges and reduce emissions by modernising and adapting its fleet and operating procedures and practices. This

includes continued focus on energy management after being ISO 50001 Energy Management accredited in January 2022.

The impact to the external environment from Prosafe's operations is reported in detail in the Sustainability report which is included in this annual report and available as a separate document on the Company's website.

Human resources and diversity

Prosafe's offshore headcount will fluctuate as a function of the business and the nature of each contract, which is characterised by both long- and short-term contracts with international mobilisations. The offshore crews in certain geographical locations may partly consist of agency personnel on short-term, contract-specific engagements.

Prosafe had 255 employees at the end of 2023 (average 222), compared with 182 in 2022 (average 192). The increase is mainly due to the nationalisation of crew in Brazil where Prosafe has long-term contracts.

The voluntary employee turnover in the Group was 15.7 per cent in 2023, compared with 20.6 per cent in 2022. The decrease reflects mainly less activity in the North Sea where a portion of the offshore employees are on short-term contracts.

Prosafe operates an equal opportunity policy including gender equality. Men have, however, traditionally made up a greater proportion of the recruitment base for offshore operations, and this is reflected in Prosafe's gender breakdown. Prosafe aims to offer the same opportunities to all and there is no discrimination with respect to recruitment, remuneration or promotion, age, disability, gender, marriage and civil partnership, pregnancy and maternity, nationality, religion or belief, and sexual orientation. More detailed information can be found in the Sustainability report published together with this annual report.

Corporate social responsibility and sustainability reporting

Prosafe considers Corporate Social Responsibility (CSR) as an integral part of being an efficient, future looking and value-generating business for its stakeholders. Prosafe is committed to maintaining high ethical, social, environmental and governance standards, identifying, addressing and reporting its sustainability impact, and creating sustainable values for the benefit of its stakeholders and the society at large wherever the Company operates.

Prosafe is committed to identifying, addressing and reporting its sustainability impacts. The Company has established governance and management structures which clearly set out the responsibility and accountability within the business for Environmental, Social and Governance (ESG) impacts. The Company uses internationally recognised standards for identifying (GRI) and reporting (SASB) material ESG topics.

During 2023, Prosafe completed several ESG initiatives, including a review of material ESG topics using GRI3 Materiality Standard, climate risk review and reporting recommended under TCFD, independent GHG emissions accounting, human rights risk assessment including a comprehensive human rights impact assessment of workers and contractors on Safe Concordia while in yard in Curacao and an ESG reporting upgrade, including SASB Marine Transportation and Oil and Gas Services Standard.

Prosafe is committed to the highest standards of business ethics and shall comply with all applicable laws, including the Norwegian Transparency Act and the UK Modern Slavery Act, regulations and the Company's policies and procedures.

To meet the requirements of the Transparency Act, Prosafe endeavours to ensure that its Health, Safety, Security, Environmental, Quality (HSSEQ) and Corporate Social Responsibility (CSR) principles, including those relating to conflicts of interest, Anti-corruption, Human Rights, and Labour Standards are integrated in our operations and those of our supply chain. A full Norwegian Transparency Act Statement is included in this annual report.

Corporate governance

Sound corporate governance is a priority for maintaining and strengthening markets confidence in Prosafe among shareholders, capital market and other stakeholders. Corporate governance helps to ensure maximum value creation over time in the best interest of shareholders, employees and other stakeholders. Prosafe's corporate governance framework is based on the Norwegian Code of Practice for Corporate Governance of 14 October 2021. In the Company's own assessment, Prosafe deviated from section 14 of the Code of Practice. On 22 February 2024 the members of the board of directors were awarded share options in exchange for a reduced fixed remuneration. The exchange was voluntary and all board members accepted. This is considered as a deviation from Code of Practice for the year 2024. The full corporate governance report is available in a separate section in this annual report.

At the Annual General Meeting on 10 May 2023, all members of the Board were re-elected and Glen Ole Rødland was re-elected as chair. At the Extraordinary General Meeting 30 June 2023, Simen Flaaten was elected a non-executive director to the Board. In October, Alf C. Thorkildsen resigned as a director with immediate effect due to other commitments. At 31 December 2023, the Board comprised of five members. The remuneration of the Board is disclosed in note 6 to the consolidated accounts.

The Company has a Directors & Officers liability insurance that covers Directors and senior executive management. The total limit of the coverage is USD 40 million.

Financial results, financing and financial position of the Group

(The figures in brackets correspond to the 2022 comparatives)

Income statement

Operating revenues totalled USD 97.7 million in 2023 (USD 198.9 million), while fleet utilisation decreased to 41.0 per cent (70.6 per cent). The decrease in utilisation reflects a combination of completion of contracts at the end of 2022, mobilisations of rigs to new contracts, compliance works and SPS, and a slow North Sea market in 2023 with only one DP3 accommodation rig working.

Operating expenses decreased to USD 108.2 million (USD 137.5 million), mainly due to lower utilisation.

Depreciation, amortisation and impairment amounted to USD 31.1 million (USD 29.5 million).

The operating loss was USD 41.6 million (profit of USD 31.9 million).

Interest expenses totalled USD 30.9 million (USD 18.7 million). The increase is mainly due to higher floating interest rates through the year. For further information, refer to note 10 and note 14 of the consolidated accounts.

Financial items other than interest expenses amounted to USD (0.7) million (USD (3.4) million). Refer to note 9, 10 and note 14 of the 2023 consolidated accounts for more details.

Tax income for 2023 was USD 5.4 million (cost of USD (8.3) million), mainly related to reversal of a UK tax provision from 2016 after a His Majesty's Revenue & Customs (HMRC) ruling in Prosafe's favour.

Net loss amounted to USD 67.8 million (net profit of USD 1.5 million), resulting in loss per share of USD (6.00) (profit USD 0.17). Fully diluted loss per share was USD (6.00) (profit USD 0.17).

In May 2023, the Company issued 2,720,000 new shares in a private placement. In November and December 2023, the Company completed a private placement with a following subsequent offering, issuing a total of 6,349,952 new shares. At year-end, Prosafe had 17,868,651 ordinary shares outstanding.

Financial position

Total assets amounted to 492.7 million (USD 500.0 million) at the end of 2023. Investments in tangible assets totalled USD 33.9 million (USD 10.2 million). The investments in 2023 mainly relate to special periodic survey (SPS), vessel upgrades and hull cleaning and maintenance to comply with contract requirements.

At year-end 2023, the Group had a total liquidity reserve in the form of liquid assets (cash and deposits) of USD 74.6 million (USD 91.6 million). Total restricted cash at year-end 2023 was USD 2.2 million (USD 2.2 million).

Total shareholders' equity amounted to USD 33.8 million (USD 37.3 million), resulting in an equity ratio of 6.9 per cent (7.5 per cent).

Interest-bearing debt decreased to USD 419.5 million (USD 422.2 million) at year-end.

The interest-bearing debt agreements are subject to termination, repayment or buy back clauses in the event of a change of control of the Group (as control is defined in the relevant agreements). The Group complied with the only financial covenant of USD 23 million minimum cash at year-end 2023[1]. For 2024 the minimum cash covenant is USD 28 million. Please refer to note 14 of the consolidated accounts for further information.

Net cash flow in 2023 was USD (17.0) million (USD 17.7 million). The decrease in cash flow was due to the operating loss for the year, higher mobilisation expenditure, increased investment and higher interest cost, partially offset by capital raised. Net cash flow from operating activities amounted to USD (11.5) million (USD 49.2 million). The reduction is mainly due to lower utilisation and higher operating costs. Total cash flow used in investment activities amounted to USD 33.9 million (USD 9.5 million), mainly related to special periodic survey (SPS), vessel upgrades, hull cleaning and maintenance to comply with contract requirements.

During the year, the Company raised net proceeds of USD 62.8 million through two private placements and a subsequent offering of new shares, resulting in a cash flow from financing activities of USD 28.4 (USD (22.0) million).

Financial results and financial position of the Parent Company

The net loss for the year amounted to USD 58.5 million (USD (13.0) million). Net financial items amounted to a gain/(loss) of USD (26.5) million (gain of USD 21.0 million).

Total net assets for the year amounted to USD 4.5 million (USD 0.1 million).

Dividends

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.

Under the latest amended and restated facility agreements following the restructuring in December 2021, dividends may only be paid after obtaining prior written consent of two thirds of the 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 Norwegian Register of Business Enterprises in May 2022 unless the share capital subsequently has been increased by an amount at least equal to the reduction.

Going Concern

The Board of Directors confirms that the accounts have been prepared under the assumption that the Company is a going concern. In 2023, the combination of a slow North Sea market and investments for new contracts, SPS and contract modifications significantly impacted liquidity. The negative cash flow was partly offset by two private placements and a secondary offering raising USD 62.8 million, demonstrating shareholders' confidence in Prosafe.

2024 is also expected to be slow in the North Sea with limited visibility for work in summer season. Prosafe's investment activity for 2024 is expected to be significantly lower than in 2023 as

[1] The Minimum Liquidity is calculated on each quarter date and excludes cash balance held under the New Group (Prosafe Offshore Holdings Pte. Ltd., Safe Eurus Singapore Pte. Ltd., Axis Nova Singapore Pte. Ltd. and Axis Vega Singapore Pte. Ltd). As of end December 2023, the New Group's cash position was USD 4.3 million (USD 10.7 million).

there are no SPS or mobilisation work planned. The Group has taken action to remain in compliance with the minimum liquidity covenant and additional funds were raised during the year. The actions taken to date significantly reduce the uncertainties going forward, however the future compliance with the liquidity covenant is dependent on securing additional contract backlog going forward. Based on the Group's 12-month cashflow forecast, the Company expects to comply with the minimum liquidity covenant in 2024. Having assessed all available information about the future, the Board and management have prepared the annual accounts for 2023 on a going concern basis. Refer to Note 14 for information on the minimum liquidity covenant. For more information refer to note 2 of the consolidated accounts.

Shareholders and share capital

According to the shareholder register as at 31 December 2023, the 20 largest shareholders held a total of 68.0 per cent of the issued shares. The number of shareholders was 4,720. Please see the Shareholder Information section of the annual report for more information.

As at 31 December 2023, Prosafe had an issued share capital of 17,868,651 ordinary shares, all at a nominal value of EUR 1.25 each.

Selected employees have been offered share options to the Company's shares as an element of employee renumeration. If the company has own shares, the Company may allot own shares instead of issuing new shares when share options are exercised. All share options are offered at strike prices that reflect the market price of the shares at the time of allotment of the rights.

The Company's loan agreements include change of control clauses as well as restrictions on mergers, acquisitions, investments, additional financial indebtedness and dividends. The loan agreements also include a cash sweep provision and a quarterly minimum liquidity covenant. Lender consent under the loan agreements requires two-thirds lender approval. More information is provided in note 14 to the consolidated accounts.

Further information on the share capital and changes are described in note 13 to the consolidated accounts.

Risk

Prosafe categorises its primary risks under the following headings: strategic, commercial, operational, compliance and legal, financial, climate and cyber-security related. The Group's Board of Directors and executives manage these risk factors through continuous risk assessments, reporting and periodic reviews in management and Board meetings, and as part of the rolling strategy and planning processes.

The Group aims to create shareholder value by allocating capital and resources to the business opportunities that yield the best return relative to the risk involved within its specified strategic direction.

Prosafe seeks to reduce its exposure to operational, financial and compliance related risk through proper operating routines, the use of financial instruments and insurance policies. The Company has no hedging facilities available following the financial restructuring 2021.

Commercial risk comprises macro factors such as oil price and industry specific factors such as the supply/demand balance, competitive position, new development solutions, climatic conditions, and new ways of executing offshore projects.

Demand for accommodation vessels is among others sensitive to oil price fluctuations and changes in exploration and production spending. Demand is also sensitive to impacts from the energy transition which may pose both opportunities and threats. In addition, the demand for accommodation vessels is sensitive to other incidents that may impact the general state of the world economy, general activity and spend levels, and demand for natural resources. Global incidents like pandemics and conflicts with a material impact on capital markets and the oil price may negatively impact activity in the oil and gas industry, and thereby also demand for accommodation services.

The Group is exposed to financial risks such as currency risk, interest rate risk, financing and liquidity risk, credit risk and counterparty risk.

Prosafe maintains an active overview of and relations with lenders, capital market participants and investors to secure the best possible access to capital markets if and when needed.

Prosafe is exposed to liquidity risk, which is the risk that Prosafe will not be able to meet its financial obligations when they become due. Liquidity risk sources include, but are not limited to, contract cancellations, customers not paying charter rates under contracts and low demand for accommodation vessels in the future. Prosafe manages liquidity at the Group level as per the Board approved Finance Policy. The Group monitors the liquidity development and the risk of insufficient capital by rolling cash flow forecasts. Liquidity is managed on a low risk and highly liquid basis, primarily in deposits with its main lending banks.

Prosafe reports in USD and generates income primarily in USD, whereas a large part of its operating costs are in other currencies such as GBP, Brazilian Real and Norwegian Krone. The currency mix will, however, vary with areas of operation. This exposure as identified based in rolling forecasts may be hedged according to the Group's Finance Policy. Interest rate- and currency risk were unhedged at year-end.

The Group carries out credit checks on clients as part of its tendering processes and has a history of minimal loss from debtors. There are no material overdue receivables as at year-end.

Prosafe is committed to ensuring the highest standards of data security and privacy for its employees, stakeholders and clients. To achieve this, the Company complies with GDPR regulations and best practices, and has in place a number of procedural and organisational controls and protective measures. This includes continuous evaluation of new options to improve cyber-security measures, including control of remote access to IT and OT systems, and mail security. Prosafe also runs security awareness campaigns to educate its employees on best practices for working from home and maintaining data security vigilance.

Climate risks and opportunities are likely to impact the business, its strategy and financial planning. The Company is exposed to the following risk categories described in the TCFD framework: physical, regulatory, market, technology and reputation risks (and opportunities). Prosafe has a structured approach to monitoring the development of the accommodation vessel market and opportunities created by the transition to renewable energy sources globally. Using information from these sources and its ongoing monitoring of GHG emission performance across the fleet, Prosafe believes it is well positioned to absorb, mitigate or adapt to climate-related risks; and, in some cases may exploit available opportunities.

Further information on financial risk management is provided in note 18 to the consolidated accounts.

The main features of Prosafe's risk management process are available on the website at www.prosafe.com

Internal controls

Internal control is ensured in accordance with Prosafe's policies and procedures which aim to ensure the effectiveness and efficiency of its operations, reliability of its financial reporting and compliance with applicable laws and regulations. These policies and procedures are designed, inter alia, to safeguard assets and protect from accidental loss or fraud.

In addition, the policies and procedures are reinforced by the organisation and the competence of its personnel, segregation of duties, regular risk assessments and internal reporting, management meetings, Board meetings and the Audit Committee, together with external audits and public reporting and communication.

With respect to internal controls relating to the preparation of financial statements, the Board demonstrates independence from management and exercises oversight of the development and performance of internal controls. Management establishes, with Board oversight, structures, reporting lines, and appropriate authorities and responsibilities. In addition to the ongoing reviews by senior management, annual reviews and assessments are carried out which are approved by the Board in respect of risk management and internal controls.

The Group carries out regular reviews to ascertain whether the internal controls are present and functioning and evaluates and communicates any internal control deficiencies in a timely manner to those parties responsible for taking corrective action, including senior management and the Board, as appropriate. Audits carried out by external parties like the financial auditor, clients and regulatory authorities and the reporting and follow-up of these are important elements to ensure continuous focus on and improvement of internal controls.

Subsequent events

On 8 January 2024, the Company announced that Simen Flaaten would resign as Director as soon as practicably possible.

On 29 January, the client chartering the Safe Concordia declared four out of six options, extending the fixed contract period to 9 November 2024.

On 22 February 2024, Gunnar Eliassen was appointed as Director and Deputy Chair. At the same time, a proposed change in board remuneration was approved, involving a reduction in fixed compensation in exchange for the granting of share options to board members. Ryan Schedler was appointed a member of the Nomination Committee.

Outlook

Prosafe is well positioned in a market with increasing demand, utilisation and day rates. Safe Boreas is the only DP3 semi-submersible accommodation vessel available in the North Sea for 2024 and 2025 summer work. Safe Caledonia is also available for work in UK and with Safe Zephyrus coming off contract in Brazil in early 2025, Prosafe controls a significant share of the open North Sea capable capacity in the 2024 to 2026 period, while maintaining a leading position in Brazil.

The Company will seek to play an active role in any future consolidation of the offshore accommodation market. The Company may also consider adjacent business development opportunities within niches of the energy sector as well as other ocean industries where Prosafe can on a sustainable basis create shareholder value.

The Company is focused on capturing relevant market opportunities which provide sustainable day rates for long-term value creation in a tightening market. Prosafe expects that the increase in utilisation, improved rates and earnings growth will provide a favourable backdrop for refinancing and fleet growth, including potentially taking delivery of Safe Nova and Safe Vega from the COSCO yard.

19 March 2024
The Board of Directors of Prosafe SE

This document is signed electronically

Glen Ole Rødland Non-executive Chair	Birgit Aagaard-Svendsen Non-executive Director	Halvard Idland Non-executive Director
Nina Udnes Tronstad Non-executive Director	Gunnar Eliassen Deputy Chair	Terje Askvig Chief Executive Officer

Corporate governance

Prosafe SE is committed to ensuring that high standards of corporate governance are maintained to ensure the greatest possible value creation over time in the best interests of shareholders, employees and other stakeholders.

Prosafe SE is a European public company (Societas Europaea) listed on the Oslo Stock Exchange. The corporate governance framework forms the basis for a transparent business model with a clear segregation of roles, responsibilities and accountabilities between shareholders, the Board of directors and senior executive management. Corporate governance in the Company follows the principles contained in the Norwegian Code of Practice for Corporate Governance in its latest version of 14 October 2021 (the "Code of Practice").

1. Implementation and reporting on corporate governance

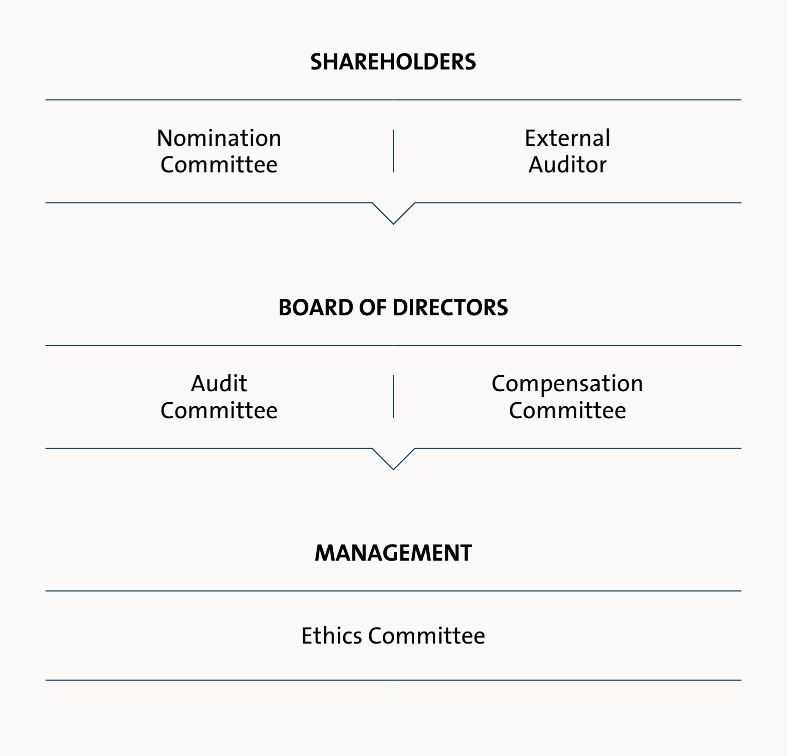
This report on Corporate Governance accounts for the Company's corporate governance principles and practices as required by the Accounting Act Section 3-3b and how Prosafe complies with the Code of Practice. Application of the Code of Practice is based on the "comply or explain" principle, which stipulates that any deviations from the Code should be explained. In the Company's own assessment, Prosafe deviated from section 14 of the Code of Practice at year-end 2023.

- The board has not formally established guiding principles for how it will act in the event of a take-over bid

The Code of Practice covers 15 topics which are designed to ensure that the division of roles between shareholders, the Board of Directors ("Board") and the Company's senior 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's Corporate Governance Report covers every section of the Code of Practice and is included in the annual report and published on Prosafe's website at www.prosafe.com/investor-information/corporate-governance

Governance structure



2. The business

Prosafe's business is defined in Article 3 of the Company's Articles of Association:

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.

The Board of Directors has established objectives, strategies, and a risk profile for the business within the scope of the definition of its business to create value for its shareholders in a sustainable manner, considering economic, social and environmental considerations. The Company's objectives, strategies and risk profile are subject to at least an annual review by the Board. The reviews are supplemented by ongoing dialogue between the Board and senior executive management, monthly reporting and ad hoc weekly reporting and updates of all significant matters.

3. Equity and dividends

Equity and capital structure

Prosafe's consolidated shareholders' equity as at 31 December 2023 amounted to USD 33.8 million (2022: USD 37.3 million), equivalent to 6.9 per cent (2022: 7.5 per cent) of the Group's total assets. The low equity ratio is a result of impairments in 2021 as part of the debt restructuring. With the present uncertainty in the market and lack of third-party transactions with similar assets there has been no objective way to determining values which could result in a reversal of the historical impairment.

Dividend policy

Prosafe's longer term ambition is that its shareholders receive a competitive return on their investment in the Company through a combination of share price appreciation and a direct return in the form of dividends. The Company has not paid dividends since 2015. Under the latest amended and restated loan agreements following the restructuring in December 2021, dividends may only be paid after obtaining prior written consent of two-thirds of the lenders.

Board authorisations

Mandates and authorities for different purposes such as increase of share capital or share buy-backs are considered separately at each annual general meeting ("AGM") and are generally limited in time and valid to the date of the next AGM. At 31 December 2023, the Board held the following mandate for share capital increase: Authorisation to increase the Company's share capital by up to EUR 72,000. Subject to this aggregate amount of limitation, the authority may be used on more than one occasion. The authorisation may be used in connection with the group's incentive schemes.

4. Equal treatment of shareholders

Pre-emption rights to subscribe

Should the Board wish to propose that the general meeting departs from the pre-emptive right of existing shareholders relating to any capital increase, such a proposal will be justified by the common interest of the Company and the shareholders, and the reasons for the proposal will be presented in the notice of the general meeting as well as publicly disclosed in a separate stock exchange announcement.

In 2023, Prosafe carried out two private placements of new shares, one in May and one in November, to raise capital for working capital, preparation for commencement of new contracts and general corporate purposes. In each instance, the proposal was justified and presented to the extraordinary general meeting (EGM) for approval and publicly disclosed. Following the November share issue, a subsequent offering was carried out directed towards shareholders not participating in the Private Placement.

Trading in own shares

In the event of a share buy-back programme, the Board of Directors will aim to ensure that all transactions are carried out either through the trading system or at prevailing prices at the Oslo Stock Exchange. In the event of such programme, the Board of Directors will take the Company's and shareholders' interests into consideration and aim to maintain transparency and equal treatment of all shareholders. If there is limited liquidity in the Company's shares, the Company shall consider other ways to ensure equal treatment of all shareholders. In 2023, there were no transactions in own shares.

5. Shares and negotiability

Prosafe has one class of shares in issue and all shares are equal in all respects. The shares are freely transferrable on the Oslo Stock Exchange. The Company's Articles of Association place no limitations on voting or restrictions on any party's ability to own, trade or vote for shares in the Company.

6. General meetings

The Board of Directors will make its best effort to facilitate that as many shareholders as possible may attend and exercise their right to speak and vote at general meetings, thereby making the general meeting an effective forum for the views of shareholders and the Board. Shareholders holding at least 5 per cent of the issued and voting shares are entitled to submit matters for inclusion on the agenda of a general meeting. An EGM can be called by the Board of Directors if deemed necessary or be requested by the Company's auditor or shareholders representing at least 5 per cent of the Company's share capital.

Written notice of an AGM and a meeting calling for adoption of a special resolution is sent out not later than twenty-one days before the scheduled meeting unless special notice is required by law. The resolutions and supporting information are sufficiently detailed, comprehensive and specific to allow shareholders to form a view on all matters to be considered at the meeting. Both these and any recommendations of the Nomination Committee enabling shareholders to take an informed position on all matters to be discussed are made available within the relevant timeframe on the Company's website.

Shareholders wishing to attend the general meeting, either in person or online, must notify the Company of this intention before the deadline stipulated in the notice. The Board aims to facilitate the attendance of as many shareholders as possible. As stipulated in Prosafe's Articles of Association, shareholders intending to participate in the general meeting shall notify the Company of this no later than two days prior to the general meeting.

The Chair (or in exceptional circumstances, another member of the Board), the auditor and the Chair of the Nomination Committee attend the general meetings. Prosafe wishes to facilitate a dialogue with shareholders at the general meeting, and therefore encourages all Board members to attend. The Chair normally chairs the general meetings and the Board ensures that the general meeting is able to appoint an independent chair.

Prosafe prepares proxy forms and conducts the voting arrangements at the meeting in a form and manner which allows shareholders to vote separately on each matter to be considered by the meeting and for each of the candidates nominated for election.

The 2023 AGM was held on 10 May 2023 with 38.93 per cent of the share capital represented.

7. Nomination Committee

The Nomination Committee is governed by the Articles of Association's section 8. The AGM on 10 May 2023, re-elected Thomas Raaschou (Chair) and Annette Malm Justad to the Nomination Committee for a period of one year. The committee members are independent of the Board of Directors and senior executive management.

The general meeting stipulates the guidelines for the duties of the committee and determines the committees' remuneration. The current instructions were revised in 2019 and approved by the AGM.

The Nomination Committee submits its recommendations to the general meeting for election of and compensation to members of the Board of Directors, in addition to members of the Nomination Committee. Each proposal is justified on an individual basis. All shareholders may nominate candidates to the Board. Relevant deadlines for submitting proposals for candidates to be appointed to the Board or the Nomination Committee are published on the Company's website in due time before the AGM takes place.

The Nomination Committee held 9 meetings in 2023. Average meeting attendance was 100 per cent.

Name	Role	Date first appointed	Date due for re-election	Meeting attendance (%)
Thomas Raaschou	Chair	May 2011	May 2024	100
Annette Malm Justad	Member	May 2016	May 2024	100

8. Board of directors: composition and independence

Pursuant to the articles of association section 5, the Company's Board of Directors shall consist of three to seven members. On 31 December 2023, the Board consisted of five members as described in the table below. The directors are appointed for one year and all directors may be re-elected in 2024. The general meeting appoints the Chair of the Board.

The AGM on 10 May 2023, re-elected Glen Ole Rødland (Chair), Alf C. Thorkildsen (Deputy Chair), Birgit Aagaard-Svendsen, Nina Udnes Tronstad and Halvard Idland.

An EGM on 30 June, elected Simen Flaaten as a new director and member to the Board, while Halvard Idland was elected as a deputy director. The remainder of the Board was re-elected.

Name	Role	Date first appointed	Date due for re-election	Meeting attendance (%)	Shareholding[1]
Glen Ole Rødland	Chair	March 2016	May 2024	100.0	228,667
Birgit Aagaard-Svendsen	Director	March 2017	May 2024	89.3	3
Nina Udnes Tronstad	Director	May 2019	May 2024	100.0	7,667
Simen Flaaten[2]	Director	June 2023	N/A	100.0	549,655
Halvard Idland	Director	May 2022	May 2024	94.1	0
Alf C. Thorkildsen[3]	Deputy Chair	May 2020	N/A	89.5	0

1 Including direct and indirect ownership

2 Simen Flaaten resigned as Director on 8 January 2024. On 22 February 2024, Gunnar Eliassen was elected as new Director and Deputy Chair of the Board at the Extraordinary General meeting held on 22 February 2024

3 Alf C. Thorkildsen resigned as Director of the Board on 18 October 2023

On 18 October, Alf C. Thorkildsen resigned as director with immediate effect due to other commitments. An EGM on 16 November, elected Halvard Idland as a director of the board.

The Board held 28 Board meetings in 2023. Average meeting attendance was 95.6 per cent.

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

The directors have been appointed to ensure that a broad base of appropriate expertise, capacity and diversity is reflected on the Board. Working constructively together with its committees' and the Company's administration, the Board oversees the strategic direction, targets, reporting, management and control of the Company.

Directors are encouraged to own shares in the Company. Information about each director, their experience and shareholding are available on Prosafe's website.

9. The work of the Board of Directors ("the Board")

The duties of the Board

The Board of Directors is responsible for the overall management of the Company and supervision of day-to-day management, the Company's business activities and the establishment of control systems. The Board has adopted procedures that regulate the duties of the Board of Directors and the Chief Executive Officer (CEO), the division of work between the Board of Directors and the CEO, the annual plan for the Board of Directors, notices of Board proceedings, administrative procedures, minutes, Board committees, transactions between the Company and the shareholders and confidentiality. The Board of Directors has an annual plan for its work which is revised at regular intervals.

Agreements with related parties

Any transactions between the Company's shareholders, members of the Board, the senior executive management team or close associates of any such parties may only be entered into as part of the ordinary course of business and on arm's length market terms. All such transactions shall, where relevant, comply with the procedures set out in the Norwegian Public Limited Liability Companies Act and the Norwegian Code of Practice for Corporate Governance.

The Board will arrange for a valuation to be obtained from an independent third party for transactions with related parties, including those that are considered immaterial. The Board of Directors report provide information about related party transactions.

Board members shall immediately notify the Board and members of the senior executive management team shall immediately notify the CEO (who, where relevant, will notify the Board) if they have any material direct or indirect interest in any transaction entered into by the Company. For information regarding related party transactions, see note 21 of the consolidated accounts. There were no material transactions with related parties in 2023.

Instructions for the Board and senior executive management

The Board Instructions give an overview of function, duties and responsibility of the Board, including procedures for Board meetings. The Board shall determine the vision, values and long-term objectives of the Company. The Board shall also contribute with external expertise and experience to the Company's management. The Board has adopted instructions for management specifying their respective duties, authority and responsibilities in relation to the business. The CEO has a particular responsibility for ensuring that the Board receives precise, relevant and timely information enabling it to discharge its duties.

Conflicts of interest and disqualification

The Board has implemented policies and procedures to avoid conflicts of interest between directors, senior executive management, their close associates and external third parties. Members of the Board and senior executive management cannot consider items in which they have a special and prominent interest, cf. the rules on disqualification in the Public Companies Act.

Directors and senior executive personnel must notify the Board if they have any material direct or indirect personal interest in any agreement concluded by the group. Neither Board members nor the CEO participate in the Board's consideration of any matters that are of material to themselves or any of their related parties. The Board' consideration of material matters in which the Chair of the Board is, or has been, personally involved, shall be chaired by some other member of the Board. In 2023, there were no cases of where conflict of interest was declared by the Board or senior executive Management.

The Board normally meets six to eight times a year, but the schedule adaptable to take into account relevant commercial, operational and strategic circumstances. The Chair has a particular responsibility for ensuring that the Board's work is well organised and efficiently conducted. The Chair of the Board encourages an open and constructive debate within the Board and with management.

Audit Committee

The Audit Committee is a sub-committee of the Board of Directors and acts as a preparatory body in connection with the Board's supervisory roles with respect to financial reporting and the effectiveness of the Company's internal control system. It also attends to other tasks assigned to it in accordance with the instructions for the Audit Committee adopted by the Board of Directors. At 31 December 2023, the Audit Committee comprised Board members Birgit Aagaard-Svendsen (Chair) and Halvard Idland. Both are considered independent of the Company and have relevant skills and experience within accounting or auditing.

The Committee operates based on a generic annual plan and undertakes an examination and evaluation of the adequacy and effectiveness of the organisation's governance, risk management, and internal controls, monitors the financial reporting process and prepares the Board's follow up on such issues. The Audit Committee is tasked from time to time with the carrying out of special investigations designed to assess the overall risk management system within the Group.

The Audit Committee meets six to eight times a year and holds closed sessions with the appointed auditor on at least an annual basis without the Company's management being present. The appointed auditor participates at all Audit Committee meetings.

The Audit Committee reports and makes recommendations to the Board of Directors, but the Board of Directors retains responsibility for implementing such recommendations.

The Audit Committee held 7meetings in 2023. Average meeting attendance was 100 per cent.

Name	Role	Date first appointed	Date due for re-election	Meeting attendance (%)
Birgit Aagaard-Svendsen	Chair	May 2017	May 2024	100
Halvard Idland [1]	Member	May 2022	May 2024	100
Simen Flaaten [2]	Member	30 June 2023	N/A	100

[1] In 2023, Halvard Idland was a member of the Audit Committee from 1 January – 30 June 2023 and from 16 November – 31 December 2023

[2] Simen Flaaten was a member of the Audit Committee from 30 June – 16 November 2023

Compensation Committee

The Compensation Committee is a sub-committee of the Board and its objective is to act as a preparatory body for the Board's work relating to employment terms and performance review for the CEO as well as strategy and principles for remuneration of senior executive management. The Compensation Committee operates based on a generic annual plan. At 31 December 2023, the committee comprised of Board members Nina Udnes Tronstad (chair) and Simen Flaaten, who are both independent of the Company's senior executive management.

The Compensation Committee held 3 meetings in 2022. Average meeting attendance was 100 per cent.

Name	Role	Date first appointed	Date due for re-election	Meeting attendance (%)
Nina Udnes Tronstad	Chair	May 2019	May 2024	100
Simen Flaaten	Member	16 Nov. 2023	N/A	100
Alf C. Thorkildsen [1]	Member	May 2020	N/A	100

[1] Alf C. Thorkildsen resigned as a Director from the Board on 18 October 2023 and thereby ceased to be a member of the Compensation Committee.

The Board's evaluation of its own work

The Board undertakes an annual assessment of its own performance and expertise, working methods, composition and the manner in which the directors' function. The assessment is made available to the Nomination Committee as a tool for continuous improvement.

10. Risk management and internal control

The Board is responsible for ensuring that sound internal control and risk management systems, that are appropriate for the extent and nature of the Company's activities, are in place. The Board conducts an annual review of all risk areas and the internal control procedures.

The Board and senior executive management manage risks through continuous assessments, reporting and periodic reviews in management and Board meetings, and as part of the rolling strategy and planning processes. These risks and associated sensitivities as well as internal control measures are described in more detail at www.prosafe.com/investor-information/corporate-governance/risk-management and in a separate Risk Management Policy.

The Audit Committee assesses the integrity of Prosafe's accounts and follows up on behalf of the Board on issues related to financial review and external audit of Prosafe's accounts. Furthermore, the Board and the Audit Committee supervise and verify that effective internal control systems are in place, including systems for risk management and financial reporting, and satisfactory routines for following up adherence to the Company's ethical guidelines.

Management maintains a risk and opportunity register that includes all risks of material significance for the Company. This register is reviewed regularly in Board meetings and is followed up by management and the Board in the form of strategies and mitigating actions. The Board conducts also an annual review of all risk areas and the internal control system.

All significant tenders and projects are reviewed by the Company's bid committee. The scope of the reviews includes all aspects which may impact the financial results and good reputation of Prosafe. The bid committee acts to safeguard and support tender processes to ensure client tenders have an acceptable balance between risk and reward, and that awarded projects are driving risk mitigating measures in order to meet quality, delivery and financial targets. The committee has an advisory role towards the tender and subsequent project teams within authorities provided by the Board.

11. Remuneration of the Board

The AGM resolves directors' fees based on the recommendation from the Nomination Committee. The remuneration of the Board reflects its responsibilities, expertise, time commitment and the complexity of the business.

The remuneration of the Board is not linked to the Company's performance and none of the current Board directors have a pension scheme or agreement concerning pay after termination of their office nor have they received any share options.

Information relating to the total remuneration for the Board for 2023 is set out in note 6 of the consolidated accounts and the Board's Director and Remuneration Report attached to the 2023 AGM notice.

Based on the need for directors to be independent of the Company's senior executive management, none of the directors has any specific assignments for Prosafe beyond their role as director.

12. Remuneration of executive personnel

The Board determines the terms of employment of the CEO and senior executive management and has prepared guidelines for salary and other remuneration which are clear and easily understandable and contributes to the Company's commercial strategy, long-term interest and financial viability.

Remuneration for senior executive management comprises three principal elements, base pay, variable pay and other benefits such as pension to ensure convergence of the interests of executive management and shareholders. Prosafe aims to provide a competitive total remuneration to attract and retain senior executives with the desired skills and experience.

The variable pay of senior executive management is performance related and cannot exceed the executive's gross annual salary for the same calendar year. The amount paid to an executive under the short-term incentive program and long-term incentive program combined cannot exceed five times his/her annual fixed cash remuneration in the relevant year. The variable pay is linked to the operations and development of the Company and aligned with the Prosafe's strategy, ethical guidelines and values to support sustainable value creation for shareholders.

The Executive Remuneration report was presented to and adopted by the AGM in 2023. The report was presented for a consultative vote, except for the part regarding guidelines for share-based remuneration or remuneration linked to the Company's share price development which were subject to a separate vote. For further details relating to remuneration paid to senior executive management, see note 6 of the consolidated accounts and the Executive Remuneration Policy available on www.prosafe.com.

13. Information and communication

Prosafe has adopted an investor relations policy which covers guidelines for the Company's contact with shareholders and the financial community. In order to ensure equal treatment of shareholders for the purpose of creating a good basis for a fair and correct pricing of the Company's financial instruments, Prosafe aims to provide clear, up-to-date and timely financial and other information about the Company's operations to the financial market. This shall take place through the timely distribution of price-sensitive information to the market, at all times handled in compliance with applicable market rules and practices.

Prosafe publishes interim reports and presentations on a quarterly basis. Investor presentations in the form of audiocast or webcast are held in connection with the reporting of annual and interim results to give an overview of operational and financial developments an ongoing dialogue is otherwise maintained with analysts and investors. All information distributed to the Company's shareholders is published in English on the Company's website at the same time as it is sent to the Oslo Stock Exchange and www.newsweb.no.

14. Take-overs

There are no defence mechanisms against take-over bids in Prosafe's Articles of Association, nor have any other measures been implemented to specifically hinder acquisitions of shares in the Company. The Board has not established written guiding principles for how it will act in the event of a take-over bid, as such situations normally are specific and one-off by nature, which make a guideline challenging to prepare.

If an offer is made for the Company's shares, the Board will ensure that all shareholders are treated equally and seek to ensure that the Company's activities are not unnecessarily interrupted. The Board will act in the best interest of shareholders and ensure that they have sufficient information and time to assess the offer. The Board will prior to the expiry of the offer period, issue a statement evaluating the offer and make a recommendation as to whether shareholders should or should not accept the offer. In such a situation, Prosafe will act in accordance with the applicable principles for good corporate governance.

15. Auditor

The Company's external auditor is KPMG AS. The auditor is appointed by the general meeting and is independent of Prosafe SE.

Each year, the auditor presents the audit plan for the Company to the Audit Committee. The auditor also meets with the full Board at least once a year in connection with the preparation of the annual financial statements and a review of the financial reporting and internal control procedures, including weaknesses identified by the auditor and proposals for improvement. At least once a year, the independent auditor meets with the Board without the presence of any member of executive management.

The Audit Committee supports the Board in the administration and exercise of its responsibility for supervision of the auditor's work, who shall keep the Board informed of all aspects of its work for Prosafe.

The auditor attends all Audit Committee meetings.

Company policies govern the use of the auditor's services. Use of non-audit services can be approved by the Director of Accounting and Finance up to 15 per cent of the audit fee, and up to 50 per cent of the audit fee by the CFO. Use of the auditor for services other than the audit of Prosafe beyond 50 per cent of the audit fee requires approval by the Audit Committee.

The renumeration of the auditor is approved by the AGM. Fees for audit work and other services are reported by the Board to the general meeting. For more details, see note 7 of the consolidated accounts.

19 March 2024
The Board of Directors of Prosafe SE

This document is signed electronically

Glen Ole Rødland Non-executive Chair	Birgit Aagaard-Svendsen Non-executive Director	Halvard Idland Non-executive Director
Nina Udnes Tronstad Non-executive Director	Gunnar Eliassen Deputy Chair	Terje Askvig Chief Executive Officer

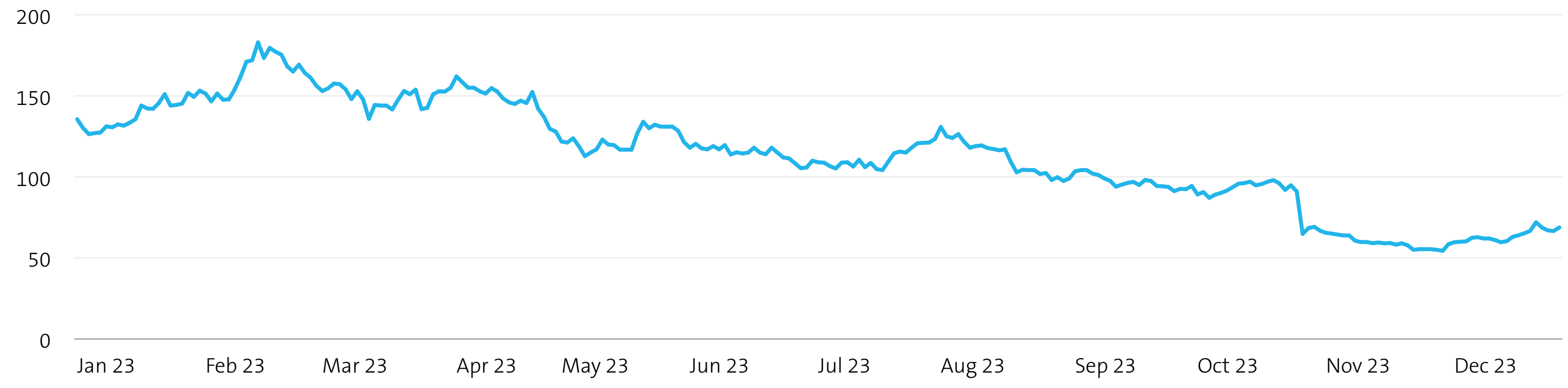
Shareholder information

Share price development

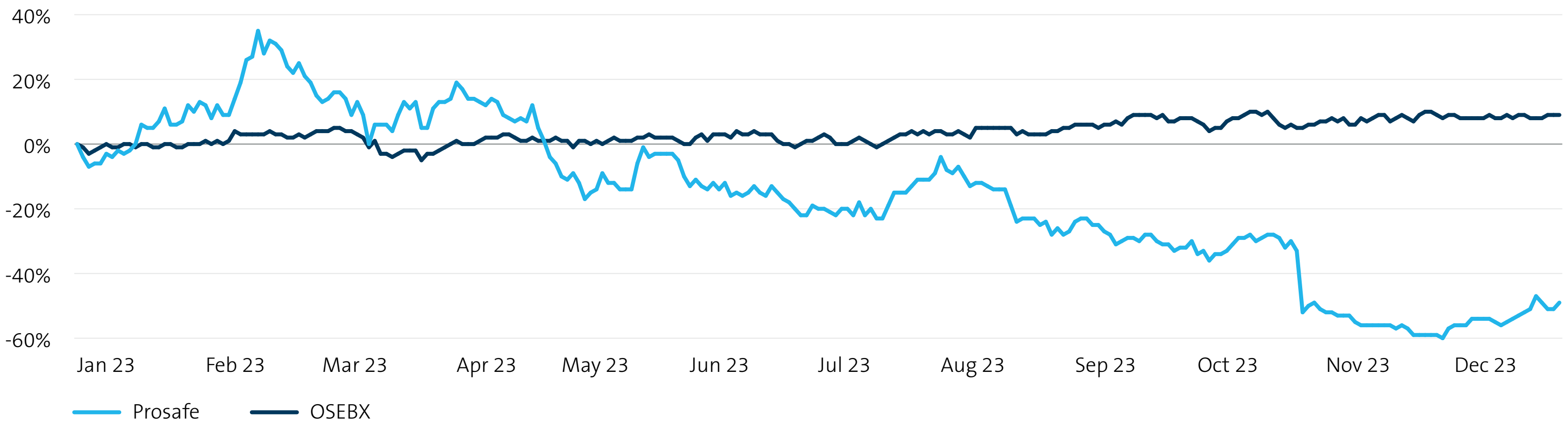
Prosafe has one class of shares. There were 17,868,651 shares issued at the end of 2023, each with a nominal value of EUR 1.25. During the year, the number of shares issued increased by 8,553,333 following the execution of two private placements and one subsequent offering.

In 2023, the Prosafe share traded between NOK 186.2 and NOK 53.5 per share. During the year, 10.1 million shares were traded in total.

Prosafe share price development[1]



Prosafe share price performance vs. OSEBX[1]



[1] Source: Euronext

Major shareholders and voting rights

Prosafe had 4,720 registered shareholders in the Norwegian Central Securities Depository (VPS) on 31 December 2023 (2022: 4,834), whereof the 20 largest shareholders owned 68.0 per cent (77.8 per cent). The percentage of issued shares held by foreign shareholders was 16.7 per cent (10.9 per cent). All the shares registered by name carry equal voting rights. The shares are freely negotiable.

Prosafe's 20 largest shareholders as at 31 December 2023

Shareholder	No of shares	In % of total
Alden AS	1,579,083	8.8%
MH Capital AS	1,559,581	8.7%
North Sea Strategic Investments AS	1,355,363	7.6%
Morgan Stanley & Co. LLC (nominee)	1,185,684	6.6%
HV VI Invest Sierra AS	1,116,565	6.2%
Midelfart Capital AS	574,674	3.2%
Vicama AS	550,030	3.1%
Vicama Capital AS	594,655	3.1%
B.O. Steen Shipping AS	500,000	2.8%
The Bank of New York Mellon SA/NV (nominee)	486,986	2.7%
Cam AS	412,982	2.3%
Songa Capital AS	409,085	2.3%
Verdipapiretfonde DnB SMB	278,891	1.6%
Otto Rongevær	270,647	1.5%
Westcon Yards AS	263,500	1.5%
Gross Management AS	228,667	1.3%
BR Industrier AS	223,992	1.3%
Toluma Norden AS	216,667	1.2%
Eng Invest AS	205,128	1.1%
Varde Norge AS	193,750	1.1%
Others	5,707,721	32.0%
Total	**17,868,651**	**100.0%**

An overview of the 20 largest shareholders is regularly updated and available on the Prosafe website.

Corporate actions

Corporate action	Date
Subsequent Offering raising NOK 31 million in gross proceeds	15.12.23
Completed NOK 350 million private placement	26.10.23
Completed USD 30 million private placement	10.05.23

Dividend Policy

Prosafe's longer term ambition is that its shareholders receive a competitive return on their investment in the Company through a combination of share price appreciation and a direct return in the form of dividends. The Company has not paid dividends since 2015. Under the latest amended and restated loan agreements, following the restructuring in December 2021, dividends may only be paid after obtaining prior written consent of two-thirds of the lenders.

Analyst coverage

Five Norwegian and Nordic investment banks had active coverage of Prosafe at the end of 2023. For contact details, please see the Company website www.prosafe.com

General meetings and board authorisations

At 31 December 2023, the Board of Directors held the following authorisations granted by the general meeting in Prosafe: Authorisation to increase the Company's share capital by up to EUR 72,000. Subject to this aggregate amount of limitation, the authority may be used on more than one occasion. The authorisation may be used in connection with the group's incentive schemes. The authorisation is valid until the ordinary EGM in 2024, and latest 30 June 2024.

Further information can be found in the minutes from the Annual general meeting, available from the Company's website www.prosafe.com and www.newsweb.no.

Financial calendar 2024

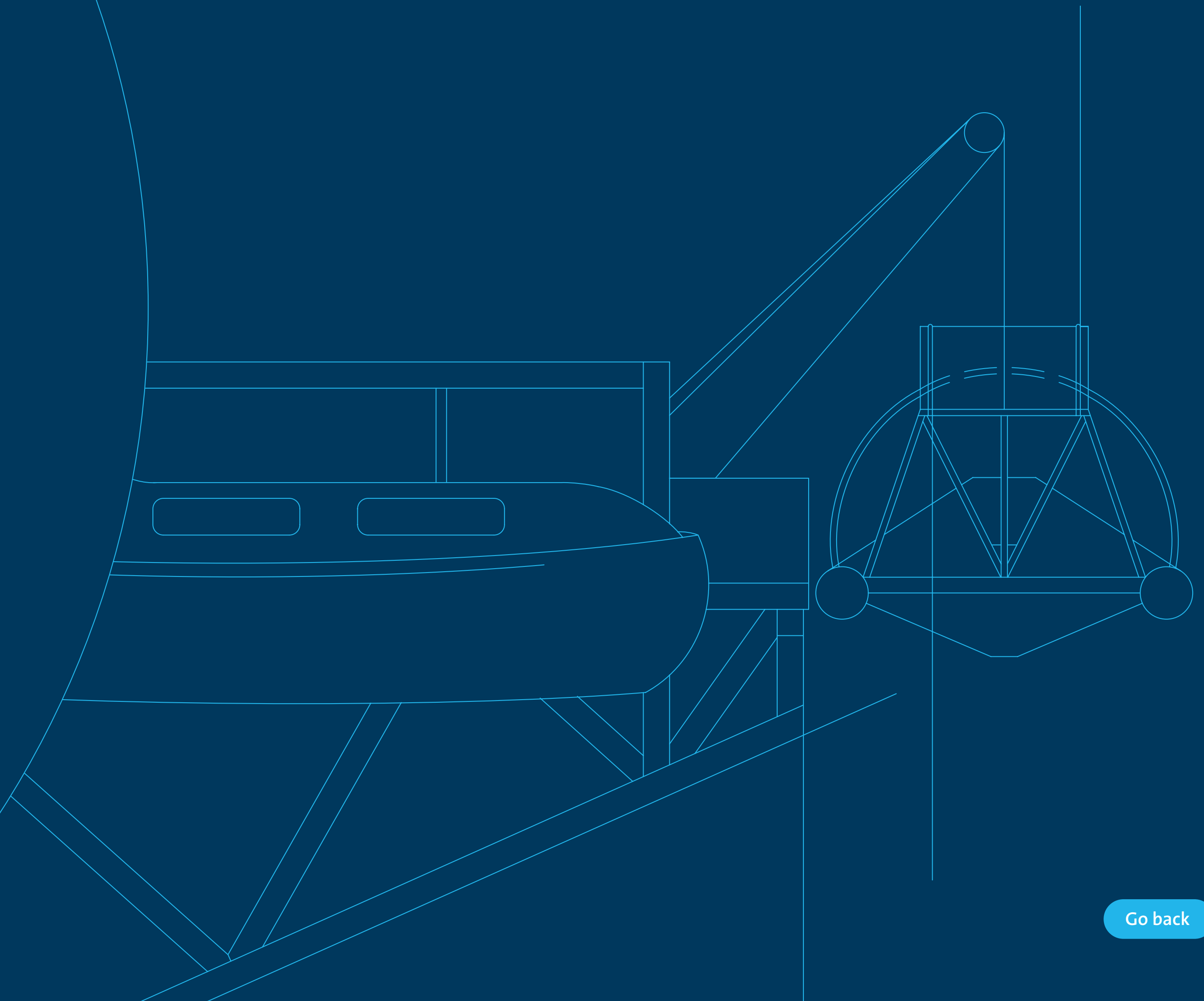
Event	Date
Annual general meeting	07.05.2024
Interim report – Q1	08.05.2024
Half-yearly interim report – Q2	15.08.2024
Interim report – Q3	14.11.2024

Please note that the financial calendar may be subject to changes.

IR Policy

Prosafe's IR policy can be found at www.prosafe.com

Financial statements



Consolidated financial statements

Notes to the consolidated financial statements

Consolidated statement of profit or loss

(USD million)	Note	2023	2022
Charter revenues	4	93.2	169.3
Other operating revenues	4, 5	4.5	29.6
Operating revenues		**97.7**	**198.9**
Employee benefits	6	(45.5)	(59.2)
Other operating expenses	7	(62.7)	(78.3)
Operating (loss)/profit before depreciation		**(10.5)**	**61.4**
Depreciation	8	(31.1)	(29.5)
Operating (loss)/profit		**(41.6)**	**31.9**
Interest income		2.1	0.7
Interest expenses	10	(30.9)	(18.7)
Other financial income	9	0.0	0.6
Other financial expenses	9	(2.8)	(4.7)
Net financial items	10	**(31.6)**	**(22.1)**
(Loss)/Profit before taxes		**(73.2)**	**9.8**
Taxes	11	5.4	(8.3)
Net (loss)/profit		**(67.8)**	**1.5**
Attributable to equity holders of the parent		**(67.8)**	**1.5**
Basic earnings per share (USD)	12	(6.00)	0.17
Diluted earnings per share (USD)[1]	12	(6.00)	0.17

[1] Prosafe currently has no share-based compensation that results in a dilutive effect on earnings per share

Consolidated statement of comprehensive income

(USD million)	2023	2022
Net (loss)/profit for the year	**(67.8)**	**1.5**
Other comprehensive income/(loss)		
Items to be reclassified to profit or loss in subsequent periods:		
Foreign currency translation	1.3	(1.3)
Items that will not be reclassified to profit or loss in subsequent periods:		
Pension remeasurement	(0.1)	(0.1)
Total other comprehensive income/(loss) for the year, net of tax	**1.2**	**(1.4)**
Total comprehensive (loss)/income for the year attributable to equity holders of the parent	**(66.6)**	**0.1**

Consolidated statement of changes in equity

(USD million)	Note	Share capital	Other equity	Foreign currency translation	Total equity
Equity at 31 December 2021		**497.5**	**(490.3)**	**29.1**	**36.3**
Net profit		0.0	1.5	0.0	1.5
Other comprehensive loss		0.0	(0.1)	(1.3)	(1.4)
Total comprehensive income		**0.0**	**1.4**	**(1.3)**	**0.1**
Share-based compensation	13	0.0	0.9	0.0	0.9
Share capital reduction	13	(485.1)	485.1	0.0	0.0
Equity at 31 December 2022		**12.4**	**(2.9)**	**27.8**	**37.3**
Net loss		0.0	(67.8)	0.0	(67.8)
Other comprehensive (loss)/income		0.0	(0.1)	1.3	1.2
Total comprehensive (loss)/income		**0.0**	**(67.9)**	**1.3**	**(66.6)**
Issue of ordinary shares	13	12.4	50.3	0.0	62.7
Share-based compensation	6	0.0	0.4	0.0	0.4
Equity at 31 December 2023		**24.8**	**(20.1)**	**29.1**	**33.8**

The legal form of the share capital and the share premium accounts are reflected in the statement of changes in equity of the accompanying parent financial statements. Other equity includes share premium reserve, capital reduction reserve, share-based compensation reserve and retained earnings.

Consolidated statement of financial position

(USD million)	Note	31/12/2023	31/12/2022
Assets			
Vessels	8, 16	383.7	376.8
Other tangible assets	8	1.8	1.2
Total non-current assets		**385.5**	**378.0**
Cash and deposits	17, 19	74.6	91.6
Debtors	17, 18	14.6	20.6
Other current assets	20	18.0	9.8
Total current assets		**107.2**	**122.0**
Total assets		**492.7**	**500.0**

(USD million)	Note	31/12/2023	31/12/2022
Equity and liabilities			
Share capital	13	24.8	12.4
Other equity		9.0	24.9
Total equity		**33.8**	**37.3**
Interest-bearing non-current liabilities	14, 17, 18	415.5	418.5
Other non-current liabilities	17	1.8	1.9
Total non-current liabilities		**417.3**	**420.4**
Interest-bearing current debt	14, 17, 18	4.0	3.7
Accounts payable	17	4.1	3.1
Taxes payable	11	10.1	18.0
Other current liabilities	15, 17	23.4	17.5
Total current liabilities		**41.6**	**42.3**
Total equity and liabilities		**492.7**	**500.0**

On 19 March 2024, the Board of Directors of Prosafe SE approved
and authorised these financial statements for issue.

Glen Ole Rødland
Chair

Birgit Aagaard-Svendsen
Non-executive Director

Nina Udnes Tronstad
Non-executive Director

Halvard Idland
Non-executive Director

Gunnar Eliassen
Deputy Chair

Terje Askvig
Chief Executive Officer

Consolidated statement of cash flows

(USD million)	Note	2023	2022
Cash flow from operating activities			
(Loss)/Profit before taxes		(73.2)	9.8
(Gain)/Loss on sale of non-current assets		(1.7)	0.5
Depreciation	8	31.1	29.5
Interest income		(2.1)	(0.7)
Interest expenses	14	30.9	18.7
Taxes paid		(2.5)	(1.0)
Share-based compensation		0.4	0.9
Change in working capital		4.6	(10.4)
Other items from operating activities		1.0	1.9
Net cash (used in)/provided by operating activities		**(11.5)**	**49.2**

(USD million)	Note	2023	2022
Cash flow from investing activities			
Net proceeds from disposal of tangible assets		1.7	0.0
Acquisition of tangible assets	8	(37.7)	(10.2)
Interest received		2.1	0.7
Net cash used in investing activities		**(33.9)**	**(9.5)**
Cash flow from financing activities			
Repayments of interest-bearing debt		(6.4)	(4.4)
Interests paid		(28.0)	(14.1)
Issuance of ordinary shares		62.8	0.0
Refinancing costs		0.0	(3.5)
Net cash from/(used in) financing activities		**28.4**	**(22.0)**
Net cash flow		**(17.0)**	**17.7**
Cash and deposits at 1 January		91.6	73.9
Cash and deposits at 31 December	19	**74.6**	**91.6**

Notes to the consolidated financial statements

Note 1 Corporate information and principal activity

Prosafe SE (the 'Company') is a public limited company domiciled in Norway. The registered office of the Company is Forusparken 2, 4031 Stavanger, Norway. The Company is a leading owner and operator of offshore accommodation vessels. The Company is listed on the Oslo Stock Exchange with ticker code 'PRS'.

The consolidated financial statement comprise the financial statements of the Company and its subsidiaries (together referred to as the 'Group').

The consolidated financial statements for the year ended 31 December 2023 were approved and authorised for issue in accordance with a resolution of the Board of Directors on 19 March 2024.

Note 2 Statement of compliance and basis of preparation

The consolidated financial statements have been prepared in accordance with IFRS® Accounting Standards adopted by the European Union and effective as of 31 December 2023. Prosafe also provides additional disclosures in accordance with requirements in the Norwegian Accounting Act. The consolidated accounts have been prepared on a historical cost basis except as otherwise described in the notes below.

The parent Company's functional currency is US dollars (USD) and this is also the reporting currency for the Group, and all amounts have been rounded to the nearest millions, unless otherwise indicated. Adding up rounded figures and calculating percentage rate of changes may result in slight differences compared with totals arrived at by adding up component figures which have not been rounded.

The accounting policies adopted are consistent with those in the previous financial years.

Critical judgements, estimates and assumptions

The preparation of the Group's consolidated financial statements requires Management to make critical judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

The estimates and assumptions are assessed on a continuous and regular basis. Revisions to estimates are recognised prospectively.

A. Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements are disclosed below.

Going concern. The Board of Directors has at the time of approving the financial statements, a reasonable expectation that the Group have adequate resources to continue in operational existence for the foreseeable future. The Group faced substantial investments in 2023 due to the mobilisation of vessels for new contracts that commenced in 2023, a special periodic survey and contract compliance works. A private placement was successfully done in May 2023 to fund the shortfall in liquidity needed for these investments. At the end of 2023 a second private placement, followed by a subsequent offering, was conducted to mitigate a risk of covenant breach and potential liquidity shortfall from Q1 2024. Future financing needs and compliance with the financial covenants will depend on the timing, location and terms of potential future contract awards and amount of associated mobilisation, modification and working capital required. If the Group does not comply with the minimum liquidity covenant in its financing agreements, the lenders may accelerate the repayment of the financing and the Group will be dependent on the creditors to agree to waive such rights.

Management is using a forecast model to monitor and forecast the Company's performance and liquidity situation on a rolling 12-month basis. The base case that is used to assess going concern is based on revenue from firm contracts and options if considered likely to be exercised by clients. All known and expected capex and opex is included in the forecast. This base case forecast show that the Group will be able to comply with the covenant requirement until Q1 of 2025. There is a risk of liquidity shortfall relating to potential contracts with commencement in 2025, however this will also depend on the charter hire profile (payment terms) offered to potential clients for work in 2025. The Board of Directors are of the opinion that the Company will be able to comply with the minimum liquidity covenant at least through 2024 based on existing contracts. The Board of Directors are also confident that the Group / Company will be able to refinance its debt before maturity in December 2025.

Thus, they continue to adopt the going concern basis of accounting in preparing the financial statements.

Impairment / reversal of impairment of non-financial assets. Management monitors the performance indicators on an ongoing basis. Every vessel is seen as an individual cash generating unit (CGU) as they generate cash inflows that are largely independent of those from other assets or groups of assets. At each reporting date, management reviews and determines whether there is any indication of impairment or impairment reversal of the CGU. If any such indication exists, or when annual impairment testing for an asset is required, the asset's recoverable amount is estimated. Changes in the circumstances or expectations of future performance of an individual asset may be an indicator that the asset is impaired, requiring the carrying amount to be written down to its recoverable amount.

Impairments are reversed if conditions for impairment are no longer present. Evaluating whether impairment indicators are present, if an asset is impaired or if an impairment should be reversed requires a high degree of judgement.

Impairment of shares in subsidiaries. The impairment indicator assessment mentioned above impacts the impairment indicator assessment for the shares in vessel-owning subsidiaries. Hence, impairment of shares in subsidiaries is a significant estimate required for the preparation of the parent Company accounts.

B. Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties at the reporting date that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are disclosed below.

Depreciation. Estimated useful life of the Group's accommodation/service vessels is set at 35 years or less dependent on the age at the time of acquisition and subsequent refurbishments. Individual components may, however, be depreciated over shorter periods of time. Refer to note 8 for details.

Changes in material accounting policies

Changes to the Standards and interpretations of Standards that are required to be adopted in annual periods beginning on 1 January 2023 did not have any impact on the amounts recognised in prior periods and are not expected to have any significant impact to the current or future periods.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12) – The Group has adopted Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12) from 1 January 2023. The amendments to IAS 12 Income Tax narrow the scope of the initial recognition exception, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences such as leases.

The amendments had no impact on the Group's consolidated financial statements.

Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) – The Group also adopted Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) from 1 January 2023. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements.

The amendments require the disclosure of "material", rather than "significant", accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

Management reviewed the accounting policies and made updates to the information disclosed in Note 3 Material accounting policies (2022: Significant accounting policies) in certain instances in line with the amendments.

Standards issued but not yet effective, which the Group has not yet adopted

A number of amendments and improvements to standards have been issued and are effective for annual periods beginning after 1 January 2024 and earlier application is permitted; however, the Group has not adopted the new or amended standards in preparing these consolidated accounts earlier. The Group's assessment is that the following new or amended standards and interpretations are not expected to have a material impact to the Group in the current or future reporting periods or on foreseeable future transactions upon adoption:

- Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants (Amendments to IAS 1)
- Lease Liability in a Sale and Leaseback – Amendments to IFRS 16
- Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7

Note 3 Material accounting policies

Basis of consolidation. The consolidated financial statements comprise the financial statements of the parent Company and its subsidiaries. Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost. The financial statements of the subsidiaries are prepared for the same reporting period as the parent Company, using consistent accounting policies.

All intra-group balances, income and expenses, unrealised gains and losses and dividends resulting from intra-group transactions are eliminated in full.

Foreign currency translation. The presentation currency is USD. This is also the functional currency for the parent Company. Transactions in other currencies than the functional currency are translated at the exchange rate prevailing at the transaction date. Monetary items in other currencies than the functional currency are translated to the functional currency at the exchange rate on the reporting date, and the currency difference is recognised in the profit and loss account. Non-monetary items in currencies other than the functional currency are translated at the exchange rate at the transaction date.

When consolidating companies with a functional currency other than USD, profit and loss items are translated at the monthly average exchange rate, while statement of financial position items are translated at the exchange rate on the reporting date. Translation differences are recognised in other comprehensive income. On disposal of a foreign operation, the deferred cumulative amount recognised in other comprehensive income relating to that particular operation, is recognised in the statement of profit or loss.

Segment reporting. For management and monitoring purposes, the Group is organised into one segment; chartering and operation of accommodation/service vessels. For geographical information, reference is made to note 4.

Revenue recognition

Type of Product/Service	Nature and timing of satisfaction of performance, including significant payment terms	Revenue recognition
Charter income/ Mobilisation income/ Demobilisation income/ Lump sum fee	The Group charters the accommodation vessels to customers for an agreed period. The Group does not convey the right to control the use of the asset to the customers and none of the contracts are accounted for as a lease. The invoices are issued on a monthly basis or based on the contractual terms and are normally payable within 30 days.	The activities giving rise to mobilisation, demobilisation and re-phasing are not a distinct performance obligation in itself and are highly interdependent on the charter activities. These activities are necessary for the Group to perform its service in providing the accommodation vessels to the customer. These incomes, together with charter income and bareboat income, are considered as a single performance obligation and the revenue are collectively recognised over the contract period according to the terms of the agreement and in the period the work is performed. In addition, any additional fees arising from suspension or deferment of contracts will be deferred and amortised over the contract period when the performance obligations are met. The deferred revenue is included in the contract liabilities.
Management, crew services, catering and other related income	The Group provides optional services upon request from the customer. The invoices are issued on a monthly basis or based on the contractual terms and are payable normally within 30 days.	These incomes are recognised over time when performance obligations are met. The related costs are recognised in profit or loss when they are incurred.

The Group has reviewed its contracts with customers and concluded that these contracts do not contain a lease. If another conclusion determined that these contracts contain a lease, there will not be any significant difference in the accounting of revenue.

The Group has assessed that the costs to perform mobilisation and demobilisation activities are costs that has incurred in fulfilling a contract with the customer. These costs relate directly to a contract, generate resources used in satisfying the contract and are expected to be recovered. The costs are therefore capitalised as costs to fulfil a contract and amortised on a systematic basis over the contract period, please see note 8 for further details.

Interest income is recognised on a time-proportion basis using the effective interest method. Interest income is included in financial items in the statement of profit or loss.

Dividend income is recognised when the right to receive payment is established.

Provisions are recognised when, and only when, the Group has a present obligation as a result of events that have taken place, and it can be proven probable that a financial settlement will take place as a result of this liability, and that the size of the amount can be measured reliably. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost. Provisions are reviewed on each balance sheet date and their level reflects the best estimate of the liability. When the Group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of profit or loss net of any reimbursement.

For onerous contracts, provisions are made when unavoidable cost of meeting the obligations under the contract exceed the economic benefit to be received under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract, which is determined based on the incremental costs of fulfilling the obligation under the contract and an allocation of other costs directly related to fulfilling the contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract.

Tangible assets are recognised at cost less cumulative depreciation and accumulated impairment losses, if any. Assets are depreciated on a straight-line basis over their estimated useful lives, with account taken of their estimated residual value. Management makes annual assessments of residual value, methods of depreciation and the remaining useful life of the assets. Components of an asset which have an estimated shorter life than the main component of the asset are accordingly depreciated over this shorter period. Acquisition cost comprises of fixed or variable consideration and includes costs directly attributable to the acquisition of the assets. Subsequent adjustment to variable consideration is recognised as a corresponding adjustment to the acquisition cost. Subsequent expenditures are added to the book value of the asset or accounted for on a separate basis, when it is likely that future benefits would derive from the expenditures. The vessels are subject to a periodic survey every five years, and associated costs are amortised over the five-year period to the next survey. Other repair and maintenance costs are expensed in the period they are incurred.

Expenditures for new builds are capitalised, including instalments paid to the yard, project management costs, and costs relating to the initial preparation, mobilisation and commissioning until the vessel is placed into service. In accordance with IAS 23, borrowing costs are capitalised on qualifying asset.

Tangible fixed assets are depreciated on a straight-line basis over their useful lifetime as follows:

- Semi-submersible vessels:
  - Superstructure: 35 years or less
  - Living quarters and other equipment: 5 to 35 years
  - Periodic maintenance: 5 years
- Right-of-use assets (leases): 3 to 5 years
- Equipment: 3 to 5 years

Impairment of non-financial assets. The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. Every vessel is seen as an individual CGU. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a post-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available.

The Group bases its impairment calculation on a detailed forecast calculation which is prepared for the Group's cash generating units. The forecast calculation is generally covering a period of five years and a terminal value. In 2022 and 2023, there was no valuation-in-use calculation as there were no impairment indicators. The value-in-use calculation was last performed and disclosed in 2020.

For non-financial assets, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's recoverable amount. A previously recognised impairment loss is reversed only if there has been a significant change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Management has not identified any indicators for reversal of impairment as at the end of the reporting period, please see note 8 for further details.

Financial assets

Initial recognition

Trade receivables are initially recognised when they are originated. All other financial assets are initially recognised when the Group becomes a party to the contractual provision of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) is initially measured at fair value plus, for an item not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

Classification and measurement

On initial recognition, a financial asset is classified as measured at amortised cost as it meets both of the following conditions and is not designated as at FVTPL:

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

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the changes in the business model.

Subsequent measurement and gains and losses

Financial assets at amortised cost are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Derecognition
A financial asset is derecognised when the contractual rights to the cash flows from the financial asset expire or it transfers the rights to receive the contractual cash flows in a transaction which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Impairment of financial assets
The Group recognises loss allowances for expected credit losses on:
- Financial assets measured at amortised cost

Loss allowances for trade receivables and assets are always measured at an amount equal to lifetime expected credit losses.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Group considers reasonable and supportable information that is relevant and available without undue cost of effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

The Group considers a financial asset to be in default when:
- The borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- The financial asset is more than 90 days past due.

Measurement of expected credit losses:
- For trade receivables, the Group applies the simplified method of credit reserves, i.e. the reserve will correspond to the expected loss over the whole life of the trade receivable. In order to measure the credit losses, trade receivables are grouped based on credit risk characteristics of its customer. The Group applies forward-looking variables for expected credit losses.
- Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive).
- Expected credit losses are discounted at the effective interest rate of the financial asset.

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired, which is when one or more events that have a detrimental impact on the estimated future cash flow of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:
- Significant financial difficulty of the borrower or issuer;
- A breach of contract such as default or being more than 90 days past due;
- The restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- It is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- The disappearance of an active market for a security because of financial difficulties.

Loss allowances of expected credit losses for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets as in the statement of financial position.

Derecognition of financial assets
The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For customers, the Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amount due.

Financial liabilities
Initial recognition
Financial liabilities within the scope of IFRS 9 are classified as financial liabilities measured at amortised cost. The Group determines the classification of its financial liabilities at initial recognition. Financial liabilities are recognised initially at fair value and, in case of loans and borrowings, net of directly attributable costs. The Group's financial liabilities include non-derivative financial instruments (trade and other payables, loans and borrowings, and financial guarantee contracts).

Subsequent measurement and gains and losses
Financial liabilities at amortised costs are subsequently measured at amortised cost using the effective interest method. If there is a change in the timing or amount of estimated cash flows, the amortised cost of the financial liability is adjusted in the period of change to reflect the revised actual and estimated cash flows, with a

corresponding income or expense being recognised in profit or loss. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Derecognition

A financial liability is derecognised when the contractual obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

Fair value of financial instruments. The fair value of financial instruments that are actively traded in organised financial markets is determined by reference to quoted market bid prices at the close of business on the balance sheet date. For financial instruments where there is no active market, fair value is determined using valuation techniques. Such techniques may include using recent arm's length market transactions, reference to the current fair value of another instrument that is substantially the same, discounted cash flow analysis or other valuation models.

Employee benefits

Defined contribution plans

Companies within the Group make contributions to pension schemes that are defined contribution plans. The companies' payments are recognised in the statement of profit or loss for the year to which the contribution applies.

Share-based compensation arrangements

The Group operates an equity-settled, share-based compensation plan. The grant-date fair value of equity-settled share-based compensation arrangements granted to employees is recognised as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service at the vesting date.

At each balance sheet date, the Group revises its estimates of the number of shares under options that are expected to become exercisable on the vesting date and recognises the impact of the revision of the estimates in profit or loss, with a corresponding adjustment to the equity over the remaining vesting period. When the options are exercised, the proceeds received (net of transaction costs) and the related balance previously recognised in the equity are credited to the share capital account, when new ordinary shares are issued, or to the "treasury shares" account, when treasury shares are re-issued to the employees.

Borrowing costs. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. Capitalised borrowing costs are calculated using the effective interest method.

Leases. A lease is defined as a contract that conveys the right to control the use of an identified asset for a period in exchange for consideration. For each contract that meets this definition, the lessees will recognise a right-of-use asset and a lease liability in the balance sheet with certain exemptions for short term and low value leases. Lease payments are to be reflected as interest expense and a reduction of lease liabilities, while the right-of-use assets are to be depreciated over the shorter of the lease term and the assets useful life. The portion of lease payments representing payments of lease liabilities and interest expense shall be classified in line with the policy elected for other interest payments in the statement of cash flows.

Lease liabilities are measured at the present value of remaining lease payments, discounted using the incremental borrowing rate. At initial recognition, right-of-use assets are measured at an amount equal to the lease liability.

Lease liabilities for the Group comprise of leases of offices, warehouses, and other IT infrastructure and office equipment. The Group separately expenses variable expense services and other non-lease components embedded in lease contracts for office buildings and warehouses. For leases of other assets, the Group capitalises non-lease components subject to fixed payments as part of the lease.

The Group applies the general short-term exemption for leases of offices, and office equipment. Leases with a lease term of 12 months or less that do not contain a purchase option are expensed as short-term leases.

The Group also applies the general low value exemption for leases of office equipment. This applies for all leases where the value of the underlying asset is below USD 5,000. These low value leases of such assets will not be capitalised and that lease payments are expensed in profit or loss.

Income taxes in the statement of profit or loss include taxes payable and changes in deferred tax. Deferred tax is calculated based on temporary differences between book and tax values that exist at the end of the period. Deferred tax asset is recognised in the statement of financial position when it is probable that the tax benefit can be utilised. Deferred tax and deferred tax asset are measured at nominal value.

Income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered or paid to the tax authorities. Deferred tax liabilities are measured at the tax rates that are expected to apply in the year when the liability is settled, based on tax rates that have been enacted or substantively enacted at the reporting date. Deferred tax is provided using the liability method. Deferred tax assets and liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same tax authority.

Cash and deposits comprise cash at banks and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

Dividend distribution to the shareholders is recognised in the financial statements on the date on which the shareholders' right to receive payment is established.

Shareholder's equity. Any difference between the issue price of share capital and the nominal value is recognised as share premium. The costs incurred attributable to the issue of share capital are deducted from equity. Share options that will be settled by the Company by delivering a fixed number of its own equity instruments in exchange for a fixed amount of cash are equity instruments and recognised in equity. The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

Note 4 Segment reporting and contract balances

The Group has one segment, which is chartering and operation of accommodation vessels for maintenance and safety.

Operating revenues by geographical location	2023	2022
South America	79.0	105.8
North America	15.2	0.0
Europe	3.5	93.1
Total operating revenues	**97.7**	**198.9**

The revenue allocation is based on place of operation of the vessel.

	2023		2022	
Operating revenues by major customers	USD	Percentage[1]	USD	Percentage[1]
South America 1	79.0	80.9%	52.7	26.5%
South America 2	0.0	0.0%	43.3	21.8%
North America	15.2	15.6%	0.0	0.0
Europe 1	0.2	0.2%	29.5	14.8%
Europe 2	0.0	0.0%	46.9	23.6%

[1] Percentage of total revenues

Total non-current assets by geographical location	2023	2022
South America	285.6	213.8
North America	17.3	0.0
Europe	82.6	164.1
Asia	0.0	0.1
Total non-current assets	**385.5**	**378.0**

Contract balances	31.12.23	31.12.22	01.01.22
Trade receivables from charters	14.6	20.6	14.1
Contract assets	6.5	2.0	0.3
Contract liabilities	0.9	0.0	1.1

The contract assets relate to costs directly related to a contract used in satisfying performance obligations in the next 12 months from the balance sheet date. The contract assets are amortised to expenses over the performance obligation of the contract or recognised as a deduction of revenue over the performance obligation of the contract. The contract liabilities relate to deferral fees or upfront consideration received from customers. The contract liabilities are recognised as revenue over the performance obligation of the contract.

Significant changes in the contract assets and the contract liabilities during the year are as follows:

	Contract assets		Contract liabilities	
	2023	2022	2023	2022
Revenue from recognition of the opening balance	0.0	0.0	0.0	(1.1)
Revenue deduction from recognition of the opening balance	(2.0)	(0.3)	0.0	0.0
Consideration received during the year not recognised as revenue	0.0	0.0	0.9	0.0
Rights to consideration for work completed but not billed	0.0	2.0	0.0	0.0
Capitalised costs to fulfill contract used in satisfying performance obligations in the next 12 months	6.5	0.0	0.0	0.0

The below table includes the Group's firm order book, consisting of performance obligations that are unsatisfied or partially satisfied as at the end of the reporting period.

Chartering and operation of accommodation vessels	< 12 months	1–2 years	More than 2 years	Total
31 December 2023	118.8	63.2	56.6	238.6
31 December 2022	96.8	116.4	118.7	331.9

Variable considerations that are constrained and not considered in the transaction price are excluded from the table above.

Note 5 Other operating revenues

	2023	2022
Gain/(loss) on sale of non-current assets	1.7	(0.5)
Management, crew services, catering and other related income	2.8	30.1
Total other operating revenues	**4.5**	**29.6**

Note 6 Employee benefits and senior executive management remuneration

	2023	2022
Wages and salaries	18.3	19.1
Contract personnel	12.7	27.1
Other personnel-related expenses	8.2	7.0
Social security taxes	4.6	3.4
Pension expenses	0.9	1.2
Share-based compensation expense	0.4	0.9
Other remuneration	0.4	0.5
Total employee benefits	**45.5**	**59.2**

Number of employees

The average number of employees in the Group for 2023 was 227 (2022: 192). The average number of employees by legal entity was as follows.

	2023	2022
Prosafe Offshore Limited	56	79
Prosafe Services Maritimos Ltda	141	88
Prosafe AS	7	6
Prosafe Offshore Holdings Pte. Ltd.	10	8
Prosafe SE	2	2
Safe Eurus Singapore Pte. Ltd.	11	9
Total average number of employees	**227**	**192**

Variable pay scheme

The senior executive management and selected employees hold incentive agreements which may lead to a variable payment. The variable pay depends on achieving defined targets relating to earnings, cost efficiency targets, long-term strategic targets, operational performance and HSE performance.

Severance pay

Members of the senior executive management may be guaranteed a remuneration corresponding to the gross annual fixed base salary at the time of termination for a period up to 12 months beyond a notice period of up to 6 months.

In accordance with the code of practice for corporate governance recommended by the Oslo Stock Exchange, remuneration for the Board of Directors and senior executive management is specified below and in a separate report from the Board of Directors.

Share options

A. Description and fair value of share option programmes (equity-settled)

In 2022, the Group initiated a long-term incentive program where senior executive management and selected employees were granted options to subscribe for ordinary shares of Prosafe SE. On 28 March 2023 and 6 October 2023, the Group repriced the strike price of options granted to senior executive management and selected employees. In 2023, new share options were offered to senior executive management and selected employees.

The key terms and conditions as of 31 December 2023 are as follows:

Grant date/ employees entitled	Commencement date	Number of share options issued	Vesting conditions
Options granted to senior executive management			
On 11 May 2022	10 February 2022	100,000	Vested equally over 24, 36 and 48 months from commencement date
On 19 August 2022, repriced on 28 March 2023	19 August 2022	100,000	
On 26 July 2023	1 November 2023	220,000	Vested equally over 12, 24 and 36 months from commencement date
On 6 October 2023	1 November 2023	20,000	
Options granted to employees			
On 11 May 2022, repriced on 6 October 2023	11 May 2022	80,000	Vested equally over 24, 36 and 48 months from commencement date
On 6 October 2023	1 November 2023	40,000	Vested equally over 12, 24 and 36 months from commencement date
On 6 November 2023	6 November 2023	20,000	
Total share options		**580,000**	

As at 31 December 2023, a total of 580,000 (2022: 450,000) options are issued, each option allowing the holder to subscribe to one ordinary share in the Company.

B. Measurement of fair values

The fair value of an option granted was estimated using the Black Scholes option-pricing model and the transactions are accounted for as equity-settled share-based compensation.

The inputs used in the measurement of the fair values at grant date/repricing date of the equity-settled share-based compensation plans were as follows.

Grant date/ employees entitled	Fair value at grant date/ repricing date (in NOK)	Share price at grant date/ repricing date (in NOK)	Exercise price (in NOK)	Expected volatility	Expected life	Risk-free interest rate (based on government bonds at grant date)
2023						
Options granted to senior executive management						
On 11 May 2022	98.85	178.00	83.00	20%	4.75 years	2.76%
On 19 August 2022, repriced on 28 March 2023	89.31	151.04	146.50	20%	4.40 years	2.90%
On 26 July 2023	34.29	120.82	109.13	20%	4.27 years	4.01%
On 6 October 2023	13.74	90.12	109.13	20%	4.07 years	4.26%
Options granted to employees						
On 11 May 2022, repriced on 6 October 2023	58.63	90.12	109.13	20%	3.60 years	4.21%
On 6 October 2023	13.74	90.12	109.13	20%	4.07 years	4.26%
On 6 November 2023	2.79	63.85	109.13	20%	4.00 years	3.92%
2022						
Options granted to senior executive management						
On 11 May 2022	98.85	178.00	83.00	20%	4.75 years	2.76%
On 19 August 2022	58.77	237.50	237.50	20%	5.00 years	3.18%
Options granted to employees						
On 11 May 2022	42.40	178.00	178.00	20%	5.00 years	2.76%

Expected volatility has been based on implied oil price volatility. The expected term of the instruments has been based on the maturity of options.

C. Reconciliation of outstanding share options

	2023		2022	
	Number of options	Weighted-average exercise price (NOK)	Number of options	Weighted-average exercise price (NOK)
Outstanding at 1 January	450,000	138.44		
Cancelled during the year	(170,000)	94.18		
Repriced during the year	(180,000)	211.06		
	180,000	129.89		
Granted during the year	300,000	109.13	450,000	138.44
Outstanding at 31 December	**580,000**	**111.06**	**450,000**	**138.44**
Exercisable at 31 December				

The options outstanding at 31 December 2023 had an exercise price in the range of NOK83.0 to NOK146.5 (2022: NOK 83.0 to NOK237.5) and remaining contractual life in the range of 3.1 years to 3.8 years (2022: 4.1 years to 4.6 years).

There were no options exercised in 2022 and 2023.

D. Expense recognised in profit or loss

A share-based compensation expense of USD 0.4 million was recognised for 2023 (2022: USD 0.9 million).

Senior Executive Management

(USD 1,000)	Year	Salary	Variable pay	Pension	Other benefits	Total
Terje Askvig – CEO (from November 2023)	2023	86	50	5	5	146
Jesper Kragh Andresen – CEO (until April 2023)	2023	446	0	10	12	468
	2022	357	95	43	19	514
Reese McNeel – CFO (Interim CEO/CFO from May 2023–October 2023)	2023	348	90	30	4	471
	2022	131	60	17	0	208
Ryan Stewart – CCO (COO to July 2023 and CCO from July 2023)	2023	360	55	36	3	454
	2022	342	95	34	2	473

Board of Directors

(USD 1,000)	2023	2022
Glen Ole Rødland (Chair)	112	115
Alf C. Thorkildsen (Deputy Chair) (until October 2023)	75	94
Birgit Aagaard-Svendsen	100	95
Nina Udnes Tronstad	84	85
Simen Flaaten (from June 2023–February 2024)	41	0
Halvard Idland [1]	77	52
Gunnar Eliassen (from February 2024)	0	0
Total [2]	**489**	**441**

[1] Director from May 2022, Deputy Director from June 2023–November 2023 and Director from November 2023

[2] If applicable, figures include compensation from the audit committee and compensation committee.

Note 7 Other operating expenses

	2023	2022
Repair and maintenance	21.8	20.8
Other vessel operating expenses	34.8	52.0
General and administrative expenses [1]	6.1	5.5
Total other operating expenses	**62.7**	**78.3**

Auditors' remuneration

(USD 1,000)	2023	2022
Auditing	448	375
Audit related services	0	9
Total auditors' remuneration	**448**	**384**

[1] Auditors' remuneration are included in general and administrative expenses. Fees for audit related services in 2022: USD 9,000 were related to compliance and pre-liquidation stage services offered to the group companies by the statutory auditor.

Note 8 Tangible assets

	Vessels	New builds	Equipment	Right-of-use assets	Total
Cost as at 31 December 2021	**2,602.8**	**60.7**	**3.7**	**1.8**	**2,669.0**
Additions [1]	9.0	0.0	0.0	0.0	9.0
Disposals	(14.4)	0.0	0.0	0.0	(14.4)
Currency translation differences	0.0	0.0	0.0	(0.2)	(0.2)
Cost as at 31 December 2022	**2,597.4**	**60.7**	**3.7**	**1.6**	**2,663.4**
Additions	37.2	0.0	0.5	0.8	38.5
Disposals	0.0	0.0	0.0	(0.1)	(0.1)
Currency translation differences	0.0	0.0	0.0	0.1	0.1
Cost as at 31 December 2023	**2,634.6**	**60.7**	**4.2**	**2.4**	**2,701.9**
Accumulated depreciation and impairment 31 December 2021	**2,205.8**	**60.7**	**2.9**	**0.4**	**2,269.8**
Depreciation for the year	28.7	0.0	0.4	0.4	29.5
Disposals	(13.9)	0.0	0.0	0.0	(13.9)
Accumulated depreciation and impairment 31 December 2022	**2,220.6**	**60.7**	**3.3**	**0.8**	**2,285.4**
Depreciation for the year	30.3	0.0	0.4	0.4	31.1
Disposals	0.0	0.0	0.0	(0.1)	(0.1)
Accumulated depreciation and impairment 31 December 2023	**2,250.9**	**60.7**	**3.7**	**1.1**	**2,316.4**
Net carrying amount 31 December 2023	**383.7**	**0.0**	**0.5**	**1.3**	**385.5**
Net carrying amount 31 December 2022	**376.8**	**0.0**	**0.4**	**0.8**	**378.0**
Economically useful life (years)	**5–35**		**3–5**	**3–5**	

[1] Additions in 2022 included a non-cash transaction of -USD 1.2 million relating to a change in the fair value of the sellers credit based on revised estimates of the repayment schedule (See note 14).

New builds

New builds include prepayments to the yard, owner-furnished equipment and other project costs incurred. See note 22 for details relating to the new builds.

Vessels

Estimated useful life for the semi-submersible accommodation vessels is set at 35 years or less dependent on the age at the time of the acquisition and subsequent refurbishments as the economic life varies for the various components on a vessel. Individual components may, however, be depreciated over shorter periods of time than the life of the vessel itself. The management has assessed the Group's vessels residual value to remain the same as prior year at USD 4.2 million based on the latest assumptions and factors from past recycling transactions. This estimate is primarily based on average steel prices and costs associated with scrapping and is reviewed on an annual basis.

Impairment

The key indicator assessment as at year-end 2023 is the development in the market environment for offshore accommodation vessels. The demand in 2023 was low as anticipated, with only one accomodation unit working on the Norwegian Continental Shelf. For 2024, the Group sees a continuing slow North Sea market, while it sees 2025 and beyond as years with good opportunities as the capacity, especially in the North Sea is very limited. From 2024, the Group will have four vessels on contract, and two of them continuing through 2025. Management is confident that the vessel coming off contract in Brazil in early 2025 will either be recontracted in Brazil or in the North Sea. Assuming a recontracting in Brazil, the Safe Boreas will be the only available accommodation vessel capable of operating on the Norwegian Continental Shelf in 2025 during the summer season. As we have seen signs of improvement during the year, both in number of awarded contracts and higher day-rates, they are still not significantly higher than those used in our historical value-in-use calculation.

Other external sources also include broker valuations of the accommodation vessels which also do not indicate a significant change from prior periods. On this basis, the Group has not identified indicators of impairment nor impairment reversal and hence no value-in-use calculation was performed.

Note 9 Other financial items

	2023	2022
Currency gain	0.0	0.6
Total other financial income	**0.0**	**0.6**
Currency loss	(1.7)	0.0
Other financial expenses[1]	(1.1)	(4.7)
Total other financial expenses	**(2.8)**	**(4.7)**

[1] In 2022, refinancing costs of USD 3.5 million were incurred in relation to the Cosco global deed settlement.

Note 10 Financial items

	2023			2022		
	Financial assets measured at amortised cost	Financial liabilities measured at amortised cost	Total	Financial assets measured at amortised cost	Financial liabilities measured at amortised cost	Total
Interest income (a)	**2.1**	**0.0**	**2.1**	**0.7**	**0.0**	**0.7**
Currency gain [1]	0.0	0.0	0.0	0.0	0.0	0.6
Total other financial income (b)	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.6**
Amortisation of amortised costs		(3.8)	(3.8)		(3.9)	(3.9)
Debts interest expenses		(27.1)	(27.1)		(14.8)	(14.8)
Total interest expenses (c)		**(30.9)**	**(30.9)**		**(18.7)**	**(18.7)**
Currency loss [1]		0.0	(1.7)		0.0	0.0
Other financial expenses		(1.1)	(1.1)		(4.7)	(4.7)
Total other financial expenses (d)		**(1.1)**	**(2.8)**		**(4.7)**	**(4.7)**
Net financial items (a)+(b)+(c)+(d)	**2.1**	**(32.0)**	**(31.6)**	**0.7**	**(23.4)**	**(22.1)**

[1] Excluded from the category breakdown but added to the total for net effect.

Note 11 Taxes

Income tax expenses	2023	2022
Taxes in income statement		
Taxes payable	2.4	8.3
Reversal of provision	(7.8)	0.0
Total taxes in income statement	**(5.4)**	**8.3**
Reconciliation of effective tax rate (IAS 12.81)		
Tax rate in Norway (parent Company tax jurisdiction)	22.0%	22.0%
(Loss)/Profit before taxes	(73.2)	9.8
Tax based on applicable tax rate	(16.1)	2.2
Tax on income not taxable in determining taxable profit	(1.0)	(13.8)
Tax effect of non-deductible expenses	0.1	1.1
Tax effect due to changes in unrecognised deferred tax assets	17.0	10.5
Over provision in prior year tax	(7.8)	0.0
Effect of tax in other jurisdictions	2.4	8.3
Total taxes in income statement	**(5.4)**	**8.3**

Deferred tax – Specification and movements	2023	2022
Temporary differences		
Exit from Norwegian tonnage tax system	5.7	7.1
Vessel tax base exceeds net book value	(450.5)	(535.7)
Tax loss carried forward	(1,173.7)	(1,030.3)
Loss account for deferral	(131.1)	(185.5)
Basis for deferred tax	**(1,749.6)**	**(1,744.4)**
Recognised deferred tax asset	**0.0**	**0.0**
Deferred tax liability 1 January and 31 December	0.0	0.0
Tax payable as at 31 December	**10.1**	**18.0**

The corporate tax rate in Norway for 2023 is 22 per cent (2022: 22 per cent).

Deferred income tax assets and liabilities are offset as all the temporary differences are within the Norway tax resident entities that comprise a tax group. Within the tax group there is a legally enforceable right to set off current tax assets against current tax liabilities. There is no expiry date on the temporary differences and tax loss carried forward.

The value of the deferred tax assets is not recognised in the accounts as the probability of having sufficient future taxable profit to utilise the deferred tax assets as tax deductions cannot be established.

The total tax payable in the income statement and as at 31 December resulted from the Group's operations in other parts of the world which were subjected to tax in jurisdictions other than Norway.

The Group operates in several jurisdictions and from time to time there are questions from local tax authorities. In 2023, a tax provision was released after the UK HMRC agreed with the tax filing from 2016, resulting in a tax income for the year.

During 2023, Prosafe and OSM Thome jointly received a tax assessment from the Brazilian Tax Authorities imposing import taxes and customs penalties related to the challenging of the special customs regime used to import the Safe Concordia for the Modec contract in the period from October 2018 to July 2019. The maximum exposure for Prosafe in this case is estimated to USD 71.9 million. Both Prosafe and OSM Thome have presented an administrative defence, challenging the view of the Brazilian Tax Authorities. Based on external advice, Prosafe is of the view that the tax enquiry has no merit, hence no provisions have been taken in the financial statements.

In 2023, the Norwegian tax authorities initiated a review of the basis for a portion of the deferred tax losses. This review may lead to a reduction in the unrecognised deferred tax asset base. At this time, Prosafe does not believe that this will have a material impact on Prosafe's financial position irrespective of the outcome of this review.

Note 12 Earnings per share

Basic earnings per share are calculated by dividing net (loss)/profit by the weighted average number of ordinary shares outstanding during the year. Diluted earnings per share are calculated by dividing net (loss)/profit by the weighted average number of ordinary shares plus the number of potential shares relating to share options.

	2023	2022
Net (loss)/profit	(67.8)	1.5
Weighted average number of outstanding shares	11,298,605	8,798,699
Basic earnings per share	(6.00)	0.17
Weighted average number of outstanding and potential shares [1]	11,298,605	8,826,320
Diluted earnings per share	(6.00)	0.17

[1] In 2023, the weighted average number of outstanding and potential shares includes the average share capital of 11,298,605 (2022: 8,798,699 and share options of 27,621).

Note 13 Share capital, shareholder information, and share-based compensation

	2023	2022
Issued and paid up number of ordinary shares at 31 December [1,2]	17,868,651	8,798,699
Total authorised number of shares at 31 December	**17,868,651**	**8,798,699**
Nominal value at 31 December [3,4]	EUR 1.25	EUR 1.25
Number of shareholders at 31 December	4,720	4,834

[1] On 10 May 2023, the general meeting of shareholders approved the issue of 2,720,000 ordinary shares at a price per share of NOK 117 for a private shares placement.

[2] On 16 November 2023, the general meeting of shareholders approved the issue of 5,833,333 ordinary shares at a price per share of NOK 60 for a private shares placement and a subsequent shares offering of 516,619 ordinary shares at a price per share of NOK 60.

[3] On 27 January 2022, the Company completed a 1,000:1 reverse split of the Company's shares to satisfy the minimum requirement to market value of the issuer's shares for listed companies. After the reverse share split, 1,000 shares with a nominal value of EUR 0.05 give 1 new share with a nominal value of EUR 50.00. The number of outstanding shares in the Company after the reverse split is 8,798,699.

[4] At the AGM on 11 May 2022, the shareholders approved to reduce the share capital by reducing the nominal value of the shares from EUR 50.00 to EUR 1.25. As a result, the Company recorded a reduction in share capital by USD 485.1 million and a corresponding increase in other equity.

Ordinary shares	Number of shares	Par value	Share Premium	Total
In issue at 1 January 2022	8,798,699,789	497.5	624.2	1,121.7
Reverse share split	(8,789,901,090)	(485.1)	0.0	(485.1)
Balance 31 December 2022	**8,798,699**	**12.4**	**624.2**	**636.6**
Issue of ordinary shares – May 2023	9,069,952	12.4	52.0	64.4
Issue of ordinary shares – December 2023	17,868,651	24.8	676.2	701.0
Less: Transaction costs arising on share issues	0	0.0	(1.7)	(1.7)
Balance 31 December 2023	**17,868,651**	**24.8**	**674.5**	**699.3**

Largest shareholders as at 31 December 2023	No of shares	Percentage
Alden AS	1,579,083	8.8%
MH Capital AS	1,559,581	8.7%
North Sea Strategic Investments AS	1,355,363	7.6%
Morgan Stanley & Co. LLC	1,185,684	6.6%
HV VI Invest Sierra AS	1,116,565	6.2%
Midelfart Capital AS	574,674	3.2%
Vicama AS	550,030	3.1%
Vicama Capital AS	549,655	3.1%
B.O. Steen Shipping AS	500,000	2.8%
The Bank of New York Mellon SA/NV	486,986	2.7%
CAM AS	412,982	2.3%
Songa Capital AS	409,085	2.3%
Verdipapirfondet DNB SMB	278,891	1.6%
Otto Rongvær	270,647	1.5%
Westcon Yards AS	263,500	1.5%
Gross Management AS	228,667	1.3%
BR Industrier AS	223,992	1.3%
Toluma Norden AS	216,667	1.2%
Eng Invest AS	205,128	1.1%
Varde Norge AS	193,750	1.1%
Total 20 largest shareholders/ groups of shareholders	**12,160,930**	**68.0%**

All ordinary shares rank equally. Holders of these shares are entitled to one vote per share at general meetings of the Company.

Share-based compensation

The share-based compensation expense is recognised over the vesting period for service received in the same period. Share-based compensation in other equity comprises of the cumulative value of services received from the employees from the date of grant. The amount in other equity is retained when the options are exercised or expire. See note 6 for details on share-based compensation.

Note 14 Interest-bearing debt

	2023	2022
Credit facilities – face value	343.2	344.2
Sellers' credit – face value	84.5	90.5
Difference between face value and carrying amount – sellers credit	(9.5)	(13.3)
Lease liabilities	1.3	0.8
Total interest-bearing debt	**419.5**	**422.2**
Non-current interest-bearing debt	415.5	418.5
Current interest-bearing debt	4.0	3.7
Total interest-bearing debt	**419.5**	**422.2**

Reconciliation of movements of interest-bearing debt to cash flows arising from financing activities	2023	2022
Interest-bearing debt at 1 January	**422.2**	**423.3**
Changes from financing cash flows		
– Repayments of interest-bearing debt	(6.4)	(4.4)
– Interests paid	(28.0)	(14.1)
– Refinancing costs paid	0.0	(3.5)
Total changes from financing cash flows	**(34.4)**	**(22.0)**
Other liability-changes		
– Non-cash movement in interest bearing debt	0.0	(1.3)
– Refinancing costs	0.0	3.5
– Interests expense	30.9	18.7
– New leases	0.8	0.0
Total liability-related changes	**31.7**	**20.9**
Interest-bearing debt at 31 December	**419.5**	**422.2**

Credit facility

Interest on the USD 250 million and USD 93 million credit facilities is based on USD 3-month LIBOR plus a margin of 2.50 per cent. On 31 March 2023, the transition from USD LIBOR to SOFR took place and the interest for both facilities is now based on SOFR plus margin of 2.76161 per cent. Both credit facilities mature on 31 December 2025.

Covenants

Minimum liquidity

The Borrower shall procure that the Minimum Liquidity of the Group (for the avoidance of doubt, excluding the New Group (Prosafe Offshore Holdings Pte. Ltd., Safe Eurus Singapore Pte. Ltd., Axis Nova Singapore Pte. Ltd. and Axis Vega Singapore Pte. Ltd.) calculated on each quarter date does not fall below (i) USD 18 million to and including 31 December 2022; (ii) USD 23 million from and including 1 January 2023 to and including 31 December 2023 and (iii) USD 28 million from and including 1 January 2024 and thereafter. At 31 December 2023, liquidity for covenant testing purposes was USD 70.3 million (2022: USD 80.0 million). The New Group held USD 4.3 million (2022: USD 11.6 million) in liquidity.

Excess cash sweep

There is an excess cash sweep with testing on 31 December each year. The cash sweep was tested on 31 December 2023 and there was no excess cash sweep on that testing date. The excess cash sweep amount means the amount that is equal to the lowest of the excess cash amount on the relevant testing date and any of the coming four quarter dates (based on the Group's firm liquidity forecast), subject always to a minimum of zero on each of those dates. Excess cash means, the sum of unrestricted cash, less the cash sweep threshold (USD 66 million), less cash interest payable on the next interest payment date and less any new shareholder contributions in the previous 12 months.

Dividend distribution

Dividend distribution is restricted until 3 years elapsed from December 2021 unless share capital has been subsequently increased by an amount at least equal to the distribution and may only be paid with Majority Lender's Approval. Majority Lender's Approval refers to 66 2/3 consent from the lenders of each of the USD 250 million and USD 93 million facilities.

Financial indebtedness

The Group is restricted from incurring new debts unless the outstanding amount does not exceed USD 20 million in aggregate or after obtaining Majority Lender's Approval.

Investment restrictions

The Group is restricted from making any investments unless Majority Lender's Approval is obtained for the transaction or if the investment transaction in target is funded fully through share issuance or cash proceeds from equity offering, the target has positive cash flows after debt service on 24 months forward looking pro-forma basis and does not have any financial indebtedness.

The Majority Lender's Approval is required for the delivery of Safe Nova or Safe Vega Vessel and any amendment to the exisitng Safe Nova and Safe Vega construction contracts, see also note 22

Sellers' credits

COSCO (Qidong) Offshore Co. Ltd. (Cosco) granted a sellers' credit of USD 99.4 million on the final delivery instalment of the Safe Eurus in 2019. The Group is paying Cosco the minimum instalments under the Safe Eurus sellers' credit. As at 31 December 2023, USD 84.5 million (2022: USD 90.5 million) gross was outstanding.

Difference between face value and carrying amount – Sellers Credits

In 2019, Prosafe took delivery of Safe Eurus and issued a promissory note with a principal amount of USD 99.4 million to COSCO Shipping (Qidong) Offshore Co. Ltd. As the partial payment for the vessel was deferred beyond normal credit terms, the cost of the vessel was the cash price equivalent at the recognition date. The Safe Eurus promissory note was initially recognised at fair value and subsequently measured at amortised cost. The fair value of the below-market loan was measured as the present value of the expected future cash flows, discounted using an appropriate market related rate. The initial applicable discounting rate was similar to the rate charged by the credit facilities lenders of 3-months USD Libor plus 3.35 per cent per annum in 2019. The difference between the cash price equivalent and the principal amount of the promissory note was determined to be USD 25.4 million. This amount will be recognised as interest over the period of credit. The repayment schedule and interest expense on the promissory note depends on the financial performance of the vessel.

In 2022, management revised the repayment schedule and interest expense on the promissory note based on the updated financial performance of the vessel. The revised expected maturity date is August 2028. Subsequent to the revision in estimates of payment, a fair value decrease of USD 1.2 million was recognised in the carrying amount of Safe Eurus (See note 8).

Note 15 Other current liabilities

	2023	2022
Accrued costs	22.5	17.5
Contract liabilities	0.9	0.0
Total interest-free current liabilities	**23.4**	**17.5**

Note 16 Mortgages and guarantees

As at 31 December 2023, the Group's interest-bearing debt secured by mortgages totalled USD 343.2 million (2022: USD 344.2 million). The debt was secured by mortgages on the accommodation vessels/ units for maintenance and safety vessels Safe Caledonia, Safe Concordia, Safe Scandinavia, Safe Boreas, Safe Zephyrus and Safe Notos with net carrying value USD 285.8 million as at 31 December 2023 (2022: USD 283.5 million). Negative pledge clauses apply on shares in the vessel owning subsidiaries. Earnings accounts are pledged as security for the credit facilities, but cash will only be restricted if a continuing event of default occurs and the lenders have notified Prosafe of such.

As at 31 December 2023, the Group had issued parent company guarantees to clients on behalf of its subsidiaries in connection with the award and performance of contracts and Cosco (Qidong) Co., Ltd of approximately USD 44 million and USD 60 million (2022: approximately USD 35 million and USD 60 million) respectively. The amounts specified with regard to parent company guarantees reflect the sum of the estimated capped liability under the relevant agreements.

Note 17 Financial assets and liabilities

As at 31 December 2023, the Group had financial assets and liabilities in the following categories:

Year ended 31 December 2023	Financial assets measured at amortised cost	Financial liabilities measured at amortised cost	Carrying value	Fair value
Cash and deposits	74.6		74.6	74.6
Accounts receivable	14.6		14.6	14.6
Other current assets	10.3		10.3	10.3
Total financial assets	**99.5**		**99.5**	**99.5**
Interest-bearing debt[1]		419.5	419.5	419.5
Accounts payable		4.1	4.1	4.1
Other current liabilities		23.4	23.4	23.4
Other non-current liabilities		1.8	1.8	1.8
Total financial liabilities		**448.8**	**448.8**	**448.8**

[1] Refer to note 14 for details on interest-bearing debt.

Management assessed the cash and deposits, accounts receivables, other current assets, accounts payable and other current liabilities to approximate their carrying amounts largely due to the short-term maturities of these instruments.

As at 31 December 2022, the Group had financial assets and liabilities in the following categories:

Year ended 31 December 2022	Financial assets measured at amortised cost	Financial liabilities measured at amortised cost	Carrying value	Fair value
Cash and deposits	91.6		91.6	91.6
Accounts receivable	20.6		20.6	20.6
Other current assets	3.5		3.5	3.5
Total financial assets	**115.7**		**115.7**	**115.7**
Interest-bearing debt[1]		422.2	422.2	422.2
Accounts payable		3.1	3.1	3.1
Other current liabilities		17.5	17.5	17.5
Other non-current liabilities		1.9	1.9	1.9
Total financial liabilities		**444.7**	**444.7**	**444.7**

[1] Refer to note 14 for details on interest-bearing debt.

Management assessed the cash and deposits, accounts receivables, other current assets, accounts payable and other current liabilities to approximate their carrying amounts largely due to the short-term maturities of these instruments.

Note 18 Financial risks

The Group operates on a global basis with cash flows and financing in various currencies. This means that the Group is exposed to market risks related to fluctuations in exchange rates and interest rates. The Group's presentation currency is USD, and financial risk exposure is managed with financial instruments in accordance with internal policies and standards approved by the Board of Directors. After restructuring in 2021, there are no credit lines available for hedging of financial risks and consequently such risks remained unhedged in 2023.

Currency risk

The Group is exposed to currencies other than USD associated with operating expenditure, capital expenditure, tax, cash and deposits. Unless denominated in USD, operating expenditure, capital expenditure and tax are mainly denominated in GBP, BRL and NOK. Cash and deposits are mainly denominated in USD, GBP, BRL and NOK.

Currency risk – sensitivity

The sensitivity analysis is based on a reasonably possible change in the relevant exchange rates and reflects the main effects on profit or loss and equity assuming that the change had occurred at the balance sheet date. A 10 per cent strengthening/weakening of the USD against GBP, BRL and NOK will have the following effects. Exposures to foreign currency changes for all other currencies are not material.

Pre-tax effects on income statement	2023	2022
USD +10%		
Re-valuation cash and deposits	(0.8)	(2.5)
USD -10%		
Re-valuation cash and deposits	0.8	2.5

Go back

Interest rate risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is that the fair value of a financial instrument will fluctuate due to changes in market interest rates. The Group's interest rate risks arise primarily from its variable rate credit facilities. As at 31 December 2023 and 31 December 2022, the Group has not entered into arrangements to hedge the floating interest rate.

The Group evaluates the hedge profile in relation to the repayment schedule of its loans. After restructuring in 2021, there are no credit lines available for hedging of financial risks and consequently such risks remained unhedged in 2023.

Interest rate risk – sensitivity

The sensitivity analysis is based on a reasonably possible change in the relevant interest rate and reflects the main effects on profit or loss and equity assuming that the change had occurred at the balance sheet date. A ±50bps change in interest rate will have the following effects.

Pre-tax effects on income statement	2023	2022
50 bps increase		
Interest expense on credit facilities	1.7	1.7
50 bps decrease		
Interest expense on credit facilities	(1.7)	(1.7)

Credit risk

In line with industry practice, other contracts normally contain clauses which give the customer an opportunity for early cancellation under specified conditions. Providing the Group has not acted negligently, however, the effect on results in such cases will normally be wholly or partly offset by a financial settlement in the Group's favour.

Credit assessment of financial institutions issuing guarantees in favour of the Group, yards, sub-contractors and equipment suppliers is part of the Group's project evaluations and risk analyses. The counterparty risk is in general limited when it comes to the Group's clients, since these are typically major oil companies and national oil companies.

The Group held cash and deposits of USD 74.6 million as at 31 December 2023 (2022: USD 91.6 million) with banks with high credit-ratings assigned by international credit-rating agencies. The cash balances are measured on 12-month expected credit losses and subject to immaterial credit loss.

For trade receivables, the Group applies the simplified method of credit reserves, i.e. the reserve will correspond to the expected loss over the whole life of the trade receivable. In order to measure the credit losses, trade receivables are grouped based on credit risk characteristics of its customers. The Group applies forward-looking variables for expected credit losses. As at 31 December 2023, no credit reserve has been recorded as the Group's clients are typically major oil companies and national oil companies and the receivables are usually received within 3 months. Based on the Group's assessment, the expected credit loss is not material.

Accounts receivables	Total	Not due	< 30 days	30–60 days	61–90 days	> 90 days
31 December 2023	14.6	14.6	0.0	0.0	0.0	0.0
31 December 2022	20.6	11.8	6.9	0.0	1.2	0.7

Liquidity risk

As at 31 December 2023, liquidity for covenant testing purposes was USD 70.3 million. Under the existing credit facility agreements, the Group is required to maintain a minimum liquidity of USD 28 million from 1 January 2024 and thereafter. The Group is anticipated to be able to stay above the minimum cash covenant level for the next 12 months based on currently known information and commitments. In 2023, the Group has completed new share issues to raise cash to reduce the liquidity risk and maintain sufficient cash to cover its financial and operational obligations.

As at 31 December 2023, the Group's main financial liabilities had the following remaining contractual maturities:

Per year	2024	2025	2026	2027	2028
Interest-bearing debt (repayments)[1]	6.6	349.9	7.2	7.0	58.0
Interests[2]	28.9	29.7	1.4	1.2	0.7
Taxes	10.1	0.0	0.0	0.0	0.0
Accounts payable and other current liabilities	27.5	0.0	0.0	0.0	0.0
Total	**73.1**	**379.6**	**8.6**	**8.2**	**58.7**

1 Interest-bearing debt includes lease liabilities, credit facilities and sellers credit from Cosco. The credit facilities mature on 31 December 2025. Assuming only the firm contracts, there will be no cash sweep under the credit facilities prior to maturity. The Group is paying the minimum instalments agreed with Cosco under the Safe Eurus sellers credit which matures approximately in 2028.

2 Interest on lease liabilities, credit facilities and seller credits. Based on current agreed credit margin plus SOFR forward curve as at 31 December 2023, and the expected cash flows under the sellers credit terms.

As at 31 December 2022, the Group's main financial liabilities had the following remaining contractual maturities:

Per year	2023	2024	2025	2026	2027 →
Interest-bearing debt (repayments)[1]	6.3	6.3	349.7	7.0	65.0
Interests[2]	26.0	22.7	20.3	1.4	1.9
Taxes	18.0	0.0	0.0	0.0	0.0
Accounts payable and other current liabilities	20.6	0.0	0.0	0.0	0.0
Total	**70.9**	**29.0**	**370.0**	**8.4**	**66.9**

1 Interest-bearing debt includes lease liabilities, credit facilities and seller credit from Cosco. The credit facilities mature in 2025. Assuming only the firm contracts, there will be no cash sweep under the credit facilities prior to maturity. The Group is paying the minimum instalments agreed with Cosco under the Safe Eurus seller credit which matures approximately in 2028.

2 Interest on lease liabilities, credit facilities and seller credits. Based on current agreed credit margin plus USD 3M LIBOR and SOFR forward curve as at 31 December 2022, and the expected cash flows under the seller credit terms.

Capital management

The primary objective of the Group's capital management is to ensure that it maintains a healthy capital structure in line with economic conditions. The Group manages the total of shareholders' equity and long-term debt as their capital. Normally the Group's main tool to assess its capital structure is the leverage ratio, which is calculated by dividing net interest-bearing debt including bank guarantees, by Group gross profit before depreciation and impairment over the last 12 months.

Note 19 Cash and deposits

	2023	2022
Restricted cash deposits	2.2	2.2
Cash held in New Group	4.3	11.6
Free cash and short-term deposits	68.1	77.8
Total cash and deposits	**74.6**	**91.6**

Under the existing credit facility agreements, the Group is required to maintain a minimum liquidity of USD 23 million to and including 31 December 2023 and a minimum liquidity of USD 28 million from and including 1 January 2024 and until maturity of the credit facilities on 31 December 2025. See note 14 for details on financial covenants.

Note 20 Other current assets

	2023	2022
Other receivables	3.1	0.9
Prepayments	2.7	1.5
Bunker stock	5.0	4.8
Other current assets	0.7	0.6
Contract assets	6.5	2.0
Total other current assets	**18.0**	**9.8**

Note 21 Related party disclosures

The financial statements comprise the parent Company, Prosafe SE, and the subsidiaries listed below.

Company name	Country of incorporation	Ownership	Voting share
Prosafe Services Maritimos Ltda	Brazil	100%	100%
Prosafe Offshore BV	Netherlands	100%	100%
Prosafe AS	Norway	100%	100%
Axis Nova Singapore Pte. Ltd.	Singapore	100%	100%
Axis Vega Singapore Pte. Ltd.	Singapore	100%	100%
Prosafe Offshore Holdings Pte. Ltd.	Singapore	100%	100%
Prosafe Offshore Pte. Ltd.	Singapore	100%	100%
Prosafe Rigs Pte. Ltd.	Singapore	100%	100%
Safe Eurus Singapore Pte. Ltd.	Singapore	100%	100%
Prosafe Offshore Ltd.	United Kingdom	100%	100%
Prosafe Rigs Ltd.	United Kingdom	100%	100%

Transactions and outstanding balances within the Group have been eliminated in full.

Shares and share options owned by directors and senior executive management at 31 December 2023:
(includes shares owned by close family/relatives and wholly-owned companies)

	Shares	Share options
Directors		
Glen Ole Rødland	228,667	0
Alf C. Thorkildsen[1] (until October 2023)	0	0
Birgit Aagaard-Svendsen	3	0
Nina Udnes Tronstad	7,667	0
Simen Flaaten (until February 2024)	549,655	0
Halvard Idland	0	0
Gunnar Eliassen (from February 2024)	0	0
Senior executive management		
Terje Askvig	25,000	220,000
Jesper Kragh Andresen (until April 2023)	0	0
Reese McNeel	2,000	120,000
Ryan Duncan Stewart	73	100,000
Claudio Pereira	0	20,000
Andrew Manson	0	20,000
Eirik Fjelde	1	20,000

[1] Mr Thorkildsen has an indirect ownership interest in Prosafe due to his ownership interest in North Sea Strategic Investments and HitecVision VI Invest Sierra

Related party transactions

The Group had an agreement 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 was controlled by HitecVision VI Invest Sierra, which together with another HitecVision fund (North Sea Strategic Investments) are major shareholders in the Group. The fee payable by the Group was USD 17,500 per month up to September 2022 and USD 10,000 per month from October to December 2022 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 per cent 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. In 2022, the transacted amount was USD 0.2 million. The outstanding balance as of 31 December 2022 is below USD 50,000. The agreement was terminated in January 2023, hence no fees are paid for 2023 and there is no outstanding balance as of 31 December 2023.

As Alf Thorkildsen resigned from the Board of Directors in 2023, HitechVision will not be considered a related party from 1 January 2024.

Note 22 Capital commitments

New builds

As at 31 December 2023, the Group had two (2022: two) undelivered new builds residing at Cosco's Qidong shipyard in China; Safe Nova and Safe Vega.

Safe Nova and Safe Vega

As part of refinancing negotiations in 2018 with COSCO, the Group negotiated and agreed with COSCO for the deferred delivery and financing of Safe Nova and Safe Vega. The delivery date of Safe Nova and Safe Vega was initially 31 August 2021, however, Prosafe has not requested delivery as Safe Nova and Safe Vega were not in deliverable condition after the Typhoon Mufia damages such that COSCO was not entitled tender delivery. The yard is in the process of undertaking repairs that must be performed prior to delivery. The Company is in dialogue with COSCO about the ability to take delivery of Safe Nova and Safe Vega.

Note 23 Events after the reporting date

On 8 January 2024, the Company announced that Simen Flaaten would resign as Director as soon as practicably possible.

On 29 January, the client chartering the Safe Concordia declared four out of six options, extending the fixed contract period to 9 November 2024.

On 22 February 2024, Gunnar Eliassen was appointed as Director and Deputy Chair. At the same time, a proposed change in board remuneration was approved, involving a reduction in fixed compensation in exchange for the granting of share options to board members. Ryan Schedler was appointed a member of the Nomination Committee.

Parent Company financial statements

Notes to the financial statements

Statement of profit or loss

(USD 1,000)	Note	2023	2022
Other operating revenues	2	2,000	0
Other operating expenses	2	(5,346)	(5,732)
Income from investments in subsidiaries		7,550	20,000
Impairment of shares in subsidiaries	6	(36,097)	(48,264)
Results from operating activities		**(31,893)**	**(33,996)**
Interest income	4	10,707	7,643
Interest expenses	4	(27,054)	(14,798)
Other financial income	3	0	51,766
Other financial expenses	3	(10,171)	(23,608)
Net financial items	4	**(26,518)**	**21,003**
Loss before taxes		**(58,411)**	**(12,993)**
Taxes	5	(96)	(18)
Net loss		**(58,507)**	**(13,011)**
Attributable to equity holders of the Company		**(58,507)**	**(13,011)**

Statement of comprehensive income

(USD 1,000)	2023	2022
Net loss	**(58,507)**	**(13,011)**
Other comprehensive loss that will not be reclassified to profit or loss in subsequent periods		
Pension remeasurement	(112)	(109)
Total comprehensive loss for the year, net of tax	**(58,619)**	**(13,120)**
Attributable to equity holders of the Company	**(58,619)**	**(13,120)**

Statement of changes in equity

(USD 1,000)	Note	Share capital	Share premium	Share capital reduction reserve	Retained earnings	Share-based compensation reserve	Total equity
Equity at 31 December 2021		**497,505**	**624,154**	**71,846**	**(1,181,205)**	**0**	**12,300**
Net loss		0	0	0	(13,011)	0	(13,011)
Other comprehensive loss		0	0	0	(109)	0	(109)
Total comprehensive loss[1]		**0**	**0**	**0**	**(13,120)**	**0**	**(13,120)**
Share-based compensation		0	0	0	0	886	886
Share capital reduction	8	(485,067)	0	0	485,067	0	0
Equity at 31 December 2022		**12,438**	**624,154**	**71,846**	**(709,258)**	**886**	**66**
Net loss		0	0	0	(58,507)	0	(58,507)
Other comprehensive loss		0	0	0	(112)	0	(112)
Total comprehensive loss[1]		**0**	**0**	**0**	**(58,619)**	**0**	**(58,619)**
Issue of ordinary shares	8	12,334	50,324	0	0	0	62,658
Share-based compensation		0	0	0	0	374	374
Equity at 31 December 2023		**24,772**	**674,478**	**71,846**	**(767,877)**	**1,260**	**4,479**

[1] Total comprehensive loss is attributable to the owners of the Company

Nature and purpose of reserves

Share premium: The difference between the issue price of the shares and their nominal value.

Statement of financial position

(USD 1,000)	Note	2023	2022
Assets			
Shares in subsidiaries	6	272,863	308,997
Intra-group receivables	11, 13	18,294	18,294
Total non-current assets		**291,157**	**327,291**
Cash and deposits	13	32,840	19,909
Other current assets	7, 11, 13	26,229	426
Total current assets		**59,069**	**20,335**
Total assets		**350,226**	**347,626**
Equity and liabilities			
Share capital		24,772	12,438
Share premium reserve		674,478	624,154
Share capital reduction reserve		71,846	71,846
Total paid-in equity	8	**771,096**	**708,438**
Retained earnings		**(767,877)**	**(709,258)**
Share-based compensation reserve		**1,260**	**886**
Total equity		**4,479**	**66**
Interest-bearing long-term debt	9, 13, 14	343,000	343,000
Interest-free long-term liabilities	13	1,776	1,877
Total long-term liabilities		**344,776**	**344,877**
Interest-bearing current debt	9, 13	228	1,177
Accounts payable	13, 14	82	65
Intra-group current liabilities	11, 13, 14	0	516
Other interest-free current liabilities	10, 13, 14	661	925
Total current liabilities		**971**	**2,683**
Total equity and liabilities		**350,226**	**347,626**

On 19 March 2024, the Board of Directors of Prosafe SE approved and authorised these financial statements for issue.

Glen Ole Rødland
Chair

Birgit Aagaard-Svendsen
Non-executive Director

Nina Udnes Tronstad
Non-executive Director

Halvard Idland
Non-executive Director

Gunnar Eliassen
Deputy Chair

Terje Askvig
Chief Executive Officer

Statement of cash flows

(USD 1,000)	Note	2023	2022
Cash flow from operating activities			
Loss before taxes		(58,411)	(12,993)
Unrealised currency loss on long-term debt		0	9,851
Expected credit loss, net		9,832	(42,631)
Impairment shares in subsidiaries		36,097	48,264
Interest income		(10,707)	(7,643)
Interest expenses		27,054	14,798
Share-based compensation expense		(95)	517
Change in working capital		(342)	(99)
Taxes paid		(96)	(18)
Other items from operating activities		(213)	3,097
Net cash flow provided by operating activities		**3,120**	**13,143**

(USD 1,000)	Note	2023	2022
Cash flow from investing activities			
Increase of shares in subsidiaries		0	(400)
Reduction of shares in subsidiary		37	1,969
Change in intra-group balances		(25,847)	3,275
Interest received		875	110
Net cash flow (used in)/ provided by investing activities		**(24,935)**	**4,954**
Cash flow from financing activities			
Issuance of ordinary shares		62,750	0
Refinancing costs		0	(3,511)
Interest paid		(28,003)	(14,059)
Net cash flow provided by/(used in) financing activities		**34,747**	**(17,570)**
Net cash flow		**12,931**	**527**
Cash and deposits at 1 January		19,909	19,382
Cash and deposits at 31 December	13	**32,840**	**19,909**

Notes to the financial statements

All figures in USD 1,000 unless otherwise stated.

Note 1 Accounting policies

The financial statements have been prepared in accordance with IFRS® Accounting Standards adopted by the European Union and the requirements of the Norwegian Accounting Act. The accounting policies applied to the consolidated financial statements have also been applied to the parent Company, Prosafe SE. The accounting policies adopted are consistent with those in the previous financial years. The parent Company financial statements should be read in conjunction with the consolidated financial statements. The notes of the consolidated financial statements provide additional information to the parent Company's financial statements which is not presented here separately. The Company's functional currency is US dollars (USD), and the financial statements are presented in USD. Investments in subsidiaries are measured at historic cost, unless there is any indication of impairment. In case of impairment, an investment is written down to recoverable amount.

Note 2 Other operating revenues and expenses

Other operating revenues	2023	2022
Customer deposit fee forfeiture	2,000	0

Operating expenses	2023	2022
Services from subsidiaries	2,400	1,526
Directors' remuneration	489	441
Salaries and variable	709	1,329
Other remuneration	55	63
Share-based compensation expense[1, 2]	(95)	517
Payroll taxes	106	167
Pension expenses	1	17
Auditors' audit remuneration	138	153
Auditors' other remuneration	0	5
Legal and consultancy fees	342	584
Office insurance	308	368
Recruitment costs	172	91
Commission fee for customer deposit forfeiture	200	0
Other operating expenses	521	471
Total operating expenses	**5,346**	**5,732**

[1] See note 6 of the consolidated financial statements for details

[2] Share-based compensation expense was an income in 2023 due to cancellation of options granted to the former CEO

Board of Directors	2023	2022
Glen Ole Rødland (Chair)	112	115
Alf C. Thorkildsen (Deputy Chair) (until October 2023)	75	94
Birgit Aagaard-Svendsen	100	95
Nina Udnes Tronstad	84	85
Simen Flaaten (from June 2023 to Feburary 2024)	41	0
Halvard Idland [1]	77	52
Gunnar Eliassen (Deputy Chair) (from February 2024)	0	0
Total Board remuneration [2]	**489**	**441**

[1] Director from May 2022, Deputy Director from June 2023–November 2023 and Director from November 2023

[2] If applicable, figures include compensation from the audit committee and compensation committee

Number of employees

The average number of employees in the Company for 2023 was 2 (2022: 2).

Note 3 Other financial items

	2023	2022
Reversal of expected credit loss [1]	0	51,766
Total other financial income	**0**	**51,766**
Currency loss	(17)	(9,910)
Expected credit loss [1]	(9,832)	(9,135)
Other financial expenses [2]	(322)	(4,563)
Total other financial expenses	**(10,171)**	**(23,608)**

[1] For further information, see note 11 relating to allowance of expected credit loss of receivables from subsidiaries

[2] In 2022, the financial expenses largely relates to Cosco global deed settlement as part of the refinancing restructuring process

Note 4 Financial items

Year ended 31 December 2023	Financial assets measured at amortised cost	Financial liabilities measured at amortised cost	Total
Interest income (a)	**10,707**	**0**	**10,707**
Interest expenses	0	(27,054)	(27,054)
Total interest expenses (b)	**0**	**(27,054)**	**(27,054)**
Expected credit loss	(9,832)	0	(9,832)
Other financial expenses [1]	0	0	(322)
Currency loss [1]	0	0	(17)
Total other financial expenses (d)	**(9,832)**	**0**	**(10,171)**
Net financial items (a)+(b)+(c)	**875**	**(27,054)**	**(26,518)**

[1] Excluded from the category breakdown but added to the total for net effect

Year ended 31 December 2022	Financial assets measured at amortised cost	Financial liabilities measured at amortised cost	Total
Interest income (a)	**7,643**	**0**	**7,643**
Reversal of expected credit loss	51,766	0	51,766
Total other financial income (b)	**51,766**	**0**	**51,766**
Interest expenses	0	(14,798)	(14,798)
Total interest expenses (c)	**0**	**(14,798)**	**(14,798)**
Expected credit loss	(9,135)	0	(9,135)
Other financial expenses [1]	0	0	(4,563)
Currency loss [1]	0	0	(9,910)
Total other financial expenses (d)	**(9,135)**	**0**	**(23,608)**
Net financial items (a)+(b)+(c)+(d)	**50,274**	**(14,798)**	**21,003**

[1] Excluded from the category breakdown but added to the total for net effect

Note 5 Taxes

	2023	2022
Taxes	96	18
Total taxes in income statement	**96**	**18**
Temporary differences:		
Loss carried forward	(421,136)	(405,989)
Basis for deferred tax liability (+)/benefit (-)	**(421,136)**	**(405,989)**
Deferred tax liability (+)/benefit (-)	**(92,650)**	**(89,318)**
Not recognised tax benefits	**92,650**	**89,318**
Recognised deferred tax benefit	**0**	**0**
Taxes payable at 31 December	**0**	**0**

The corporate tax rate in Norway for 2023 was 22 per cent (2022: 22 per cent).

The value of the deferred tax assets is not recognised in the financial statements as the probability of having sufficient future taxable profit to utilise the deferred tax assets as tax deductions cannot be established.

Reconciliation of effective tax rate (IAS 12.81)	2023	2022
Tax rate	22.0%	22.0%
Loss before taxes	(58,411)	(12,993)
Tax based on applicable tax rate	(12,850)	(2,858)
Tax effect of non-deductible expenses	10,175	13,901
Tax on income not taxable in determining taxable profit	(1,011)	(13,779)
Tax effect due to unrecognised deferred tax assets	3686	2736
Effect of tax in other jurisdictions	96	18
Tax charge	**96**	**18**

Note 6 Shares in subsidiaries

(Carrying value and total equity in 1,000)

Companies	2023 Ownership & Voting	Country	Investment carrying value at 31 December 2023	Total Equity at 31 December 2023	Investment carrying value at 31 December 2022
Prosafe AS [1]	100%	Norway	1,000	3,126	1,000
Prosafe (UK) Holdings Ltd [2, 5]	100%	United Kingdom	0	0	34
Prosafe Offshore Pte. Ltd [5]	100%	Singapore	7,441	15,977	7,441
Prosafe Rigs Pte. Ltd [3]	100%	Singapore	264,022	261,616	300,122
Prosafe Offshore Holdings Pte. Ltd [4]	100%	Singapore	400	1,034	400
Prosafe Offshore Ltd [5]	100%	United Kingdom	0	15,291	0
Prosafe Rigs Ltd [5]	100%	United Kingdom	0	376	0
Total			**272,863**		**308,997**

2023

1 Prosafe (UK) Holdings Limited was liquidated in 2023

2022

1 The Company has increased the investment in Prosafe AS by offsetting the amount due from Prosafe AS of USD 42.5 million

2 Prosafe (UK) Holdings Limited has returned USD 2.0 million to the Company as a reduction in capital

3 The Company has increased the investment in Prosafe Rigs Pte. Ltd. by offsetting the amount due from Prosafe Rigs Pte. Ltd. of USD 40 million

4 The Company has increased the investment in Prosafe Offshore Holdings Pte. Ltd by USD 0.4 million

5 Prosafe (UK) Holdings Limited transferred 100 per cent of shares in Prosafe Offshore Limited and Prosafe Rigs Limited to the Company as part of the group restructuring process

Based on management's assessment of impairment indicators, there were triggers which indicated that the expected recoverable amount was less than the investment carrying value of the following subsidiaries. The expected recoverable amount was estimated based on the fair value of the subsidiaries. The determination of vessels valuation (as disclosed in note 8 of the consolidated financial statements) has a direct impact on the fair value of the Company's shares in particular for subsidiaries holding offshore contracts and vessels. As a result, the following impairment charges/(reversal) were made:

	2023	2022
Prosafe Rigs Pte. Ltd.	36,100	5,000
Prosafe Offshore Pte. Limited	0	(6,041)
Prosafe (UK) Holdings Limited	(3)	7,823
Prosafe AS	0	41,482
Total	**36,097**	**48,264**

The shares in Prosafe Rigs Pte. Ltd. and Prosafe Offshore Pte. Ltd. are pledged as security for the credit facilities

Note 7 Other current assets

	2023	2022
Current receivables due from subsidiaries	25,878	78
Other current assets	351	348
Total other current assets	**26,229**	**426**

Note 8 Share capital, convertible bonds, warrants and share-based compensation reserves

	2023	2022
Issued and paid up number of ordinary shares at 31 December[1,2]	17,868,651	8,798,699
Total authorised number of shares at 31 December	**17,868,651**	**8,798,699**
Nominal value at 31 December[3,4]	EUR 1.25	EUR 1.25
Number of shareholders at 31 December	4,720	4,834

[1] On 10 May 2023, the general meeting of shareholders approved the issue of 2,720,000 ordinary shares at a price per share of NOK 117 for a private shares placement.

[2] On 16 November 2023, the general meeting of shareholders approved the issue of 5,833,333 ordinary shares at a price per share of NOK 60 for a private shares placement and a subsequent shares offering of 516,619 ordinary shares at a price per share of NOK 60.

[3] On 27 January 2022, the Company completed a 1,000:1 reverse split of the Company's shares to satisfy the minimum requirement to market value of the issuer's shares for listed companies. After the reverse share split, 1,000 shares with a nominal value of EUR 0.05 give 1 new share with a nominal value of EUR 50.00. The number of outstanding shares in the Company after the reverse split is 8,798,699.

[4] At the AGM on 11 May 2022, the shareholders approved to reduce the share capital by reducing the nominal value of the shares from EUR 50.00 to EUR 1.25. As a result, the Company recorded a reduction in share capital by USD 485.1 million and a corresponding increase in other equity.

Ordinary shares	2023	2022
In issue at 1 January	8,798,699	8,798,699,789
New ordinary shares issued during the year	9,069,952	0
Reverse share split	0	(8,789,901,090)
In issue at 31 December fully paid up	17,868,651	8,798,699

Largest shareholders as at 31 December 2023	No of shares	Percentage
Alden AS	1,579,083	8.8%
MH Capital AS	1,559,581	8.7%
North Sea Strategic Investments AS	1,355,363	7.6%
Morgan Stanley & Co. LLC	1,185,684	6.6%
HV VI Invest Sierra AS	1,116,565	6.2%
Midelfart Capital AS	574,674	3.2%
Vicama AS	550,030	3.1%
Vicama Capital AS	549,655	3.1%
B.O. Steen Shipping AS	500,000	2.8%
The Bank of New York Mellon SA/NV	486,986	2.7%
CAM AS	412,982	2.3%
Songa Capital AS	409,085	2.3%
Verdipapirfondet DNB SMB	278,891	1.6%
Otto Rongvær	270,647	1.5%
Westcon Yards AS	263,500	1.5%
Gross Management AS	228,667	1.3%
BR Industrier AS	223,992	1.3%
Toluma Norden AS	216,667	1.2%
Eng Invest AS	205,128	1.1%
Varde Norge AS	193,750	1.1%
Total 20 largest shareholders/ groups of shareholders	**12,160,930**	**68.0%**

All ordinary shares rank equally. Holders of these shares are entitled to one vote per share at general meetings of the Company.

Share-based compensation reserve

Share-based compensation reserve comprises the cumulative value of services received from employees recorded on grant of equity-settled share options. The expense for service received is recognised over the vesting period. The amount in the share-based compensation reserve is retained when the options are exercised or expire. See note 6 of the consolidated financial statements for details.

Note 9 Interest-bearing debt

	2023	2022
Credit facilities – face value	343,228	344,177
Total interest-bearing debt	**343,228**	**344,177**
Current interest-bearing debt	228	1,177
Non current interest-bearing debt	343,000	343,000
Total interest-bearing debt	**343,228**	**344,177**

Reconciliation of movements of interest-bearing debt to cash flows arising from financing activities:

	2023	2022
At 1 January	**344,177**	**343,438**
Changes from financing cash flows		
– Interest paid	(28,003)	(14,059)
– Refinancing costs paid	0	(3,511)
Total changes from financing cash flows	**(28,003)**	**(17,570)**
Other liability-changes		
– Refinancing costs	0	3,511
– Interest expenses	27,054	14,798
Total liability-related changes	**27,054**	**18,309**
At 31 December	**343,228**	**344,177**

Note 10 Other interest-free current liabilities

	2023	2022
Current payables due to subsidiaries	0	516
Other current liabilities	661	925
Total other interest-free current liabilities	**661**	**1,441**

Note 11 Intra-group balances

Year-end long-term balances	2023	2022
USD loan to Safe Eurus Singapore Pte. Ltd	140,151	130,319
Less: Allowance for credit loss	(121,857)	(112,025)
Intra-group long-term receivables	**18,294**	**18,294**

Loan agreements with subsidiary is based on market prices using 3M LIBOR (USD loan) interest rates plus a margin of 3.4–3.70 per cent (2022: 3.4–3.70 per cent) per annum up till 31 March 2023 where transition from USD LIBOR to SOFR took place. With effective 1 April 2023, LIBOR are replaced with SOFR interest rates plus a margin of 3.40–3.70 per cent per annum plus credit adjustment spread at 0.26 per cent per annum. Outstanding balances at year-end are unsecured, and settlement normally occurs in cash or via share capital injection.

The Company has assessed the recoverability of its receivables from subsidiaries and has an allowance for credit loss of USD 121,857,000 (2022: USD 112,025,000) based on assessments of their projected future cashflows.

In 2022, the Company entered into conversion of debt agreement with Prosafe AS by converting the NOK loan to Prosafe AS amount of USD 42.5 million into equity capital, which resulted in a reversal of credit loss of USD 42,631,000.

In 2022, the Company entered into waiver of receivable agreement with Prosafe Offshore Holdings Pte. Ltd. by waiving the USD loan to Prosafe Offshore Holdings Pte. Ltd. amount of USD 70.7 million. As the amount was fully provided in prior year, there is no impact to profit or loss account.

Year-end current balances	2023	2022
Current receivables due from subsidiaries	25,878	78
Current payables due to subsidiaries	0	(516)

In 2023 and 2022, the current receivables and payables are interest free and receivable/payable on demand.

Transactions with related parties	2023	2022
Transactions		
Administrative expenses with subsidiaries	(2,400)	(1,526)
Interest income due from subsidiaries	9,832	7,533
Dividends due from subsidiaries	7,550	20,000

Prosafe AS is performing services on behalf of Prosafe SE relating to management, corporate activities, investor relations, financing and insurance. The services are invoiced on a quarterly basis and paid on market terms. Please refer to note 6 to the consolidated financial statements for disclosure of remuneration to Directors.

The Company has an agreement 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 Invest Sierra, which together with another HitecVision fund (North Sea Strategic Investments) are major shareholders in the Company. The fee payable by the Company is USD 17,500 per month up to September 2022 and USD 10,000 per month from October to December 2022 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 per cent 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. In 2022, the transacted amount was USD 187,500 and the outstanding balance of USD 3,125 were due and payable under normal payment terms. The agreement was terminated in January 2023, hence no fees are paid for 2023 and there is no outstanding balance as of 31 December 2023.

As Alf Thorkildsen resigned from the Board of Directors in 2023, HitecVision will not be considered a related party from 1 January 2024.

Note 12 Mortgages and guarantees

As at 31 December 2023, the Company's interest-bearing debt secured by mortgages totalled USD 343.2 million (2022: USD 344.2 million). The debt was secured by mortgages on the accommodation vessels/units for maintenance and safety vessels Safe Caledonia, Safe Concordia, Safe Scandinavia, Safe Boreas, Safe Zephyrus and Safe Notos with net carrying value USD 285.8 million as at 31 December 2023 (2022: USD 283.5 million). Negative pledge clauses apply on shares in the vessel owning subsidiaries. Earnings accounts are pledged as security for the credit facilities, but cash will only be restricted if a continuing event of default occurs and the lenders have notified Prosafe of such.

As at 31 December 2023, the Company had issued parent company guarantees to clients on behalf of its subsidiaries in connection with the award and performance of contracts and Cosco (Qidong) Co., Ltd approximately USD 44 million and USD 60 million (2022: approximately USD 35 million and USD 60 million) respectively. The amounts specified with regard to parent company guarantees reflect the sum of the estimated capped liability under the relevant agreements.

Note 13 Financial assets and liabilities

Year ended 31 December 2023	Financial assets measured at amortised cost	Financial liabilities measured at amortised cost	Carrying value
Intra-group long-term receivables	18,294	0	18,294
Cash and deposits [1]	32,840	0	32,840
Other current assets	26,229	0	26,229
Total financial assets	**77,363**	**0**	**77,363**
Interest-bearing debt [2]		343,228	343,228
Accounts payable		82	82
Interest-free long-term liabilities		1,776	1,776
Other interest free current liabilities		661	661
Total financial liabilities		**345,747**	**345,747**

1 Included in cash and deposits were USD 1.9 million of restricted cash deposits

2 Refer to note 14 of the consolidated financial statements for details on fair value of the interest-bearing debt

Year ended 31 December 2022	Financial assets measured at amortised cost	Financial liabilities measured at amortised cost	Carrying value
Intra-group long-term receivables	18,294	0	18,294
Cash and deposits [1]	19,909	0	19,909
Other current assets	426	0	426
Total financial assets	**38,629**	**0**	**38,629**
Interest-bearing debt [2]		344,177	344,177
Accounts payable		65	65
Interest-free long-term liabilities		1,877	1,877
Intra-group current liabilities		516	516
Other interest free current liabilities		925	925
Total financial liabilities		**347,560**	**347,560**

1 Included in cash and deposits were USD 1.9 million of restricted cash deposits

2 Refer to note 14 of the consolidated financial statements for details on fair value of the interest-bearing debt

Note 14 Maturity profile liabilities

Year ended 31 December 2023	2024	2025	2026 onwards
Interest-bearing debt (repayments)[1]	0	343,000	0
Interests on interest bearing debts	25,706	21,266	0
Accounts payable	82	0	0
Other interest-free current liabilities	661	0	0
Total	**26,449**	**364,266**	**0**

[1] The interest-bearing debt matures in 2025

Year ended 31 December 2022	2023	2024	2025 onwards
Interest-bearing debt (repayments)[1]	0	0	343,000
Interests on interest bearing debts	25,999	21,839	18,865
Intra-group current liabilities	516	0	0
Accounts payable	65	0	0
Other interest-free current liabilities	925	0	0
Total	**27,505**	**21,839**	**361,865**

[1] The interest-bearing debt matures in 2025

Note 15 Financial risks

Interest rate risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is that the fair value of a financial instrument will fluctuate due to changes in market interest rates. The Company's interest rate risks arise primarily from its variable rate credit facilities. As at 31 December 2023 and 31 December 2022, the Company has not entered into arrangements to hedge the floating interest rate.

The Company evaluates the hedge profile in relation to the repayment schedule of its loans. Due to current unfavourable pricing of the interest rate swap and short maturity of the interest bearing debt, the Company has decided not to hedge the floating interest rate. After restructuring in 2021, there are no credit lines available for hedging of financial risks and consequently such risks remained unhedged in 2023.

Interest rate risk – sensitivity

The sensitivity analysis is based on a reasonably possible change in the relevant interest rate and reflects the main effects on profit or loss and equity assuming that the change had occurred at the balance sheet date. A ±50bps change in interest rate will have the following effects.

Pre-tax effects on income statement	2023	2022
US LIBOR/SOFR +50bps	1,715	1,715
Interest expense on credit facilities		
US LIBOR/SOFR -50bps		
Interest expense on credit facilities	(1,715)	(1,715)

Currency risk

The Company's operating expenses are primarily denominated in NOK and GBP, and the operating result is therefore exposed to currency risk relating to fluctuations in the NOK and GBP exchange rates versus the USD. The Company is exposed to currencies other than USD associated with cash and deposits (denominated in USD, GBP and NOK).

Currency risk – sensitivity

The sensitivity analysis is based on a reasonably possible change in the relevant exchange rates and reflects the main effects on profit or loss and equity assuming that the change had occurred at the balance sheet date. A 10 per cent strengthening/weakening of the USD against NOK and GBP will have the following effects. Exposures to foreign currency changes for all other currencies are not material.

Pre-tax effects on income statement	2023	2022
USD +10%		
Re-valuation cash and deposits	(275)	(373)
Total	**(275)**	**(373)**
USD -10%		
Re-valuation cash and deposits	275	373
Total	**275**	**373**

Credit risk

The Company is exposed to credit risk in relation to the inter-company loan and receivables from subsidiaries. See note 11 for details about the intra-group balances.

Liquidity risk

The Company is exposed to liquidity risk in a scenario when the Company's cash flow from operations is insufficient to cover payments of financial liabilities. The Company manages liquidity and funding on a group level. In order to mitigate the liquidity risk, the Group monitors the liquidity development and the risk of insufficient capital by rolling cash flow forecasts to determine whether the Group's liquidity position is above the minimum cash covenant as per the loan agreements. In 2023 the Company has completed new share issues to raise cash to reduce the liquidity risk and maintain sufficient cash to cover its financial and operational obligations.

Capital management

The primary objective of the Company's capital management is to ensure that it maintains a healthy capital structure in line with economic conditions. This is managed on a group level as disclosed in note 18 of the consolidated financial statement.

Note 16 Events after the reporting period

On 22 February 2024, Gunnar Eliassen was appointed as Director, and Deputy Chair. At the same time, a proposed change in board remuneration was approved, involving a reduction in fixed compensation in exchange for the granting of share options to board members. Ryan Schedler was appointed a member of the Nomination Committee.

Declaration by the Board of Directors and Chief Executive Officer

The Board of Directors and the Chief Executive Officer have today considered and approved the annual report and financial statements for the Prosafe Group and its parent Company Prosafe SE for the 2023 calendar year ended on 31 December 2023.

This declaration is based on reports and statements from the Chief Executive Officer, Chief Financial Officer and on the results of the Group's business as well as other essential information provided to the Board of Directors to assess the position of the parent Company and the Group.

To the best of our knowledge:

The 2023 financial statements for the parent Company and the Group have been prepared in accordance with all applicable accounting standards.

The information provided in the financial statements gives a true and fair portrayal of the parent Company's and the Group's assets, liabilities, financial position and results taken as a whole as at 31 December 2023.

The Board of Directors' report for the parent Company and the Group provides a true and fair overview of the development, performance, outlook and financial position of the parent Company and the Group taken as a whole, and the most significant risks and uncertainties facing the parent Company and the Group.

19 March 2024
The Board of Directors of Prosafe SE

Glen Ole Rødland
Non-executive Chair

Birgit Aagaard-Svendsen
Non-executive Director

Halvard Idland
Non-executive Director

Nina Udnes Tronstad
Non-executive Director

Gunnar Eliassen
Deputy Chair

Terje Askvig
Chief Executive Officer

To the General Meeting of Prosafe SE

Independent Auditor's Report

KPMG

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Prosafe SE, which comprise:

- the financial statements of the parent company Prosafe SE (the Company), which comprise the statement of financial position as at 31 December 2023, the statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, and
- the consolidated financial statements of Prosafe SE and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2023, the consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion

- the financial statements comply with applicable statutory requirements,
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the EU, and
- the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the EU.

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

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company and the Group as required by relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

We have been the auditor of the Company for 5 years from the election by the general meeting of the shareholders on 8 May 2019 for the accounting year 2019.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of accommodation vessel fleet and possible reversal of impairment

Reference is made to Note 2 Statement of Compliance and basis of preparation paragraph "Impairment / Reversal of impairment of non-financial assets" and Note 8 Tangible assets.

The Key Audit Matter	How the matter was addressed in our audit
The Group's fleet of accommodation vessels have a book value of USD 383.7 million and represents a significant portion of total assets. The Group recorded significant impairment charges in previous years, including both in 2019 and 2020. All the vessels owned by the Group are previously impaired in accordance with IAS 36. The Group regularly reviews whether there are any indicators of impairment and impairment reversal and tests the individual assets for impairment (reversal) if an indicator is identified. The market for offshore accommodation vessels continues to show signs of oversupply with reduced utilisation levels in 2023 compared to 2022. The Group has 4 vessels on fixed contracts with durations ranging from late 2024 to 2027. Based on the Group's prediction of client activity levels in key markets, the Group expects an increase in demand for 2025 and beyond. With a significant share of the global supply of high-end vessels already contracted for 2025 and 2026, the Group expects demand for unemployed vessels at increased rates compared to current levels. Assessing whether an indicator for impairment (reversal) exists, involves significant judgment from management, as to whether significant changes have occurred in the market for accommodation vessels, which could significantly impact the expected future cash flow from the asset. This judgement includes assessing observable changes in day rates and the likelihood of redeployment of the vessel to new contracts either from lay-up or when the current contract period expires. This uncertainty is mainly applicable to those vessels that are nearing the end of the fixed contract period and those that are currently not on contract. The judgments described above have a direct impact on the valuation of the Company's significant investment in subsidiaries and the expected credit loss on receivables from subsidiaries. For all vessels in the Group's fleet per 31 December 2023, a qualitative assessment of impairment (reversal) indicators did not require further quantitative impairment testing.	We obtained an understanding of the process for identifying impairment (reversal) indicators. We evaluated whether all vessels in the fleet were identified by management and assessed for impairment (reversal) indicators. For each vessel we assessed the key considerations applied by management in the impairment (reversal) trigger assessment. For those vessels where an error could result in a material misstatement and where management did not identify an impairment (reversal) trigger, we assessed the appropriateness and reliability of qualitative factors and challenged management considering: • utilisation levels for the fleet in 2023 • status of tender activity • supply-side constraints and market expectations in the short and medium term We inspected external information sources, comparing to management updates and communication with the Board of Directors of the Group to assess the consistency of the current year increase in activity for the sector. We assessed the impact on impairment (reversal) for shares in subsidiaries and of expected credit loss for receivables from subsidiaries, considering the vessel indicators assessments as well as the net assets of the subsidiaries. We assessed the adequacy of disclosure related to impairment indicators.

Other Information

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

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

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

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

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

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

- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Report on Compliance with Requirement on European Single Electronic Format (ESEF)

Opinion

As part of the audit of the financial statements of Prosafe SE, we have performed an assurance engagement to obtain reasonable assurance about whether the financial statements included in the annual report, with the file name 2138001LK2Z2HSER4U15-2023-12-31-en, have been prepared, in all material respects, in compliance with the requirements of the Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (ESEF Regulation) and regulation pursuant to Section 5-5 of the Norwegian Securities Trading Act, which includes requirements related to the preparation of the annual report in XHTML format, and iXBRL tagging of the consolidated financial statements.

In our opinion, the financial statements, included in the annual report, have been prepared, in all material respects, in compliance with the ESEF regulation.

Management's Responsibilities

Management is responsible for the preparation of the annual report in compliance with the ESEF regulation. This responsibility comprises an adequate process and such internal control as management determines is necessary.

Auditor's Responsibilities

Our responsibility, based on audit evidence obtained, is to express an opinion on whether, in all material respects, the financial statements included in the annual report have been prepared in compliance with ESEF. We conduct our work in compliance with the International Standard for Assurance Engagements (ISAE) 3000 – "Assurance engagements other than audits or reviews of historical financial information". The standard requires us to plan and perform procedures to obtain reasonable assurance about whether the financial statements included in the annual report have been prepared in compliance with the ESEF Regulation.

As part of our work, we have performed procedures to obtain an understanding of the Company's processes for preparing the financial statements in compliance with the ESEF Regulation. We examine whether the financial statements are presented in XHTML-format. We evaluate the completeness and accuracy of the iXBRL tagging of the consolidated financial statements and assess management's use of judgement. Our procedures include reconciliation of the iXBRL tagged data with the audited financial statements in human-readable format. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Oslo, 19 March 2024
KPMG AS

Anfinn Fardal
State Authorised Public Accountant

(This document is signed electronically)

Abbreviations

Abbreviation	Definition
AGM	Annual general meeting
BPS	Basis points
BRL	Brazilian reals
CCO	Chief commercial officer
CEO	Chief executive officer
CFO	Chief financial officer
CGU	Cash generating unit
CIO	Chief information officer
CTO	Chief technical officer
COO	Chief operating officer
Contract backlog	The Company's fair estimation of revenue in firm contracts and exercised optional periods for Own Fleet
Contractors	Third party vendors
CSR	Corporate Social Responsibility
CSRD	Corporate Sustainability Reporting Directive
DP	Dynamic positioning
EBIT	Earnings before interest and tax. Equal to Operating profit
EBITDA	Earnings before interest, tax, depreciation and amortisation
EGM	Extraordinary general meeting
EUR	Euro
EPS	Earnings per share
ESG	Environment, Social and Governance
FPSO	Floating production storage and offloading
GDPR	General Data Protection Regulation
GHG	Greenhouse Gas Emissions
GHG emissions – scope 1	Direct GHG emissions from operations that are owned and/or controlled by the Company
GHG emissions – scope 2	Indirect GHG emissions from energy purchased from third parties for e.g. heating or cooling and consumed within the Company
GHG emissions – scope 3	All other indirect GHG emissions from activities of the Company occurring from sources that the Company does not own or control, i.e. business travel, procurement, waste and water
GBP	British pound
GRI	Global Reporting Initiative
Hazardous waste	Waste is considered to be hazardous waste according to the regulations under which the activity operates or where the waste can pose a substantial hazard to human health and/or the environment when improperly managed
HSSE	Health, safety, security and environment
HSSEQ	Health, safety, security, environment and quality
IAS	International accounting standard
IFRS	International financial reporting standards
IMO	International Maritime Organisation
ISO	International Standards Organisation
KPI	Key Performance Indicator
LIBOR	London interbank offered rate
LTI	Lost Time Injury, which means the employee was absent from the next work shift because of the injury
LTI frequency (LTIF)	The Lost Time Injury (LTIF) frequency is calculated by multiplying the number of LTIs by 1 million and dividing this by the total number of man-hours worked
Marine crew	Includes employees and temporary agency personnel. Contractors (third party vendors) are not included
MARPOL	The International Convention for the Prevention of Pollution from Ships
NCS	Norwegian Continental Shelf
NIBD	Net interest-bearing debt
Net interest-bearing debt	Non-current interest-bearing borrowings plus current interest-bearing borrowings less cash and cash equivalents.
NOK	Norwegian krone
NWC	Net working capital
Net working capital	Net working capital is equal to (Total current assets excl. cash – Total current liabilities excl. Tax payable and current portion long-term debt)
OSEBX	Oslo Stock Exchange main index
SASB	Sustainability Accounting Standards Board
SDG	The United Nations' Sustainable Development Goals
SE	European company/ Societas Europaea
Sickness absence	The total number of sickness absence hours as a percentage of planned working hours (Prosafe employees)
SOFR	Secured overnight financing rate
SPS	Special periodic survey
TCFD	Task Force for Climate-related Financial Disclosures
TLP	Tension Leg Platform
Total recordable injury frequency (TRIF)	Number of fatal accidents, lost-time injuries, injuries involving substitute work and medical treatment injuries per million hours worked
TSV	Tender support vessel
UMS	Unit for maintenance and safety
USD	United states dollar
VPS	Norwegian Central Securities Depository

SASB disclosures

Prosafe discloses against the SASB Marine Transportation (2023) and Oil and Gas Services (2023) Standards, where those disclosures are applicable to the nature of Prosafe's business activities.

Accounting metric	Unit of measure	Data 2023	Data 2022	Data 2021	SASB code
GREENHOUSE GAS EMISSIONS					
CO_2 emissions					
Gross global Scope 1 emissions: Operational control approach	Metric tons CO_2-e	36,192	24,368	25,828	TR-MT-110a.1
Gross global Scope 2 emissions location- based	Metric tons CO_2-e	14	20	–*	Additional
Gross global Scope 2 emissions market- based	Metric tons CO_2-e	20	42	–*	Additional
Gross global Scope 3 indirect emissions	Metric tons CO_2-e	62,692	95,652	72,517	Additional
Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	Qualitative description	Page 18	TR-MT-110a.2		
Discussion of strategy or plans to address air emissions-related risks, opportunities, and impacts	Qualitative description	Page 18	EM-SV-110a.2		
Percentage of engines in service that comply with the highest level of emissions standards for non-road diesel engine emissions[1]	Percentage (%)	N/A	EM-SV-110a.3		
Energy consumed					
Total energy consumed[2]	Gigajoules (GJ)	575,279	381,539	–*	TR-MT-110a.3
	Percentage of energy from heavy fuel (%)	0	0	–*	
	Percentage of energy from renewable / low-carbon sources (%)	0	0	–*	
Average Energy Efficiency Design Index (EEDI) for new ships	Grams of CO_2 per ton-nautical mile	N/A**	N/A**		TR-MT-110a.4

[1] All engines comply with MARPOL requirements.

[2] Includes Prosafe fuel consumed (Scope 1) and electricity purchased (scope 2). 2022 figures restated.

Accounting metric	Unit of measure	Data 2023	Data 2022	Data 2021	SASB code
AIR QUALITY					
Other emissions to air					
(1) NO_X (excluding N_2O)	Metric tons	638	375	–*	TR-MT-120a.1
(2) SO_X	Metric tons	30	17	–*	
(3) Particulate matter	Metric tons	12	7	–*	
ECOLOGICAL IMPACTS					
Average disturbed land area per (1) oil and (2) gas well site	Hectares (ha)	N/A**			EM-SV-160a.1
Discussion of strategy or plans to address risks and opportunities related to ecological impacts from core activities	Discussion & Analysis	Page 21			EM-SV-160.a2
Marine protected areas					
Shipping duration in marine protected areas or areas of protected conservation status	Number of travel days	193	0	30 (at maintenance yard)	TR-MT-160a.1
Implemented ballast water					
(1) Exchange	Percentage (%)	N/A**			TR-MT-160a.2
(2) Treatment	Percentage (%)	N/A**			
Spills and releases to the environment					
(1) Number	Number	1	0	0	TR-MT-160a.3
(2) Aggregate volume	Cubic metres (m^3)	2.7	0	0	

Accounting metric	Unit of measure	Data 2023	Data 2022	Data 2021	SASB code
RESPONSIBLE BUSINESS CONDUCT					
Management of the Legal and Regulatory Environment					
Discussion of corporate positions related to government regulations and/or policy proposals that address environmental and social factors affecting the industry	Discussion & Analysis	Page 29	EM-SV-530a.1		
ANTI-CORRUPTION & ANTI-BRIBERY					
Corruption					
Number of calls at ports in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index	Number	0	0	0	TR-MT-510a.1
Amount of net revenue in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index	Reporting currency	0	0	0	EM-SV-510a.1
Description of the management system for prevention of corruption and bribery throughout the value chain	Discussion & Analysis	Page 30	EM-SV-510a.2		
Total amount of monetary losses as a result of legal proceedings associated with bribery or corruption	USD	0	0	0	TR-MT-510a.2
HEALTH & SAFETY					
Description of management systems used to integrate a culture of safety throughout the value chain and project lifecycle	Discussion & Analysis	Page 23	EM-SV-320a.2		
Health & Safety Incidents					
Lost time incident rate (LTIR)	Rate	1.23	0	0	TR-MT-320a.1
Total recordable incident rate (TRIR)	Rate	3.68	0	0	EM-SV-320a.1
Fatality rate	Rate	0	0	0	
Near-miss frequency rate (NMFR) (pr. 1 million exposure hours)	Rate	28.2	11.0	2.38	
Total vehicle incident rate (TVIR)	Rate	N/A**	N/A**	N/A**	

Accounting metric	Unit of measure	Data 2023	Data 2022	Data 2021	SASB code
Average hours of health, safety, and emergency response training					
Full-time employees	Rate	21.26	–*	–*	EM-SV-320a.1
Contract employees	Rate	21.34	–*	–*	
Short-service employees	Rate	N/A	–*	–*	

EMERGENCY PREPAREDNESS

Accounting metric	Unit of measure	Data 2023	Data 2022	Data 2021	SASB code
Critical Incident Risk Management					
Discussion of management systems used to identify and mitigate catastrophic and tail-end risks	Discussion & Analysis	Page 33	EM-SV-540a.1		
Marine casualties					
Incidents	Number	0	0	0	TR-MT-540a.1
Very serious marine casualties	Percentage (%)	0	0	0	
Conditions of class					
Number of Conditions of Class or Recommendations	Number	19	28	34	TR-MT-540a.2
Port State Control					
Deficiencies	Rate	N/A**	N/A**	N/A**	TR-MT-540a.3
Detentions	Number	N/A**	N/A**	N/A**	

Accounting metric	Unit of measure	Data 2023	Data 2022	Data 2021	SASB code
OUR OPERATIONS IN NUMBERS					
Number of shipboard personnel per 31.12.2023	Number	363	259		TR-MT-000.A
Total distance travelled by vessels	Nautical miles (nm)	N/A**	N/A**	N/A**	TR-MT-000.B
Operating days	Days	1,043	1,738	1,407	TR-MT-000.C
Deadweight tonnage	Thousand deadweight tons	N/A**	N/A**	N/A**	TR-MT-000.D
Number of vessels in fleet active per 31.12.2023	Number	6	6	6	TR-MT-000.E
Number of vessel port calls	Number	N/A**	N/A**	N/A**	TR-MT-000.F
Twenty-foot equivalent unit (TEU) capacity	Number	N/A**	N/A**	N/A**	TR-MT-000.G

–* Data unavailable.

N/A** Not applicable to Prosafe's activities.

TCFD disclosures

This summary statement of Prosafe's climate-related risks has been prepared in alignment with the Taskforce for Climate-related Financial Disclosures' (TCFD) recommendations.

Governance	1	Describe the Board of Directors' oversight of climate-related risks and opportunities	In accordance with the principles supporting value-based management, the Board of Directors places significant importance on systematic risk management. This is done by identifying existing and potential risk exposures. This approach satisfies the requirements set out in law and ensures the Company's governance remains fit for purpose in a highly dynamic market environment. Prosafe undertakes regular Climate Risk Reviews with support from an independent expert. The review is presented to the Board of Directors and covers risk categories described in the TCFD framework – namely, physical, regulatory, market, technology and reputation risks (and opportunities). Climate-related risks and opportunities are regularly reviewed as part of its overall responsibility for risk governance by the Board of Directors. The Board of Directors receives regular updates on climate risk, including emerging regulations, developments in the Company's performance on the decarbonisation strategy – emissions reduction trajectories and technological developments.
	2	Describe management's role in assessing and managing climate-related risks and opportunities	The management team regularly reviews climate related risk and opportunity, as part of its daily operations. The management team's responsibility for ongoing climate risk and opportunity review contributes to our strategy and enterprise risk management approach. Prosafe has conducted an assessment of all relevant risk and opportunity areas, including operations; contracts; charter parties and so forth. Where risks have been identified, they are defined, and specific countermeasures are being developed. The management team completed the following projects, where climate-related risks and opportunities were assessed, or that contributed to the assessment of or deployment of countermeasures for climate-related risks and opportunities: • Sustainability Strategy review • TCFD-aligned climate risk review (i.e. this process) • Collection and reporting of climate-related data including GHG emissions • Setting a decarbonization goal/pathway • Establishing a decarbonisation plan • Updating the corporate risk register with climate risks. Management reports material climate related risks and opportunities to the Board of Directors.

Strategy	3	Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term	See separate risks and opportunities table following.
	4	Describe the impact of climate-related risks and opportunities on the organisation's business, strategy and financial planning	See separate risks and opportunities table following. Prosafe has undertaken a climate risk review and analysis to understand how climate risks and opportunities are likely to impact the business, its strategy and financial planning. Using information from these sources and its ongoing monitoring of GHG emission performance across the fleet, Prosafe believes it is well positioned to absorb, mitigate or adapt to climate-related risks; and, in some cases may exploit available opportunities. This position is supported by the following assertions: • An understanding of the long-term asset/fleet/technology upgrade and renewal requirements. • Ongoing investment in and updating of the knowledge and capability of human capital within the business to respond to climate-related risks and opportunities. • The review and establishment of available climate related data and information on which to make business, strategic and financial decisions on. • The Company's strategic approach to respond to a wide range of forecast climate scenarios. • Current and forecast demand for low carbon providers in the markets that the Company services.
	5	Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2 degree C or lower scenario	Prosafe is scoping and assessing what future climate scenarios will look like – ranging from business-as-usual to 2 degrees C or lower, and how these will affect the business. The work in this area is designed to ensure that the business strategy can be refined to better meet future scenarios. For Prosafe, the approach to emissions reductions will be mainly through more energy efficient ways of operating and, in time, investments in new assets and technology. Reduction pathways required to achieve various climate goals have been analysed, including the IMO's and the Paris Agreement's current 2030 and 2050 climate targets. Prosafe's strategy is evolving in response to these and various future climate scenarios, aiming to adapt as required and ensure resilience is built in, as described in point 4.
Risk management	6	Describe the organisation's processes for identifying and assessing climate-related risks	Prosafe has undertaken a climate risk review to understand its climate risks and opportunities. Risk management is an integrated part of our daily operations and management processes. Every year enterprise risks, including climate risk, are formally presented by management to the Board of Directors, based on input from technical managers. The Board of Directors and management also have an ongoing dialogue during committee meetings regarding climate related risk, such as fleet performance, and investment decisions.
	7	Describe the organisation's processes for managing climate-related risks	Climate-risk management is integrated in our overall risk management processes, as it is part of assessing the effect of regulatory and propulsion technology developments. The CEO is the overall risk management responsible. Through yearly reviews of the Company's most prominent areas of risk exposure and its internal control arrangements and management guidelines, the Board of Directors aims to ensure that the Company has sound internal control and systems for risk management that are appropriate in relation to the extent and nature of the Company's activities.
	8	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management	The risk management approach to climate-related risks has been updated and incorporated into Board and management processes. It is based on assessing the likelihood and impact of developments and performance of the risks our Company face or may face. When the combination of likelihood and impact for a certain factor constitutes a sufficiently high level of risk, that risk is then included in our overall risk management processes.

Metrics and targets	9	Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk process	GHG emissions are measured in carbon dioxide equivalents. Intensity metrics per unit of operating days are being investigated. Other metrics are being developed for risk measurement.
	10	Disclose Scope 1, Scope 2, and, if appropriate, Scope 3, greenhouse gas (GHG) emissions, and the related risks	See climate and emission reporting in the Environmental section of the Sustainability report for 2023.
	11	Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets	In line with the IMO's emission reduction trajectories we are currently following the IMO initial GHG reduction pathway: • 50 per cent reduction in emission intensity by 2030 • 50 per cent reduction in total emissions by 2050 • 70 per cent in emission intensity by 2050 • Zero emissions as soon as possible within this century. More specific GHG emission reduction targets are currently being considered and will be reported in 2024.

Physical risks	• Physical risks may have financial implications for the Company, such as direct damage to assets and indirect impacts from disrupted operations e.g. disconnection of gangway and ceasing of day rate. • Extreme weather / increased frequency of extreme weather and related knock-on effects that causes disruption in operations, e.g. increased time where the gangway is disconnected. • Extreme weather / increased frequency of extreme weather and related knock-on effects that causes disruption and impacts on customers' activities, operations and markets. Including similar indirect affects further down the value chain.
Regulatory risks	• The Company is exposed to changes in legal, tax and regulatory regimes within relevant jurisdictions as well as potential private litigation and public prosecution. • In the current geopolitical context there are newly introduced and further strengthened sanction regimes, and legal risk exposure is elevated. • Future carbon costs and marine transportation may becoming part of the EU ETS may impact cost structures if and when operating in EU waters. • Impacts of speed of regulatory shift on business planning, strategy and cost structures to comply with new and additional regulation. • Potential for regulatory non-licensing of oil and gas exploration and production activities.
Market risks	• Changing customer requirements and contract risks – meeting market expectations for lower GHG emissions. • The volatility of the fuel market poses a potential risk. Any sort of regulation can increase product prices; however fuel prices can be particularly volatile in this regard. • Impacts on business planning, strategy and cost structures to meet new and evolving market requirements. • Increasing scrutiny from the providers of capital in relation to carbon intensive business activities, affecting both the access to, and cost of, capital. • Shift from passive disclosure requirements to demonstration of an action-oriented approach. • Increased cost in the supply chain (due to increased competition, new regulations, increased energy prices and increased costs related to raw materials, e.g. steel) • Increased scrutiny from financial sector on oil and gas industry globally. (Investors exclude oil and gas from investment portfolio; banks increase price of credit for companies in the oil and gas industry) • Change in the oil price (a lower oil price will result in fewer development projects being viable)

Technology risks	• IT and cyber risks make up an increasing share of a company's risk profile. • Tested and fit-for-purpose low carbon technologies are becoming available. The speed and effectiveness of their implementation is affected by multiple factors, including the reliability of the technology itself, validation of its operational efficiency improvements and willingness or ability of the Company and its customers to adopt.
Reputation risks	• Reputational risks broadly associated with the role of the oil and gas industry in the energy transition, including the management of those risks by clients. • Reputational effects related to spills, routes affecting ecosystems and biodiversity. • Ability to meet the fuel efficiency or GHG emission reduction performance of industry peers, with potential positive or negative reputational risks, depending on performance in any given time period. • Decreased public support for oil and gas. (Increased polarisation in public debate. Political parties with climate focus gain increased public support. Could result in Prosafe losing employees, fail to attract talents due to the industry in general being viewed as unattractive and unsustainable)
Opportunities	• Becoming the recognised low carbon operator of choice and preferred chartering partner. • Access to new funding through green finance or debt or government support offerings to implement emission reduction initiatives. • Adoption of new technologies to reduce GHG emissions, to stay ahead of competition, ahead of regulations, enhancing reputation and competitiveness. • Expansion of asset portfolio and tilt towards green energy markets and activities e.g. wind installations. • High sustainability performance driving an enhanced reputation. • Adaptation leading to improved operational performance. • Technology opportunities for improving (increasing efficiency) onboard systems, including alternative fuels and hybrid power plants. • Opportunities in developing partnerships with leading industry actors to accelerate decarbonisation.

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