INFORMATION MEMORANDUM

in connection with the contemplated combination of

Prosafe SE and Floatel International Ltd.

The information contained in this information memorandum (the "**Information Memorandum**") relates to the contemplated business combination of Prosafe SE (the "**Company**" or "**Prosafe**", and together with its subsidiaries, the "**Prosafe Group**"), a European public limited liability company domiciled in Norway and listed on Oslo Børs (the "**Oslo Børs**" or the "**Oslo Stock Exchange**"), and Floatel International Ltd. (together with its subsidiaries, the "**Floatel Group**"), an exempted company incorporated under the laws of Bermuda, through a transfer of all ordinary shares in Floatel to Prosafe against consideration in the form of newly issued consideration shares (the "**Consideration Shares**") and certain preference shares in the Company the "**Transaction**"), as described in Section 6 below. The Transaction excludes existing preference shares in Floatel as further described later in this Information Memorandum.

This Information Memorandum is not a prospectus and has not been inspected or approved by the Financial Supervisory Authority of Norway *(Nw: Finanstilsynet)* (the "**Norwegian FSA**") in accordance with the rules that apply to prospectuses. This Information Memorandum serves as an information document as required under section 3.5 of the Oslo Børs Continuing Obligations for Stock Exchange Listed Companies (the "**Continuing Obligations**"). The Continuing Obligations apply in respect of companies with shares admitted to trading on Oslo Børs and this Information Memorandum has been submitted to the Oslo Stock Exchange for inspection before it was published.

All readers should read the entire Information Memorandum carefully and, in particular, consider the matters described in Section 1 "Risk Factors " beginning on page 8.

This Information Memorandum is prepared and published for information purposes only. It does not constitute an offer or solicitation to buy, subscribe for or sell the securities described herein, and no securities are being offered or sold pursuant to this Information Memorandum.

The date of this Information Memorandum is 16 August 2019.

IMPORTANT INFORMATION

This Information Memorandum has been prepared by the Company to provide information about the business combination with Floatel International Ltd. For definitions of certain other terms used throughout this Information Memorandum, see Section 13 "Definitions and Glossary".

The Company has engaged Clarksons Platou Securities AS as Financial Advisor (the "**Financial Advisor**") to assist the Company in the Transaction.

The information contained herein is current as of the date hereof and subject to change, completion and amendment without notice. The publication and distribution of this Information Memorandum shall not under any circumstances create any implication that there has been no change in the affairs of the Company, together with all of its subsidiaries, including Floatel and its subsidiaries (hereafter referred to as the "**Group**") or that the information herein is correct as of any date subsequent to the date of this Information Memorandum. Except as required by applicable law and stock exchange rules, the Group does not undertake any duty to update the information in this Information Memorandum. Neither the publication nor distribution of this Information Memorandum, nor the sale of any Shares, shall under any circumstances imply that there has been no change in the Group's affairs or that the information herein is correct as at any date subsequent to the date of this Information Memorandum.

No person is authorised to give information or to make any representation in connection with the Transaction other than as contained in this Information Memorandum. If any such information is given or made, it must not be relied upon as having been authorised by the Company or the Financial Advisor or by any of the affiliates, representatives, advisors or selling agents of any of the foregoing. The contents of this Information Memorandum are not to be construed as legal, business or tax advice. Each reader of this Information Memorandum should consult with his or her own legal, business or tax advisor as to legal, business or tax advice. No due diligence has been made with respect to the Company, the Shares or the business of the Group in connection with preparation of this Information Memorandum.

The distribution of this Information Memorandum in certain jurisdictions may be restricted by law. This Information Memorandum does not constitute an offer of, or an invitation to purchase, any of the Shares in any jurisdiction in which such offer or sale would be unlawful. Neither this Information Memorandum nor any advertisement or any other Transaction material may be distributed or published in any jurisdiction except under circumstances that will result in compliance with applicable laws and regulations. Persons in possession of this Information Memorandum are required to inform themselves about, and to observe, any such restrictions. This Information Memorandum shall be governed by and construed in accordance with Norwegian law. The courts of Norway, with Oslo as legal venue, shall have exclusive jurisdiction to settle any dispute which may arise out of or in connection with this Information Memorandum.

All conditions for the Transaction have not been met at the date hereof and the Transaction has consequently not been completed. No assurance can be made that such conditions will be met or waived, or that the Transaction will be completed.

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1. RISK FACTORS

The risks and uncertainties described in this Section are the principal known risks and uncertainties faced by the Company as of the date hereof that the Company believes are the material risks of relevance. If any of the following risks were to materialise, individually or together with other circumstances, they could have a material and adverse effect on the Company's business, results of operations, cash flows, financial condition and/or prospects, which could cause a decline in the value and trading price of the Shares, resulting in the loss of all or part of an investment in the same. Additional risks and uncertainties not known at present or are deemed immaterial may also impair the business, financial condition, operating results, liquidity, performance and prospects of the Company. The order in which the risks are presented below is not intended to provide an indication of the likelihood of their occurrence nor of their severity or significance. Holders of shares in the Company (the "**Shares**") should read and consider the risks described below with the information contained in "Important Information" on page 2, as well as the other information in this Information Memorandum.

1.1 Risks related to the Transaction

1.1.1 *Although the pro forma financial figures are based on estimates and assumptions based on current circumstances believed to be reasonable, actual results of the Transaction can materially differ from those presented herein*

The pro forma financial figures included in this Information Memorandum have been prepared solely to show what the significant effects of the Transaction might have been had the Transaction occurred at an earlier date and does not purport to present the results of operations or the financial condition of the Group for the period covered therein, nor should it be used as the basis of projections of the results of operations or the financial condition of the Group for any future period or date. This Information Memorandum includes unaudited pro forma consolidated financial information for the Group as of and for the year ended 31 December 2018 and there is a great degree of uncertainty associated with pro forma figures compared with actual reported results. The pro forma financial figures have been prepared for illustrative purposes only and, because of its nature, it addresses a hypothetical situation and therefore does not purport to present the results of operations of the Group as if the Transaction had occurred at the commencement of the period being presented.

1.1.2 *Consummation of the Transaction is conditional upon satisfaction of a number of conditions that are beyond the control of the Company, see Section 6 "The Transaction"*

The Transaction may therefore not be consummated and transaction costs will have been incurred for the Group regardless of whether the Transaction is consummated which could negatively affect the business, results of operation and financial condition of the Group.

In addition, there will be no realization of any of the expected benefits of having completed the Transaction and failure to complete the Transaction could result in a negative perception by the stock market of the Company and result in a decline of the market value of the Company's shares.

1.1.3 *The Group may not be able to successfully implement the expected benefits or achieve the anticipated synergies of the Transaction*

The Transaction involves the integration of two companies that have been historically and are currently operating independently. Achieving the expected benefits of the Transaction will depend in part on meeting the challenges inherent in the successful combination and integration of the respective business enterprises. There can be no assurance that the Group will meet these challenges, that any diversion related to meeting such challenges will not negatively affect operations, or that the benefits expected from the Transaction will be realised. In addition, delays encountered in the transition process could have a material adverse effect on revenues, expenses, operating results and the financial condition of the Group. Should any of these risks associated with acquisitions materialise, it could have a material adverse effect on the Group's business, results of operations, financial condition or prospects.

1.1.4 The Company's shareholders may receive a lower return on their investment after the Transaction

Although the Company and Floatel believe that the Transaction will create financial, operational and strategic benefits for the Group and its shareholders, these benefits may not be achieved. The business combination, even if conducted in an efficient, effective and timely manner, may not result in a combined financial performance of the Group that is better than what each company would be able to achieve independently if the Transaction does not occur.

1.1.5 The Foatel vessels may be in a condition which is worse than expected

The Company has entered into the Transaction with the expectation that it will assume a fleet in a certain condition. The condition of the vessels to be acquired in the Transaction may turn out to be worse than agreed or expected, and this could result in unexpected or increased costs and decreases in the amounts of expected revenues or results of the combined fleet.

1.1.6 The Group may not be able to renew, maintain or transfer the contracts currently held by Floatel or review, maintain or transfer these on the same terms

Some of Floatel's contracts contain consent requirements triggered by the Transaction. The Group may not be able to obtain such consents or may be unable to renew the existing contracts entered into by Floatel or establish new contracts on terms as favourable as those contracts Floatel currently holds. Further, the Group may incur transfer or change in control fees under certain contracts as a result of the Transaction. The Group's business, operating results, cash flow and financial condition may be adversely affected due to such transfer or change in control fees, loss of contracts or failure to continue the contracts on current terms or to establish new contracts on similar terms.

1.1.7 The Group may be subject to potential loss of key employees as a result of the Transaction

Acquisitions generally involve risk that the employees of companies involved in the acquisition leave and therefore the Group risks losing the experience of employees in connection with the Transaction. The loss of key employees could have a material adverse effect on the Group's business, results of operations, financial condition or prospects.

1.1.8 The Company may discover contingent or other liabilities within Floatel

Following the Transaction, the Company may discover unexpected issues relating to Floatel's business, such as contingent or other liabilities which were not known to the Company. Any unexpected issue may have a material adverse effect on the Group's business, results of operations, financial condition or prospects, for which the Company may not be entitled to seek remedy for.

1.2 Risks related to the industry the Group operates in

1.2.1 The cyclical nature of the industry may lead to volatile changes in contract rates, which may adversely affect the Group's earnings and the value of its vessels

Demand and supply in the market in which the Group operates is subject to cyclical movements in the global economy, regional economies, and the oil and gas industries. These movements may be driven by a number of factors, including but not limited to, political processes, changing trade patterns, movement in the price for hydrocarbons and the oil and gas companies' willingness to make investments, changes in productivity, technological shifts, and monetary imbalances.

The Group's performance and growth depend heavily on the supply of vessels relative to the demand. If the offshore market is depressed, the Group's revenues and the value of its vessels may decrease substantially due to the ripple effect on the accommodation market, however lagged. The supply of vessel capacity is affected by the number of new vessels built and old vessels scrapped, converted to other uses or lost, as well as by government and industry regulation of offshore activity. Any situation of an over-supply of accommodation units compared to the market demand for that capacity could cause contract rates to decline. Falling rates could materially adversely affect the Group's results from operations and financial condition. The Group's ability to operate profitably or, if relevant, to re-charter its vessels upon the expiration or termination of their charters will depend upon, among other factors, economic conditions in the offshore oil and gas markets. The factors affecting the supply of and demand for accommodation units and the value of the Group's vessels are outside of the Group's control, and the nature, timing and degree of changes in industry conditions are unpredictable.

1.2.2 A material or extended decline in expenditures by oil and gas exploration and production companies due to a decline or volatility in oil and gas prices, a decrease in demand for oil and gas, or other factors, would adversely affect the Group's business

The Group's business depends on the level of activity in oil and gas exploration, development and production by potential customers. Oil and gas prices and customers' expectations of potential changes in these prices significantly affect this level of activity. Commodity prices are affected by numerous factors outside the control of the Group. A slowdown in economic activity caused by a recession may reduce worldwide demand for energy and resulted in lower oil and gas prices. Historically, crude oil prices have been highly volatile. As such, demand for the Group's services depends on oil and gas industry activity and expenditure levels that are directly affected by trends in oil and gas prices. In addition, demand for the Group's services is particularly sensitive to the level of exploration, development and production activity of, and the corresponding capital spending by, oil and natural gas companies. Any prolonged reduction in oil and gas prices may reduce their need for offshore accommodation rigs, which may in turn have a material adverse effect on the Group's business, financial position, operating results and cash flow.

Continued volatility and sustained weakness in general economic conditions and global or regional financial markets may negatively affect oil and gas prices and/or create uncertainty that can cause oil and gas companies to cut E&P spending budgets. Limitations on the availability of capital or higher costs of capital for financing expenditures, or the desire to preserve liquidity, may cause potential clients to make reductions in future capital budgets and outlays and could result in project modifications, delays and/or cancellations. Such adjustments could reduce demand for accommodation services generally, and for the

Group's services specifically, which could have a material adverse effect on the Group´s results of operations, cash flow and financial condition.

1.2.3 Competition within the offshore accommodation market may materially and adversely affect the Group's financial condition and results of operation

The Group's vessels are employed in a capital intensive and competitive market with a relatively small number of customers. Competition for contract awards can be intense, and at times the Group may potentially compete against other service providers who have greater resources than the Group. Due in part to the small scale of the market in terms of the operating fleet compared to other oceangoing fleets, competitors with greater resources could enter and operate larger fleets that may be able to offer lower rates and/or higher quality units than the Group is able to offer. The Group's operations may be materially and adversely affected if its current competitors or new market entrants introduce new offerings with better features or performance, lower prices or other characteristics than the Group can offer. Any inability to compete favourably could negatively impact the results of operations and financial condition of the Group.

1.2.4 Contract rates may fluctuate substantially and if rates stay low for a prolonged period, the Group's revenues and cash flows may be adversely affected

The Group operates its vessels in a market where contract rates and availability fluctuates significantly and where seasonality can adversely impact the Group's earnings from time to time. Being dependent on the contract market may leave the Group particularly vulnerable to short or long term swings in the rates.

The contract rates may fluctuate significantly based upon the supply and demand balance for the accommodation units. The successful operation of the Group's vessels in competitive and volatile markets depends on, among other things, obtaining profitable contracts, which depend greatly on vessel supply and demand, and minimizing, to the extent possible, time spent waiting in between contracts and time spent waiting for employment of vessels.

1.2.5 Uncertainty relating to accommodation services contracts may materially and adversely affect the Group's earnings and financial performance

The future employment of the Group's vessels may be uncertain. In periods of excess capacity or shortfall of demand in global or regional accommodation rig markets, charter rates and/or project values will be determined on the basis of several factors that are unpredictable and beyond the Group's control. Accordingly, no assurance can be given that the Group will be able to negotiate contracts on acceptable commercial terms and at favorable dayrates to renew or replace its existing contracts once expired.

In addition, under the terms of accommodation services contracts, circumstances may arise when the Group receives a reduced dayrate to the agreed daily operating rate, or no rate at all; in such circumstances, the Group's prospects and ability to make payments of interest on and repayments of principal on its indebtedness may be adversely affected. If any of the vessels are suspended for a period of time due to the occurrence of certain events, then the Group may be paid a reduced dayrate until such time as operations are re-commenced (and the daily operating rate payable by the contractor will be reduced accordingly).

The Group may not be able to perform under its charters due to various operational factors, including unscheduled repairs, maintenance, operational delays, health, safety and environmental incidents, weather events and other factors (some of which are beyond the Group's control), and the Group's customers may seek to terminate or renegotiate the charters for these or various other reasons. In the past, oil companies have forced a renegotiation of accommodation services contracts in certain cases. The renegotiations have included a reduction of the daily rates payable under the contracts. The Group's inability or the inability of the Group's customers to perform under its or their contractual obligations may have a material adverse effect on the Group's financial position, results of operations and cash flows. The Group may not be able to secure charter arrangements with similar charter hire or charter arrangements at all, in the event the charters are terminated. If any of the charters (or any replacement thereof) are terminated, without the Group being able to enter into similar charter arrangements and/or being paid contracted compensation for the termination, it will have a material adverse effect on the Group and its business.

1.2.6 New technology and/or products may cause the Group to become less competitive

As competitors, clients and others use or develop new solutions or technologies, the Industry may be placed at a competitive disadvantage. Further, it may face competitive pressure to implement or acquire certain new technologies or solutions at a substantial cost. The Industry cannot be certain that it will be able to implement and use new technology or products on a timely basis or at an acceptable cost. Thus, the Industry's inability to implement and use new and emerging technology in an effective and efficient manner may have a material and adverse effect on its business, financial condition, results of operations and cash flows. New solutions developed by clients may have material effect on the demand for the Industry's services.

1.3 Risks related to the business of the Group

1.3.1 The Group may not be able to successfully implement its strategies

The Group's strategies include international operations and the entry into contracts for its vessels. Establishing, maintaining and expanding the Group's operations and achieving its objectives involve inherent costs and uncertainties and there is no assurance that the Group will achieve its objectives or other anticipated benefits. The Group's strategy may also be affected by factors beyond its control, such as regulatory changes, the economic state of each of its markets, the disposable income of customers and the availability of opportunities in a market. Any failures, material delays or unexpected costs related to implementation of the Group's strategies could have a material adverse effect on its business, financial condition, results of operations and cash flow. In addition, delays or defaults by the shipyards in the construction of the newbuildings could increase the Group's expenses and diminish its net income and cash flows.

1.3.2 Compliance with safety and other vessel requirements imposed by classification societies may be very costly and may adversely affect the Groups' business

As with any large, oceangoing commercial vessel, the Group's accommodation rigs are "classed" by a classification society authorized by their countries of registry. The classification society certifies that the accommodation rigs are "in-class", signifying that such rig has been built and maintained in accordance with the rules of the classification society and also that the relevant rig complies with applicable laws, rules and regulations, e.g. of the registry and other maritime authorities of the relevant rig's flag state and the international conventions of which that state is a member.

As part of the certification process, a vessel must undergo annual surveys, intermediate surveys and special surveys. In lieu of a special survey, a vessel's machinery may be on a continuous survey cycle, under which the machinery would be surveyed periodically over a five-year period. If any vessel does not maintain its class or fails any annual survey, intermediate survey or special survey, the vessel will be unable to trade between certain ports and will be unemployable, which may have a material adverse effect on the Group's business, financial position, results of operations and cash flows. Class societies may sometimes issue a condition of class, which will allow the vessel to continue to operate with certain restrictions/requirements under a limited period until the matter at hand is rectified. In the long term it is not possible to predict future changes to the existing rules of the relevant class society, rules of which govern the rigs with respect to classification or to the national (including the flag state) and international laws, rules and regulations with which the Group's vessels must comply. There can be no assurance that any future changes to any of such laws, rules and regulations or relevant international conventions will not subject the Group's vessels to additional onerous requirements and obligations which may have a material adverse effect on the Group's business, financial position, results of operations and cash flows.

1.3.3 Failure to obtain or retain a sufficient number of highly skilled personnel or an increase in labor costs may hinder Group's performance

The Group's future operational performance depends to a significant degree upon the continued service of key members and key personnel of its subsidiaries who manage its business, as well as on operations personnel. The Group requires skilled personnel to operate and provide technical services to and support for its vessels. In periods of increasing activity and when the number of operating accommodation vessels in relevant areas of operation increases, either because of new construction, re-activation of idle vessels or the mobilization of vessels into the region, shortages of qualified personnel could arise, creating upward pressure on wages and difficulty in staffing. The shortages of qualified personnel or the inability to obtain and retain qualified personnel also could negatively affect the quality and timeliness of the Group's work. In addition, the ability to expand operations depends in part upon the ability to increase the size of the skilled labor force.

1.3.4 Potential labor issues could adversely affect Group's business

Where operational activity is ongoing in a jurisdiction subject to a recognized collective bargaining agreement, individuals who crew the Group's units are engaged as per the requirements of the collective bargaining agreement. In a jurisdiction subject to a collective bargaining agreement subsidiaries that employ Group employees and/or engage crewing managers may suffer disruptions should relationships deteriorate with individuals or unions that represent them.

Where operational activity is ongoing in a jurisdiction where there is no recognised collective bargaining agreement, individuals who crew the Group's units are engaged on terms and conditions as determined by the Group. Terms and conditions are determined by various market factors which are typically reviewed annually with budgets being set for the forthcoming year. Subsidiaries that employ Group employees and/or engage crewing managers may suffer disruptions should the terms and conditions not be competitive resulting attrition and loss of competence. Disruptions are rare, however if not resolved in timely and cost effective manner it will impact the Groups ability to service its contractual requirements, thus having a material adverse effect on its business, financial condition and results of operations.

1.3.5 The Group relies, and will in the future rely, on a significant supply of consumables, spare parts and equipment

The Group relies, and will in the future rely, on a significant supply of consumables, spare parts and equipment to operate, maintain, repair and upgrade its fleet. Cost increases, delays or unavailability could negatively impact the Group's operations and result in down-time due to delays in the repair and maintenance of the Group's vessels, which in turn could have a material and adverse effect on the Group's business, financial condition, results of operations and cash flows.

1.3.6 The Group's earnings and business are subject to risk caused by counterparties in contracts, and failure and misrepresentation of such counterparties causing them not to meet their obligations could cause loss to the Group or otherwise materially and adversely affect the business of the Group

The ability of each counter party to perform its obligations under a contract with the Group will depend on a number of factors that are beyond the Group's control and may include, among other things:

- general economic conditions
- the condition of the oil and gas and other industries to which the counterparty is exposed
- the overall financial condition of the counterparty
- contract rates received for specific types of vessels
- various expenses

In depressed market conditions, charterers may no longer need a vessel that is currently under long-term contract or may be able to obtain a comparable accommodation unit at lower rates. As a result, charterers may seek to re-negotiate the terms of their existing contracts or avoid their obligations under those contracts. Future contracts could permit a customer to terminate its contract early subject to the payment of a termination fee. Such fee may not fully compensate for the loss sustained by the Group. Should a counterparty fail to honour its obligations under its agreements with the Group, the Group could sustain significant losses, which could have a material and adverse effect on the Group's business, financial condition, results of operations and cash flows.

1.3.7 The Group's operating and maintenance costs may not necessarily fluctuate in proportion to changes in operating revenues

The Group's operating and maintenance costs will not necessarily fluctuate in proportion to changes in operating revenues. Operating revenues may fluctuate as a function of changes in supply and demand for offshore accommodation services, which in turn affect contract rates. In addition, equipment maintenance costs fluctuate depending upon the type of activity the vessel is performing and the age and condition of the equipment. In a situation where a vessel faces longer idle periods, reductions in costs may not be immediate as some of the crew may be required to prepare vessels for stacking and maintenance in the stacking period. Should the vessels be idle for a longer period, the Group may seek to redeploy crew members, who are not required to maintain the vessels, to active units to the extent possible. However, there can be no assurance that the Group will be successful in reducing its costs.

1.3.8 The Group's business involves numerous operating hazards and the Group's own insurance may not be adequate to cover the Group's losses

The operations of the Group's vessels are subject to hazards inherent in the industry where it operates, service down time on its vessels, equipment defects, fires, explosions and pollution. These hazards can cause personal injury or loss of life, severe damage to or destruction of property and equipment, pollution or environmental damage, claims by employees, third parties or customers and suspension of operations. The operation of the Group's vessels is also subject to hazards inherent in offshore operations, and may be suspended because of machinery breakdowns, abnormal conditions, and failure of subcontractors to perform or supply goods or services, or personnel shortages.

Damage to the environment could also result from the Group's operations, particularly through spillage of fuel, lubricants or other chemicals and substances used in operations, or extensive uncontrolled fires. Although the Group carries insurance, all risks are not completely insured against, and any particular claim may not be paid. Any claims covered by insurance would be subject to deductibles, and since it is possible that a large number of claims may be brought, the aggregate amount of these deductibles could be material.

The Group may be unable to procure adequate insurance coverage at commercially reasonable rates in the future. For example, more stringent environmental regulations have led in the past to increased costs for, and in the future may result in the lack of availability of, insurance against risks of environmental damage or pollution. Any uninsured or underinsured loss could harm the Group's business, financial condition and operating results. In addition, the Group's insurance may be voidable by the insurers as a result of certain of the Group's actions, such as the Group's vessels failing to maintain certification with applicable regulatory organizations.

The Group's insurance coverage will not in all situations provide sufficient funds to protect the Group from all liabilities that could result from its operations. The amount of the Group's insurance cover may be less than the related impact on enterprise value after a loss. The Group's coverage includes policy limits. As a result, the Group retains the risk for any losses in excess of these limits. Any such lack of reimbursement may cause the Group to incur substantial costs. In addition, the Group could decide to retain substantially more risk in the future. Moreover, no assurance can be made that the Group has, or will be able to maintain in the future, adequate insurance against certain risks.

If a significant accident or other event occurs and is not fully covered by the Group's insurance or any enforceable or recoverable indemnity from a client, it could adversely affect the Group's business, financial position, results of operations or cash flows.

1.3.9 The Group's vessels are exposed to technical risk and down-time or off-hire

In respect of both the vessels currently operating or stacked, the Group carries the costs and risks of operational and technical problems. Any vessel down-time or off-hire could adversely affect the Group's financial condition, results of operations and cash flows.

1.3.10 The required maintenance (and potential drydocking, as and when required) of the Group's vessels could be more expensive and time consuming than originally anticipated

Maintenance (including drydocking, as and when required) of the Group's vessels require significant capital expenditures and result in loss of revenue while such vessels are out of service. Any significant increase in either the number of days vessels are out of service due to such maintenance or in the costs of any repairs carried out could have a material and adverse effect on the Group's profitability and cash flows. The Group may not be able to precisely predict the time required maintaining any of its vessels and unanticipated problems may arise. General increases in demand for drydocking services in the maritime and offshore industries could result in increased costs, delays or unavailability related to drydocking for the Group's vessels, as and when required. If a vessel is drydocked longer than expected or if the cost of repairs or maintenance is greater than budgeted, the Group's results of operations, financial condition and cash flows could be materially and adversely affected.

1.3.11 The aging of the Group's fleet may result in increased operating costs in the future and a less competitive fleet

In general, the cost of maintaining a vessel in good operating condition increases with the age of the vessel. As the Group's fleet ages, the Group will incur increased costs. Older vessels are typically less fuel efficient and more costly to maintain than more recently constructed vessels due to gradual improvements in engine technology and other design features. Insurance rates increase with the age of a unit, making older units less desirable to customers. Governmental regulations and safety or other equipment standards related to the age of vessels may also require expenditures for alterations or the addition of new equipment to the Group's vessels and may restrict the type of activities in which the Group's vessels may engage. The Group cannot assure that, as the Group fleet ages, market conditions will justify those expenditures or enable the Group to operate its vessels profitably during the remainder of their useful lives.

1.3.12 The Company is a holding company and is dependent upon cash flow from subsidiaries to meet its obligations and to pay dividends to its shareholders

The Company will conduct its operations through, and most of the Company's assets will be owned by, its subsidiaries. As such, the cash that the Company obtains from its subsidiaries is the principal source of funds necessary to meet its obligations. Contractual provisions or laws, as well as the Company's subsidiaries' financial condition, operating requirements, restrictive covenants in its debt arrangements and debt requirements, may limit the Company's ability to obtain cash from subsidiaries that it requires to pay its expenses or meet its debt service obligations or to pay dividends to its shareholders. In particular, due to contractual restrictions in debt arrangements, it will likely not be possible to pay dividends from the Floatel subsidiaries in order to fund activities in the Prosafe subsidiaries and vice versa, which means that excess cash in one part of the Group may be trapped and not possible to utilize in the other part of the Group.

Any restrictions in, or lack of financial possibilities for, payment of dividends by any of the Group's subsidiaries may restrict the Group's cash management which in turn would have a material and adverse effect on the Group's possibility to make investments and pay its debts and in general the Group's business and financial condition.

1.3.13 The Group relies on information technology systems and other operating systems to conduct its business, and disruption, failure or security breaches of these systems could adversely affect its business and results of operations

The Group relies on information technology ("**IT**") systems in order to communicate with vessels and achieve its business objectives. The Group likewise relies upon accepted security measures and technology such as access control systems to securely maintain confidential and proprietary information maintained on these IT systems, and market standard virus control systems. The portfolio of hardware and software products, solutions and services used in the operation of the Group's business and these enterprise IT systems may be vulnerable to damage or disruption caused by circumstances beyond its control, such as catastrophic events, power outages, natural disasters, computer system or network failures, computer viruses, cyber-attacks or other malicious software programs. The failure or disruption of the IT systems to perform as anticipated for any reason could disrupt the Group's business and result in decreased performance, remediation costs, transaction errors, loss of data, processing inefficiencies, downtime, litigation and the loss of suppliers or clients. A significant disruption or failure could have a material adverse effect on the Group's business operations, financial performance and financial condition.

1.3.14 Financing and liquidity

The Group is relatively leveraged and its ability to service its indebtedness as and when it falls due is dependent upon the Group generating cash from its operations. Should the Group's operations not generate sufficient cash flow to satisfy future liquidity requirements and/or to finance future operations, the Group may not be able to cover its financial obligations as a going concern or obtain new loans and/or secure other financing due to its current level of leverage.

1.4 Risks related to taxation, laws and regulations

1.4.1 Risks associated with the Company's tax residency in Norway

The Company has recently carried out a legal redomiciliation process from Cyprus to Norway. Following completion of the redomiciliation process, the Company will be deemed fully incorporated in Norway. The Company relocated it tax residency to Norway in 2018. A Norwegian tax resident is subject to corporate income tax for its worldwide income. The corporate income tax rates in Norway for income year 2018 and 2019 are 23% and 22% respectively.

Dividend declared by the Company and received by foreign shareholders is subject to Norwegian withholding tax at the rate of 25%. For foreign corporate shareholders resident in the European Economic Area, the withholding tax rate may be reduced to 0% (zero) provided certain conditions are met. For foreign shareholders resident in countries that have a double tax treaty agreement with Norway, reduced withholding tax rate may apply.

A non-Norwegian tax resident's capital gain on the disposal of shares in a Norwegian company is not subjected to Norwegian tax.

The Company is of the view that prior to the tax relocation to Norway in 2018, the Company was genuinely established as a tax resident in Cyprus, but no assurances or guarantees can be given that the relevant tax authorities agree with this view. If any tax authority successfully challenges the Company's conclusions, there may be adverse tax implications on the tax payables for the shareholders and the Company as well as the value of the Company's shares. Each shareholder should seek professional advice accordingly.

1.4.2 Risks associated with the Floatel's deemed effective place of management

Floatel is incorporated in Bermuda and has subsidiaries in several countries. A Swedish subsidiary is providing services to Floatel, which are used to make important decisions and conduct the business.

If Floatel is deemed to have its effective place of management in Sweden due to these services, income would be allocated to a Swedish permanent establishment where profits would be subject to 22% taxation. For income year 2019 and 2020, the tax rate is 21.4% and 20.6% for income year 2021 and onwards.

Each shareholder should seek professional advice accordingly. Floatel is of the view that its place of effective management genuinely is in Bermuda, but no assurances or guarantees can be given that the relevant tax authorities agree with this view. If any tax authority successfully challenges Floatel's conclusions, there may be adverse tax implications on the tax payables for the shareholders and the Company as well as the value of the Company's shares.

1.4.3 Risks associated with Floatel's leasing structure in Australia

Floatel has historically operated the Floatel Triumph and Endurance in Australia through a leasing structure which on the face of it is similar to leasing structures that the Australian Tax Office has issued a tax payer alert about. The alert basically means that the Australian Tax Office in general is looking at a specific arrangement and addressing what their concerns about that arrangement is. It is Floatel's view that the applied leasing structure does not meet the characteristics that have raised the concern in the tax payer alert, but no assurances or guarantees can be given that the Australian Tax Office agrees with this view.

1.4.4 Laws and regulations could hinder or delay the Group's operations, increase the Group's operating costs, reduce demand for its services and restrict its ability to operate its fleet or otherwise

The Group is subject to complex laws and regulations, including environmental regulations that can adversely affect the cost, manner or feasibility of doing business. The operation of the Group's fleet is subject to government oversight and regulation in the form of international conventions, sanctions, national, state and local laws and regulations in force in the jurisdictions in which the vessels operate, as well as in the country or countries of their registration. Because such conventions, laws and regulations are often revised, the Group cannot predict the ultimate cost of complying with such conventions, laws and regulations or the impact thereof on the resale prices or useful lives of its vessels. The Group may also incur additional costs in order to comply with other existing and future regulatory obligations, including, but not limited to, costs relating to: air emissions, including greenhouse gases; maintenance and inspection; development and implementation of emergency procedures; and insurance coverage or other financial assurance of the Group's ability to address pollution incidents.

1.4.5 A loss of a major tax dispute or a successful tax challenge to the Group's operating structure from time to time or other disputes related to or challenges to the Group's tax payments could result in a higher tax rate on the Group's earnings

The Group's and/ or its subsidiaries' activities will to a large extent be governed by the fiscal legislation of the jurisdictions where it is operating. Thus, the Group is exposed to a material risk regarding the correct application of the tax regulations as well as possible future changes in the tax legislation of those relevant countries.

From time to time the Group's tax payments may be subject to review or investigation by tax authorities of the jurisdictions in which the Group operates. Both Prosafe and Floatel have received enquiries as part of the ordinary taxation process, but that neither companies are aware of any ongoing tax investigations. If any tax authority successfully challenges the Group's operational structure, intercompany pricing policies, the taxable presence of its subsidiaries in certain countries, or if the Group loses a material tax dispute in any country, or any tax challenge of the Group's tax payments is successful, its effective tax rate on its earnings could increase substantially. A successful challenge to the Company's tax residence may have an adverse effect on the Group's business, financial condition, results of operation and liquidity.

1.4.6 Third parties may use their intellectual property rights to file claims for technology utilized in the construction of Group's vessels

The Group must observe third parties' patent rights and intellectual rights. There is always an inherent risk of third parties claiming that the technology utilized in the construction of any of the Group's vessels or in their operations infringes third parties' patents or intellectual property rights, and any such claim, if successful, could have a material adverse effect on the Group's results of operation.

1.4.7 Any ban of offshore oil and gas activities by any governing body may have a material adverse effect on the Group's business, financial position and future results of operations

Oil spill and other environmental and perilous incidents in the recent years have heightened environmental and regulatory concerns about the oil and gas industry. From time to time, governing bodies may propose legislation that would materially limit or prohibit offshore oil and gas activities in certain areas, and which may cause a general increase in industry regulation and/or operating costs with respect to offshore oil and gas activities in the countries in which the Group operates. There is no assurance that the Group's operations will not be adversely affected by future developments in the industry or related regulation. In response to regulatory changes and scrutiny of offshore oil and gas clients or industry regulators could impose additional equipment or procedural requirements. These additional requirements could impact the capital cost of the Group's vessels, and the operating costs of the Group, which could in turn have a material adverse effect on the Group's business, results of operations, cash flow and financial condition.

Further, significant changes in regulations regarding future exploration and production activities internationally or governmental or regulatory actions could be highly restrictive, require costly compliance measures and reduce drilling and production activity, which could have a material adverse effect on any future business activities of the Group.

1.4.8 Claimants could arrest vessels operated by the Group

Crew members, suppliers of goods and services to a vessel, customers and other parties may be entitled to a lien against one or more of the vessels operated by the Group for unsatisfied debts, claims or damages. In many jurisdictions a lien holder may enforce its lien by arresting a vessel through judicial proceedings. The arrest or attachment of one or more of the vessels owned or chartered in by the Group could interrupt the cash flow of the vessel and/or the Group and require the Group to pay a significant amount of money to have the arrest lifted.

The Group might suffer reputational damage from its vessels becoming subject to a claim, which could affect the Group unfavourably whether the lien holders' claim is justified or not. This could lead to the deterioration of existing customer relationships, and/or the Group's ability to attract new customers, both factors which are important for the Group's ability to continue to run its business.

1.4.9 The Group may be subject to litigation that could have an adverse effect on the Group's business

The Group may from time to time be involved in litigation matters. These matters may include, among other things, contract disputes, personal injury claims, environmental claims or proceedings, toxic tort claims, employment matters and governmental claims for taxes or duties as well as other litigation that arises in the ordinary course of business. The Group cannot predict with certainty the outcome of any claim or other litigation matter. The ultimate outcome of any litigation matter and the potential costs associated with prosecuting or defending such lawsuits, including the diversion of management's attention to these matters, could have a material adverse effect on the Group.

1.4.10 Failure to comply with applicable anti-corruption laws, sanctions or embargoes, could result in fines, civil and/or criminal penalties, and charter party terminations and have an adverse effect on the Group's business

The Group operates its vessels in a number of countries, including in some developing economies, which can involve inherent risks associated with fraud, bribery and corruption and where strict compliance with anti-corruption laws may conflict with local customs and practices. As a result, the Group may be subject to risks under the U.S. Foreign Corrupt Practices Act (the "**U.S. Foreign Corrupt Practices Act**"), the U.K. Bribery Act 2010 (the "**U.K. Bribery Act 2010**"), and similar laws in other jurisdictions that generally prohibit companies and their intermediaries from making, offering or authorizing improper payments to government officials for the purpose of obtaining or retaining business.

The Group is required to do business in accordance with applicable anti-corruption laws as well as sanctions and embargo laws and regulations (including U.S. Department of the Treasury Office of Foreign Assets Control requirements) and the Group has adopted policies and procedures, including a code of business conduct and ethics, which are designed to promote legal and regulatory compliance with such laws and regulations. However, either due to the Group's acts or omissions or due to the acts or omissions of others, including the Group's employees, agents, local sponsors or others, the Group may be determined to be in violation of such applicable laws and regulations or such policies and procedures. Any such violation could result in substantial fines, sanctions, deferred settlement agreements, civil and/or criminal penalties and curtailment of operations in certain jurisdictions and the seizure of the Group's vessels and other assets, and might as a result materially adversely affect the Group's business, financial condition and results of operations.

1.5 Risks related to the Shares

1.5.1 The price of the Shares may fluctuate significantly

The trading price of the Shares could fluctuate significantly in response to a number of factors beyond the control of the Group, such as a change in market sentiment regarding the Shares and the Company, the operating and share price performance of other companies in the industry and markets in which the Group operates, speculations about the Group's business in the press, media or investment community, changes to the Company's profit estimates, the publication of research reports by analysts, lawsuits, unforeseen liabilities, changes to the regulatory environment, and general market conditions. Also, another factor that could influence the price of the Shares is the annual dividend yield as compared to yields on other financial instruments. Thus, an increase in market interest rates will result in higher yields on other financial instruments, which could adversely affect the price of the Shares.

In recent years, the global stock markets have experienced extreme price and volume fluctuations. This volatility has had a significant impact on the market price of securities issued by many companies, including companies in the offshore industry. Those changes may occur without regard to the operating performance of these companies, and fluctuations in the Share price may not always reflect the underlying asset value of the Group. The price of the Shares may therefore fluctuate based upon factors that have little or nothing to do with the Group, and these fluctuations may materially affect the price of the Shares.

1.5.2 Future sales, or the possibility of future sales of substantial numbers of Shares may affect the market price of the Shares

The Group cannot predict what effect, if any, future sales of the Shares, or the availability of the Shares for future sales, will have on the market price of the Shares. Sales of substantial amounts of the Shares in the public market or the perception that such sales could occur, could adversely affect the market price of the Shares, making it more difficult for holders to sell their Shares or the Group to sell equity securities in the future at a time and price that they deem appropriate.

1.5.3 Future issuances of Shares or other securities may dilute the holdings of shareholders and could materially affect the Share price

It is possible that the Company may in the future decide to offer Shares or other securities in order to finance new projects, in connection with unanticipated liabilities or expenses or for any other purposes. Any such offering could reduce the proportionate ownership and voting interests of holders of Shares, as well as the earnings per Share and the net asset value per Share, and any offering could have a material adverse effect on the market price of the Shares.

1.5.4 Investors may not be able to exercise their voting rights for Shares registered in a nominee account

Beneficial owners of Shares that are registered in a nominee account (such as through brokers, dealers or other third parties) may not be able to vote for such Shares unless their ownership is (a) re-registered in their names with the Norwegian Central Securities Depository ("**VPS**"), prior to the Group's general meetings or (b) the registered nominee holder grants a proxy to such beneficial owner in the manner provided in the Company's Articles of Association ("**Articles of Association**") in force at that time and pursuant to the contractual relationship, if any, between the nominee and the beneficial owner, to vote for such Shares. The Group cannot guarantee that beneficial owners of the Shares will receive the notice of a general meeting of shareholders of the Group in time to instruct their nominees to either effect a re-registration of their Shares or otherwise vote for their Shares in the manner desired by such beneficial owners. Any persons that hold their Shares through a nominee arrangement should consult the nominee to ensure that any Shares beneficially held are voted for in the manner desired by such beneficial owner.

1.5.5 *The transfer of the Shares is subject to restrictions under the securities laws of the US and other jurisdictions*

The Shares have not been registered under the US Securities Act or any US state securities laws or any other jurisdiction outside of Norway and are not expected to be registered in the future. As such, the Shares may not be offered or sold except pursuant to an exemption from the registration requirements of the US Securities Act and applicable securities laws. In addition, there can be no assurances that shareholders residing or domiciled in the US will be able to participate in future capital increases or rights offerings.

1.5.6 *Shareholders outside of Norway are subject to exchange rate risk*

The Company's Shares are priced in NOK, and any future payments of dividends on the Shares may be denominated in NOK. Accordingly, any investor outside Norway may be subject to adverse movements in the NOK against their local currency, as the foreign currency equivalent of any dividends paid on the shares or price received in connection with any sale of the shares could be materially adversely affected.

1.5.7 *The Group may be unwilling or unable to pay any dividends in the future*

The Group may choose not, or may be unable, to pay dividends in future years. The amount of dividends paid by the Group, if any, for a given financial period, will depend on, among other things, the Group's future operating results, cash flows, financial condition, capital requirements, the sufficiency of its distributable reserves, the ability of the Group's subsidiaries to pay dividends to the Group, credit terms, general economic conditions, legal restrictions and other factors that the Group may deem to be significant from time to time.

1.5.8 *Norwegian law could limit shareholders' ability to bring an action against the Group*

After completing its change of domicile from Cyprus, the Company is a Norwegian public limited liability company organized under the laws of the Kingdom of Norway. The rights of holders of the Shares are governed by Norwegian law and by the Articles of Association. These rights may differ from the rights of shareholders in other jurisdictions. The Company's directors and executive officers are residents of Norway and certain other jurisdictions. The Company has subsidiaries incorporated in a number of jurisdictions. It may be difficult for investors in other jurisdictions to affect service of process upon the Group, its affiliates or its directors and executive officers in such other jurisdictions or to enforce judgments obtained in other jurisdictions against the Group, its affiliates or its directors and executive officers.

1.5.9 *Pre-emptive rights to subscribe for Shares in additional issuances may be unavailable to shareholders*

Unless otherwise resolved at the Group's general meeting of shareholders, existing shareholders have pre-emptive rights to participate on the basis of their existing ownership of Shares in the issuance of any new

Shares for cash consideration. Shareholders in the United States, however, may be unable to exercise any such rights to subscribe for new Shares unless a registration statement under the US Securities Act is in effect in respect of such rights and Shares or an exemption from the registration requirements under the US Securities Act is available. Shareholders in other jurisdictions outside of Norway may be similarly affected if the rights and the new Shares being offered have not been registered with, or approved by, the relevant authorities in such jurisdiction. The Group is under no obligation to file a registration statement under the US Securities Act or seek similar approvals under the laws of any other jurisdiction outside of Norway in respect of any such rights and Shares and doing so in the future may be impractical and costly. To the extent that the Group's shareholders are not able to exercise their rights to subscribe for new Shares, their proportional interests in the Group will be diluted.

2. RESPONSIBILITY STATEMENT

2.1 Prosafe SE

The Board of Directors of Prosafe SE (the "**Board of Directors**" or the "**Board**") accepts responsibility for the information contained in this Information Memorandum. The members of the Board of Directors confirm that, having taken all reasonable care to ensure that such is the case, the information contained in this Information Memorandum is, to the best of their knowledge, in accordance with the facts and contains no omissions likely to affect its importance.

16 August 2019

The Board of Directors of Prosafe SE

Glen O. Rødland **Chairman**	**Kristian Johansen** ***Director***
Nina Udnes Tronstad **Director**	**Birgit Aagaard-Svendsen** **Director**
Svend Anton Maier **Director**	

3. FORWARD LOOKING INFORMATION

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Information Memorandum includes forward-looking statements that reflect the Company's current views with respect to future events and financial and operational performance, including, but not limited to, statements relating to the risks specific to the Group's businesses and the implementation of strategic initiatives, as well as other statements relating to the Group's future business development and economic performance. These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "assumes", "projects", "forecasts", "estimates", "expects", "anticipates", "believes", "plans", "intends", "may", "might", "will", "would", "can", "could", "should" or, in each case, their negative, or other variations or comparable terminology. These forward-looking statements are not historic or present facts. They include statements regarding the Company's intentions, beliefs or current expectations concerning, among other things, goals, objectives, financial condition and results of operations, liquidity, prospects, growth, strategies, impact of regulatory initiatives, capital resources, and the industry trends and developments. Readers are cautioned that forward-looking statements are not guarantees of future performance and that the actual financial condition, operating results and liquidity of the Group and the development of the industries in which it operates, may differ materially from that suggested by the forward-looking statements contained herein. By their nature, forward-looking statements involve and are subject to known and unknown risks, uncertainties and assumptions as they relate to events and depend on circumstances that may or may not occur in the future. Because of these known and unknown risks, uncertainties and assumptions, the outcome may differ materially from those set out in the forward-looking statements.

The risks that could affect the Company's future results and could cause results to differ materially from those expressed in the forward-looking statements are discussed in Section 1 "Risk Factors ".

These forward-looking statements speak only as at the date on which they are made. The Company undertakes no obligation to publicly update or publicly revise any forward-looking statement, whether as a result of new information, future events or otherwise. All subsequent written and oral forward-looking statements attributable to the Company or to persons acting on the Company's behalf are expressly qualified in their entirety by the cautionary statements referred to above and contained elsewhere in this Information Memorandum.

INFORMATION SOURCES FROM THIRD PARTIES

To the extent not otherwise indicated, the information contained in this Information Memorandum on the market environment, market developments, growth rates, market trends, market positions, industry trends, competition in the industry in which the Group operates and similar information are estimates based on data compiled by professional organisations, consultants and analysts; in addition to market data from other external and publicly available sources, including marked data from Clarksons Research Services Limited (a company owned by Clarksons PLC, the ultimate parent company of Clarksons Platou Securities AS), as well as the Company's knowledge of the markets. Market data from Clarksons Research Services Limited is not publicly available, but can be obtained against payment by contacting Clarksons Research Services Limited, London.

While the Company has compiled, extracted and reproduced such market and other industry data from external sources, the Company has not independently verified the correctness of such data. The Company cautions prospective investors not to place undue reliance on the above mentioned data.

The Company confirms that where information has been sourced from a third party, such information has been accurately reproduced and that as far as the Company is aware and is able to ascertain from information published by that third party, no facts have been omitted that would render the reproduced information inaccurate or misleading. Where information sourced from third parties has been presented, the source of such information has been identified.

In addition, although the Company believes its internal estimates to be reasonable, such estimates have not been verified by any independent sources and the Company cannot assure prospective investors as to their accuracy or that a third party using different methods to assemble, analyse or compute market data would obtain the same results. The Company does not intend to or assume any obligations to update industry or market data set forth in this Information Memorandum. Finally, behaviour, preferences and trends in the marketplace tend to change. As a result, readers should be aware that data in this Information Memorandum and estimates based on those data may not be reliable indicators of future results.

OTHER INFORMATION

In this Information Memorandum, all references to "**NOK**" are to the lawful currency of Norway, all references to "**EUR**" are to the lawful currency of the EU, and all references to "**U.S. dollar**" or "**USD**" are to the lawful currency of the United States of America.

In this Information Memorandum, all references to "**EU**" are to the European Union and its member states as of the date of this Information Memorandum; all references to "**EEA**" are to the European Economic Area and its member states as of the date of this Information Memorandum; and all references to "**US**", "**U.S**." or "**United States**" are to the United States of America.

Certain figures included in this Information Memorandum have been subject to rounding adjustments. Accordingly, figures shown for the same category presented in different tables may vary slightly.

4. PROSAFE SE PRIOR TO THE TRANSACTION

4.1 Introduction

Prosafe is a European public limited liability company, and has recently carried out a legal redomiciliation from Cyprus to Norway. The Company will following the redomiciliation, be organised under the laws of Norway. The Company will then be registered with the Norwegian Register of Business Enterprises in Norway.Certain aspects of the Company's activities are governed by the listing agreement between Oslo Børs (Oslo Stock Exchange) and the Company. In particular, the Norwegian Securities Trading Act and the Norwegian Stock Exchange Regulations will apply.

The Company's Shares are listed on the Oslo Stock Exchange under the ticker "PRS" and are registered in VPS under ISIN CY0100470919. The Company's register of shareholders in VPS is administered by DNB Bank ASA (the "**DNB**"), Registrars Department, 0021 Oslo.

The Company's registered office is Forusparken 2, 4031 Stavanger, Norway, with phone number +47 51 64 25 00.

The Company also has offices in Aberdeen (Scotland), Jersey, Rio de Janeiro (Brazil) and Singapore, in addition to various local representations as required in the countries where its vessels are operating or where business development is ongoing. The Company has approximately 400 employees, (including agency employees) at the date of this Information Memorandum. The Company had 417 employees at the end of 2018.

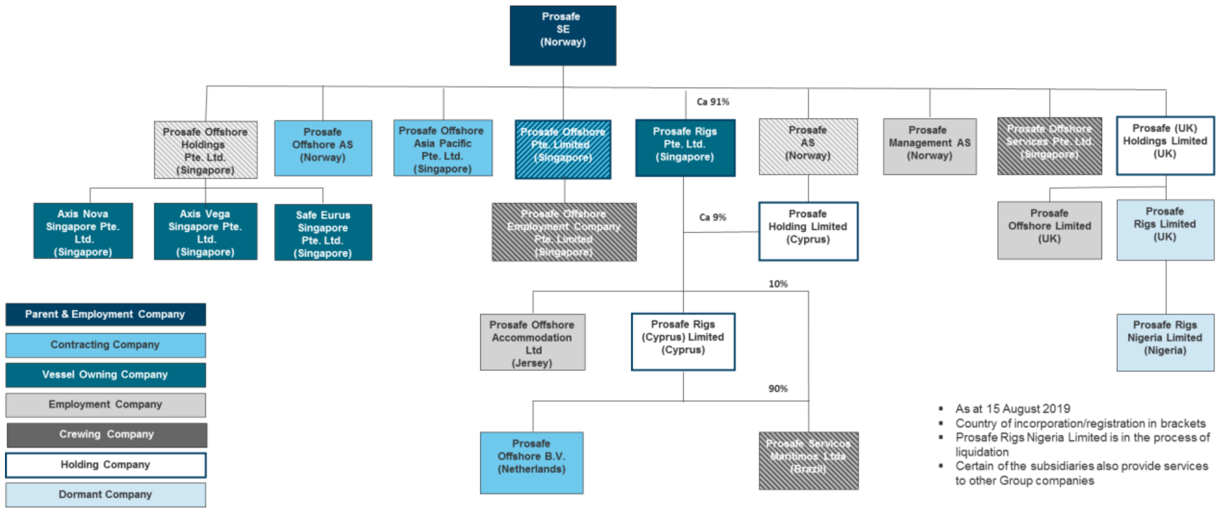
Prosafe is an owner and operator of semi-submersible accommodation vessels servicing the offshore oil and gas, and exploration and production industries. Prosafe's operations are amongst other related to maintenance and modification of installations on fields already in production, hook-up and commissioning of new fields, tie-backs to existing infrastructure and decommissioning.

4.2 Legal structure of the Group

4.2.1 Overview

Prosafe SE is the parent company which directly or indirectly owns 100% of the shares in its subsidiaries listed in the table below, which inter alia, own and operate the vessels. The parent company provides certain functions for the whole Company such as strategic direction, financing, legal and insurance. As a holding company, the Company is dependent upon the performance of its subsidiaries. The various subsidiaries typically act as operating companies or provide services to internal or external clients. The Company will, in general, be dependent on supply of liquidity from subsidiaries in order to discharge its obligations. Prosafe Rigs Pte. Ltd (the "**PRPL**") and Prosafe Offshore Pte. Limited, Safe Eurus Singapore Pte. Ltd., Axis Vega Singapore Pte. Ltd., Axis Nova Singapore Pte. Ltd. are the vessel owning entities in the Group. The following table sets out information about the entities in Prosafe prior to the Transaction:

Figure 1. Legal structure of the Company



Source: Company

The Company's material subsidiaries as of the date of this Information Memorandum are:

Company name	Country of incorporation	Ownership (direct or indirect)	Voting share
Prosafe Servicos Maritimos Ltda	Brazil	100 %	100 %
Prosafe Holding Limited	Cyprus	100 %	100 %
Prosafe Rigs (Cyprus) Limited	Cyprus	100 %	100 %
Prosafe Offshore Accommodation Ltd.	Jersey	100 %	100 %
Prosafe Offshore BV	Netherlands	100 %	100 %
Prosafe AS	Norway	100 %	100 %
Prosafe Management AS	Norway	100 %	100 %
Prosafe Offshore AS	Norway	100 %	100 %
Axis Nova Singapore Pte. Ltd.	Singapore	100 %	100 %
Axis Vega Singapore Pte. Ltd.	Singapore	100 %	100 %
Prosafe Offshore Asia Pacific Pte. Ltd.	Singapore	100 %	100 %
Prosafe Offshore Employment Company Pte-Ltd.	Singapore	100 %	100 %
Prosafe Offshore Holdings Pte. Ltd.	Singapore	100 %	100 %
Prosafe Offshore Pte. Limited	Singapore	100 %	100 %
Prosafe Offshore Services Pte. Ltd.	Singapore	100 %	100 %
Prosafe Rigs Pte. Ltd.	Singapore	100 %	100 %
Safe Eurus Singapore Pte. Ltd.	Singapore	100 %	100 %
Prosafe (UK) Holdings Limited	United Kingdom	100 %	100 %
Prosafe Offshore Limited	United Kingdom	100 %	100 %
Prosafe Rigs Limited	United Kingdom	100 %	100 %

4.3 History and important events

The Company was formed and incorporated in 1997, when Transocean Ltd. spun off its platform drilling and technical services divisions as a separate company and listed the Company on the Oslo Stock Exchange initially as Procon. Procon merged with Safe Offshore ASA, thereby entering the business segment of accommodation/service vessels, and changed its name to Prosafe ASA.

Date	Event
April 1997	The Company was established as a spin off from Transocean Ltd.
June 1997	Procon Offshore ASA was listed on Oslo Børs with ticker "PRS".
December 1997	Procon merged with Safe Offshore ASA, and changed its name to Prosafe ASA.
September 1998	Prosafe ASA acquired the Norwegian listed company Discoverer ASA, which owned the semisubmersible accommodation and service rigs Safe Regency and Jasminia.
March 2001	Prosafe ASA acquired the floating production company Nortrans Offshore and extended its activities to include the conversion, chartering and operation of Floating Production, Storage and Offloading (the "**FPSOs/FSOs**").
August 2005	The Company refined its commercial portfolio with the sale of the drilling services division.
June 2006	The Company acquired Consafe Offshore AB, which owned three semi-submersible accommodation/service vessels and one accommodation jack-up.
September 2007	Prosafe transferred its headquarters to Cyprus and was registered as a European Public Limited Liability Company.
May 2008	The Floating Production division was spun off by establishing a subsidiary, Prosafe Production Public Limited, and by distributing 90.1% of the shares to the shareholders of the Company.
June 2008	Prosafe Production Public Limited was listed on Oslo Børs under ticker "PROD".
December 2010	Prosafe Production Public Limited delisted from Oslo Børs.
January 2015	Took delivery of Safe Boreas from Jurong Shipyard Pte. Ltd. in Singapore.
January 2016	Took delivery of Safe Zephyrus from Jurong Shipyard Pte. Ltd. in Singapore
February 2016	Took delivery of Safe Notos from COSCO Qidong Shipyard in China (the "**COSCO**").
February 2016	Conversion of Safe Scandinavia to a Tender Support Vessel completed.
June 2016	The Company initiated a comprehensive refinancing that included a private placement, conversion of bonds to equity, conversion of bonds to convertible bonds, a cash-out of bonds, a reduction of amortisation on bank facilities, and a renegotiation of terms with COSCO shipyard for the delivery of Safe Eurus (the "**Refinancing**").
June 2016	Safe Britannia was sold for scrapping.
August 2016	Safe Hibernia and Jasminia were sold for scrapping.
October 2016	As part of the Refinancing in 2016, the Company issued a subsequent repair offering of 504,000,000 new shares at a subscription price of NOK 0.25 per share, with gross proceeds of NOK 126 million.
December 2016	The Company acquired all the outstanding shares in the two single purpose companies Axis Nova Singapore Pte. Ltd and Axis Vega (Singapore) Pte. Ltd, who owned the vessels Axis Nova and Axis Vega.
	The Company acquired a 25% stake in Dan Swift (Singapore) Pte. Ltd, the owner of the monohull accommodation vessel Safe Swift and formalised its agreement for the commercial and operational management.
	As part of the purchase in Safe Swift, the Company issued ordinary shares of

	5,868,900 and 10,678,500 subordinated zero coupon convertible bonds, with gross amount of NOK 10,678,500 million. The Axis Nova and Axis Vega vessels have been renamed to Safe Nova and Safe Vega.
March 2017	Safe Lancia was sold for scrapping.
June 2017	Safe Regency was sold for scrapping.
December 2017	In December 2017 the standstill agreement between Prosafe and COSCO related to Safe Nova and Safe Vega was extended until April 2018, while the Safe Eurus remained in a preserved, strategic stacking mode while negotiations continued.
August 2018	A total of six extensions of delivery dates on the outstanding newbuildings of the Company were made. In addition, Prosafe reached agreements with COSCO and its lenders allowing for flexible delivery and long-term financing of Safe Eurus, Safe Nova and Safe Vega.
November 2018	Accommodation unit Safe Astoria was sold for scrapping.
May 2019	Sold the remaining 25% of shares in Dan Swift (Singapore) Pte Ltd. which owns the monohull Safe Swift.
July 2019	Prosafe has taken delivery of semi-submersible unit Safe Eurus from the shipyard. Announced merger agreement with Floatel International Ltd. The merger is subject to competition clearance, creditor approval and shareholders approval.
August 2019	Company moved its legal domicile from Cyprus to Norway
Before year end 2019	The EGM to approve the merger will occur after all conditions are met and the company is legally redomiciled to Norway.

4.4 Corporate Strategy

The Company's vision is to be a leading and innovative provider of technology and services in selected niches of the global oil and gas industry. Prosafe's strategy is to be a preferred provider of high end accommodation vessels globally. Prosafe's mission is to provide customers with innovative and cost-efficient solutions in order to maximize shareholder value and to create a challenging and motivating workplace.

4.5 Business description

4.5.1 General

Prosafe is a publicly listed owner and operator of offshore accommodation vessels. The day to day management of the Company, including commercial, technical and operational management of the fleet, is provided by its wholly owned subsidiaries of Prosafe SE, which acts under the direction of the Company's Board of Directors.

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

The Group's activities fall within the latter part of an oil field's life cycle. The majority of the Group's operations are related to maintenance and modification of installations on fields already in production, while some activity is also related to commissioning and decommissioning. Figure below illustrates Prosafe's position in the life cycle of an oil field.

Figure 2. Prosafe's position in an oil field's cycle

Source: Company

The Company employs its fleet under time charter contracts of varying duration for offshore projects of oil and gas companies worldwide, however historically in Norway, United Kingdom, Brazil, Australia, Mexico, and United States. Please see Section 9.1 "Introduction" for the current distribution of the fleet in the world.

When on a time charter contract in accommodation operation alongside platforms and installations, the Group has the responsibility for the marine operations of the vessel and adjacent catering services provided by third parties. Compass Group/ESS is currently main supplier for catering and cleaning services on the vessels. Currently all the contracts are time charter contracts.

When on contract the Group operates gangways connected to fixed installations, FPSOs, TLPs, Semis and Spars. The Group's track record comprises such operations in Norway, UK, Denmark, Brazil, Tunisia, West Africa, North-west and South Australia, the Philippines, Russia, US and the Gulf of Mexico.

Breakdown of revenues 2016 – 2018 (MUSD)

	2016	**2017**	**2018**
Europe	389	225	272
Americas	85	58	56
Asia		-	2
Total operating revenues	**474**	**283**	**331**

4.5.2 *The fleet*

As of June 2019, Prosafe owns and operates a fleet of nine vessels consisting of eight semi-submersible accommodation vessels and one tender support vessel (the "**TSV**"). The average age of the fleet incl. newbuilds is 15 years and an accommodation capacity ranging between ~200 and 500 beds per vessel (the

"**Prosafe vessels**"). In addition, the Company has option to take delivery of two newbuild harsh environment DP3 vessels from COSCO Qidong shipyard (COSCO) by 2023.

The Group's vessels have the capacity to offer high quality welfare and catering facilities, storage, workshops, offices, medical services, deck cranes and lifesaving and firefighting equipment. The vessels are positioned alongside the host installation and are connected by means of a telescopic gangway to allow the personnel to walk to work. Reference is made to Section 9.2 "Overview of the offshore accommodation market" for technical categorizations of accommodation units.

Safe Boreas

Safe Boreas was built at Jurong Shipyard in Singapore in 2015 to the GVA 3000E design utilising GVA's extensive semi-submersible design experience. The vessel is designed for worldwide operations in the harshest offshore environments including the North Sea and can operate both in DP and anchored mode, providing maximum cost efficiency and flexibility. Built to comply with stringent Norwegian and UK regulations, the accommodation incorporates two large atriums allowing natural daylight into the central cabins, mess room and recreational areas. Safe Boreas has been granted the Acknowledgement of Compliance (AoC) from the Norwegian Petroleum Safety Authority (PSA) allowing the vessel to operate in Norway.

Safe Zephyrus

Safe Zephyrus was built at Jurong Shipyard in Singapore in 2016 to the GVA 3000E design utilising GVA's extensive semi-submersible design experience. The vessel is designed for worldwide operations in the harshest offshore environments including the North Sea. Built to comply with stringent Norwegian and UK regulations, the accommodation incorporates two large atriums allowing natural daylight into the central cabins, mess room and recreational areas. Safe Zephyrus has been granted the Acknowledgement of Compliance (AoC) from the Norwegian Petroleum Safety Authority (PSA) allowing the vessel to operate in Norway.

Safe Notos

Safe Notos was built at COSCO in 2016 to an enhanced Gusto MSC's Ocean 500 design incorporating DP3 station keeping systems, 10-point chain mooring and variable draft operations in the harshest offshore environments, excluding Norway.

Regalia

Regalia is a semi-submersible vessel able to work in all geographical areas, including harsh environments such as the UK and Norwegian Continental Shelves. Regalia has been granted the AoC from the Norwegian PSA allowing the vessel to operate in Norway. Regalia underwent a major life extension in 2008/2009.

Safe Scandinavia

Safe Scandinavia was built in 1984 at the Aker Verdal yard to an Aker H-3.2E design. The vessel was upgraded in 2003 and completed a life extension refurbishment in 2014. It completed a large scale conversion to TSV in 2016. Safe Scandinavia is a versatile semi-submersible accommodation vessel capable of operating in all geographical areas including the Norwegian Continental Shelf. It has been granted the AoC from the Norwegian PSA allowing the vessel to operate in Norway.

Safe Caledonia

The Safe Caledonia was built in 1982 at the GVA/Kockums yard in Sweden to a Pacesetter design, and completed a 20 year life extension in 2012/13. Safe Caledonia is a thruster assisted moored semi-submersible accommodation vessel capable of operating in the most demanding geographical areas.

Safe Concordia

Safe Concordia was built at the Keppel FELS shipyard in Singapore and was delivered in March 2005. Safe Concordia is a self-propelled semi-submersible accommodation and service vessel of twin hull configuration, capable of operating in benign to moderately harsh environments.

Safe Bristolia

Safe Bristolia was converted into a service/accommodation vessel at Yantai Raffles Shipyard in China in 2006. In 2007/2008 she underwent further refit and modification work to qualify her for work in the UK Continental Shelf. Safe Bristolia is a semi-submersible accommodation and service vessel which can operate in benign and moderately harsh environments.

Safe Eurus

The Safe Eurus is a Gusto MSC Ocean 500 design semi-submersible accommodation vessel equipped with 500 beds, a DP3 station keeping system, 10-point chain mooring and a 300 tonne crane. Prosafe has taken delivery of the vessel in May 2019, in connection with the three-year contract that was awarded by Petrobras in Brazil.

Safe Nova and Safe Vega – Option Newbuilding Units

The Safe Nova and Safe Vega are being constructed at COSCO, to an enhanced GM500A design incorporating DP3 Dynamic Positioning and 10 point wire mooring for flexible and efficient operations in the harshest offshore environments. Prosafe's agreement with COSCO shipyard allows for flexible delivery and long-term financing of Safe Nova and Safe Vega. Both vessels are nearing completion with a planned preservation and strategic stacking mode in the yard and can be ready for worldwide operations from 2019.

The fleet is described in more detail in the table below.

Vessel	**Vessel details:**
	Name: Safe Boreas Built: 2015 Design: GVA 3000E Maximum number of beds: 450 (in single cabins) Deck area: approximately 2,100 m^2 Gangway: Telescopic hydraulic 38.5 m +/- 7.5m Mooring system: 12 point mooring system Station keeping: DP3 Thrusters: 6 X 4.4 MegaWatt (the "**MW**") Azimuthing
	Name: Safe Zephyrus Built: 2016 Design: GVA 3000E Maximum number of beds: 450 (in single cabins) Deck area: approximately 2,100 m^2 Gangway: Telescopic hydraulic 38.5 m +/- 7.5m Mooring system: 12 point mooring system Station keeping: DP3 Thrusters: 6 X 4.4 MW Azimuthing
	Name: Safe Notos Built: 2016 Design: GustoMSC's Ocean 500 Maximum number of beds: 500 Deck area: approximately 1,500 m^2 Gangway: Telescopic hydraulic 38.5 m +/- 7.5m Mooring system: 10 point mooring system Station keeping: DP3 Thrusters: 6 X 3.7 MW Azimuthing
	Name: Regalia Built: 1985, Upgraded: 2003/2009 Design: GVA 3000E - Enhanced Maximum number of beds: 360 (NCS: 282) Deck area: approximately 380 m^2 Power generation: 19 560 kiloWatt (the "**kW**"), (6 diesel generator sets) Gangway: Telescopic hydraulic 38.5 m +/- 7.5m Station keeping: NMD3 Thrusters: 6 X 2.64 MW Azimuthing

	Name: Safe Scandinavia Built: 1984, Upgraded: 2003/200/2014 Design: Aker H-3.2E Maximum number of beds: 583 (NCS: 292) (in accommodation mode) Power generation: 6 780 kW (3 diesel generator sets) Gangway: Telescopic hydraulic 36.5 m +/- 6.0m Mooring system: 12 point chain winches Station keeping: Moored
	Name: Safe Caledonia Built: 1982, Upgraded: 2004/2012 Design: Pacesetter Maximum number of beds: 454 Deck area: approximately 350 m^2 Power generation: 16 900 kW (6 diesel generator sets) Gangway: Telescopic hydraulic 36.5 m +/- 5.5m Mooring system: 10 Point Wire Wenches Station keeping: DP2/POSMOOR Thrusters: 4 X 2.4 MW Azimuthing
	Name: Safe Concordia Built: 2005 Design: Deepwater Technology Group Maximum number of beds: 461 Deck area: approximately 1 300 m^2 Power generation: 18 550 kW (5 diesel generator sets) Gangway: Telescopic hydraulic 29.5 m +/- 5.0m Mooring system: 4 Point Wire Wenches Station keeping: DP2 Thrusters: 4 X 2.5 MW Azimuthing
	Name: Safe Bristolia Built: 1983, Converted: 2006/2008 Design: Sedco 600 Maximum number of beds: 587 Deck area: approximately 400 m^2 (laydown) Workshop: 340 m^2 Power generation: 6 420 kW (4 diesel generator sets) Gangway: Telescopic 35.5 m +/- 6.0m Mooring system: 8 Point Wire Wenches Station keeping: Moored

	Name: Safe Eurus Built: May 2019 Design: GustoMSC Ocean 500 Maximum number of beds: 500 Deck area: approximately 1 500 m² Power generation: 31 328 kW Gangway: 38.0 m +/- 7.5m Mooring system: 10 Point Wire Wenches Station keeping: DP3 Thrusters: 6 x 3.7 MW Azimuth
	Name: Safe Nova & Safe Vega Built: Option to take delivery before 2023 Design: Enhanced GM500A Maximum number of beds: 500 Deck area: approximately 1 500 m² Gangway: 38.0 m +/- 7.5m Mooring system: 10 Point Wire Wenches Station keeping: DP3 Thrusters: 6 x 3.8 MW Azimuth

4.5.3 *Material contracts and customers*

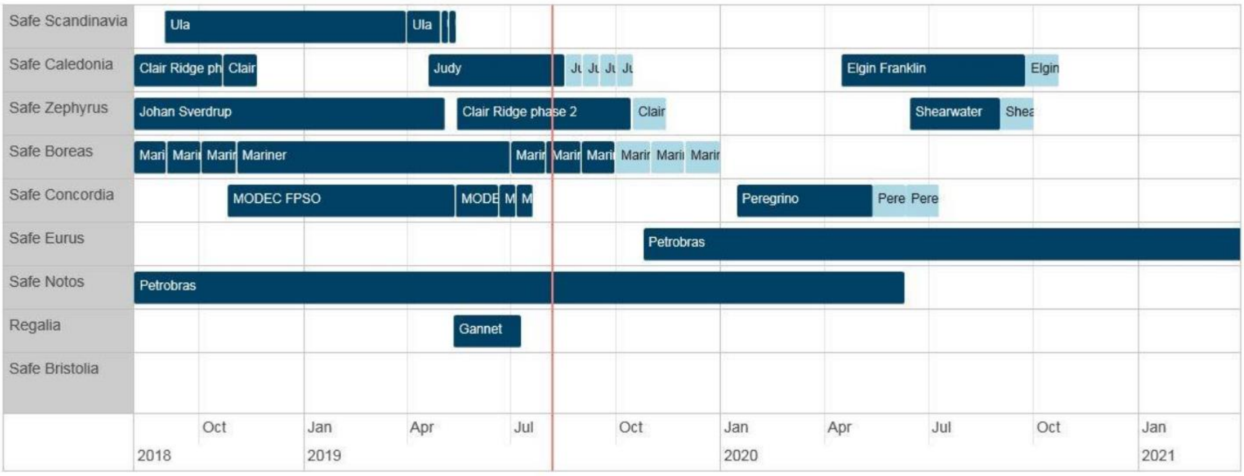
In line with industry practice, the Company has issued parent company guarantees to customers, vendors and banks on behalf of its subsidiaries in connection with the award and performance of contracts and the fulfilment of other contractual obligations. As per year end 2018, the total estimated amount of such guarantees in connection with contracts with currently uncompleted operations is approximately USD 201 million (the "**Parent Guaranteed Amounts**").

This estimate is inter alia based on the current contract value of the relevant customer contracts and the obligors' liability caps under such contracts. Accordingly, the Parent Guaranteed Amounts may change in line with changes in the contract prices. In addition there are certain exclusions to the liability caps including but not limited to, inter alia, the obligors' indemnities related to interest, tax, damage to own property, personnel and pollution.

In addition, PRPL has provided one bank guarantee in the amount of NOK 245 million, issued by Nordea Bank Finland PLC in favour of Westcon Yards AS. The Company has issued a parent company guarantee in favour of Nordea Bank Finland PLC with respect to this bank guarantee, which has been included in the reference to Parent Guaranteed Amounts specified above. The bank guarantee is secured by a counter-indemnity guarantee in an amount of USD 30 million, issued under the USD 1,300 million credit facility.

The figure below illustrates the fleet contract status as of the date of the Information Memorandum:

Figure 3. Fleet contract status



Source: Company

4.5.4 Competitors

As of February 2019, the global offshore accommodation fleet comprised of 312 units made up of 186 barges, 47 jack-ups, 45 ship-shaped monohull vessels, and 34 semi-submersible units. As of beginning of May 2019, the offshore accommodation fleet stood at 314 units. Reference is made to 9.2 "Overview of the offshore accommodation market".

4.6 Share capital

As of 31 December 2018, the Company had an issued share capital of EUR 8,178,421 divided into 81,784,212 ordinary Shares at a nominal value of EUR 0.10 each. The Company's share capital at the date of this Information Memorandum is 8,186,421 divided into 81,864,212 Shares, each with a nominal value of EUR 0.10. All the Shares have been validly issued and are fully paid. The Company currently has one class of Shares.

The following table sets out a history of the Company's Shares since 1 January 2015[1].

Date of registration	Type of change	Change in share capital (EUR)	Subscription price per share (NOK)	Nominal value (EUR)	New number of Shares	Total number of Shares
4 December 2015	Private Placement	5,899,325	25	0.25	23,597,300	259,570,359
14 September 2016	Private Placement	4,376,600	0.25	0.001	4,376,600,000	4,636,170,359
19 September 2016	Bond Conversion	1,400,839,757	-	0.001	1,400,839,757	6,037,010,116

[1] Minor rounding differences in the historical numbers

23 September 2016	Conversion of Convertible Bonds	12,000	0.25	0.001	12,000,000	6,049,010,116
12 October 2016	Capital Reduction	(64,633,019,391)	-	0.001	-	6,049,010,116
9 November 2016	Private Placement	504,000	0.25	0.001	504,000,000	6,553,010,116
7 December 2016	Reverse Split Adj	-	-	0.001	84	6,553,010,200
7 December 2016	Reverse Split	-	-	0.1	-	65,530,102
16 December 2016	Acquisition of Axis Nova & Axis Vega	586,890	30	0.1	5,868,900	71,399,022
3 February 2017	Conversion of Convertible Bonds	801	25	0.1	8,007	71,407,009
29 November 2017	Conversion of Convertible Bonds	453,790	30	0.1	4,537,900	75,944,909
14 December 2017	Conversion of Convertible Bonds	478,090	30	0.1	4,780,900	80,725,809
9 February 2018	Conversion of Convertible Bonds	2,307	30	0.1	23,066	80,748,875
18 May 2018	Conversion of Convertible Bonds	31,116	25	0.1	311,163	81,060,038
24 May 2018	Conversion of Convertible Bonds	8,000	25	0.1	80,000	81,140,038
13 June 2018	Conversion of Convertible Bonds	26,048	25	0.1	260,481	81,400,519
27 June 2018	Conversion of Convertible Bonds	10,421	25	0.1	104,207	81,504,726
29 August 2018	Conversion of Convertible Bonds	4,308	25	0.1	43,082	81,547,808
6 September 2018	Conversion of Convertible Bonds	23,640	25	0.1	236,404	81,784,212
15 May 2019	Conversion of Convertible Bonds	8,000	25	0.1	80,000	81,864,212

Other than as set out above, there have been no changes to the Company's share capital or the number of Shares of the Company from the start of the period covered by the historical financial information up to the date of this Information Memorandum.

4.7 Major shareholders

As of 1 August May 2019, the Company has 4,808 shareholders. Top twenty shareholders currently held 73.8% of the Company's Shares. The Company's twenty largest shareholders as recorded in the shareholders' register of the Company as of the same date are shown in the table below.

#	Name of shareholder	No of Shares	%
1	North Sea Strategic Investment	15 479 410	18,9 %
2	HV VI Invest Sierra Malta Ltd	8 657 609	10,6 %
3	State Street Bank And Trust Comp	6 972 694	8,5 %
4	Nordea Bank ABP	6 656 256	8,1 %
5	State Street Bank And Trust Comp	4 234 108	5,2 %
6	Pareto Aksje Norge Verdipapirfond	2 909 160	3,6 %
7	The Bank Of New York Mellon	2 806 111	3,4 %
8	Nordnet Bank AB	1 575 252	1,9 %
9	The Northern Trust Comp, London Br	1 395 888	1,7 %
10	Skandinaviska Enskilda Banken S.A.	1 319 893	1,6 %
11	Invesco Global Balanced Fund	1 058 374	1,3 %
12	Helmer AS	900 000	1,1 %
13	Forsvarets Personellservice	896 088	1,1 %
14	Pictet & Cie (Europe) S.A.	870 224	1,1 %
15	Mp Pensjon PK	859 913	1,1 %
16	Br Industrier AS	800 000	1,0 %
17	Morgan Stanley & Co. International	787 106	1,0 %
18	Mørck	786 563	1,0 %
19	Ubs Switzerland AG	780 951	1,0 %
20	Verdipapirfondet DNB High Yield	669 689	0,8 %
	Total 20 largest shareholders	*60 415 289*	*73,8 %*
	Others	*21 448 923*	*26,2 %*
	Total	**81 864 212**	**100,0 %**

Shareholders owning 5% or more of the Shares have an interest in the Company's share capital which is notifiable pursuant to the Norwegian Securities Trading Act. Other than shown in the table below, the Company is not aware of any shareholders holding Shares or rights which is notifiable under Norwegian law (the lowest notifiable threshold being five percent). An overview of shareholders holding 5% or more of the Shares of the Company as at the date of this Information Memorandum is set out below:

Shareholder	Shareholding
North Sea Strategic Investments	18.9 %
HV VI Invest Sierra Malta Ltd.	10.6 %
State Street Bank and Trust Comp	8.5 %
Nordea Bank ABP	8.1 %
State Street Bank and Trust Comp	5.2 %

4.8 Articles of Association

The Articles of Association are set out in Appendix A to this Information Memorandum. Below is a summary of certain of the provisions of the Articles of Association.

Objective of the Company

The objective of the Company is to 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 sector.

Board of Directors

The Board of Directors shall consist of between five to seven Directors.

Share capital

The Company's share capital is EUR 8,178,421.2 divided into 81,784,212 shares each with nominal value of EUR 0.10. The Company's shares shall be registered with the Central Securities Depository.

Restrictions on transfer of Shares

The Shares in the company are freely transferable.

General meetings

The annual general meeting shall discuss and decide upon the following: (i) Approval of the annual accounts and annual report, including distribution of dividends, and (ii) any other matters that according to applicable laws or the Articles of Association are to be decided upon by the general meeting.

Nomination Committee

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

4.9 Health and safety matters

The health and safety of the personnel employed on board the Company's vessels are of top priority. The Company will work actively to make personnel aware of this goal and personnel are at all times obligated to follow the highest industry standards. In addition, the Company endeavours to train its employees and to positively influence its partners so as to protect personnel and equipment from harm, and the natural environment from pollution caused by its own operations and those of its partners. Potential incidents are reported immediately and followed up to limit possible harm and prevent repetition.

4.10 Insurance

The Company has in place insurance coverage typical for these types of assets operating in the relevant areas. All rigs are insured under a Hull & Machinery policy based on the Nordic Marine Insurance Plan for 80% of the replacement value, with hull interest cover for 20% of the replacement value. The rigs further have Protection & Indemnity (the "**P&I Insurance**") insurance for mobile offshore units under a mutual scheme with cover up to USD 8,000 million. The Hull & Machinery and Hull Interest insurance is placed with Norwegian Hull Club (total 9.5%) and the London market supported by AXA XL and other subscribing insurers (total 90.5%). Norwegian Hull Club also acts as claims leader for the fleet. The P&I insurance is placed with Gard AS for all rigs.

4.11 Legal proceedings

The Group may, from time to time, be involved in litigation, disputes and other legal proceedings arising in the normal course of their business.

The Company is currently in court against Westcon in relation to the conversion of TSV Safe Scandinavia. The Company recently announced that the Stavanger City Court had ruled in favour of Prosafe in the dispute with Westcon regarding conversion work in respect of TSV Safe Scandinavia. The conversion was expected to cost around NOK 1 billion, but instead totalled to approximately NOK 2.4 billion. Following the ruling, Westcon is liable to pay the Company NOK 344 million as repayment plus interest, as well as all legal costs incurred by Prosafe relating to the dispute (estimated around NOK 10.6 million). On April 2018, Westcon filed an appeal against the court judgement, and a new court case has been scheduled for Q3 2020 for the Court of Appeal (Nw: *Lagmannsretten*).

With the exception of the above, the Company is not involved in any other legal proceedings as of the date of this Information Memorandum.

4.12 Dependency on contracts, patents, licences etc.

To be able to operate in Norway, any vessel owning subsidiary needs to have an Acknowledgement of Compliance (the "**AoC**"). The Company is therefore dependent on receiving an AoC to operate in Norway. An AoC is an acknowledgement from the Petroleum Safety Directorate (the "**PSA**") to the effect that a mobile facility's technical condition and the companies' organisation and management system are assessed to be in conformity with relevant requirements of Norwegian petroleum regulations. Currently, four of the Company's vessels have an AoC.

Other than set out in Section 4.5.3 "Material contracts and customers", it is the Company's opinion that its existing business or profitability is not materially dependant on patents or licenses, industrial, commercial or financial contracts.

5. SELECTED FINANCIAL INFORMATION FOR PROSAFE

The historical figures of Prosafe may not be indicative of its results for any future period. For a discussion of certain risks that could impact the business, operating results, financial condition, liquidity and prospects of the Group, see Section 1 “Risk Factors ". The following summary of consolidated financial data should be read in conjunction with the other information contained in this Information Memorandum, including the Annual Financial Statements and the notes therein and the Interim Financial Statements, which are incorporated in this Information Memorandum by reference; see Section 12 "Incorporation by Reference – Documents on Display”.

5.1 Introduction and basis for preparation

The following selected financial information has been extracted from Prosafe’s audited annual financial statements as of and for the years ended 31 December 2018, 2017 and 2016 (the "**Annual Financial Statements**") and Prosafe’s unaudited interim condensed consolidated financial statements for the three months ended 31 March 2019 and 31 March 2018 (the "**Interim Financial Statements**"). The Annual Financial Statements have been prepared in accordance with the International Financial Reporting Standards (the “**IFRS**”) endorsed by the European Union (the “**EU**”), and the Interim Financial Statements according to IAS 34 interim Financial Reporting, and the requirements of the Cyprus Companies Law, Cap 113. The financial statements have been prepared on a going concern basis.

5.2 Summary of accounting policies and principles

For information regarding the basis of preparation and the summary of accounting principles utilized by the Company, please refer to Notes 2 and 3, respectively, of the consolidated accounts reported in the Company’s 2018 Annual Report, which is incorporated by reference to this Information Memorandum as Appendix B. The Company has implemented IFRS 16 from 1 January 2019.

5.3 Independent Auditor

Before completion of the legal redomiciliation to Norway, the Company’s independent auditor was KPMG Limited (“**KPMG**”), with business registration number HE132822, and registered address at 14 Esperidon Street, 1087 Nicosia, Cyprus. KPMG Limited’s office address is at KPMG Center, No. 11, 16th June 1943 Street, 3022 Limassol, Cyprus. KPMG Limited is a member of The Institute of Certified Public Accountants of Cyprus (the “**ICPAC**”). After completion of the legal redomiciliation to Norway, the Company’s independent auditor is KPMG AS. The business registration number for KPMG AS is 935 174 627 and registered address is at Sørkedalsveien 6, 0369 Oslo, Norway. KPMG Limited and KPMG AS are member firms of the KPMG network of independent member firms affiliated with KPMG International Cooperative.

The separate and consolidated financial statements of the Company which are prepared in accordance with IFRS as adopted by the EU for the years ended 31 December 2018, 2017 and 2016, included in Appendix B of this Information Memorandum, have been audited by KPMG Limited, independent auditors, as stated in their reports appearing herein.

With respect to the unaudited pro forma financial information included in this Prospectus, KPMG AS has applied assurance procedures in accordance with ISAE 3240 Assurance Engagement to Report on

Compilation of Pro Forma Financial Information Included in a Prospectus in order to express an opinion as to whether the unaudited pro forma financial information has been properly compiled on the basis stated, and that such basis is consistent with the accounting policies of the Company, see Appendix E (*Independent Practitioner's Assurance Report on the Compilation of Pro-Forma Financial Information included in an Information Memorandum*).

5.4 Historical financial information

5.4.1 *Consolidated Income Statement data*

The table below sets out selected data extracted from the Company's Annual Financial Statements for each of the years ended 31 December 2018, 2017 and 2016, and the Interim Financial Statements for the three months ended 31 March 2019 and 31 March 2018.

(USD million)	**Three months ended 31 March**		**Year ended 31 December**		
	2019	**2018**	**2018**	**2017**	**2016**
Charter revenues	56.7	67.8	293.2	256.0	375.5
Other operating revenues	10.6	15.0	37.6	27.0	98.5
Operating revenues	**67.3**	**82.8**	**330.8**	**283.0**	**474.0**
Employee benefits	(20.3)	(17.0)	(76.7)	(76.9)	(91.6)
Other operating expenses	(22.9)	(16.6)	(87.5)	(75.1)	(129.2)
Operating profit before depreciation and impairment	**24.1**	**49.2**	**166.6**	**130.9**	**253.2**
Depreciation	(26.2)	(27.3)	(113.0)	(135.2)	(115.7)
Impairment	(4.4)	(0.1)	(0.6)	(573.9)	(84.7)
Operating (loss)/profit	**(6.5)**	**21.8**	**53.0**	**(578.2)**	**52.8**
Interest income	0.3	0.4	2.9	1.4	0.3
Interest expenses	(15.3)	(20.6)	(173.3)	(74.9)	(88.6)
Other financial income	1.0	18.6	13.4	19.8	267.3
Other financial expenses	(5.6)	(0.8)	(2.9)	(4.3)	(42.1)
Net financial items	**(19.6)**	**(2.4)**	**(159.9)**	**(58.0)**	**136.9**
Share of loss of equity accounted investees	(0.8)	(0.3)	**(1.7)**	**(3.1)**	**-**
Loss before taxes	**(26.9)**	**19.1**	**(108.6)**	**(639.3)**	**189.7**
Taxes	(1.3)	(3.2)	(5.9)	(7.8)	(17.1)
Net (loss)/profit	**(28.2)**	**15.9**	**(114.5)**	**(647.1)**	**172.6**
Attributable to equity holders of the parent	**(28.2)**	**15.9**	**(114.5)**	**(647.1)**	**172.6**
Earnings per share (USD)	**(0.32)**	**0.18**	**(1.30)**	**(8.98)**	**8.36**
Diluted earnings per share (USD)	**(0.32)**	**0.18**	**(1.30)**	**(7.35)**	**8.10**

5.4.2 *Consolidated Statement of Comprehensive Income data*

The table below sets out selected data extracted from the Company's Annual Financial Statements for each of the years ended 31 December 2018, 2017 and 2016, and the Interim Financial Statements for the three months ended 31 March 2019 and 31 March 2018.

(USD million)	**Three months ended 31 March**		**Year ended 31 December**		
	2019	**2018**	**2018**	**2017**	**2016**
Net (loss)/profit for the year	**(28.2)**	**15.9**	**(114.5)**	**(647.1)**	**172.6**
Other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods					
Foreign currency translation	0.4	1.5	(5.1)	2.0	1.7
Net gain on cash flow hedges	-	3.3	48.3	13.2	(22.2)
Net other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods	**0.4**	**4.8**	**43.2**	**15.2**	**(20.5)**
Other comprehensive loss that will not be reclassified to profit or loss in subsequent periods					
Pension remeasurement	-	-	(0.8)	-	-
Net comprehensive loss that will not be reclassified to profit or loss in subsequent periods	**-**	-	**(0.8)**	**-**	-
Total comprehensive (loss)/income for the year, net of tax	**(27.8)**	**20.7**	**(72.1)**	**(631.9)**	**152.1**
Attributable to equity holders of the parent	**(27.8)**	**20.7**	**(72.1)**	**(631.9)**	**152.1**

5.4.3 *Consolidated Statement of Financial Position data*

The table below sets out selected data extracted from the Company's Annual Financial Statements for each of the years ended 31 December 2018, 2017 and 2016, and the Interim Financial Statements for the three months ended 31 March 2019 and 31 March 2018.

(USD million)	As at 31 March		As at 31 December		
	2019	**2018**	**2018**	**2017**	**2016**
Goodwill	-	-	-	-	226.7
Vessels	1,401.3	1,501.1	1,422.6	1,527.2	2,029.3
Newbuilds	125.8	125.2	125.8	125.2	122.2
Other tangible assets	2.6	3.6	2.5	3.6	3.9
Investments in associated companies	-	6.6	5.2	6.9	10.0
Derivatives	0.4	-	2.4	-	-
Total non-current assets	**1,530.1**	**1,636.5**	**1,558.5**	**1,662.9**	**2,392.1**
Cash and deposits	109.3	254.0	140.3	231.9	205.7
Debtors	29.0	40.5	25.2	45.5	60.0
Other current assets	16.0	9.4	12.8	6.7	29.1
Total current assets	**154.3**	**303.9**	**178.3**	**284.1**	**294.8**
Total assets	**1,684.4**	**1,940.4**	**1,736.8**	**1,947.0**	**2,686.9**
Share capital	9.0	8.9	9.0	8.9	7.9
Convertible bonds	20.8	24.0	20.8	24.0	57.0
Warrants	6.4	-	6.4	-	-
Other equity	336.2	453.6	364.0	464.7	1,064.6
Total equity	**372.4**	**486.5**	**400.2**	**497.6**	**1,129.5**
Interest bearing non-current liabilities	1,171.3	1,324.7	1,198.5	1,329.1	1,342.9
Deferred tax	-	4.3	-	4.1	6.0
Derivatives	19.7	23.3	16.1	39.4	51.3
Other non-current liabilities	2.4	16.3	2.4	14.0	4.9
Total non-current liabilities	**1,193.4**	**1,368.6**	**1,217.0**	**1,386.6**	**1,405.1**
Interest bearing current debt	43.6	18.6	44.5	18.6	47.9
Accounts payable	1.4	1.8	2.2	3.5	16.9
Taxes payable	14.7	15.9	14.7	18.2	22.8
Derivatives	-	-	-	-	7.9
Other current liabilities	58.9	49.0	58.2	22.5	56.8
Total current liabilities	**118.6**	**85.3**	**119.6**	**62.8**	**152.3**
Total equity and liabilities	**1,684.4**	**1,940.4**	**1,736.8**	**1,947.0**	**2,686.9**

5.4.4 *Consolidated Cash Flow Statement data*

The table below sets out selected data extracted from the Company's Annual Financial Statements for each of the years ended 31 December 2018, 2017 and 2016, and the Interim Financial Statements for the three months ended 31 March 2019 and 31 March 2018.

(USD million)	Three months ended 31 March		Year ended 31 December		
	2019	**2018**	**2018**	**2017**	**2016**
Cash flow from operating activities					
(Loss)/profit before taxes	(26.9)	19.1	(108.6)	(639.3)	189.7
Unrealised currency gain on long-term debt	-	-	-	-	18.3
Gain on forgiveness of bond debt	-	-	-	-	(197.6)
Gain on sale of non-current assets	-	-	(2.1)	(1.1)	(0.6)
Depreciation and impairment	30.6	27.4	113.6	709.1	200.4
Interest income	(0.3)	(0.4)	(2.9)	(1.4)	(0.3)
Interest expenses	15.3	20.6	173.3	74.9	85.6
Share of loss of equity accounted investee	0.8	0.3	1.7	3.1	-
Taxes paid	(1.4)	(5.3)	(13.4)	(14.4)	(10.0)
Change in working capital	(7.1)	(4.7)	16.6	11.8	(59.4)
Other items from operating activities	3.7	(5.6)	(31.1)	13.4	(40.2)
Net cash provided by operating activities	**14.7**	**51.4**	**147.1**	**156.1**	**185.9**
Cash flow from investing activities					
Proceeds from sale of tangible assets	-	-	2.6	1.1	0.7
Acquisition of tangible assets	(5.0)	(1.3)	(8.7)	(10.1)	(483.9)
Interest received	0.3	0.4	2.9	1.4	0.3
Net cash used in investing activities	**(4.7)**	**(0.9)**	**(3.2)**	**(7.6)**	**(482.9)**
Cash flow from financing activities					
Proceeds from new interest-bearing debt	-	-	-	-	503.3
Repayments of interest-bearing debt	(25.7)	(7.8)	(155.2)	(47.4)	(112.5)
Refinancing cost	-	-	(4.2)	-	-
Share issue	-	-	-	-	140.4
Interest paid	(15.3)	(20.6)	(76.1)	(74.9)	(85.6)
Net cash used in financing activities	**(41.0)**	**(28.4)**	**(235.5)**	**(122.3)**	**445.6**
Net cash flow	**(31.0)**	**22.1**	**(91.6)**	**26.2**	**148.6**
Cash and deposits at 1 January	140.3	231.9	231.9	205.7	57.1
Cash and deposits at end of period	**109.3**	**254.0**	**140.3**	**231.9**	**205.7**

5.4.5 *Consolidated Statement of Changes in Equity data*

The table below sets out selected data extracted from the Company's Annual Financial Statements for each of the years ended 31 December 2018, 2017 and 2016, and the Interim Financial Statements for the three months ended 31 March 2019 and 31 March 2018.

(USD million)	Share capital	Convertible bonds	Warrants	Other equity	Cash flow hedges	Foreign currency translation	Total equity
Equity at 1 January 2016	**72.1**	**-**	**-**	**651.1**	**(39.3)**	**31.4**	**715.3**
Net profit	-	-	-	172.6	-	-	172.6
Other comprehensive income	-	-	-	-	(22.2)	1.7	(20.5)
Total comprehensive income	**-**	**-**	**-**	**172.6**	**(22.2)**	**1.7**	**152.1**
Capital reduction	(71.8)	-	-	71.8	-	-	-
Share and bond issues	7.6	57.3	-	197.2	-	-	262.1
Conversion of convertible bonds	-	(0.3)	-	0.3	-	-	-
Equity at 31 December 2016	**7.9**	**57.0**	**-**	**1,093.0**	**(61.5)**	**33.1**	**1,129.5**
Net loss	-	-	-	(647.1)	-	-	(647.1)
Other comprehensive income	-	-	-	-	13.2	2.0	15.2
Total comprehensive income	**-**	**-**	**-**	**(647.1)**	**13.2**	**2.0**	**(631.9)**
Conversion of convertible bonds	1.0	(33.0)	-	32.0	-	-	-
Equity at 31 December 2017	**8.9**	**24.0**	**-**	**477.9**	**(48.3)**	**35.1**	**497.6**
Adoption of IFRS 15	-	-	-	(31.8)	-	-	(31.8)
Equity at 1 January 2018	**8.9**	**24.0**	**-**	**446.1**	**(48.3)**	**35.1**	**465.8**
Net loss	-	-	-	(114.5)	-	-	(114.5)
Other comprehensive income	-	-	-	(0.8)	48.3	(5.1)	42.4
Total comprehensive income	**-**	**-**	**-**	**(115.3)**	**48.3**	**(5.1)**	**(72.1)**
Conversion of convertible bonds	0.1	(3.2)	-	3.2	-	-	0.1
Issue of warrants	-	-	6.4	-	-	-	6.4
Equity at 31 December 2018	**9.0**	**20.8**	**6.4**	**334.0**	**-**	**30.0**	**400.2**
Net loss	-	-	-	(28.2)	-	-	(28.2)
Other comprehensive income	-	-	-	-	-	0.4	0.4
Total comprehensive income	**-**	**-**	**-**	**(28.2)**	**-**	**0.4**	**(27.8)**
Equity at 31 March 2019	**9.0**	**20.8**	**6.4**	**305.8**	**-**	**30.4**	**372.4**

5.5 Significant changes

Other than the Transaction and changes described above, there have been no significant changes in the financial or trading position of the Company since 31 March 2019.

5.6 Statement of no material adverse change

There has been no material adverse change in the prospects of the Company since the date of the last audited Annual Financial Statements. There are no known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Company’s prospects for at least the current financial year.

5.7 Recent events relevant to evaluation of solvency

There have been no recent events particular to the Company which are to a material extent relevant to the evaluation of the Company's solvency.

6. THE TRANSACTION

This Section provides information on the background and reasons for the Transaction as well as a discussion of certain related arrangements and agreements entered into or to be entered into in conjunction with the Transaction.

6.1 Overview

The Transaction will imply a business combination between Prosafe and Floatel, whereby 100% of the ordinary shares in Floatel (the "**Floatel Shares**"), will be transferred to Prosafe against issuance of the Consideration Shares and certain new preference shares in Prosafe (the "**Preference Shares**") to the shareholders of Floatel as sellers in the Transaction. In addition, the existing warrants held by Floatel management will be replaced with new warrants in Prosafe. The Transaction will give an aggregate ownership of 55% to Prosafe shareholders and 45% to Floatel shareholders in the Group on a fully diluted basis, reflecting the Exchange Ratio (the "**Exchange Ratio**") agreed upon by the parties. The Transaction excludes the existing preference shares in Floatel (the "**Floatel Preference Shares**") which will not be transferred to Prosafe. The fully diluted basis in the Transaction assumes that all warrants and conversion rights are exercised. lo

The Transaction will be completed as soon as possible after the conditions precedent for completion have been satisfied, including but not limited to competition clearance, see inter alia Section 6.5.

6.2 Background and reason for the Transaction

Both Prosafe and Floatel own and operate vessels in the floating accommodation services industry. The Transaction will create a unit owner and operator company with a modern and versatile fleet.

Since the decline in oil prices in 2014, the offshore accommodation services market has seen a sharp downturn, which led both the customers and the market players to seek and focus on productivity measures, and most importantly cost reductions. Both Prosafe and Floatel have made considerable cost cuts on individual basis since then, and the Transaction will enable further productivity improvements on a cost basis. The Group believes there will be substantial recurring synergies from the Transaction related to improvements in vessel operating expenses, reduced mobilization through efficient vessel deployment, available terms towards key suppliers, and in general and administrative expenses. In the light of these contemplated improvements, the Group believes that the Transaction will facilitate better utilization of the fleet through the following:

- wider range of vessels enables better ability to plan utilization of the total fleet;
- better possibility to offer best suited vessel for each tender on the global market; and
- reduced overall costs through higher utilization of the capacity.

6.3 Description of the Transaction

The business combination will carried out by way of a transfer of all existing ordinary Floatel Shares to Prosafe against consideration in the form of newly issued Consideration Shares and Preference Shares in Prosafe. Prosafe shall issue such number of Consideration Shares to the shareholders of Floatel, which gives an aggregate ownership share on a fully diluted basis in Prosafe immediately following the issue of such number of Consideration Shares which will reflect the Exchange Ratio (including new warrants issued by Prosafe, cf. below). Included in the Transaction are the subsidiaries of Floatel, including its fleet of five wholly owned accommodation units. Excluded from the Transaction is the existing Floatel Preference Shares which will remain owned by the current shareholders.

In addition to issuance of the Consideration Shares, the Preference Shares shall be issued to the shareholders of Floatel as sellers in the Transaction, according to which the preference shareholders on certain terms and conditions related to the outcome of the ongoing dispute with Westcon Yards AS (see item 3.5), may have the right to preferred dividend up to an aggregate limit of USD 20 million. This preferred dividend is based on a different outcome than the judgement from the Stavanger City Court in 2018, where Prosafe were granted NOK 334 million plus interests and legal costs, and applies if the decision in the upcoming appeal is that the Company is entitled to less than USD 20 million (net of legal costs and other expenses). In case the decision result in a number between USD 0 - 20 million, the dividend will be adjusted accordingly. The number of Preference Shares to be issued is 1,209,568.

The parties to the Transaction have also agreed that the existing warrants in Floatel held by Floatel management shall be replaced with 2,017,469 new warrants in Prosafe, whereby each warrant will give the right a one ordinary share in Prosafe. The warrants will have an exercise price of NOK 22.77 per warrant.

The combined companies' largest shareholders will be HitecVision VII L.P. ("**Hitec**"), a subsidiary of Keppel Corporation known as FELS Offshore Pte Ltd ("**Keppel**") and funds managed by Oaktree Capital Management, L.P. ("**Oaktree**"), which, respectively, will hold 16%, 22% and 19% of the shares immediately following completion of the Transaction.

Prosafe will remain listed on the Oslo Stock Exchange after completion of the Transaction under the ticker "PRS". The Transaction will not trigger a mandatory offer pursuant to the Norwegian take-over rules.

Organizational changes

It has been agreed that Glen Ole Rødland be chairman of the Board of the combined company, and that Amy Rice as representative for Oaktree and a representative nominated by Keppel will be elected members of the first board. Further board compositions, name of CEO and location of company head office will be decided later. The name of the combined company will be Prosafe SE.

No agreements have or will be entered into in connection with the Transaction for the benefit of the Prosafe's or Floatel's senior employees or members of the board of directors or for the senior employees or board of directors of either company. However, management in both companies has bonuses related to a successful completion of the transaction.

Following the Transaction, the Group will have approximately 700 employees including agency personnel.

Financial information

The total operating revenues for the Prosafe Group were USD 330.8m and the net operating result was minus USD 114.5m for the year ended on 31 December 2018. Total consolidated assets at 31 December 2018 were USD 1736.8m. Please see Section 5 “Selected Financial Information for PROSAFE” for further information on financial figures of Prosafe.

For the year ended 31 December 2018, the total operating revenues for Floatel Group were USD 303 million and the net operating result was USD 26.7 million for Floatel. Total consolidated assets at 31 December 2018 were USD 1,456 million. Please see Section 7.12 (Historical Financial Information for Floatel) for further information on financial figures reported by Floatel.

6.4 Financing arrangement in connection with the Transaction

The Transaction will be financed solely through an issuance of Consideration Shares, Warrants and Preference Shares in Prosafe. Reference is made to Section 6.3 “Description of the Transaction”.

6.5 Conditions for closing of the Transaction

Closing of the Transaction will be subject to customary closing conditions for transactions of this nature, including:

- receipt of approval from Norwegian Competition Authority and UK Competition and Markets Authority and other relevant public authorities
- receipt of approvals required under all material agreements on acceptable terms and conditions, including change of control clauses and approvals required under the financing arrangements of Floatel and Prosafe in relation to the Transaction and the agreed structuring of the financing arrangements
- all required corporate approvals for the Transaction and the issuance of the Consideration Shares and the Preference Shares; and the new warrants to management in Floatel
- no material adverse effect between signing and completion of the Transaction Agreement

Prior to closing of the Transaction, Prosafe shall also carry out an internal re-structuring by way of establishing a new wholly owned subsidiary of Prosafe SE which in turn, inter alia, will own the shares in the other companies in the Prosafe Group.

6.6 Completion of the Transaction

The Transaction is expected to be completed during the 3rd quarter of 2019, subject to satisfaction of the conditions closing set out in the Transaction Agreement, including but not limited to regulatory approvals and consents under Prosafe's and Floatel's financing agreements. Reference is made to Section 6.5 “Conditions for closing of the Transaction”. The Transaction is subject to a long stop date of 31 December 2019, whereby the Transaction Agreement may be terminated if the Transaction has not completed by such date.

6.7 Agreements with members of the Board of Directors and Management in connection with the Transaction

No agreements with members of the Board of Directors and Management are entered into in connection with the Transaction. However, there are transaction bonuses to management in both companies. Floatel management will exchange their warrants in Floatel against warrants in Prosafe as described in section 6.3.

6.8 Accounting and tax matters

The Transaction may as such have tax consequences for the shareholders in Prosafe and Floatel International Limited, and each shareholder should satisfy itself with respect to obtaining the necessary professional advice to understand what the tax implications of the Transactions may be.

6.9 Lock-up period

Hitec, Keppel and Oaktree have agreed, on customary terms and conditions, not to sell their shares in the combined company (lock-up) for a period of 12 months from completion of the Transaction.

6.10 Allocation of expenses relating to the Transaction

Each of Floatel and Prosafe shall bear their own costs related to the Transaction. However, some of the costs related to joint efforts in the transaction will be shared between the parties.

7. PRESENTATION OF FLOATEL

This Section provides an overview of the business of Floatel as of 31 March 2019. The following discussion contains forward-looking statements that reflect plans and estimates; see "Cautionary Note Regarding Forward-Looking Statements" on page 2. You should read this Section in conjunction with the other parts of this Information Memorandum, in particular Section 1 "Risk Factors" and Section 8 "The Group Following the Transaction".

7.1 Introduction

Floatel International Ltd. is active in the deepwater, ultra-deepwater and harsh environment offshore accommodation sector. It is organized under the laws of Bermuda with management located in Gothenburg, Sweden, and it was established in September 2006 with the intent to own and operate the most modern, safe and reliable high-specification accommodation fleet in the world. Floatel has a global operating footprint with offices on five continents and approximately 300 staff worldwide including offshore personnel. The Company's registered office is at Victoria Place, 5th Floor 31 Victoria Street, Hamilton HM 10, Bermuda.

High-specification offshore accommodation and construction support vessels such as owned by Floatel are a cost effective support solution for offshore oil and gas operators to install, maintain, modify, repair and decommission their offshore infrastructure in increasingly challenging locations, such as remote, deepwater, ultra-deepwater and harsh environments. Floatel currently owns five high-specification, dynamically positioned, semi-submersible accommodation vessels, with an average age of only 6.2 years. Floatel began offshore operations in 2010 following delivery of its first two vessels, Floatel Superior and Floatel Reliance, and added the Floatel Victory, Floatel Endurance and Floatel Triumph in 2013, 2015 and 2016 respectively.

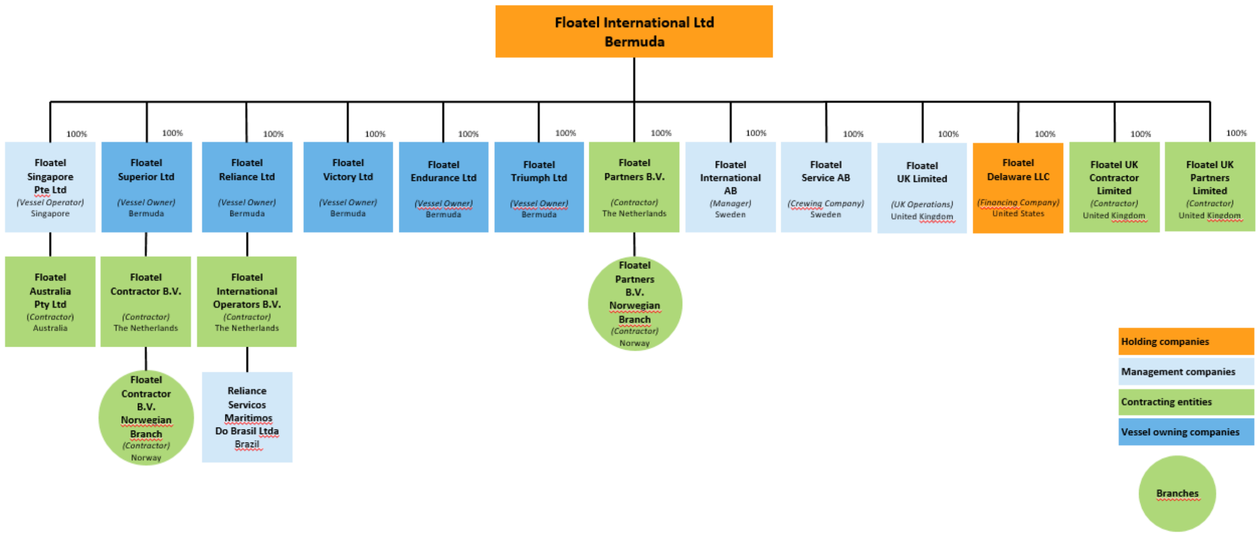
For detailed information on the Company's commercial, operational, and financial performance as of 31 December 2018 and 31 March 2019, please see Floatel's 2018 Annual Report and Interim Report for the three months ended 31 March 2019 respectively, incorporated in this Information Memorandum by reference as Appendix D.

7.2 Legal structure of the Group

7.2.1 Overview

Floatel International Ltd. is a holding company with 100% ownership in the managing and vessel owning subsidiaries shown below. Holding and management companies are set up for the purpose of owning shares in other Floatel Group companies (collectively referred to as "**Floatel Group**") and/or providing management services to other companies within the Floatel Group. Vessel owning companies are set up for the sole purpose of owning vessels, while contracting entities are set up for the sole purpose of entering into contracts with third party customers and/or internal charters with other companies within

Figure 1. Legal structure of Floatel



Source: Floatel

the Floatel Group.

The following table sets out information about the entities in Floatel Group prior to the Transaction:

The Company's subsidiaries as of the date of this Information Memorandum are:

Company name	Country of incorporation	Ownership
Floatel Delaware LLC	United States	100 %
Floatel Superior Ltd.	Bermuda	100 %
Floatel Reliance Ltd.	Bermuda	100 %
Floatel Victory Ltd.	Bermuda	100 %
Floatel Endurance Ltd.	Bermuda	100 %
Floatel Triumph Ltd.	Bermuda	100 %
Floatel International AB	Sweden	100 %
Floatel Services AB	Sweden	100 %
Floatel Singapore Pte. Ltd.	Singapore	100 %

Floatel UK Ltd.	Scotland	100 %
Reliance Services Maritimos Do Brazil Ltda.	Brazil	100 %
Floatel Australia Pty. Ltd.	Australia	100 %
Floatel Contractor BV	Netherlands	100 %
Floatel International Operators BV	Netherlands	100 %
Floatel Partners BV	Netherlands	100 %
Floatel UK Contractor Ltd.	Scotland	100 %
Floatel UK Partner Ltd.	Scotland	100 %

7.3 History and important events

Floatel was established in late 2006 and placed its first two orders for Floatel Superior and Floatel Reliance with Keppel FELS Limited in 2007. Floatel Superior was delivered in March 2010, and Floatel Reliance was delivered in October 2010.

In December 2010 Floatel was listed on the Oslo Stock Exchange, but was delisted in September 2011, after a group of shareholders entered into an agreement to take the company private.

In 2011, 2012 and 2013, the company placed orders for its third, fourth and fifth rigs, Floatel Victory, Floatel Endurance, and Floatel Triumph, supporting its long term strategy of providing the most modern and productive accommodation fleet available. The vessels were delivered on schedule in 2013, 2015 and 2016 respectively.

An affiliate of Keppel, Wideluck Enterprises Limited ("**Wideluck**"), was a shareholder since inception in 2006 and following delisting from Oslo Stock Exchange in September 2011, Wideluck became a major shareholder. Oaktree purchased their stake from Wideluck in a secondary sale in early 2012 and Wideluck transferred its stake to Keppel in 2016 and the ownership of Floatel has been substantially the same since then.

7.4 Corporate strategy

Floatel's objective is to be a leading provider of high-specification accommodation and construction support vessels to major offshore oil and natural gas customers. To achieve this objective, Floatel focuses on the following business strategies:

Focus on medium- and long-term charters to secure stable cash flows

Floatel manages the stability of operating revenues by actively seeking new medium or long-term charters with new and current customers that provide the optimal mix of return on assets and long-term revenue and cash flow visibility.

Maintain cost discipline

Despite charter contracts typically containing inflation protection, Floatel maintains strict cost discipline on operating and overhead expenses to protect its margins albeit always maintaining exceptional safety standards. Floatel is able to manage operating expenses, in part, by staffing crews appropriately and ensuring that vessel maintenance and repairs are performed on time and on budget.

Capitalize on the demand for modern accommodation vessels

Maintain the most competitively advantaged fleet relative to global supply in order to best capitalize on the demand for modern accommodation vessels.

Floatel intends to take part in the fleet renewal and expand the fleet if and when it makes sense.

Maintain a disciplined approach to capital investment and growth

While no additional vessels are currently being contemplated, Floatel intends to carefully evaluate all potential investments and acquisitions based on their estimated return on capital, as well as the sustainability of Floatel's financial position.

Continue to focus on safety, reliability and operational excellence

Offshore oil and natural gas companies seek partners that have a reputation for reliability, safety and high environmental and quality standards. Accordingly, Floatel intends to continue to devote significant resources to maintain its reputational competitive advantage and operational excellence.

7.5 Business description

7.5.1 *General*

Floatel is the owner and operator of semi-submersible vessels accommodation units that are chartered by customers whenever there is a need for accommodation, construction, engineering or storage capacity in support of their offshore infrastructure projects. The vessels are positioned alongside the host installation facilities, usually a seabed-fixed or a floating production facility and are connected to the host installation by means of a telescopic gangway so that personnel can walk to work, even in severe weather or harsh seas.

The vessels are typically employed under time charter agreements against payment of day rates. Clients are typically oil and gas contractors and oil and gas producers who hire the vessels in connection with their construction projects and/or other accommodation needs.

7.5.2 *Board of Directors*

The current Board of Directors consist of seven members. The names, positions and current term of office of these Board Members as at the date of this Information Memorandum are set out in the table below. The Board Members will resign at closing.

Name	Position	Served since
Chris Ong	Chairman	2018
Paul Tan	Director	2018
Adam Pierce	Director	2012
Amy Rice	Director	2012
Colin Smith	Director	2016
Jonathan B. Fairbanks	Director	2007
Marlin Khiew	Director	2019

Chris Ong, Chairman

Mr. Chris Ong is the Chief Executive Officer of Keppel Offshore & Marine with effect from 01 July 2017. Prior to this appointment, he was Acting Chief Executive Officer of Keppel Offshore & Marine and has held various positions within the Keppel Group. Mr. Ong holds a Bachelor and Master's Degree in Electrical and Electronics Engineering from the National University of Singapore. He is a Singapore citizen and resides in Singapore.

Current directorships and management positions:	*Floatel International Limited (Chairman), Keppel Offshore & Marine Ltd. (Chief Executive Officer)*

Paul Tan, Director

Mr. Paul Tan is the Chief Financial Officer of Keppel Offshore & Marine Ltd. He is also a director of a number of companies in the Keppel Group. Mr. Tan also serves as a director on the Board of k1 Ventures Limited, a company listed on the Singapore Stock Exchange and as Chairman of Keppel Philippines Holdings Inc., a company listed on the Philippine Stock Exchange, Inc. Mr. Tan has more than 30 years' experience in finance and accounting and is a Fellow of the Association of Chartered and Certified Accountants. He is a Singapore citizen and resides in Singapore.

Current directorships and management positions:	*Floatel International Limited (Director), Keppel Offshore & Marine Ltd. (Chief Financial Officer), , k1 Ventures Limited (Director), Keppel Philippines Holdings Inc. (Chairman)*

Adam Pierce, Director

Mr. Pierce is a Managing Director at Oaktree. Mr. Pierce is an investment professional in the Special Situations Group and leads investing in the natural resources and industrials sectors. Prior to joining Oaktree in 2003, he served as a financial analyst in the Investment Bank at J.P. Morgan Chase & Co., gaining experience on a range of advisory and financing assignments. Prior thereto, Mr. Pierce worked for Goldman, Sachs & Co. He currently serves on the Board of Directors of Caerus Oil and Gas, and Floatel International, and previously served on the board of Gener8 Maritime. Mr. Pierce received a B.A. degree in economics with a focus on business administration from Vanderbilt University.

Current directorships and management positions:	*Floatel International Limited (Director), Caerus Oil and Gas (Director), Oaktree Capital Management L.P. (Managing Director)*

Amy Rice, Director

Ms. Rice is a Managing Director in Oaktree's Special Situations Group and leads the group's investing efforts in the healthcare and retail sectors. She also plays an active role in execution of complex restructuring and recapitalization transactions outside of her primary industry coverage. Prior to joining Oaktree in 2009, Ms. Rice spent two years as an associate at Lindsay Goldberg, LLC, and before that, she spent two years as an analyst in the Leveraged Finance group at Deutsche Bank. Ms. Rice currently serves on the Board of Directors for Floatel International. She holds an A.B. degree in biology magna cum laude with highest honors from Harvard College and an M.B.A. from Wharton School at the University of Pennsylvania, where she was a Palmer Scholar.

Current directorships and management positions:	*Floatel International Limited (Director), Oaktree Capital Management L.P. (Managing Director)*

Colin Smith, Director

Mr. Smith is a member of the portfolio enhancement team at Oaktree, and specializes in driving commercial and operational performance improvement initiatives. He joined Oaktree in 2014 from Alix Partners where he most recently served as a Director leading value creation projects across a variety of industries for its global clients. Mr. Smith earned his Bachelor of Arts degree. with honours in Applied Economics from Queen's University, and a Masters in Business Administration degree in Operations and Strategic Management at the University of Chicago, Booth School of Business. He is a US citizen and resides in Los Angeles, USA.

Current directorships and management positions:	*Floatel International Limited (Director), Proserv (Director), Oaktree Capital Management L.P. (Managing Director and Head of Portofolio Tranformation Team)*

Jonathan B. Fairbanks, Director

Mr. Fairbanks is the Founder and Managing Partner of Global Energy Capital, a Houston-based private equity fund investing in energy service companies. Previously, Mr. Fairbanks was a Founder and Director of the following public companies: Chiles Offshore, Seajacks International, and Scorpion Offshore. He also served on the boards of Ringers Technologies, Premium Oilfield Technologies and Gusto MSC, as well as Hercules Offshore and Forum Energy Technologies. He is currently a Director of Flowco Productions Solutions, Oilfield Labs of America and Locus Oil Holding. He is a US citizen and resides in Houston, Texas, USA.

Current directorships and management positions:	*Floatel International Limited (Director), Global Energy Capital LP (Founder & Managing Partner), Flowco Productions Solutions (Director), Oilfield Labs of America (Director) and Locus Oil Holding (Director))*

Marlin Khiew, Director

Mr. Marlin Khiew is the General Manager of Corporate Development in Keppel Offshore & Marine Ltd and concurrently the CEO & President of Keppel FELS Brasil S/A. He is also director of a number of companies and has held various technical, projects and operational management positions within the Keppel Group. Mr. Khiew holds a Bachelor's Degree in Applied Science (Mechanical Engineering and specialized in Naval Architecture). He is a Singapore citizen and resides in Singapore.

Current directorships and management positions:	*Floatel International Limited (Director)*

7.5.3 *Management*

The current Management consist of three members. The names, positions and duration of employment of the members of the Management as at the date of this Information Memorandum are set out in the table below.

Name	Position	Employed with the Company since
Peter Jacobsson	Chief Executive Officer	2006
Tomas Hjelmstierna	Chief Financial Officer	2013
Per Marzelius	Chief Operating Officer	2013

Peter Jacobsson, Chief Executive Officer

30 years of experience within the offshore industry – Most recently served as CEO of Consafe Offshore, and previously held various management positions at Safe Offshore, management positions at Subsea 7, Halliburton Subsea, Rockwater and GVA. He holds a Master of Science in Naval Architecture and Marine Engineering from Chalmers University of Technology.

Current directorships and management positions: .... *Floatel International AB (Chief Executive Officer)*

Tomas Hjelmstierna, Chief Financial Officer

20 years of experience within finance and corporate finance. Most recent positions are SVP Finance and SVP Corporate Finance of the Capio Group. He holds a Bachelor of Science degree in Business

Current directorships and management positions: .... *Floatel International AB (Chief Financial Officer)*

Administration and Economics from Lund University School of Economics and Management.

Per Marzelius, Chief Operating Officer

Master Mariner with 20 years of experience within offshore and shipping industry. Previously held management positions at Floatel International, various management positions at DFDS. He holds a Master Mariner degree from the University of Vestfold, Norway.

Current directorships and management positions: .... *Floatel International AB (Chief Operating Officer)*

7.5.4 *The fleet*

Floatel currently owns and operates five semi-submersible accommodation vessels, with an average age of approximately 6 years and an accommodation range of 440-560 beds per vessel (the "**Floatel**

vessels").Two vessels are currently in operations and three are idle. All of Floatel's vessels are equipped with dynamic positioning systems.

Floatel Superior

Floatel Superior is a semi-submersible accommodation and construction support vessel designed to meet the most demanding regulatory requirements for operating in the harshest environmental conditions in the world. It is equipped with a DP3 positioning system, an accommodation capacity of 440 persons and 50 office work stations for client use.

Floatel Reliance

Floatel Reliance is a semi-submersible accommodation and construction support vessel designed for worldwide operations excluding the North Sea during winter season. It is equipped with a DP2 positioning system, an accommodation capacity of 500 persons and 40 office work stations for client use.

Floatel Victory

Floatel Victory is designed for operations in the North Sea (UK Sector). It is equipped with DP3 positioning capability, an accommodation capacity of 560 persons, 40 office work stations for client use and a 10 point chain mooring system.

Floatel Triumph

Floatel Triumph is a harsh environment rig designed for worldwide operations and is compliant to HSE UK rules and regulations. The vessel is equipped with a DP3 positioning system, accommodation capacity for 500 persons and 40 office stations for client use.

Floatel Endurance

Floatel Endurance is a harsh environment rig designed for worldwide operations and is compliant to Norwegian rules and regulations. The vessel is equipped with a DP3 positioning system, accommodation capacity for 440 persons (all in single bed cabins) and 55 office stations for client use.

The fleet is described in more detail in the table below.

Vessel	Vessel details:
	Name: Floatel Superior Built: 2010 Maximum number of beds: 440 (in single cabins) Deck area: 1,500 m^2 Gangway: Telescopic 38.0 m +/- 7.5m Payload: 2 400 metric tons Main crane lifting capacity: 100 metric tons Mooring system: 8 point mooring system Station keeping: DP3
	Name: Floatel Reliance Built: 2010 Maximum number of beds: 500 Deck area: 1,100 m^2 Gangway: Telescopic 38.0 m +/- 6.5m Payload: 1 800 metric tons Main crane lifting capacity: 120 metric tons Station keeping: DP2
	Name: Floatel Victory Built: 2013 Maximum number of beds: 560 Deck area: approximately 1,100 m^2 Gangway: Telescopic 38.0 m +/- 7.5m Payload: 2 400 metric tons Main crane lifting capacity: 120 metric tons Mooring system: 10 point chain mooring system Station keeping: DP3

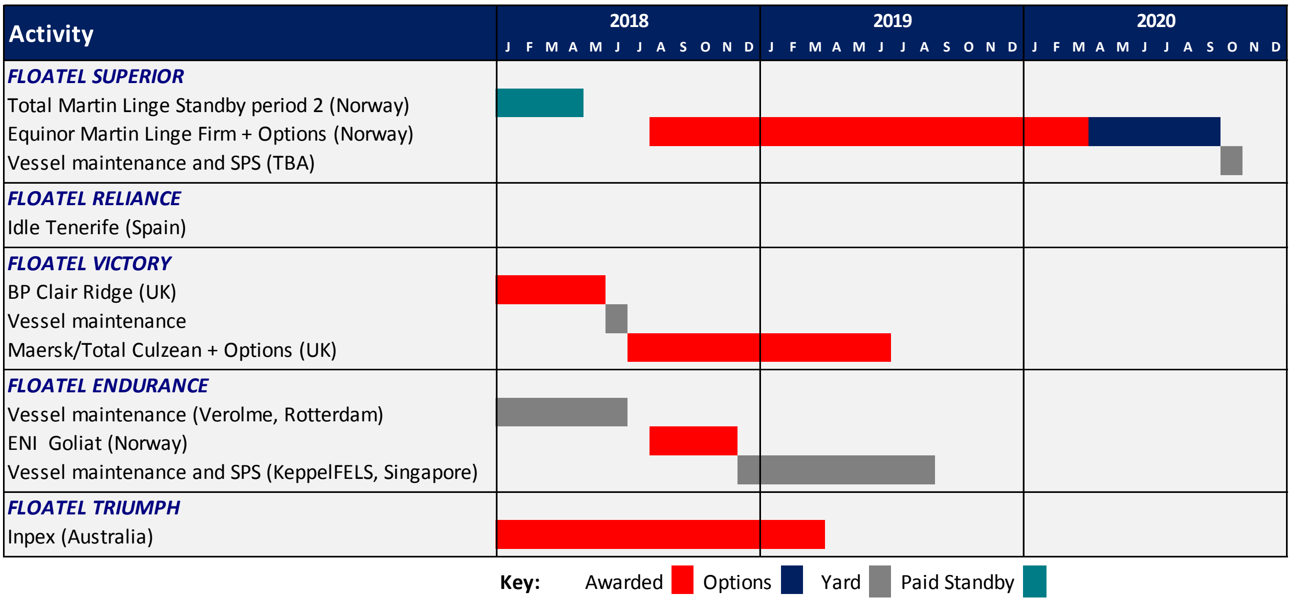
	Name: Floatel Triumph Built: 2016 Maximum number of beds: 500 Deck area: approximately 1,100 m² Gangway: Telescopic 38.0 m +/- 7.5m Payload: 1 500 metric tons Main crane lifting capacity: 120 metric tons Mooring system: 10 point chain mooring system Station keeping: DP3
	Name: Floatel Endurance Built: 2015 Maximum number of beds: 440 (in single cabins) Deck area: approximately 1,100 m² Gangway: Telescopic 38.0 m +/- 7.5m Payload: 2 000 metric tons Offshore crane support: 100 metric tons Mooring system: 10 point mooring system Station keeping: DP3

7.5.5 *Material contracts and customers*

Each client typically has their own standard time charter hire agreement on which the Floatel Group's employment contracts are based. In addition to the daily hire, the time charters may provide in certain cases for adjustments to daily hire in case of being on standby, waiting on weather etc. as well as payment of mobilization and demobilization fees and reimbursement for specified cost. Terms and conditions will vary from contract to contract and typically have terms such as caps on liability, defined liabilities, warranties for rectification of deficiencies in the work performed, liquidated damages for delays, termination fees and insurance obligations.

The figure below illustrates the fleet contract status as of the date of the Information Memorandum.

Figure 3. Fleet contract status



Source: Floatel

7.6 Major shareholders

Floatel is owned 49.9% by Keppel, 42.6% by Oaktree Capital Management, L.P. ("**Oaktree**") and 7.5% by private investors.

7.7 Environmental matters

Floatel's operations are subject to a variety of laws, standards and regulations governing environmental protection, health and safety. Numerous governmental departments issue rules and regulations to implement and enforce laws that are often complex and costly to comply with and that carry substantial administrative, civil and possibly criminal penalties for failing to comply. Under these laws and regulations the company may be liable for remediation of removal costs, damages, fines and other costs associated with the presence or release of hazardous materials into the environment, and such liability may be imposed on the company even if acts that resulted in the release were in compliance with the applicable laws at the time such acts were performed.

7.8 Insurance

The Group has in place insurance coverage typical for these types of assets operating in the relevant areas. All rigs are insured under a Hull & Machinery policy based on the Nordic Marine Insurance Plan for 80% of the replacement value, with hull interest cover for 20% of the replacement value. The rigs further have Protection & Indemnity (the "**P&I Insurance**") insurance entered on mutual basis, with additional contractual cover of USD 100 million. The Hull & Machinery and Hull Interest insurance is placed with two syndicates: Swedish Club supported by other subscribing insurers (total 61,5%) and Norwegian Hull Club supported by other subscribing insurers (total 38,5%). Norwegian Hull Club also acts as claims leader for the fleet. The P&I insurance is placed with the Standard Club for all rigs.

7.9 Legal proceedings

Prosafe is not aware of any governmental, legal or arbitral proceedings (including any such proceedings which are pending or threatened) initiated against Floatel which may have, or have had, significant effects on Floatel's financial position or profitability.

7.10 Related party agreements

Floatel has entered into various agreements with related parties, as explained in detail below.

Agreement between Floatel Endurance Ltd ("FELX") and Keppel FELS Limited ("KFELS") in relation to "Floatel Endurance"

FELX has entered into two agreements with KFELS. The parties entered into an interim agreement whereby KFELS inter alia paid FELX. USD 1.3 million as a provisional sum for outlays related to warranty claims and cost for claims not directly rectified by KFELS and its suppliers. Following the investigations made and reports delivered in connection with the preparation for the Gina Krog project summer 2016 where defective welding indications were detected, the parties entered into a rectification agreement in July 2017 whereby KFELS is to rectify the defects at their cost. In December 2018, the parties entered into an amendment agreement whereas Floatel Endurance were to be carried to KFELS premises in Singapore for the agreed rectification work. The agreed repair work is completed in end of June 2019 and the transport back to Norway has been scheduled for mid July 2019.

Construction Contract between Floatel Triumph Ltd ("FTLX") and KFELS in relation to "Floatel Triumph"

FTLX. and KFELS are parties to a construction contract under which "Floatel Triumph" was delivered. While the warranty period under this construction contract has expired, there are minor outstanding warranty claims still under discussion between the parties.

7.11 Historical financial information

The audited annual financial statements of Floatel as of and for the years ended 31 December 2018, 2017 and 2016 have been prepared in accordance with IFRS as issued by the International Accounting Standard Board (the "**IASB**"). Floatel's unaudited interim condensed consolidated financial statements for the three months ended 31 March 2019 have been prepared according to IAS 34 Interim Financial Reporting. The financial statements have been prepared on a going concern basis. A summary of the significant accounting principles used can be found in Floatel's 2018 Annual Report as Note 2 in the consolidated accounts, which is incorporated by reference to this Information Memorandum. Floatel implemented IFRS 16 from 1 January 2019.

The historical results of Floatel are not necessarily indicative of its results for any future period.

7.11.1 Condensed Consolidated Income Statement data

The table below sets out selected data extracted from Floatel's Financial Statements for each of the years ended 31 December 2018, 2017, and 2016, and the financial information for the three months ended 31 March 2019 and 31 March 2018.

	Three month ended 31 March		**Year ended 31 December**		
USD million	**2019**	**2018**	**2018**	**2017**	**2016**
Operating revenues	73,5	61,6	303,4	310,8	289,0
Operating expenses	-41,7	-41,9	-198,9	-222,2	-183,0
Operating profit -EBIT	31,8	19,7	104,5	88,6	106,0
Finance income	0,8	0,6	10,3	6,8	0,4
Finance cost	-15,7	-16,6	-78,0	-58,7	-56,1
Net financial items	-14,9	-16,0	-67,7	-51,9	-55,7
Income/(loss) before tax	16,8	3,7	36,8	36,7	50,3
Taxes	-6,9	-2,9	-10,2	-10,0	-15,0
Net income/(loss)	9,9	0,8	26,7	26,7	35,3
Earnings per share (USD)	0,09	0,00	0,22	0,22	0,33
Diluted earnings per share (USD)	0,09	0,00	0,22	0,22	0,32

7.11.2 Condensed Consolidated Statement of Comprehensive Income data

The table below sets out selected data extracted from Floatel's Financial Statements for each of the years ended 31 December 2018, 2017, and 2016, and the financial information for the three months ended 31 March 2019 and 31 March 2018.

	Three month ended 31 March		**Year ended 31 December**		
USD thousands	**2019**	**2018**	**2018**	**2017**	**2016**
Net profit	9,9	0,8	26,7	26,7	35,3
Items that are or may be reclassified as profit or loss					
Foreign currency translation - foregin operati	-0,3	-0,1	-0,6	0,5	0,0
Total comprehensive income	9,6	0,8	26,1	27,2	35,3

7.11.3 Condensed Consolidated Statement of Financial Position data

The table below sets out selected data extracted from Floatel's Financial Statements for each of the years ended 31 December 2018, 2017, and 2016, and the financial information for the three months ended 31 March 2019 and 31 March 2018.

	Three month ended 31 March		**Year ended 31 December**		
USD million	**2 019,0**	**2 018,0**	**2 018,0**	**2 017,0**	**2 016,0**
Vessels and other fixed assets	1 274,0	1 327,8	1 288,0	1 342,8	1 417,6
Deferred tax asset	0,1	0,5	1,2	-	-
Total non-current assets	1 274,1	1 328,3	1 289,2	1 342,8	1 417,6
Inventory	23,8	19,8	23,6	18,5	19,0
Trade receivables	32,3	23,4	23,7	27,6	37,3
Other current receivables	30,3	22,4	43,0	29,3	42,2
Cash and cash equivalents	100,7	194,2	76,5	176,9	87,2
Total current assets	187,1	259,7	166,8	252,1	185,8
Total assets	1 461,2	1 588,0	1 456,0	1 594,9	1 603,4
Share capital	2,1	2,1	2,1	2,1	2,1
Additional paid-in capital	325,6	325,6	325,6	325,6	325,6
Other reserves	1,7	2,4	1,9	2,4	1,9
Retained earnings incl. annual profit	227,4	191,7	217,6	193,7	166,9
Total shareholders equity	556,8	521,8	547,2	523,9	496,6
Deferred tax debt	-	-	0,5	-	-
Leasing debt - long term	0,5	-	-	-	-
Interest -bearing debt	800,9	1 002,9	809,6	1 008,3	1 046,9
Total non-current liabilities	801,5	1 002,9	810,0	1 008,3	1 046,9
Trade payables	6,8	5,8	11,1	8,9	8,8
Current portion of interest-bearing debt	41,0	27,4	41,0	27,4	27,4
Income tax liabilities	7,4	4,5	3,9	5,0	5,6
Leasing debt - short term	0,4	-	-	-	-
Other current liabilities	47,2	25,7	42,8	21,5	18,2
Total current liabilities	102,9	63,4	98,8	62,7	59,9
Total equity and liabilities	1 461,2	1 588,0	1 456,0	1 594,9	1 603,4

7.11.4 Condensed Consolidated Cash Flow Statement data

The table below sets out selected data extracted from Floatel's Financial Statements for each of the years ended 31 December 2018, 2017, and 2016, and the financial information for the three months ended 31 March 2019 and 31 March 2018.

	Three month ended 31 March		**Year ended 31 December**		
USD million	**2019**	**2018**	**2018**	**2017**	**2016**
Cash flow from operating activities					
Operating result	31,8	19,7	104,5	88,6	106,0
Interest received	0,8	0,6	2,2	1,4	0,4
Interest paid	-2,1	-12,7	-44,3	-48,1	-48,0
Income tax paid	-2,7	-3,0	-11,1	-10,6	-16,5
Adjustment for depreciation and	15,3	15,3	61,4	83,8	51,4
Adjustments for other non-cash related	-0,3	-2,5	-6,9	0,5	-0,0
Total cash flow from operations before	**42,7**	**17,5**	**105,7**	**115,6**	**93,2**
Changes in inventories	-0,3	0,1	-2,8	0,6	-4,1
Changes in trade receivables	-8,6	4,2	3,9	9,7	-1,5
Changes in trade payables	-4,3	-3,1	2,2	0,1	2,5
Other changes in working capital	6,5	6,7	-3,7	12,3	6,7
Cash flow from operating activities	**36,0**	**25,5**	**105,3**	**138,3**	**96,8**
Cash flow from investing activities					
Payments for property, plant and equipment	-0,3	-0,3	-6,7	-9,0	-273,9
Net cash flow from investing activities	**-0,3**	**-0,3**	**-6,7**	**-9,0**	**-273,9**
Cash flow from financing activities					
Repayment of debt	-10,3	-6,8	-805,9	-39,7	-27,4
Proceeds from debt	-	-	625,0	-	230,0
Other financial items paid	-1,0	-1,0	-16,5	-0,2	-5,5
Proceeds from equity	-	-	0,1	0,1	-
Net cash flow from financing activities	**-11,2**	**-7,8**	**-197,3**	-39,7	197,1
Cash flow for the period	**24,5**	**17,3**	**-98,7**	**89,6**	**20,0**
Cash and cash equivalents, beginning of	76,5	176,9	176,9	87,2	67,2
Currency effect on cash	-0,3	-	-1,7	-	-
Cash and cash equivalents,	**100,7**	**194,2**	**76,5**	**176,9**	**87,2**

7.11.5 Condensed Consolidated Statement of Changes in Equity data

The table below sets out selected data extracted from Floatel's Financial Statements for each of the years ended 31 December 2018, 2017, and 2016, and the financial information for the three months ended 31 March 2019 and 31 March 2018.

USD million	Share capital	Additional paid in capital	Other reserves	earnings incl ›rofit of the yea	Total equity
Equity 2016-01-01	2,1	325,6	1,9	131,8	461,5
Total comprehensive income					
Net profit for the year	-	-	-	35,3	35,3
Other comprehensive income	-	-	-0,0		-0,0
Total comprehensive income	-	-	-0,0	35,3	35,3
Sharebased payment transaction	-	-	-	-0,2	-0,2
Equity 2016-12-31	2,1	325,6	1,9	166,9	496,6
Equity 2017-01-01	2,1	325,6	1,9	166,9	496,6
Total comprehensive income					
Net profit for the year	-	-	-	26,7	26,7
Other comprehensive income	-	-	0,5		0,5
Total comprehensive income	-	-	0,5	26,7	27,2
Sharebased payment transaction	-	-	-	0,1	0,1
Equity 2017-12-31	2,1	325,6	2,4	193,7	523,9
Adjustment opening balance, IFRS 15				-2,9	-2,9
Equity 2018-01-01	2,1	325,6	2,4	190,8	521,0
Total comprehensive income					
Net profit for the year	-	-	-	26,7	26,7
Other comprehensive income	-	-	-0,6		-0,6
Total comprehensive income	-	-	-0,6	26,7	26,1
Option proceeds	-	-	-	0,1	0,1
Equity 2018-12-31	2,1	325,6	1,9	217,6	547,2
Total comprehensive income					
Net profit for the period	-	-	-	9,9	9,9
Other comprehensive income	-	-	-0,3	-	-0,3
Total comprehensive income	-	-	-0,3	9,9	9,6
Option proceeds	-	-	-	-	-
Equity 2019-03-31	2,1	325,6	1,6	227,5	556,8

7.12 Significant changes

Other than the Transaction and changes described above, Prosafe is not aware of any other significant changes in the financial or trading position of Floatel since 31 March 2019.

8. THE GROUP FOLLOWING THE TRANSACTION

This Section provides information about the prospects of the results of the Transaction and its expected implications on the Group following the Transaction and should be read in conjunction with other parts of the Information Memorandum, in particular Section 6 "Presentation of Floatel" and Section 10 "Unaudited pro forma financial information". The following discussion contains forward-looking statements that reflect the Company's plans and estimates. Factors that could cause or contribute to differences to these forward-looking statements include, but are not limited to, those discussed in Section 1 "Risk Factors" and the "Cautionary Note Regarding Forward-Looking Statements" on page 2.

8.1 Legal name and office

The legal name of the Group will be "Prosafe SE", and will remain as a European public limited liability company, organised under the laws of the Kingdom of Norway. The Group will also be registered with the Norwegian Register of Business Enterprises. The Group's activities will be governed by Norwegian law pursuant to the listing agreement with Oslo Børs, and in particular, the Norwegian Securities Trading Act and the Norwegian Stock Exchange Regulations will apply.

The Group's shares will remain listed on the Oslo Stock Exchange under the ticker "PRS" and will be registered in VPS under ISIN CY0100470919 with already existing shares of Prosafe. The Group's register of shareholders in VPS will be administered by DNB Bank ASA, Registrars Department, 0021 Oslo.

Prosafe's registered office will be Forusparken 2, 4031 Stavanger, Norway.

The Group will assume existing offices of both companies and have offices in Gothenburg (Sweden), Aberdeen (Scotland), Jersey, Rio de Janeiro (Brazil) and Singapore, in addition to various local representations as required in the countries where its vessels are operating and where business development is ongoing. The Group will have approximately 600 employees, (including agency employees).

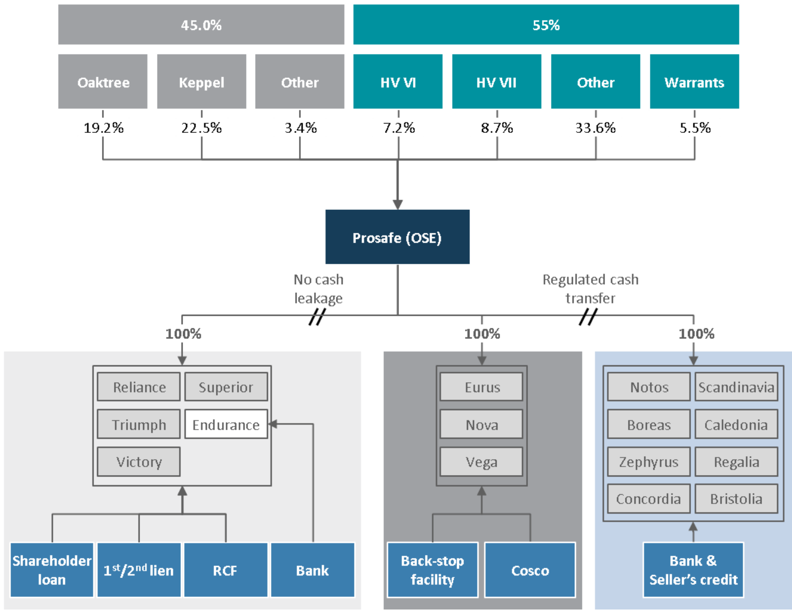
8.2 Business description

The acquisition will improve Prosafe's position as a leading provider of offshore accommodation vessels, enhancing the global reach of the business and lowering the average vessel age of the group. Prosafe will post completion own a total of 13 operating semi-submersible accommodation vessels, and 1 tender support vessel, in addition to having control over two newbuild DP3 semi-submersible accommodation vessels ready for delivery from COSCO in China. Accounting for current pro-forma fleet positions, the combined company will have accommodation vessels present in South America, the North Sea, and South-East Asia, with offices in Singapore, UK, Sweden, Norway and Brazil. All contracts entered into before the business combination of Prosafe and Floatel will be passed along to the combined company to ensure full continuity of service. A total of employees will follow from Floatel, which will bring additional competences to the Prosafe organization. The combined company will have a balanced portfolio of owned assets with opportunities to improve earnings in a challenging market.

8.3 Legal structure

Following the transaction, the fully diluted ownership structure of the company is expected to look like the diagram below:

Figure 1. Pro forma ownership and legal structure of the combined entity



Source: Company

8.4 Board of Directors and Management

The Group's board of directors will consist of Glen O. Rødland (Chairman), Amy Rice and in addition, Keppel will nominate one board member each to the first board. Further board composition will be decided later.

The Group's management will be decided later.

8.5 Auditor

KPMG AS is the independent auditor for the Group. Reference is made to Section 5.3 "Independent Auditor" for additional details on the auditor.

8.6 Share Capital and Articles of Association

The Company's issued share capital upon completion of the Transaction is expected to be EUR 16,104,749 divided into 161,047,489 shares fully paid with a nominal value of EUR 0.10 each.

The Norwegian Public Limited Companies Act applies to the Company, and details concerning the organisation, shares etc., are regulated therein. As stated in Prosafe's Articles of Association, the objective of the Company is to 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 may also invest in companies within the same or other sector. The Articles of Association are included in this Information Memorandum as Appendix A.

8.7 Major shareholders

The Group's largest shareholders will be Keppel (22%), funds managed by Oaktree Capital Management, L.P. (19%), and Hitec funds (16%) on a fully diluted basis. These shareholders have agreed to a 12-month lock-up.The Company is not aware of any other shareholders that will have more than 5% of the combined shareholdings in the combined Group after the transaction.

8.8 Dependency on contracts, patents, licences etc.

Other than stated in Section 4.5.3, it is the Group's opinion that its existing business or profitability is not materially dependant on patents or licenses, industrial, commercial or financial contracts.

8.9 Pension and retirement benefits

The Group will operate several pension schemes that are compliant in each respective employment entity jurisdiction. All schemes are employee (EE) and employer (ER) contribution based schemes, with EE contributions ranging from five (5%) to eight (8%) percent and ER contributions ranging from four and half (4.5%) to thirty (30%) percent. Several of the schemes allow additional EE contributions over the minimum agreed scheme percentage. Contribution based schemes has been fully funded according to the last annual reports.

8.10 Loans and guarantees

Prosafe:

Figures in USD millions	**31.03.2019**	**2018**	**2017**
Credit facilities	1 167	1 192	1 337
Sellers' credits	18	19	23
Modifcation of the amortised cost - credit facilities	47	51	-
Unamortised borrowing costs	-17	-19	-12
Total interest-bearing debt	**1 215**	**1 243**	**1 348**
Non-current interest-bearing debt	1 171	1 199	1 329
Current interest-bearing debt	44	45	19
Total interest-bearing debt	**1 215**	**1 243**	**1 348**

USD 1,300 million credit facility

The credit facility of USD 1,300 million consists of two term loan tranches of USD 800 million and USD 200 million and a revolving credit facility of USD 300 million. Initially the term loan tranches were reduced semi-annually by USD 55 and USD 10 million, respectively. In August 2018 the amortisation profile and covenants relating to this facility were amended. 90 per cent of the originally scheduled repayments in the period 1 January 2017 through 2021 have been postponed and are to be repaid on the final maturity date. The Group secured an option to extend the final maturity by one year, from February 2022 to February 2023. Assuming the extension option is exercised, for the additional year to maturity for the USD 1,300 million facility – from February 2022 to February 2023 - Prosafe will pay an additional 1.2% p.a. margin in the extension year (instead of the increase of 0.6% p.a.). If the extension option is exercised, all interest from February 2022 onwards is payable in cash with the exception of any additional margin relating to Safe Nova and Safe Vega. USD 19.5 million semi-annual instalments in 2022 in the event the extension option is exercised. As of 31 March 2019, there was USD 155 million available under the revolving credit facility.

Under IFRS 9, when a debt instrument is restructured or refinanced and the terms have been modified, it is necessary to assess whether the new terms are considered to have been substantially modified, and thereby conclude on the accounting treatment relating to the loan recognition.

Based on qualitative and quantitative tests performed under IFRS 9, the Group has assessed the refinancing in August 2018 as a non-substantial loan modification and it did not require de-recognition of the loan. Under a non-substantial loan modification that does not require de-recognition of the financial liability, the carrying values of the financial liability under the new terms needs to be recalculated using revised cash flows and a revised effective interest rate so to reflect the new net present value of the loan. The modification of amortised cost of USD 51 million was added to the carrying value of the loan and the same amount of financial costs was recognised in the profit and loss in 2018. The modification of the amortised cost carried in the loan amount is mainly the effect from the reduction of the USD 1300 million facility amortization and the increased margin under the new financing term, and will be amortized over the remaining loan periods.

USD 144 million credit facility

This credit facility, which has a maturity of seven years, consists of one tranche of USD 144 million. This tranche was drawn upon delivery of Safe Notos in February 2016, and initially there were a second available tranche (Safe Eurus), this tranche was cancelled in 2018, when financing for Eurus was agreed with Cosco. In September 2016 the amortisation profile relating to this facility were amended. Prior to the amendment, the term loan tranches were reduced quarterly by USD 3 million, starting three months after delivery of the tranche security. 90 per cent of the originally scheduled repayments for the Safe Notos tranches in the period 1 January 2017 until 30 June 2019 have been postponed and are to be repaid on the final maturity date. For the period 1 July 2019 until 31 December 2020, 70 per cent of the scheduled repayments for the Safe Notos tranches have been postponed until the final maturity date.

There is a cash sweep mechanism with testing 31 March and 30 September. Any excess cash over USD 155 million threshold shall be shared between lenders (90%) and the company (10%). Prior to delivery of Safe Eurus, Safe Nova and Safe Vega, the excess cash will be reduced with the initial cash payment for the three new builds (Safe Eurus USD 50 million, Safe Nova USD 25 million, Safe Vega USD 25 million). Any new shareholder contributions shall be subtracted from excess cash, and not swept.

As of 31 December 2018, the Group's interest bearing debt had the following remaining contractual maturities (assuming the extension option for the USD 1300 million facility is not exercised):

Per year	**2019**	**2020**	**2021**	**2022**	**2023 →**
Interest-bearing debt (repayments)	34	17	141	1 019	-

Financial covenants:

Minimum liquidity:	USD 65 million
Minimum value:	Minimum market value is based on three independent ship brokers assessment of vessel values On the USD 1300 million facility, no minimum market value requirement shall apply until 1 January 2022; thereafter 100% minimum market value on at least one out of every two consecutive annual test dates. On the USD 144 million (Safe Notos) facility, no minimum market value requirement shall apply until 1 January 2019. Covenant will in 2019 be set at 110% (in respect of 2 consecutive annual test dates), and there will be a step up in market value covenant in March 2021 to 125%.
Leverage ratio[1)]:	Leverage ratio to be negotiated, with first testing date on 31 March 2021
Interest coverage [2)]:	No interest coverage ratio until 30 June 2020; 1.00x from 1 July 2020 until 31 March 2021; 1.50x from 1 April 2021 thereafter

There is also a maximum capital expenditure covenant which is agreed before the start of each financial year.

The Company is as of the date of this Information Memorandum in compliance with all covenants. The only effective covenant is minimum liquidity which is to be higher than USD 65 million.

[1)] Leverage ratio = net borrowings/adjusted EBITDA

[2)] Interest coverage ratio = adjusted EBITDA/net interest expenses

Financial covenants as of 31 March 2019	
Cash and deposits	109,3
Restricted cash	(9,5)
Amount available for utilisation, revolving credit facility (max USD 25 million)	25,0
Liquidity[1] (minimum USD 65 million)	**124,8**

[1)] The liquidity stated above is for the purpose of calculation of financial covenants.

Interest on bank facilities

Interest is USD LIBOR plus margin. Margin on outstanding amounts are as follows.

Applicable leverage ratio	**USD 1300 million**	**USD 144 million facility**		
		Until 30.06.2019		**From**
	Cash	Cash	PIK	Cash
Less than or equal	2,60 %	2,15 %	0,10 %	2,25 %
Above 3.0:1 and less	2,75 %	2,15 %	0,10 %	2,25 %
Above 4.0:1 and less	2,90 %	2,15%	0,15 %	2,30 %
Above 5.0:1 and less	3,10 %	2,15 %	0,35 %	2,50 %
Above 5.5:1	3,35 %	2,15 %	0,60 %	2,75 %

Payment in kind ("PIK") margin as stated above will be added to the final balloon payment.

For the USD 1300 million facility, there was an increase in margin from the refinancing in August 2018 compared to the previous margin under the USD 1300 million facility agreement by 0.6% p.a. This additional 0.6% margin will be cash interest if minimum liquidity remains above USD 155 million. However, to protect liquidity if cash falls below USD 155 million, the additional interest will be payment-in-kind (PIK) and added to the final maturity instalment ("PIK toggle").

In addition and as part of the amendments agreed in August 2018, subject to delivery of the Safe Nova and Safe Vega, and the USD 1300 million facility being outstanding at the time of delivery, the USD 1300 million facility lenders (only) may elect to receive either:

(i) An additional margin of 0.225% p.a. for each of Safe Nova and Safe Vega from when they are delivered. The increase in margin in connection with delivery will also be subject to the PIK toggle mechanism, which also apply from February 2022 to February 2023 (assuming the extension option is exercised); or

(ii) Warrants for up to 6.52 million shares per vessel, and up to a maximum of 9.78 million shares in aggregate.

For delivery of the first rig (either Safe Nova or Safe Vega), 21.2% of lenders will get margin uplift. For the delivery of the second rig (either Safe Nova or Safe Vega), 28.8% of lenders will get margin uplift.

Sellers' credits

In January 2016, Cosco (Qidong) Offshore Co. Ltd. granted a sellers' credit of around USD 29 million as a reduction on the final delivery instalment of the Safe Notos. In August 2016, further amendment was made to the existing payment schedule. It was agreed that the first instalment of USD 2.3 million was to be paid in October 2016 and thereafter USD 0.3 million monthly until December 2019, except August 2018 instalment of USD 0.7 million. The remaining balance of the sellers' credit amount together with the annual interest of 5.9% is due to be repaid in a single payment on or before December 2019.

Mortgages and guarantees

As of 31 March 2019, the Company's interest-bearing debt secured by mortgages totalled USD 1,401.3 million. The debt was secured by mortgages on the accommodation/service vessels Safe Bristolia, Safe Caledonia, Safe Concordia, Safe Scandinavia, Regalia, Safe Boreas, Safe Zephyrus and Safe Notos (net carrying value USD 1,422.6 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.

A bank guarantee has been issued on behalf of Prosafe Rigs Pte. Ltd. in favour of Westcon Yards AS, amounting to NOK 245 million at 31 March 2019. This bank guarantee is secured by a cash deposit of USD 5 million and a counter bank guarantee of USD 30 million issued under the USD 1.3 billion facility.

As at 31 March 2019, the Company had issued parent company guarantees to clients and vendors on behalf of its subsidiaries in connection with the award and performance of contracts totalling approximately USD 134 million and a parent company guarantee and indemnity relating to the bank guarantee referred to above. The amounts specified with regard to parent company guarantees reflect the sum of the capped liability under the relevant agreements.

Floatel:

Interest bearing debt:

Figures in USD million	31.03.2019	2018	2017
Term loan B - Floatel International Ltd	-	-	610,6
New Vessel facility	-	-	438,2
1st Lien Bond	400,0	400,0	-
2 bd Lien Bond	7,5	75,0	-
Bank Vessel facility	139,8	150,0	-
Subordinated shareholder loan	241,5	239,8	-
Less prepaid financing fees	-14,3	-14,2	-13,2
	774,4	**850,6**	**1 035,6**
The long-term debt is repayable as follows:			
Within one year	41,0	41,0	27,4
Between one and two years	26,0	26,0	189,0
Between two and five years	72,8	83,0	597,6
After five years	716,5	714,8	234,9
	856,3	**864,8**	**1 048,9**

In October 2018, Floatel Group refinanced and replaced the TLB loan (Term loan B) and New Vessel Facility. The new loan portfolio consist of one bank loan, BVF-Bank Vessel Facility maturing September 2023, First and Second Lien Bond Issuances maturing in April 2024. The Revolving Credit Facility was replaced with two new Revolving Credit Facilities maturing in September 2023. The Keppel loan of USD 239.8m (subordinated debt) matures in December 2025.

Bond financing

There are two Bond Issuances, 1st Lien and 2nd Lien with aggregate nominal amounts of USD 400m and USD 75m respectively. Interest paid bi-annually of USD 18m (9.0% –1st Lien) and USD 4.8m (12.75% – 2nd Lien). The bond collateral vessels are Floatel Superior, Floatel Reliance, Floatel Victory and Floatel Triumph.

Bank Vessel Facility

The USD 150 million BVF replaced the previous New Vessel Facility (Endurance Tranche Loan) in October 2018. This loan is being repaid in quarterly instalments of USD 5.2m and for the first 5 consecutive repayments an additional USD 5 m repayment is added on top of the quarterly instalment. Interest Libor +3.25%.

Keppel loan

The loan from Keppel FELS Limited (an affiliate of Keppel) ("**Keppel Loan**") of USD 239.8m is a subordinated loan. The rate is 2% and may subject to certain conditions either decrease or increase. Maturity date is December 31, 2025.

Revolving Credit Facility

The bank Revolving Credit Facilities are multicurrency facilities available for utilization and/or used for ancillary purposes such as overdrafts and collateral for performance guarantees on a rolling basis during the entire term of the loans. Any utilization shall be done pro rata between the two facilities. As at 31 Dec 2018 there were no drawdown on the facilities whilst USD 18.5 million were used as collateral for performance guarantees related to operations of the vessels Triumph and Victory leaving USD 81.5m undrawn and included in Group total available liquidity. The 0.70% commitment fee on unused commitments is paid quarterly in arrears. Interest rate on any utilization will be Libor + 2.25% subject to increase based on ratchet based on utilization. Guarantee fees are negotiated on case-by-case basis.

Financial covenants

Financial covenants are tested quarterly apart from Asset Cover Ratio which is tested semi-annually and applies for all facilities apart from the Keppel Loan:

- Minimum liquidity: USD 50m (increase to 5% for some facilities if Senior Borrowings are above USD 1,000 million)
- Minimum Book Equity Ratio of 25%
- Minimum Asset Cover Ratio;
  - 1.3:1 for First Lien Bonds and one of the Revolving Credit Facilities based on outstanding First Lien Bonds and fair market value of Bond Collateral Vessels
  - 1.25:1 for the BVF and the other Revolving Credit based on outstanding BVF amount plus this Revolving Credit commitment and fair market value of Floatel Endurance

The BVF and the Revolving Credits have from 31 December 2020 an additional covenant also tested quarterly:

- Leverage ratio <6.5x (from 31 March 2022 <5.5x)

Floatel is compliant with all financial covenants as at 31 March 2019.

Mortgages and guarantees

As of 31 March 2019, Floatel's total interest-bearing debt secured by mortgages amounted to USD 856 million. The debt was secured by mortgages on the following five vessels:

- Floatel Superior
- Floatel Endurance
- Floatel Reliance
- Floatel Triumph
- Floatel Victory

The book value of these vessels was USD 1,270 million. In addition USD 101 million cash was pledged on behalf of the lenders.

The lenders also have securities in the internal and external contracts, insurance compensations, floating charges in all group companies where that is permitted.

As of 31 March 2019, the Group has performance guarantees for client contracts amounting to 18,5 million.

8.11 Liquidity next 12 months

The Company is of the opinion that the Group's working capital is sufficient for the Group's present requirements, for the period covering at least 12 months from the date of this Information Memorandum. For the purpose of this statement, "working capital" means the ability to access cash and other available liquid resources in order to meet liabilities as they fall due, and "present requirements" means 12 months from the date of this Information Memorandum.

8.12 Strengths and strategies following the Transaction

The transaction will strengthen the Company's fleet and global presence with improved customer offering upon completion of the Transaction. Prosafe has had an increasing focus on modernizing the fleet and achieving cost efficiencies in recent years. Adding five modern semi-submersible accommodation units brings the average age of the core fleet down to approximate 4.4 years and adds significant optionality to the existing fleet.

The Company sees the possibility of value creation in the Transaction through a combined cost base and increased flexibility with the additional units. With a lower cost base the Company will be able to submit more competitive bids which, in turn, it is expected will increase its backlog. The combined entity is estimated to have a firm order backlog of USD 225 million from the first quarter of 2019 onwards, in addition to the recent backlog increase of USD 80 million and USD 22 million by Prosafe and Floatel, respectively.

In terms of capital structure, the existing financing structure is expected to remain unchanged with limited fixed amortizations until 2023.

The detailed pro forma financial information for the Group is presented in Section 10 "Unaudited Pro Forma Financial Information".

9. INDUSTRY AND MARKET OVERVIEW

This Section discusses the industry and markets in which the Group operates. Certain of the information in this Section relating to market environment, market developments, growth rates, market trends, industry trends, competition and similar information are estimates based on data compiled by professional organisations, consultants and analysts in addition to market data from other external and publicly available sources, and the Group's knowledge of the markets.

Any forecast information and other forward-looking statements in this Section are not guarantees of future outcomes and these future outcomes could differ materially from current expectations. Numerous factors could cause or contribute to such differences, see Section 1 "Risk Factors " for further details.

9.1 Introduction

As of June 2019, Prosafe owns and operates a fleet of nine vessels consisting of eight semi-submersible accommodation vessels, and one TSV with an average age of 18.8 years and an accommodation capacity ranging between ~160 and 600 beds per vessel. In addition, the Company has options to take delivery of two newbuild harsh environment vessels from COSCO Qidong shipyard (COSCO) by 2023. Reference is made to Section 9.2 below for further explanation on different vessel specifications in the offshore accommodation market.

The Company will grow its fleet by five vessels through the Transaction with Floatel, which currently owns and operates five semi-submersible accommodation vessels, with an average age of approximately 6.2 years and an accommodation range of 440-560 beds per vessel. As of 1 June 2019 one of these vessels is currently stacked, one is in Singapore for outstanding rectification works, one is idle and two are operating. All of Floatel's vessels are equipped with dynamic positioning systems.

Prosafe and Floatel fleets are mainly employed in areas such as North Sea, Brazil, Gulf of Mexico and Australia where there is lots of offshore activity. Figures 7 and 8 below show the positioning of Prosafe and Floatel fleets.

Figure 7. Current position of the Prosafe vessels (excluding newbuildings)

Source: Clarksons Research Services Limited, Clarksons SeaNet

Figure 8. Current position of the Floatel vessels

Source: Clarksons Research Services Limited, Clarksons SeaNet

Please see Sections 4,5,2 and 7.5.4 for detailed information on Prosafe's and Floatel's fleet, respectively.

9.2 Overview of the offshore accommodation market

The offshore accommodation market is a small yet diverse market that operates as a service provider to the greater offshore and oil industries through additional accommodation units that provide living-quarters for workers involved in offshore construction, installation, production and decommissioning projects. Consequently, they operate in regions with offshore activity, rely heavily on the duration of projects and contracts awarded to offshore vessels, and are exposed to developments as well as challenges of offshore and oil industries.

The accommodation fleet can be broken down into the following main segments:

- **Semi-submersibles:** Units that are elevated above the sea with high-spaced columns which are linked by submerged ballasted and watertight pontoons. Semi-submersibles need more than 40 meters of water depth, usually have an accommodation capacity of 300-500 beds, and can work on fixed or floating offshore vessels. Also known as "floaters", they remain in situ through dynamic positioning systems (DP2 or DP3) or use of mooring. Dynamic positioning systems are explained in detail below.

- **Cylindrical shaped Semi-submersible:** Similar to Semi-submersibles mentioned above but of a cylindrical shape.

- **Jack-ups:** Units with self-elevating platforms and movable legs that can be extended above or below the vessel's hull. The legs of the jack-ups are used to anchor the rig and hold the hull above the waves once on site. They generally have lower operating expenses than semi-submersibles due to less fuel consumption and smaller marine crews. The majority of jack-ups need less than 125 meters of water depth, can accommodate up to 500 beds, and work on fixed offshore structures.

- **SWATH type vessels:** Compact semi-submersible vessel shaped like a catamaran also called SWATH vessels (Small Waterplane Area Twin Hull). Compact vessel with less deck area, smaller air gap and less suited for harsh environment. DP 2 or DP 3 positioning system.

- **Monohulls:** Purpose built monohull accommodation vessels, equipped with station keeping systems such as dynamic positioning and mooring. They can work in all water depths due to their ship-like nature, can accommodate more than 800 beds, and can work on both floating and fixed offshore structures.

- **Walk-to-work vessels (W2W):** Also monohull vessels, but smaller units such as construction/ROV vessels, if in accommodation mode normally called W2W vessels., W2W vessels provide a gangway through which it is connected to the offshore structure and may remain stationed during work for possible evacuation. W2W vessels can work in all water depths, accommodate less than 100 beds, and work on fixed structures.

- **Barges:** Flat top barges equipped with accommodation suited for benign waters. Barges are normally equipped with four- or eight-point mooring spread and are restricted to shallower water.

Although not specifically built for accommodation, drilling rigs are also important to highlight as they may take accommodation jobs depending on their type, and hence compete with the accommodation fleet described above, in particular in Norway where several drilling rigs have recently been used for accommodation purposes These units represent offshore drilling tonnage that have started providing offshore accommodation services due to depressed conditions in the drilling market since 2014. While the suitable water depth and whether they can work on floating or fixed offshore structures depend on their type, they can mostly accommodate between 80-120 beds.

Due to their nature and work environment, offshore installations and related vessels which are equipped with dynamic positioning systems are subject to International Maritime Organization's (the "**IMO**") safety design guidelines, MSC/Circular.645 – Guidelines for Vessels with Dynamic Positioning Systems – originally adopted on 6 June 1994 (the "**Guidelines**"). The purpose of these Guidelines is to recommend design criteria, necessary equipment, operating requirements, and a test and documentation system for dynamic positioning systems to reduce the risk to personnel, the vessel, other vessels or structures, sub-sea installations and the environment while performing operations under dynamic positioning control. According to these Guidelines, such vessels and structures shall be categorized in one of the following equipment classes that are defined by their worst case failure modes and level of redundancy as follows:[2]

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[2] Source: International Maritime Organization, http://imo.udhb.gov.tr/dosyam/EKLER/MSC-Circ.645.pdf

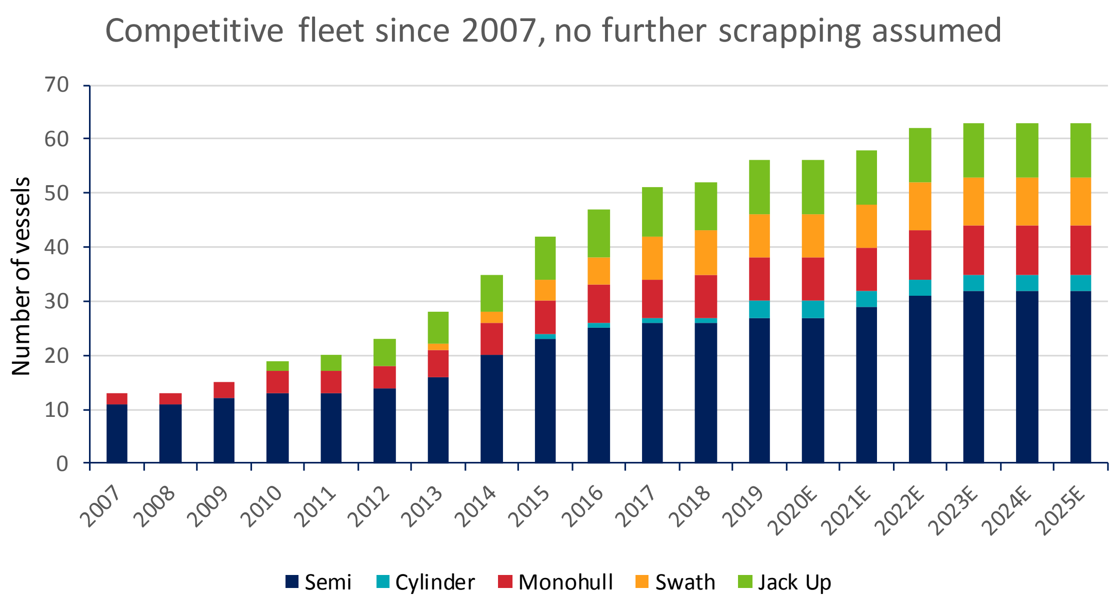
- **DP1:** For equipment class 1, loss of position may occur in the event of a single fault.
- **DP2:** For equipment class 2, a loss of position is not to occur in the event of a single fault in any active component or system. Single failure criteria here includes any active component or system (generators, thrusters, switchboards, remote controlled valves, etc.), and any normally static component (cables, pipes, manual valves, etc.) which is not properly documented with respect to protection and reliability.
- **DP3:** For equipment class 3, a loss of position is not to occur in the event of a single fault that could be one of the single failures described in DP2 class, all components in any one watertight compartment, from fire or flooding, or all components in any one fire sub-division, from fire or flooding (for cables).

Another important differentiating factor between accommodation units are their compatibility with applicable regulatory requirements in force in different regions. For instance, vessels seeking to operate on the NCS must comply with applicable Norwegian regulatory standards, which may be more stringent in some respects than the standards applied in, for example, the UK or Australia.

As of February 2019, the global offshore accommodation fleet comprised of approximately 320 units made up of 190 barges, 45 jack-ups, 9 purpose built Monohull Accommodation vessels, some 45 ship-shaped monohulls/W2W vessels presently in accommodation mode, 8 SWATH units and 27 semi-submersible units.

The figure below illustrates the development of the competitive accommodation unit fleet comprising Semi-submersibles, Cylindrical shaped semi-submersibles, higher end accommodation jack ups/monohulls (excl W2W vessels) and SWATH type vessel in number of vessels since 2007.

Figure 9. Historical development of the global Competitive accommodation unit fleet (2007-2025E)



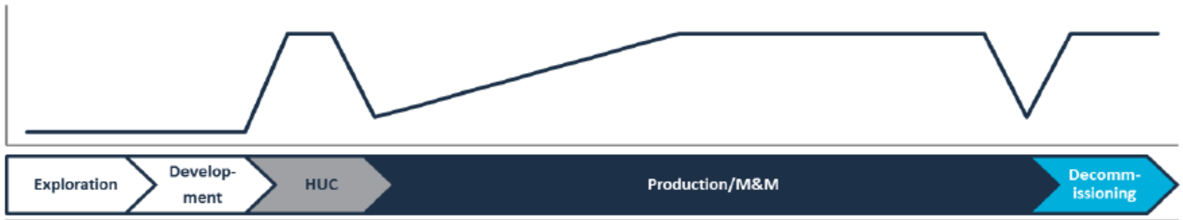
Source: Clarksons Research Services Limited, Clarksons Offshore Intelligence Network

9.3 Key drivers for the offshore accommodation market

9.3.1 Demand and supply balance of the offshore accommodation market

Demand of accommodation units are affected directly on a micro level by the need for accommodation services throughout the lifespan of offshore installations, and indirectly on a macro level by the global and regional developments and economic activities, as it follows the economic, political, regulatory, and seasonal trends around the oil economics. As upturns and downturns in the offshore oil and gas industry as well as major oil companies' spending appetite trickle down to the accommodation market, it is important to understand the dynamics of offshore energy, which is discussed in Section 9.5.1 "Demand and balance supply of the offshore oil and gas market". The global offshore accommodation market is primarily dependent on Maintenance & Modification (the "**MMO**") work with Hook-Up & Commissioning (the "**HUC**") as an important runner up. Historically, most of accommodation work performed has stemmed from MMO, while HUC has accounted for the remaining.

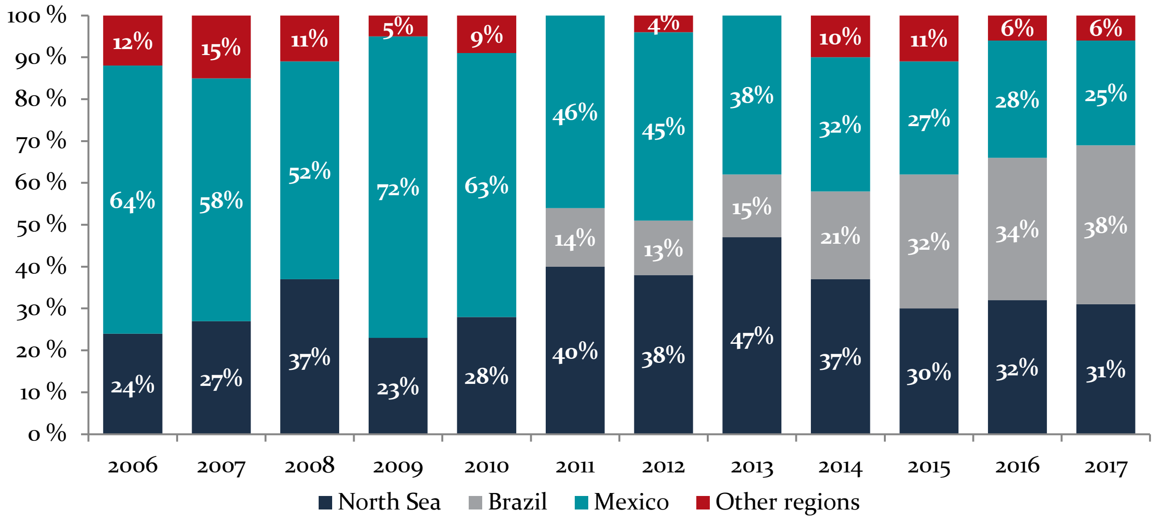
Figure 10. Utilization of accommodation services throughout offshore installation lifespan



Share of market	25%	75%	0-10%
Market visibility	High	Low	Medium
Lead time	Long	Short	Medium
Average duration	8 months	6 months	Anticipated longer
Key drivers	Project sanctioning, hook-up & commissioning	Ageing topsides, subsea tieback projects, improved oil recovery (IOR)	Shutdowns and platform removal
Current market	80%	20%	

As of today, the main international markets that serve as the key demand drivers for flotels are the North Sea, Mexico and Brazil, accounting for roughly 95% of global demand. Both Mexico and the North Sea market have always been important regions for this sector. However, Brazil has taken an increasingly influential role as this market has become more mature with ageing installations and FPSOs. In 2015, more than 30% of the work performed by semi-submersibles took place in Brazil. Mexico, on the other hand, was very active until 2009/2010, but following the financial crisis and oil market downturn its relative share has declined materially.

Figure 11. Historical development of demand for the Competitive fleet of accommodation units by region

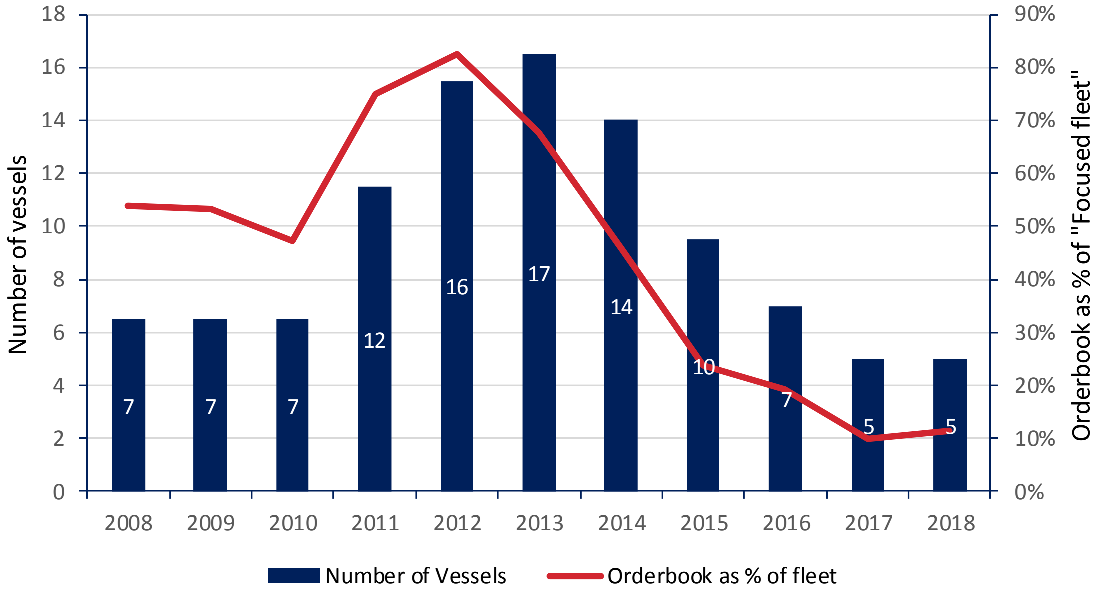


Source: Clarksons Research Services Limited, Prosafe

In 2018 global demand started materializing for the competitive fleet and 10 new contracts, excluding extensions, were awarded with aggregated firm duration of 43 months, translating to 3.3x the number of awards in 2017 and a more than 130% increase in contracted months. When including options, the aggregated contract duration amounts to 60 months vs. 19 months in 2017. 5 out of the 10 contracts handed out in 2018, accounting for more than 50% of the total awarded firm contract months, were related to maintenance and modification work which has historically formed the backbone for the offshore accommodation industry.

Scrapping of older vessels has been offset by the introduction of a number of new-builds vessels in recent years as shown in Figure 12, with construction work commencing post-2013 on several new-builds. As of year-end 2018, the orderbook, including firm and option orders for the competitive fleet, stood at 5 units (translating to 11% of the competitive fleet) with estimated deliveries by end of 2021; however it is common for delivery dates to be pushed out in the absence of commercially viable scopes. Five units outstanding at the end of 2018: three units belonging to Prosafe (Safe Eurus, Safe Vega, and Safe Nova), and two units belonging to OOS/CIMC (OOS Serooskerke and OOS Walcheren). As of the date of this Information Memorandum, one of the five units on order at end of 2018, Safe Eurus owned by Prosafe, has been delivered in early July 2019.

Figure 12. Historical development of competitive fleet accommodation unit orderbook

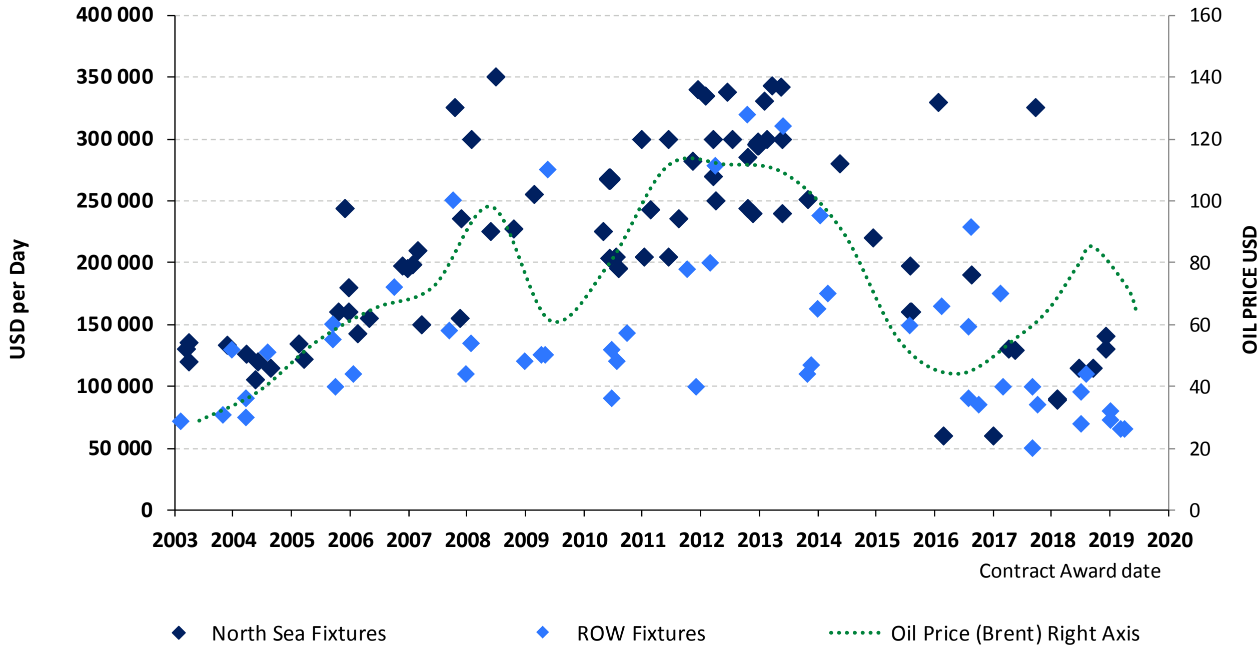


Source: Clarksons Platou Securities AS, Clarksons Platou Research Limited

For a vessel owner, an idle unit often represents a cheap option on a market recovery. Therefore, scrapping is often motivated by capital requirements such as a special periodic survey, the need to perform maintenance or replace costly equipment and/or components. In terms of scrapping, the initiative to scrap an accommodation unit is initially low as the cost to mobilize a unit to a suitable scrapyard cannot be recouped. Additionally, there is also the potential issue of any remaining debt pledged on the vessels. However, since 2013 the global fleet has been through a major modernization leaving older rigs more likely to be scrapped as the economics of a multi-year lay up are questionable.

Historically, the North Sea market has been the region with the highest rates due to stringent regulatory requirements and harsh environment. Supply may be constrained in the future due to the age of the global fleet. The graph below illustrates the day rate development of the competitive accommodation and construction support fleet since 2003, showing the dependency on oil price.

Figure 13. Historical development of contract dayrates in North Sea and the Rest of the World (2003-2019YTD)



Source: Floatel, Prosafe

9.4 Overview of the offshore oil and gas market

The offshore oil production is a major contributor to the global economy and to the global oil supply with 27 million barrels of daily production comprising more than 27% of the total supply. Even with the production of shale/tight oil increasing by almost 300% since 2012, offshore oil production has increased by approximately 1 million barrels in the same time period as global oil demand has been steadily rising.

Offshore oil production is carried out in water depths up to 10,000ft and drilling for oil can be done by two main categories of rigs. Jack-ups usually drill in water depth up to 400 feet while semi-submersible rigs or drillships carry out drilling in deeper waters.

9.5 Key drivers for the offshore oil and gas market

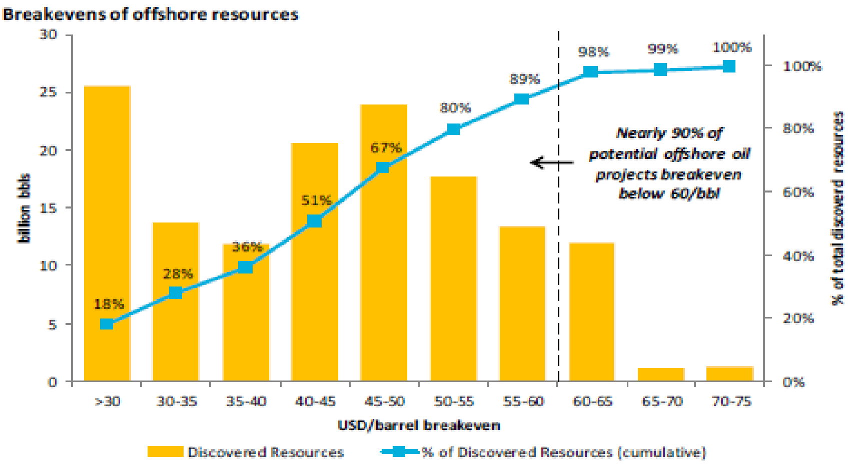
9.5.1 Demand and balance supply of the offshore oil and gas market

Oil and gas produced by offshore facilities, relative to other sources of oil & gas, with high-costs and a long lead-time to cash flow, are becoming outdated as technological innovation and changes in industry structure lead to more robust economics. This step-change in competitiveness is helping the industry return to growth even in a volatile oil price environment. While there is uncertainty in respect of future development, there is reason to believe that activities in 2019 will contribute to rising demand for rigs and offshore vessels, as 2019 should mark the third straight year of rising project sanctions and commitments of capital. With demand heading up and supply growth moving negative for rigs and offshore supply vessels (the "**OSVs**"), the overall market balance for offshore service sectors paints an optimistic picture.

Despite the setback in commodity prices in the last quarter of 2018, the offshore oil and gas industry stands well-prepared for a volatile oil price environment thanks to continuous reductions in cost levels.

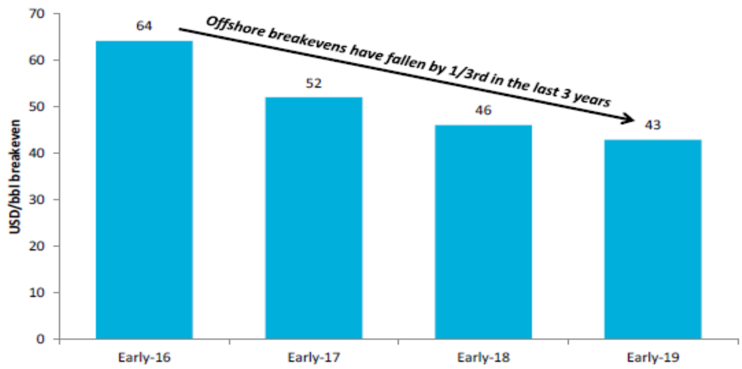
Data from Rystad Energy shows that at USD 60/barrel, nearly 90% of barrels in potential offshore projects can break even or better (with a 10% return hurdle). Compared to just 3 years ago, offshore breakevens have fallen by 1/3.

Figures 14. Breakevens of offshore resources



Source: Clarksons Platou Securities AS, Rystad Energy

Figures 15. Historical development of breakevens of offshore discovered resources[3]



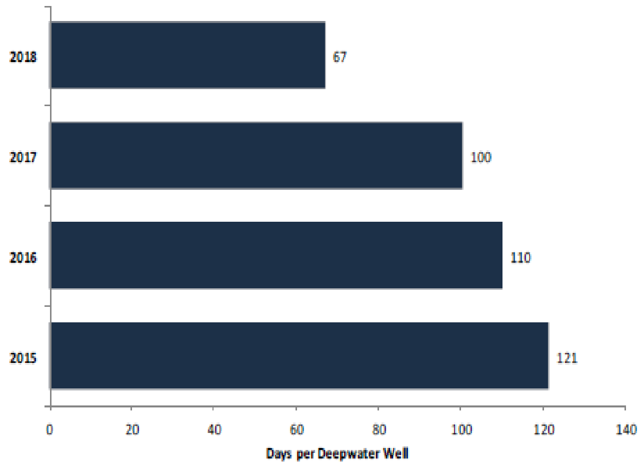
Source: Clarksons Platou Securities AS, Rystad Energy

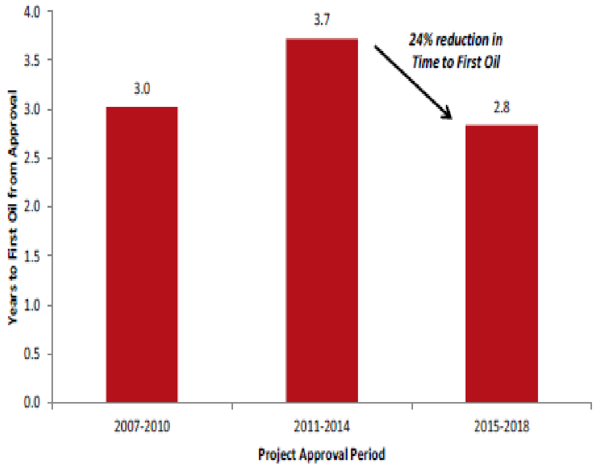
A number of structural and cyclical forces have driven the deep cost reductions of the last few years. In deepwater markets, drilling times offshore have fallen as new rigs with dual-derricks move drill-pipe faster, and more automated processes on the newer rigs contribute to higher efficiencies. Contractors and operators have retained the most productive labor and high-graded their workforce. Oil companies and drillers have also gained more experience drilling in deepwater and have become more efficient.

[3] Breakevens of discovered but undeveloped offshore resources.

This trend of fewer drilling days has compressed the total time to complete a project, thereby lowering costs and accelerating time to cash flow for the oil company. Data from key regions shows that the time to first oil is falling amidst industry efficiencies. Time to "first oil" rose sharply during the boom years of 2011- 2014 as skilled-labor availability tightened and oil companies preferred custom engineering solutions for each project. In recent years the time to "first oil" appears to be compressing.

Figures 16 & 17. Drilling times & Time to first oil from project approval for key regions [4]





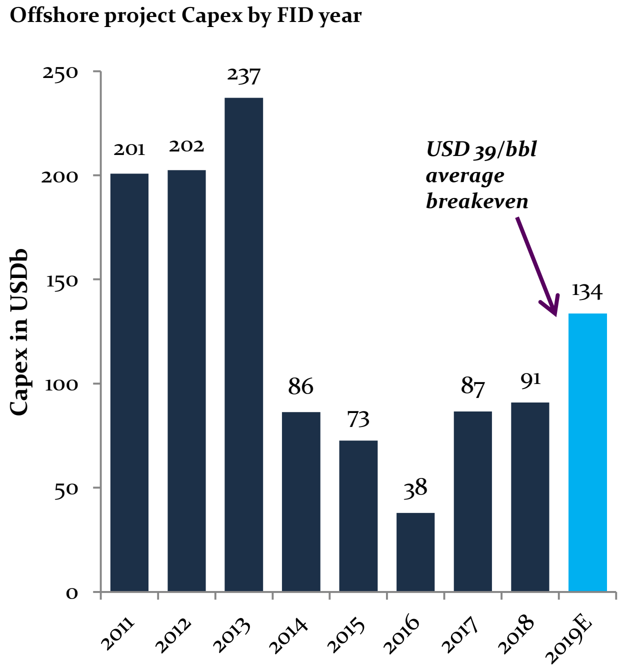
Source: Clarksons Platou Securities AS, Rystad Energy

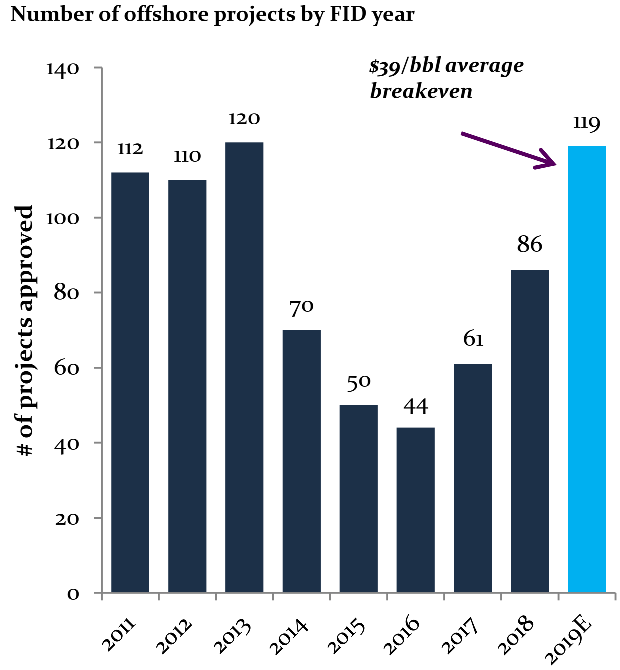
As costs fall for offshore developments, oil prices trend above the lows seen in 2015-2016 and oil companies' cash flows improve, project sanctioning and commitments of capital are rising. While there is uncertainty in respect of future development, there is reason to believe that higher project approvals suggest offshore activity levels will rise as projects move from the procurement phase to the offshore execution phase, when vessels and rigs are required.

In 2018 projects approvals picked up, albeit not on par with pre-2014 levels. While oil prices are starting 2019 at levels below the average for 2018, breakevens are even lower, and oil companies broadly are more financially comfortable as indicated by free cash flow levels, both before and after dividends. Looking into projects expected to reach "Final Investment Decision" ("FID") in 2019, the weighted average breakeven is USD 39/barrel. In other words, the 2019 projects look robust in a variety of price environments, and oil companies are in a position to invest.

[4] Estimated first oil year for projects not yet producing; includes offshore projects in North America, Northwest Europe and South America with time to first oil weighted by resources.

Figures 18 & 19. Offshore project capital expenditures and number of offshore projects by FID year [4]



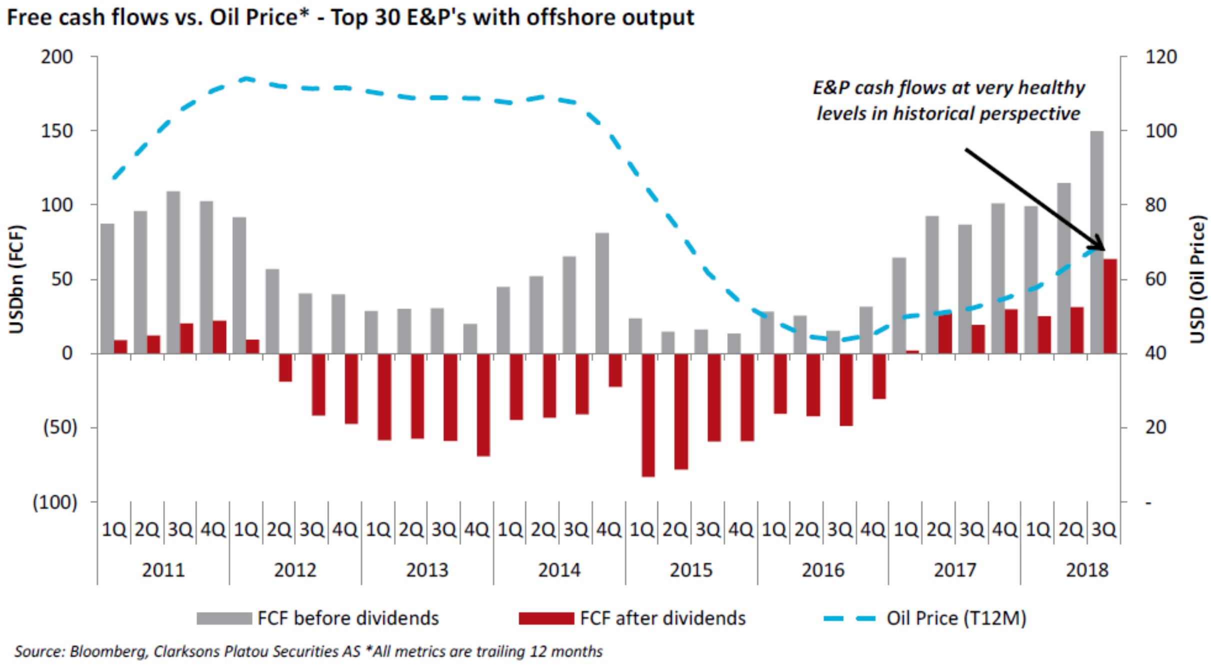


Source: Clarksons Platou Securities AS, Rystad Energy

When capital commitments to actual Exploration and Production ("E&P") spending are compared, there is a clear lag between the two measures. The sharp increase in committed spending is a clear indication of increased future E&P spending. While there is uncertainty in the future developments, according to reported budgets by industry players for 2019, offshore E&P spending is estimated to marginally increase on an aggregated basis (4%). However, when looked into sub-sectors there are significant differences; the seismic and engineering categories with +13-14%, drilling spending at +8%, topside and processing equipment paired with procurement, construction and installation at -13% and -3%, respectively, year-on-year from 2018 to 2019.

Even with oil prices well below historic highs, oil & gas companies are generating record high free cash flows, providing capital for potential investments while possibly increasing returns to shareholders. Heading into the downturn in 2014; free cash flows were deeply negative and made worse by the fall in oil prices; now oil companies are financially prepared for volatility.

Figure 20. Free cash flows of top 30 E&P's with offshore output vs oil price

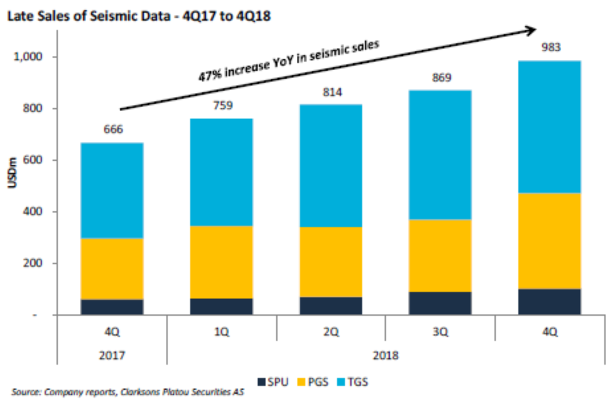


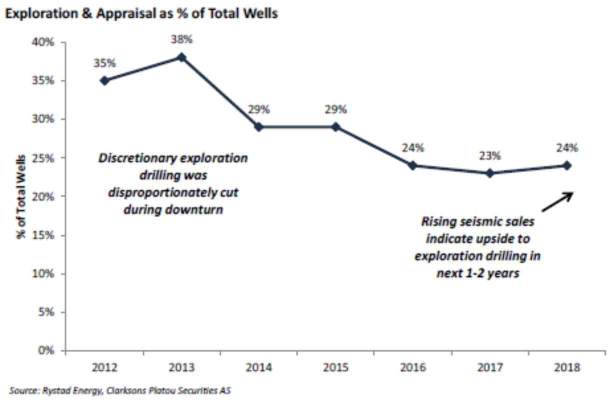
Source: Clarksons Platou Securities AS, Bloomberg

Oil companies are now spending more on exploration, which serves as the best evidence of rising risk appetite given that exploration is almost entirely discretionary in the short-term. "Late sales" of multi-client seismic data serves as a good indicator of exploration appetite. Late sales occur when oil companies purchase already existing multi-client seismic data from geophysical companies; these sales are among the most discretionary items in an oil company's budget. By the end of 2018, seismic late sales had risen almost 50% above the level seen in end of 2017.

Seismic sales are indicating a greater exploration appetite, but the effect on drilling has yet to be seen. During the downturn optional activities like exploration drilling were cut disproportionately, exerting heavy pressure on total drilling activity. It appears that the tide has turned and exploration activity has found a bottom. Seismic sales began to fall in 2013, well before drilling activity peaked in late 2014; so although there is uncertainty in the future developments, increasing seismic sales now suggest that exploration drilling and thus total drilling activity may also begin to gain momentum. Improved Seismic activity will in the long run have a positive effect on the accommodation market.

Figures 21 & 22. Late sales of seismic data and E&P as % of total wells

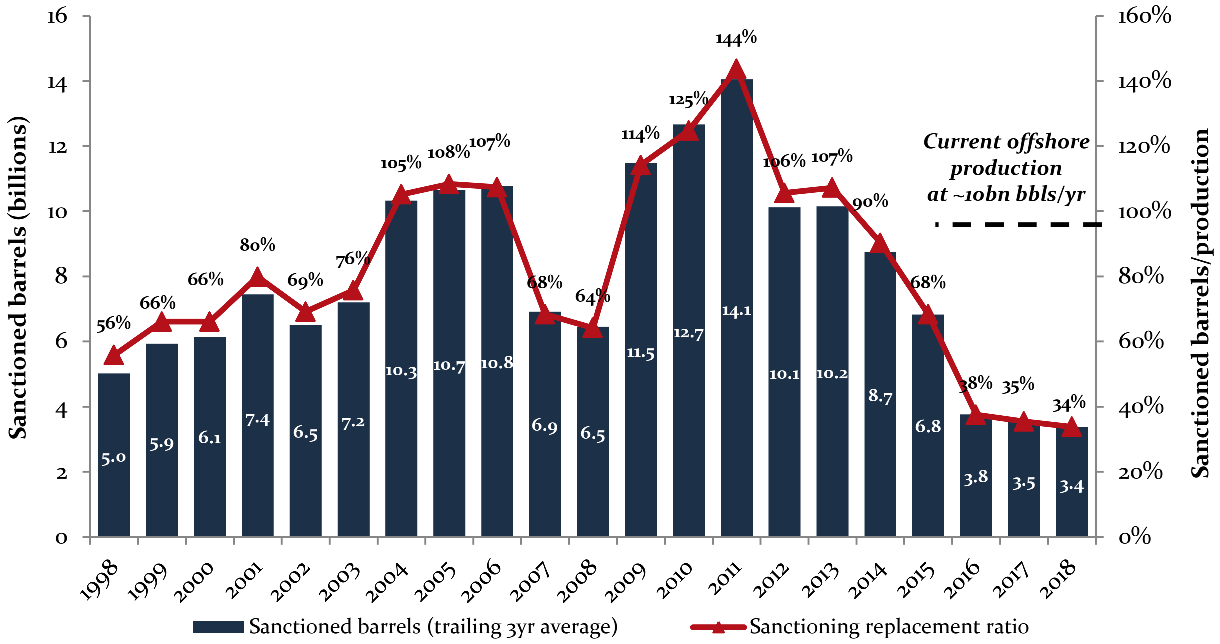




Source: Clarksons Platou Securities AS, company reports

Recent activity levels, albeit somewhat higher than trough, remain far too low to sustain production and replace reserves in the medium and longer term. The industry is not investing in enough new barrels to replace existing production. In fact, only one out of each three barrels produced offshore has been replaced on average in the last three years. For 2018, the figures are better with just over 50% of offshore production replaced by new investments, but significant further increases may be needed to avoid a potential supply shock in the mid-2020s.

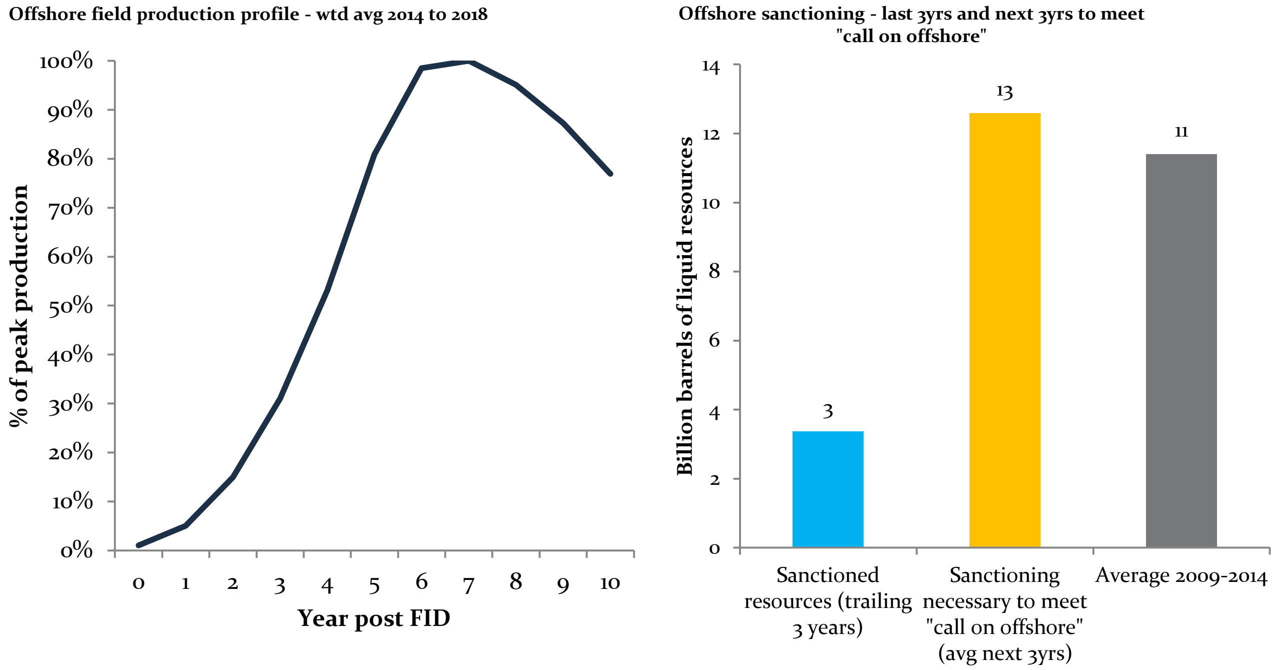
Figures 23. Offshore sanctioning replacement ratio[5]



Source: Rystad Energy

In order to avoid a deficit, 3.3x more offshore resources should be sanctioned on average in the next 3 years compared to the average of the last 3 years.

Figures 24 & 25. Offshore field production profile and sanctioning



Source: Clarksons Platou Securities AS, Rystad Energy

[5] Liquids only. Replacement ratio calculated as trailing three year average offshore barrels sanctioned divided by annual offshore production.

9.6 Future market expectations

The oil and gas industry is characterized by high cyclicality and continuous changes which impact activity levels, price levels and planning horizons, requiring continuous risk and opportunity management and adaptability.

During the down cycle in recent years, many service segments have seen a significant reduction in activity and that includes demand for offshore accommodation vessels.

The Mexican market which used to be a key market for many years dropped all requirements for non-Mexican accommodation equipment in early 2016. Also the Brazilian market has been quiet until the end of 2018, while the company’s activity through the down cycle has been primarily upheld by hook-up contracts related to the support of new field installation in the North Sea that were entered into before the down cycle.

During late 2017 and 2018, the global offshore market has, however, started to show signs of gradual recovery (albeit not to pre-2014 levels), and Prosafe has secured a number of new contracts and contract extensions during 2018. The result was that all fully owned vessels other than the Safe Bristolia and the undelivered new builds in China secured contracts for all or parts of 2019.

Brazil is an important market. Prosafe was recently awarded a three year contract with Petrobras for the newbuild Safe Eurus. Total contract value is estimated to be above USD 80 million, and it would create synergies with the Safe Notos and Safe Concordia already on charter offshore Brazil.

The production ambitions of the new Mexican administration are high, and it is positive that tender activity is ongoing in other segments. Prosafe continues its efforts in Mexico to be well positioned when opportunities arise again in the accommodation segment.

9.7 Competitive landscape

The accommodation vessels and the services offered by the Group are provided in an open market characterized by a relatively small number of potential clients, however of which many are large companies with a strong buyer power. Contracts are typically awarded in tender processes following delivery of competitive bids with reference to technical capabilities, availability, pricing of rigs, reputation for service, safety, environmental records, and long-term relationships with oil and gas companies. In general, Prosafe is of the opinion that there is a strong competition in the offshore accommodation market.

As of beginning of May 2019, the global offshore accommodation fleet stood at 314 units split over various types of units as mentioned above. The Company faces competition from various types of accommodation vessels, including drilling rigs that may potentially enter the accommodation market, and believes that the business combination with Floatel is necessary in a fragmented market with many players.

The Company is not aware of any particular relative disadvantages compared to other industry participants.

10. UNAUDITED PRO FORMA FINANCIAL INFORMATION

10.1 Background information

On 3 June 2019 the Company entered into a share purchase agreement for the acquisition of 100% of the Floatel Shares , excluding the existing Floatel Preference Shares which will not be transferred to Prosafe. The Floatel Preference Shares are entitled to 9% preferential dividend p.a.

The Floatel shares will be transferred to Prosafe against issuance of Consideration Shares and Preference Shares in Prosafe to the shareholders of Floatel. The Transaction will give an aggregate ownership of 55% to Prosafe shareholders and 45% to Floatel shareholders in the Group on a fully diluted basis (the "**Exchange Ratio**") as agreed upon by the parties.

In addition to 81,864,212 registered and fully paid ordinary shares, each with a nominal value of EUR 0.1, Prosafe has 9,779,993 warrants and 6 122,790 convertible bonds. The Exchange Ratio assumes that the warrants and conversion rights are exercised. Floatel preference shares will be presented as non-controlling interests in the consolidated financial statements of Prosafe.

The current number of Floatel Shares is 107,165,289 and the number of Floatel Preference Shares is 10,000, each with nominal value USD 0.02.

The Transaction will result in "a significant gross change" for the Company, as defined in Commission Regulation (EC) No. 809/2004 of 29 April 2004 which sets out the requirements of pro forma financial information, as referenced by requirements in section 3.5.1.1 of the "Continuing Obligations of Stock Exchange Listed Companies" issued by Oslo Børs (Oslo Stock Exchange).

The unaudited pro forma financial information has been prepared assuming the transaction will be approved. The Transaction is conditional upon approval from shareholders, lenders and competition authorities in the UK and Norway.

The unaudited pro forma condensed financial information has been compiled to comply with the requirements in section 3.5.2.6 of the "Continuing Obligations of Stock Exchange Listed Companies" issued by Oslo Børs (Oslo Stock Exchange). The unaudited pro forma condensed financial information has been prepared in accordance with Annex II of Regulation (EC) 809/2004 implementing Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 regarding information contained in prospectuses as well as the format, incorporation by reference and publication of such prospectuses and dissemination of advertisements, which pursuant to the Continuing Obligations apply correspondingly to information memoranda such as this Information Memorandum.

The unaudited pro forma condensed financial information was not prepared in connection with an offering registered with the SEC under the US Securities Act and consequently is not compliant with the SEC's rules on presentation of pro forma financial information (SEC Regulation S-X) and had the securities been registered under the US Securities Act, the unaudited pro forma condensed financial information, including the report by the independent practioner, would have been amended and/or removed from the Information Memorandum.

The unaudited pro forma condensed financial information has been prepared for illustrative purposes to show how the Transaction would have impacted the consolidated income statement for Prosafe for the year ended 31 December 2018 had the Transaction occurred on 1 January 2018, and the consolidated statement of financial position as of 31 December 2018 had the Transaction occurred on 31 December 2018.

The unaudited pro forma condensed financial information is based on certain management assumptions and adjustments made to illustrate what the financial results of the Group might have been, had the Company completed the Transaction at an earlier point in time.

Because of its nature, the unaudited pro forma condensed financial information addresses a hypothetical situation and therefore does not represent the Group's actual consolidated statement of financial position or results if the Transaction had in fact occurred on those dates; the unaudited pro forma condensed financial information is further also not representative of the results of operations for any future periods. It should be noted that greater uncertainty is attached to the unaudited pro forma condensed financial information than historical financial information. Investors are cautioned against placing undue reliance on this unaudited pro forma condensed financial information.

10.2 Basis for preparation

The unaudited pro forma condensed financial information is extracted from the 2018 audited consolidated financial statements for Prosafe and the 2018 audited consolidated financial statements for the acquiree, Floatel. Both financial statements are prepared in accordance with International Financial Reporting Standards, in the case of Prosafe as adopted by the European Union and in the case of Floatel FRS as issued by the International Accounting Standard Board (the "**IASB**") (IFRS). The unaudited pro forma condensed financial information is prepared in a manner consistent with the accounting policies of Prosafe as applied in the consolidated financial statements in 2018. The Company will not adopt any new policies as a result of the Transaction. Prosafe adopted IFRS 9, Financial Instruments, and IFRS 15, Revenue from Contract with Customers, from 1 January 2018. The Company will implement IFRS 16 Leases effective from 1 January 2019. Please refer to note 2 Basis of preparation and note 3 Significant accounting policies, of Prosafe's consolidated financial statements 2018 for a description of the effects of the above mentioned IFRS standards and also the remaining accounting policies. The 2018 financial statements of Floatel and Prosafe are incorporated by reference to this Information Memorandum; see Section 13 "Incorporation by Reference - Documents on Display".

The Transaction is regarded as a business combination with Prosafe as the acquirer and Floatel as the acquiree. The business combination will be accounted for using the acquisition method in accordance with IFRS 3 *Business Combinations*.

The unaudited pro forma condensed financial information does not include all information required for financial statements under IFRS and should be read in connection with the historical financial information of Prosafe and Floatel. The unaudited pro forma condensed financial information has been prepared under the assumption of going concern.

10.3 Purchase price allocation and allocation of goodwill

The Company has for the purposes of the pro forma financial information performed a preliminary purchase price allocation. This allocation has formed the basis for the depreciation charges in the pro forma income statement and the presentation in the pro forma statement of financial position. The final allocation may significantly differ from this allocation and this could materially have affected the presentation in the pro forma income statement and the pro forma statement of financial position. The main uncertainty relates to the fair value of the vessels. Further, since the consideration consists of Consideration Shares and Preference Shares in Prosafe, the fair value of the consideration might change in the period up to acquisition date. The Transaction is expected to be completed during the 3rd quarter of 2019.

For purposes of the unaudited pro forma financial information, a total consideration of USD 113.4 million has been estimated. The consideration is based on a share price of NOK 12.26 per 7 June 2019, for a total of 77,973,709 ordinary shares on a fully diluted basis, in total USD 110.8 million. Further, the consideration includes preference shares to be issued to shareholders of Floatel with an estimated fair value of USD 1.7 million. In addition warrants will be issued to Floatel management with an estimated fair value of USD 1.0 million. The Preference Shares will, depending on the outcome of the ongoing dispute with Westcon Yards AS, give the right to preferred dividend up to an aggregate limit of USD 20 million. Refer to further details on the Westcon dispute in paragraph 3.12 to this Information Memorandum. The existing warrants in Floatel held by Floatel managements shall be replaced with 2,017,469 new warrants in Prosafe, whereby each warrant will give the right to one ordinary share in Prosafe. The warrants will have an exercise price of NOK 22.77 per warrant.

The final purchase price allocation will be based on the share price at the acquisition date.

The preliminary purchase price allocation is presented in the table below:

USD million

Book value of equity 31 March 2019	556,8
Fair value adjustments vessels	-431,9
Fair value of non controlling interests	-11,5
Fair value of identifiable net assets	**113,4**
Purchase price	**113,4**
Consideration shares	110,8
Preference shares to Floatel shareholders	1,7
Warrants to management in Floatel	1,0
Purchase price	**113,4**

The main assets acquired in the transactions are vessels. The book value of the five acquired vessels amounts to USD 1 294 million in total at 31 March 2019 and the fair value estimated for the purpose of the preliminary purchase price allocation is USD 859.4 million, leading to a negative fair value adjustment of USD 431.9 million. The corresponding pro forma depreciation adjustment to vessels amount to a reversal of USD 31.2 million in prior depreciations calculated based on remaining useful life of each vessel. The useful life of the vessels is estimated to be 19.3 years from delivery date (weighted average useful life of each vessel component). The vessels are owned in jurisdictions with zero effective tax rate and no deferred tax asset is recognised based on the fair value adjustment to the vessels.

The purchase price allocation also reflect the Floatel Preference Shares in Floatel which will not be transferred to Prosafe, and are not part of the Transaction. The Floatel Preference Shares are reflected as a non-controlling interest in the combined company, recognised at fair value.

Based on the preliminary PPA the transaction does not give rise to any goodwill.

10.4 Pro forma financial information

The table below sets out the unaudited pro forma income statement for the year ended 31 December 2018, as if the Transaction had occurred on 1 January 2018.

	Historical						
	Prosafe SE	**Flotael International LTD**	**GAAP adjustments**	**Notes to GAAP adjustments**		**Notes to pro forma adjustments**	**Pro forma**
All numbers in USD million	**IFRS Jan. 1 - Dec. 31, 2018**	**IFRS Jan. 1 - Dec. 31, 2018**	**IFRS Jan. 1 - Dec. 31, 2018**	**Notes**	**Pro forma adjustments Jan. 1 - Dec. 31, 2018**	**Notes**	**Jan. 1 - Dec. 31, 2018**
Charter Revenues	293,2	232,1					525,3
Other operating revenues	37,6	71,3					108,9
Operating revenues	**330,8**	**303,4**					**634,2**
Employee benefits	-76,7	-					-76,7
Other operating expenses	-87,5	-137,5			-8,7	**A**	-233,7
Operating profit/(loss) before depreciation and impairment	**166,6**	**165,9**			**-8,7**		**323,8**
Depreciation	-113,0	-61,4			31,2	**B**	-143,2
Impairment	-0,6	**-**					-0,6
Operating profit/(loss)	**53,0**	**104,5**			**22,5**		**180,0**
Interest income	2,9	-					2,9
Interest expenses	-173,3	-					-173,3
Other financial income	13,4	10,3					23,7
Other financial expenses	-2,9	-78,0					-80,9
Net financial items	**-159,9**	**-67,7**					**-227,6**
Share of loss of equity accounted investees	**-1,7**	**-**					**-1,7**
Profit or loss before taxes	**-108,6**	**36,8**			**22,5**		**-49,3**
Taxes	-5,9	-10,2					-16,1
Net profit or loss	**-114,5**	**26,7**			**22,5**		**-65,4**
Attributable to equity holders of the parent	**-114,5**	**26,7**			**19,8**		**-68,1**
Attributable to non controlling interests	**-**	**-**			**2,7**	**G**	**2,7**

The table below sets out the unaudited pro forma statement of financial position as of 31 December 2018, as if the Transaction had occurred on 31 December 2018.

	Historical						
	Prosafe SE	Flotael International LTD	GAAP adjustments	Notes to GAAP adjustments	Pro forma adjustments	Notes to pro forma adjustments	Pro forma
All numbers in USD million	IFRS	IFRS					
	31 December 2018	31 December 2018	31 December 2018	Notes	31 December 2018	Notes	31 December 2018
Fixed assets							
Vessels	1 422,6	1 285,1	20,9	**A**	-431,9	**C**	2 296,6
Deferred tax asset	-	1,2					1,2
New builds	125,8	-					125,8
Other tangible assets	2,5	3,0					5,5
Investments in associated companies	5,2	-					5,2
Derivatives	2,4	-					2,4
Total non-current assets	**1 558,5**	**1 289,2**			**-431,9**		**2 415,8**
Cash and deposits	140,3	76,5					216,8
Debtors	25,2	66,7					91,9
Other current assets	12,8	23,6	-20,9				15,5
Total current assets	**178,3**	**166,8**					**345,1**
	-						
Total assets	**1 736,8**	**1 456,0**			**-431,9**		**2 760,9**
Share capital	9,0	2,1			6,8	**D**	17,9
Share premium	-	-			99,6	**E**	99,6
Convertible bonds	20,8	-					20,8
Warrants	6,4	-					6,4
Retained earnings incl. Profit of the year	-	217,6					217,6
Other equity	364,0	327,4			-559,5	**F**	131,9
Non controlling interest	-				11,5	**G**	11,5
Total equity	**400,2**	**547,2**			**-441,6**		**505,8**
Interest-bearing non-current liabilities	1 198,5	809,6					2 008,1
Deferred tax	-	0,5					0,5
Derivatives	16,1	-					16,1
Other non-current liabilities	2,4	-					2,4
Total non-current liabilities	**1 217,0**	**810,0**					**2 027,0**
Interest-bearing current debt	44,5	41,0					85,5
Accounts payable	2,2	11,1					13,3
Taxes payable	14,7	3,9					18,6
Other current liabilities	58,2	42,8			9,7	**H**	110,7
Total current liabilities	**119,6**	**98,8**			**9,7**		**228,1**
Total equity and liabilities	**1 736,8**	**1 456,0**			**-431,9**		**2 760,9**

10.5 Notes to GAAP adjustments

Note A Reclassification from inventory to vessels

Inventory is in the 2018 statement of financial position of Floatel recognised on a separate line item in Floatel and spare parts of USD 20.9 million has been reclassified to vessels to align with Prosafe's accounting policies reflecting spare parts as part of the vessel value.

10.6 Notes to unaudited pro forma adjustments

Note A Other operating expenses

The pro forma adjustment of USD 8.7 million consists of estimated costs incurred as part of completing the transaction. The transaction costs reflected incurred costs in both Prosafe and Floatel. This pro forma adjustment will not have continuing impact.

Note B Depreciation

The pro forma adjustment of USD 31.2 million consists of reversal of prior depreciation of Floatel´s five vessels. The depreciation charge has been adjusted to reflect that the fair value of the vessels is USD 431.9 million below the carrying amount in Floatel at 31 March 2019. Floatel depreciates their vessels using the straight-line method to allocate their cost to their residual values over their estimated useful life. Useful life differs between components of the vessels. The pro forma depreciation is based on a weighted average useful life of the components of 19.3 years, with remaining useful life of the vessels between 10.3 and 16.3 years. This pro forma adjustment will have continuing impact.

Note C Vessels

The pro forma adjustment of USD 431.9 million consists of the difference of the vessels fair value and the carrying amount in Floatel at 31 March 2019. The fair value of the acquired vessels has been evaluated in the preliminary PPA.

Note D Share capital

The pro forma adjustment of USD 6.8 million reflects the issuance of consideration shares in Prosafe to the shareholders of Floatel (USD 8.9 million) less elimination of share capital in Floatel (USD 2.1 million). The pro forma adjustment reflects the issue of 77,973,709 new shares in addition to the issuance of 1,208,233 preference shares to be issued to shareholders of Floatel as sellers in the Transaction, at a nominal value of EUR 0.1 per share. These preference shares give, depending on the outcome of the ongoing dispute with Westcon Yards AS, right to a dividend up to a maximum amount of USD 20 million. Refer to further details on the Westcon dispute in paragraph 3.5.

Note E Share premium

The pro forma adjustment of USD 99.6 million reflects the share premium from the issuance of consideration shares net of directly related expenses of USD 0.02 million.

Note F Other equity

Pro forma adjustment to other equity reflects the following:

USD million

Issuance of shares	-108,5
Elimination of share capital in Floatel	2,1
Fair value adjustment vessels	-431,9
Establishment of non - controlling interest	-11,5
Warrant liabilities	-1,0
Provision transaction costs	-8,7
Total pro forma adjustment other equity	-559,5

Note G Non-controlling interests

The pro forma adjustment of USD 11.5 million is related to preference shares in Floatel, which are not a part of the transaction. The preference shares are reflected as a non-controlling interest at fair value in the unaudited pro forma statement of financial position. There are 10,000 preference shares, each with a price of USD 3,000 (USD 30 million principal amount). The holder of these preference shares are entitled to a dividend of 9 % of the USD 30 million principal amount in preference and in priority to the holders of the Company's common shares, as and when declared by the Board of Directors from the funds legally available. The shares are redeemable at any time at the option of the Issuer at USD3,000 per share plus unpaid dividends totaling 1,418 per share as of 31 March 2019. The fair value of the preference shares is based on the USD 30 million principal amount contributed by the preference shares holders to Floatel in 2014 and accrued 9% (unpaid) dividend per year. Net profit has been allocated to these non-controlling interests based on the agreement (economic interest) –i.e. 9 % of the USD 30 million principle amount, amounting to USD 2.7 million. This pro forma adjustment will have continuing impact.

Note H Other current liabilities

Management in Floatel will as part of the transaction be granted 2,017,469 warrants to purchase Prosafe shares at a price of NOK 22.77 per share. They may be exercised at any time until 30 November 2024. The warrants have been classified as a financial liability (USD 1.0 million) and are reflected as part of other current liabilities at fair value. The warrants are assessed to be a financial liability as opposed to an equity instrument as the warrants have a strike price in NOK. The valuation of the warrants is based on a Black Scholes calculation. Further, a provision for transaction costs incurred (USD 8.7 million) has been reflected as part of other current liabilities.

10.7 Independent Assurance Report on the compilation of Unaudited Pro Forma Financial Information included in this Information Memorandum

With respect to the unaudited pro forma financial information included in this Information Memorandum, KPMG AS has applied assurance procedures in accordance with ISAE 3420 *Assurance Engagement to Report on Compilation of Pro Forma Financial Information Included in a Prospectus* in order to express an opinion as to whether the unaudited pro forma financial information has been properly compiled on the basis stated, and that such basis is consistent with the accounting policies of the Company, see Appendix E (*Independent Practitioner's Assurance Report on the Compilation of Pro-Forma Financial Information included in an Information Memorandum*). KPMG AS' procedures on the unaudited pro forma financial information have not been carried out in accordance with attestation standards and practices generally accepted in the United States of America, and accordingly, should not be relied on as if they had been carried out in accordance with those standards.

11. BOARD OF DIRECTORS, MANAGEMENT AND CORPORATE GOVERNANCE

11.1 Introduction

The Board is responsible for the overall management of the Company and may exercise all of the powers of the Company not reserved for the Company's shareholders by the Articles of Association and Norwegian law. The management of the business and the conduct of the affairs of the Company are vested in the Board of Directors and the Company's Management (the "**Management**").

The Company's Articles of Association state that the Board of Directors shall consist of between five and seven members (the "**Board Members**" or "**Directors**") All Directors will serve for a period of two years unless the General Meeting decides that a Director shall serve for a specific period shorter than two years. At the 2019 Annual General Meeting all current Directors were elected for a one-year period. Please see section 8 for the composition of the Board following completion of the Transaction.

The Directors shall not have the power to appoint any individual to be a Director so as to fill a vacancy or to add to the existing Directors. At any time, the Company may at a General Meeting appoint by ordinary resolution any person as Director. Please see Articles of Association incorporated in this Information Memorandum by reference as Appendix A for further details on and rules governing the Board of Directors.

11.2 Board of Directors

11.2.1 Overview of the Board of Directors

The current Board of Directors consist of five Directors. The names, positions and current term of office of these Board Members as at the date of this Information Memorandum are set out in the table below.

Name	Position	Served since	Term expires
Glen Ole Rødland	Chairman	May 2016	AGM 2020
Kristian Johansen	Director	May 2017	AGM 2020
Nina Udnes Tronstad	Director	May 2019	AGM 2020
Birgit Aagaard-Svendsen	Director	May 2017	AGM 2020
Svend Anton Maier	Director	December 2016	AGM 2020

The composition of the Board of Directors is in compliance with the independence requirements of the Corporate Governance Code (as defined below), meaning that (i) the majority of the shareholder elected members of the Board of Directors are independent of the Company's executive management and material business contacts, (ii) at least two of the shareholder elected Board Members are independent of the Company's main shareholders (shareholders holding more than 10% of the Shares of the Company), and (iii) no member of the Company's Management serves on the Board of Directors.

The Company's registered office at Forusparken 2, 4031 Stavanger, Norway, will serve as the c/o address for the Board Members in relation to their directorships of the Company.

11.2.2 *Brief biographies of the Board Members*

Set out below are brief biographies of the Board Members who constitute the Board of Directors, including their relevant management expertise and experience, an indication of any significant principal activities performed by them outside the Company and names of companies and partnerships of which a Board Member is or has been a member of the administrative management or supervisory bodies or partner in the five years dating back from the date of this Information Memorandum.

Glen Ole Rødland, Chairman

Mr Rødland has 25 years of experience in shipping, oil and gas and other industries. He has extensive experience as an analyst and in corporate finance from investment banking, private office and private equity. Currently, Mr Rødland is a senior partner at Hitec. Mr Rødland also has considerable experience as a board member and chairman of several Norwegian public companies and other international companies. He is currently Chairman of AqualisBraemar ASA and a board member in Spectrum ASA. Mr Rødland has been a director since 2016 and was appointed Interim Chairman on 25 May 2016 and Chairman on 30 November 2016. 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.

Current directorships and management positions:	*Prosafe SE (Chairman), HitecVision AS (Senior Partner), AqualisBraemar ASA (Chairman), Spectrum ASA (Board Member)*

Kristian Johansen, Director

Mr Johansen is the Chief Executive Officer of TGS-NOPEC Geophysical Company (TGS) based in Houston, Texas, USA. Prior to this, Mr Johansen served as Chief Operating Officer and Chief Finance Officer for TGS since 2010. Mr Johansen also has executive experience from the IT-services and construction industries and he has been on the board of several publicly listed companies in Norway. Mr Johansen earned his undergraduate and Master's degrees in business administration from the University of New Mexico.

Current directorships and management positions:	*Prosafe SE (Director), TGS (Chief Executive Officer)*

Nina Udnes Tronstad

Mrs. Udnes Tronstad has more than 30 years of managerial experience from the oil and gas industry working for Equinor, Aker Solutions and Kvaerner. Besides being a non-executive director at Prosafe, she is also currently the Chief Executive Officer of Sjækerhatten, a privately-owned investment company. Mrs. Udnes Tronstad has extensive experience as an independent board director for private and listed companies, and is currently Chair of Source Energy AS, and Board member of Technoport, GIEK, Ramboll Group and Fishency Innovation AS.

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

Current directorships and management positions:	*Prosafe SE (Director), Sjækerhatten AS (Chief Executive Officer), Source Energy AS (Chair), Technoport (Board Member), GIEK (Board Member), Ramboll Group (Board Member), Fishency Innovation AS (Board Member)*

Birgit Aagaard-Svendsen, Director

Ms Aagaard-Svendsen is a board professional with an extensive board experience. Outside Prosafe, Ms. Svendsen is Vice Chairman of Copenhagen Malmö Port AB, Board member and Audit Committee Chairman of DNV-GL AS, Aker Solutions ASA and West of England Ship Owners Mutual Insurance Association, and Board Member of Stiftelsen Det Norske Veritas, Otto Mønsted A/S, Axis Pte Ltd. and Reapplix A/S. Ms Aagaard-Svendsen has more than 35 years of international business experience, including 25 years of shipping experience and 15 years within the offshore industry. Until 2016 she was Chief Financial Officer of J. Lauritzen for 18 years. During the period between 2011 and 2015, she was Chairman for the Danish committee on Corporate Governance.

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

Current directorships and management positions:	*Prosafe SE (Director), Copenhagen Malmö Port AB (Vice Chairman), DNV-GL AS (Board Member and Audit Committee Chairman), Aker Solutions ASA), West of England Ship Owners Mutual Insurance Association, Stiftelsen Det Norske Veritas (Board Member)*

Svend Anton Maier, Director

Mr. Maier has more than three decades of oil and gas industry experience working for Seadrill from 2007 until 2016. Prior to this Mr. Maier worked for Transocean from 1996 to 2007, and Ross Offshore from 1986 until 1996. Mr. Maier previously served as Senior Vice President for Seadrill based in Houston and as Senior Vice President for Seadrill Africa Middle East based in Dubai. Mr. Maier has an extensive career managing oil and gas operations in Europe, Middle East, Africa and the Americas, and has also held various corporate positions in Norway. Mr Maier is currently Chief Executive Officer for Borr Drilling. Mr. Maier holds a degree in Marine Engineering from the Maritime Institute in Tønsberg.

Current directorships and management positions:	*Prosafe SE (Director), Borr Drilling (Chief Executive Officer)*

11.3 Management

11.3.1 Overview

The ultimate responsibility for the management of the Company is vested in the Board.

The Shares and Options to acquire Shares that are held by members of the Management as at the date of this Information Memorandum are set out in Section "Shareholdings of Board Members and Management in the Company" below.

The Company's Management consists of three individuals: Chief Executive Officer (the "**CEO**"), Deputy Chief Executive Officer and Chief Financial Officer (the "**CFO**") and Chief Commercial Officer (the "**CCO**"). The names, positions and duration of employment of the members of the Management as at the date of this Information Memorandum are set out in the table below.

Name	Position	Employed with the Company since
Jesper Kragh Andresen	Chief Executive Officer	2017
Stig Harry. Christiansen	Deputy CEO and CFO	2015
Ryan Duncan Stewart	Chief Commercial Officer	2001

The Company's registered office at Forusparken 2, 4031 Stavanger, Norway, will serve as the c/o address for the Management in relation to their employment with the Company.

11.3.2 Brief biographies of the members of the Management

Set out below are brief biographies of the members of the Management, including their relevant management expertise and experience, an indication of any significant principal activities performed by them outside the Company and names of companies and partnerships of which a member of the Management is or has been a member of the administrative, management or supervisory bodies or partner during the previous five years.

Jesper Kragh Andresen, Chief Executive Officer

Mr Andresen has been Chief Executive Officer of Prosafe since March 2017. Prior to joining Prosafe, Mr Andresen has held various positions including CEO in Axis Offshore, President of Lauritzen Offshore (Singapore) Pte. and Managing Director of J. Lauritzen Singapore. He holds an Executive Masters in Business Administration from INSEAD, France/Singapore, and a Masters degree in law from University of Copenhagen.

Current directorships and management positions:	*Prosafe SE (Chief Executive Officer)*

Stig Harry Christiansen, Deputy Chief Executive Officer and Chief Financial Officer

Mr Christiansen has been Deputy CEO and CFO since March 2017. He joined Prosafe as CFO in August 2015 and was Acting CEO from April 2016 until March 2017. Mr Christiansen has more than 20 years of experience from management and finance positions in the oil and gas industry. He has been CEO of the international oil service provider Add Energy Group AS and Senior Vice President of Group Finance in

Statoil. Mr. Christiansen was employed by Prosafe in the period from 1997 to 2005, the last five years of which as CFO for the Group. He holds an MBA in International Business Economics from the University of Aalborg, Denmark, and a Bachelor of Commerce from the University of Birmingham, United Kingdom.

Current directorships and management positions:	*Prosafe SE (Deputy Chief Executive Officer and Chief Financial Officer), Viking Fotball AS (Chairman), Ross Offshore (director)*

Ryan Duncan Stewart, Chief Commercial Director

Mr Stewart has been CCO of Prosafe since June 2013. Mr Stewart joined Prosafe in 2001 and has held several positions, last as Commercial Director. Prior to joining Prosafe, he held various positions in the North Sea oil industry. He holds a Bachelor of Science degree in Engineering and a Master of Laws degree in Oil and Gas Law from The Robert Gordon University.

Current directorships and management positions:	*Prosafe SE (Chief Commercial Officer)*

11.4 Remuneration and benefits

Remuneration of the Board of Directors

The table below sets out the remuneration paid to the former and current Board Members in 2018 and 2017 (in USD thousand)[6]:

Name	Board fees paid in 2018	Board fees paid in 2017	Notes
Glen Ole Rødland	144	137	-
Roger Cornish	109	112	-
Birgit Aagaard-Svendsen	107	78	From May 2017
Kristian Johansen	96	63	From May 2017
Svend Anton Maier	96	87	
Nancy Ch. Erotocritou	26	90	Until April 2018
Carine Smith Ihenacho	-	16	Until May 2017
Anastasis Ziziros	-	19	Until May 2017

Remuneration of the Management

The table below sets out the remuneration paid to the members of the Management in 2018 (in USD thousand):

Name	Notes	Salary	Bonus	Pension	Other	Total
Jesper Kragh Andresen	-	404	434	46	21	905
Stig Harry Christiansen	-	404	304	46	21	775

[6] If applicable, figures include compensation from audit committee, election committee, and compensation committee.

Jens Einar Opstad Berge	-	468	272	47	71	858
Ryan Duncan Stewart	-	255	188	26	93	562

The table below sets out the remuneration paid to the members of the Management in 2017 (in USD thousand):

Name	Notes	Salary	Bonus	Pension	Other	Total
Jesper Kragh Andresen	From February 2017	333	121	42	19	515
Stig Harry Christiansen	-	404	-	50	23	477
Jens Einar Opstad Berge	From November 2017	39	-	4	6	49
Ryan Duncan Stewart	-	255	-	26	93	374

11.5 Shareholdings of Board Members and Management in the Company

As of 31 December 2018, the only director (including associated parties) who held shares in the Company was Birgit Aagaard-Svendsen, owning 3,000 shares. Glen Ole Rødland has an indirect ownership interest in Prosafe through his ownership in HitecVision VII, L.P.

11.6 Bonus programme and share incentive scheme

The CEO, Deputy CEO and CFO and CCO hold incentive agreements which may lead to a bonus payment. The bonus depends on achieving defined targets relating to stretch target for earnings, cost efficiency targets, operational performance, and Health, Safety, and Environment performance and compliance. A portion of the net proceeds from bonus payments shall be used to buy shares in the Company.

There are no share incentive schemes or shareholder agreements in place in the company.

11.7 Benefits upon termination

Certain senior officers have agreements on severance pay. Under these agreements, the Company guarantees a remuneration corresponding to the base salary received at the time of departure for a period from three months up to eighteen months including the normal notice period.

11.8 Shares owned by senior officers and directors

The table below show the number of shares owned by senior officers and directors as of the date of the Information Memorandum, including shares owned by close family / relatives and wholly owned companies.

Name	Shares
Directors:	
Glen Ole Rødland*	0
Nina Udnes Tronstad	0
Birgit Aagaard-Svendsen	3000
Kristian Johansen	0

Svend Anton Maier	0
Senior officers:	
Jesper Kragh Andresen	32 476
Stig Harry Christiansen	26 500
Ryan Duncan Stewart	260

*Glen Ole Rødland has an indirect ownership interest in Prosafe due to his ownership interest in HitecVision VII, L.P.

11.9 Employees

As of the date of this Information Memorandum, the Company has approximately 400 employees including agency personnel. The Company had 417 employees at the end of 2018.

11.10 Nomination committee

The Company's Articles of Association provide for a nomination committee. The current members of the nomination committee are Thomas Raaschou (chair) and Annette Malm Justad, both elected for a term which expires at the 2020 Annual General Meeting. The nomination committee's mandate is to propose candidates for the Board of Directors and its various committees to the Annual General Meeting. It also proposes the level of Board Members' remuneration.

11.11 Audit committee

The Board of Directors has established an audit committee composed of two Board Members. The current members of the audit committee are Birgit Aadaard-Svendsen and Kristian Johansen. The audit committee's mandate includes undertaking quality control of the Company's financial reporting and monitoring internal control and risk evaluation systems.

11.12 Remuneration committee

The remuneration committee was established in 2016 composing of three Board Members to prepare proposals related to the compensation of senior officers. The current members of the remuneration committee are Nina Udnes Tronstad, Glen Ole Rødland and Svend Anton Maier.

11.13 Other committees

Not applicable

11.14 Corporate governance

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

11.15 Conflicts of interest

During the last five years preceding the date of this Information Memorandum, none of the Board Members or the members of the Management has, or had, as applicable:

- any convictions in relation to indictable offences or convictions in relation to fraudulent offences
- received any official public incrimination and/or sanctions by any statutory or regulatory authorities (including designated professional bodies) or was disqualified by a court from acting as a member of the administrative, management or supervisory bodies of a company or from acting in the management or conduct of the affairs of any company, or
- been declared bankrupt or been associated with any bankruptcy, receivership or liquidation in his or her capacity as a founder, director or senior manager of a company.

There are no shareholder agreements between any of the Company's shareholders. The Company has implemented rules and procedures to ensure that directors and senior officers report to the board if they themselves or their closely related parties have a significant interest, directly or indirectly, in any agreement concluded by the company. The board must approve any agreement between the company and a member of the board or the chief executive officer. The board must also approve any agreement between the company and a third party in which a member of the board or the chief executive officer may have a special interest. Each member of the board shall also continually assess whether there are circumstances which could undermine the general confidence in a board member's independence.

During the course of 2018 potential conflicts of interest were declared by Glen Ole Rødland (current chairman of the board) as partner in HitecVision AS, the owner of North Sea Strategic Investments AS, a key shareholder in the company. In the event of any potential conflict of interest, appropriate action is taken to protect against such potential conflicts which includes e.g. the individual not participating in the relevant part of the board meeting and/or abstaining from voting on the relevant matter.

To the Company's knowledge, there are currently no other actual or potential conflicts of interest between the Company and the private interests or other duties of any of the members of the Management or the Board of Directors, including any family relationships between such persons.

There are no other arrangements or understandings with major shareholders, customers, suppliers or others, pursuant to which any of the current Board members or members of the Management was selected as a member of the Board of Directors or Management of the Company.

12. INCORPORATION BY REFERENCE – DOCUMENTS ON DISPLAY

12.1 Cross reference table

Section in the IM	Reference document and link	Page in reference document [7]
7.11	Floatel Q1 2019 Interim Results Report: http://www.floatel.se/sites/default/files/741827524/Q1%20report%202019.pdf Floatel Annual Report 2018: http://www.floatel.se/sites/default/files/1605597028/Floatel%20Annual%20Report%202018.pdf	All pages
5	Prosafe Annual Report 2018: https://www.prosafe.com/getfile.php/137950/PDF%20Filer/Annual%20reports/Annual%20Report%202018-print%20version.pdf Prosafe Annual Report 2017: https://www.prosafe.com/getfile.php/137629/PDF%20Filer/Annual%20reports/Annual%20report%202017.pdf Prosafe Annual Report 2016: https://www.prosafe.com/getfile.php/137480/PDF%20Filer/Annual%20reports/Annual_report_2016.pdf	All pages
5	Prosafe Q1 2019 Interim Results Report: https://www.prosafe.com/getfile.php/138009/PDF%20Filer/Financial%20reports/2019%20Q1%20report.pdf	All pages

12.2 Documents on display

For 12 months from the date of this Information Memorandum, copies of the following documents will be available for inspection at the Company's registered office during normal business hours from Monday through Friday each week (except public holidays):

- the Articles of Association of Prosafe SE;
- Prosafe's consolidated financial statements as of and for the years ending 31 December 2018, 2017, and the related auditor reports thereto;
- Prosafe's interim financial statements as of and for the three months ended 31 March 2019;
- Floatel's consolidated financial statements as of and for the years ending 31 December 2018, and the related auditor reports thereto;

[7] The original page number as stated in the reference document

- Floatel's interim financial statements as of and for the three months ended 31 March 2019;
- All reports, letters, and other documents, historical financial information, valuations and statements prepared by any expert at the Company's request any part of which is included or referred to in the Information Memorandum; and
- this Information Memorandum.

13. DEFINITIONS AND GLOSSARY

In this Information Memorandum, the following terms have the following meanings:

Annual Financial Statements	The Company's audited consolidated financial statements for the years ended 31 December 2018, 2017 and 2016.
Annual General Meeting	The Company's annual general meeting.
Annual Report	2018 Annual Report of the Company.
AoC	Acknowledgement of Compliance.
Articles of Association	The governing document of Prosafe SE.
Board of Directors or Board	The board of directors of the Company.
Board Members	The members of the Board of Directors of Prosafe SE.
CAGR	Compound annual growth rate.
CCO	Chief Commercial Officer.
CEO	Chief Executive Officer.
CET	Central European Time.
CFO	Chief Financial Officer.
Clarksons Platou Securities	Clarksons Platou Securities AS, the Financial Advisor.
Clarksons PLC	Ultimate parent company of Clarksons Platou Securities AS.
Clarksons Research Services Limited	A subsidiary of Clarksons PLC.
Company	Prosafe SE.
Consideration Shares	Newly issued consideration shares of Prosafe against transfer of all shares in Floatel to Prosafe in relation to the Transaction.
Continuing Obligations	Requirements under the Oslo Børs Continuing Obligations for Stock Exchange Listed Companies.
COO	Chief Operations Officer.
Corporate Governance Code	Norwegian Code of Practice for Corporate Governance, dated 30 October 2014.
COSCO	COSCO Qidong Shipyard.
Cost Sharing Agreement	Agreement dated 14 February 2019 between Floatel and Prosafe, which states that each of the parties shall bear their own costs related to the Transaction.
DNB	DNB Bank ASA, the Company's register of shareholders in VPS.
Dwt	Deadweight tonnage.
E&P	Exploration and Production.
EEA	The European Economic Area.
EU	The European Union.
EUR	The lawful common currency of the EU member states who have adopted the Euro as their sole national currency.

Exchange Ratio	Exchange ratio agreed upon and set by the parties for the Transaction.
Financial Advisor	Clarksons Platou Securities AS.
Floatel	Floatel International Ltd., the combination target.
Floatel Group	Floatel International Ltd. and all subsidiaries.
Floatel Shares	Ordinary shares in Floatel.
Floatel vessels	Vessels owned and operated by Floatel.
Forward-looking statements	Statements that reflect the Company's current views with respect to future events and financial and operational performance. These forward-looking statements may be identified by the use of forward-looking terminology, such as the terms "anticipates", "assumes", "believes", "can", "could", "estimates", "expects", "forecasts", "intends", "may", "might", "plans", "projects", "should", "will", "would" or, in each case, their negative, or other variations or comparable terminology. These forward-looking statements are not historic facts.
FPSOs/FSOs	Floating Production, Storage, and Offloading units.
General Meeting	The Company's general meeting of shareholders.
Group	Prosafe, together with all of its subsidiaries, including Floatel and its subsidiaries.
Guidelines	IMO's safety design guidelines, MSC/Circular.645 – Guidelines for Vessels with Dynamic Positioning Systems – originally adopted on 6 June 1994.
HFO	Heavy fuel oil.
HSE	Health, Safety, and Environment.
HSSE	Health, Safety, Security, and Environment.
HUC	Hook-Up and Commissioning.
IASB	International Accounting Standard Board.
ICPAC	The Institute of Certified Public Accountants of Cyprus.
IFRS	International Financial Reporting Standards
IMO	International Maritime Organization.
Information Memorandum	This Information Memorandum, dated 16 August 2019.
Interim Financial Statements	The Company's unaudited condensed consolidated interim financial statements for the three months ended 31 March 2019 and 2018.
IT	Information technology.
Keppel	FELS Offshore Pte Ltd.
KPMG	KPMG Limited, the Company's independent auditor prior to completion of the redomiciliation process and KPMG AS

	thereafter.
Management	The senior management team of the Company.
MMO	Maintenance and Modification.
MW	MegaWatt.
NCS	Norwegian Continental Shelf.
NOK	Norwegian Kroner, the lawful currency of Norway.
Norwegian FSA	The Norwegian Financial Supervisory Authority (Nw: Finanstilsynet).
Oaktree	Oaktree Capital Management, L.P.
Oslo Stock Exchange	Oslo Børs ASA, or, as the context may require, Oslo Børs or Oslo Axess, Norwegian regulated markets operated by Oslo Børs ASA.
P&I Insurance	Protection and Indemnity Insurance.

Parent Guaranteed Amounts	Parent company guarantees issued by the Company to customers, vendors, and banks on behalf of its subsidiaries in connection with the award and performance of contracts and the fulfilment of other contractual obligations.
Preference Shares	Has the meaning set out in Sectrion 6.1.
Procon	Procon Offshore ASA.
Prosafe	Prosafe SE, the Company.
Prosafe vessels	Vessels owned and operated by the Company before the Transaction.
PRPL	Prosafe Rigs Pte. Ltd.
PSA	Petroleum Safety Directorate.
Refinancing	Refinancing initiated by the Company that included a private placement, conversion of bonds to equity, conversion of bonds to convertible bonds, a cash-out of bonds, a reduction of amortisation on bank facilities, and a renegotiation of terms with COSCO shipyard for the delivery of Safe Eurus in 2018.
RoW	Rest of the world.
SEC	U.S. Securities and Exchange Commission.
Shares	Shares in the share capital of the Company, each with a nominal value of EUR 0.10, or any one of them.
Transaction	Merger of Prosafe and Floatel through a transfer of all shares in Floatel to Prosafe against consideration in the form of newly issued consideration shares of Prosafe.
TSV	Tender support vessel.
UK	The United Kingdom.
UK Bribery Act 2010	An Act of the Parliament of the United Kingdom covering the criminal law relating to bribery.
UKCS	United Kingdom Continental Shelf.
US, U.S., or United States	United States of America.
US Foreign Corrupt Practices Act	The US Foreign Corrupt Practices Act of 1977, a federal law that addresses accounting transparency requirements under the Securities Exchange Act and other concerning bribery of foreign officials.
US Securities Act	United States Securities Act of 1933, as amended.
USD	United States dollar, the lawful currency of the United States.
VPS	The Norwegian Central Securities Depository (*Nw.: Verdipapirsentralen*).
Westcon	Westcon Group.

APPENDIX A

ARTICLES OF ASSOCIATION OF PROSAFE SE

See www.prosafe.com, ref. section 12

APPENDIX B

ANNUAL FINANCIAL STATEMENTS FOR PROSAFE FOR THE YEAR ENDED 31 DECEMBER 2018 AND 2017

See www.prosafe.com, ref. section 12

APPENDIX C

INTERIM FINANCIAL STATEMENTS FOR PROSAFE FOR Q1 2019

See www.prosafe.com, ref. section 12

APPENDIX D

FLOATEL INTERNATIONAL LIMITED INTERIM REPORT FOR THE THREE MONTHS ENDED 31 MARCH 2019

See www.floatel.se, ref. section 12

APPENDIX E

INDEPENDENT PRACTITIONER's ASSURANCE REPORT ON THE COMPILATION OF PRO-FORMA FINANCIAL INFORMATION INCLUDED IN AN INFORMATION MEMORANDUM

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Kanalveien 11
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5822 Bergen

Telephone +47 04063
Fax +47 22 60 96 01
Internet www.kpmg.no
Enterprise 935 174 627 MVA

To the Board of Directors of Prosafe SE

Independent Practitioner´s Assurance Report on the Compilation of Pro Forma Financial Information included in an Information Memorandum

In accordance with the requirements in section 3.5.2.6 of the "Continuing Obligations of Stock Exchange Listed Companies" issued by The Oslo Stock Exchange (Continuing Obligations) we have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Prosafe SE (the "Company"). The pro forma financial information consists of the unaudited pro forma statement of financial position as at 31 December 2018 and the pro forma income statement for the year then ended, and related notes as set out in section 10 of the Information Memorandum dated 16 August 2019 (the "Information Memorandum") issued by the Company. The applicable criteria on the basis of which the Company has compiled the pro forma financial information are specified in Commission Delegated Regulation (EU) 2019/980 supplementing Regulation (EU) 2017/119 which is incorporated in section 7-1 of the Securities Trading Act (Norway) and as described in the Unaudited Pro Forma Financial Information in section 10.2 Basis for preparation of the Information Memorandum.

The unaudited pro forma financial information has been compiled by management of the Company to illustrate the impact of the transaction set out in section 6 of the Information Memorandum on the Company´s consolidated income statement for the year ended 31 December 2018 had the Transaction occurred on 1 January 2018, and the consolidated statement of financial position as of 31 December 2018 had the Transaction occurred on 31 December 2018. As part of this process, information about the Company´s and Floatel International Ltd financial position and financial performance has been extracted by management from the related annual financial statements as at and of the year ended 31 December 2018.

The Company's Responsibility

The Company management's is responsible for compiling the pro forma financial information on the basis of Commission Delegated Regulation (EU) 2019/980 which is incorporated in the Securities Trading Act (Norway) as required by the Continuing Obligations.

Practicioner's Responsibilities

Our responsibility is to express an opinion as required by Annex 20, of Commission Delegated Regulation (EU) 2019/980 which is incorporated in the Securities Trading Act (Norway) about whether the pro forma financial information has been compiled, by management of the Company, on the basis described in section 10.2 Basis for preparation of the unaudited pro forma consolidated balance sheet and income statement information and that basis is consistent with the accounting policies of the Company.

We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3420, Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus, issued by the International Auditing and Assurance Standards Board. This standard requires that the practitioner comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether management of the Company has compiled the pro forma financial information on the basis described in section 10.2 Basis for preparation.

For the purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information, including any adjustments made to conform accounting policies, or assumptions used in compiling the pro forma financial information. Our work has consisted primarily of comparing the underlying historical financial information used to combine the pro forma financial information to source documentation, assessing documentation supporting any pro forma and other adjustments and discussing the pro forma information with management of the Company.

The purpose of pro forma financial information included in an Information Memorandum is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Company as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction, if the transaction had taken place on 31 December 2018 and at 1 January 2018, would have been as presented.

A reasonable assurance engagement to report on whether the pro forma financial information has been compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by management of the Company in the compilation of the pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria;
- The pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information; and
- The pro forma financial information has been compiled on a basis consistent with the accounting policies of the Company.

The procedures selected depend on the practitioner's judgment, having regard to the practitioner's understanding of the nature of the company, the event or transaction in respect of which the pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

- the pro forma financial information has been compiled on the basis stated in 10.2 Basis for preparation of the Information Memorandum; and
- the basis is consistent with the accounting policies of the Company

Report on Other Legal or Regulatory Requirements

This report has been prepared solely in connection with the filing of the Company´s Information Memorandum required by Oslo Stock Exchange´s Continuing Obliagations of Stock Exchange Listed Companies section 3.5. This report is not appropriate for any other jurisdiction or purpose other than for the transaction described in the Information Memorandum.

KPMG AS
Bergen, 16 August 2019

Anfinn Fardal
State Authorised Public Accountant, Norway

Prosafe SE
Forusparken 2
4031 Stavanger
Norway

Financial advisor

Clarksons Platou Securities AS
Munkedamsveien 62C
0270 Oslo
Norway

Legal Adviser to the Company
(as to Norwegian law)

Advokatfirmaet Schjødt AS
Ruseløkkveien 14
0201 Oslo
Norway