



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2021 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer: 920 340 245
Organisasjonsform: Aksjeselskap
Foretaksnavn: SUBSEA 7 I-TECH NORWAY AS
Forretningsadresse: Kanalsletta 9
4033 STAVANGER

Regnskapsår

Årsregnskapets periode: 01.01.2021 - 31.12.2021

Konsern

Morselskap i konsern: Nei

Regnskapsregler

Regler for små foretak benyttet: Ja
Benyttet ved utarbeidelsen av årsregnskapet til selskapet: Forenklet IFRS

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Odd Terje Ellingsen
Dato for fastsettelse av årsregnskapet: 23.05.2022

Grunnlag for avgivelse

År 2021: Årsregnskapet er elektronisk innlevert
År 2020: Tall er hentet fra elektronisk innlevert årsregnskap fra 2021

Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.

Brønnøysundregistrene, 22.06.2023



Resultatregnskap

Beløp i: NOK	Note	2021	2020
RESULTATREGNSKAP			
Inntekter			
Revenue	2	445 749 191	541 504 798
Sum inntekter		445 749 191	541 504 798
Kostnader			
Cost of sales		41 026 566	56 500 727
Employee benefits expense	9	64 593	
Depreciation	5	7 529 966	47 394 895
Nedskrivning av varige driftsmidler og immaterielle eiendeler	5		
Other expenses	9	397 192 352	439 569 484
Sum kostnader		445 813 476	543 465 106
Driftsresultat		-64 286	-1 960 308
Finansinntekter og finanskostnader			
Renteinntekt fra foretak i samme konsern			51 599
Other financial income		10 846 747	8 132 372
Sum finansinntekter		10 846 747	8 183 971
Rentekostnad til foretak i samme konsern		915 188	2 223 465
Annen rentekostnad		5 863	1 421 943
Other financial expenses		12 696 089	2 326 529
Sum finanskostnader		13 617 139	5 971 937
Netto finans		-2 770 392	2 212 034
Ordinært resultat før skattekostnad		-2 834 678	251 726
Income tax expense	4	208 019	944 966
Ordinært resultat etter skattekostnad		-3 042 697	-693 240
Årsresultat		-3 042 697	-693 240
Årsresultat etter minoritetsinteresser		-3 042 697	-693 240
Totalresultat		-3 042 697	-693 240



Resultatregnskap

Beløp i: NOK	Note	2021	2020
Overføringer og disponeringer			
Other equity		-3 042 697	-693 240
Sum overføringer og disponeringer		-3 042 697	-693 240



Balanse

Beløp i: NOK	Note	2021	2020
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Utsatt skattefordel	4	14 405 714	13 782 085
Sum immaterielle eiendeler		14 405 714	13 782 085
Varige driftsmidler			
Buildings and land	5		
Machinery and equipment	5	13 848 056	21 378 022
Ships	5		
Equipment and other movables	5		
Sum varige driftsmidler	5	13 848 056	21 378 022
Finansielle anleggsmidler			
Lån til tilknyttet selskap og felles kontrollert virksomhet		965 214	
Sum finansielle anleggsmidler		965 214	
Sum anleggsmidler		29 218 984	35 160 107
Omløpsmidler			
Varer			
Sum varer		3 084 426	1 067 747
Fordringer			
Accounts receivables	6, 7	47 118 746	46 126 982
Other short-term receivables		3 788 026	7 806 040
Krav på innbetaling av selskapskapital	7		
Sum fordringer		50 906 773	53 933 022
Sum omløpsmidler		53 991 199	55 000 769
SUM EIENDELER		83 210 183	90 160 876

BALANSE - EGENKAPITAL OG GJELD



Balanse

Beløp i: NOK	Note	2021	2020
Egenkapital			
Innskutt egenkapital			
Share capital	3	30 000	30 000
Beholdning av egne aksjer	3		
Annen innskutt egenkapital		65 011 680	65 011 680
Sum innskutt egenkapital		65 041 680	65 041 680
Opptjent egenkapital			
Other equity		-53 666 585	-50 623 888
Sum opptjent egenkapital		-53 666 585	-50 623 888
Sum egenkapital		11 375 095	14 417 792
Gjeld			
Langsiktig gjeld			
Utsatt skatt	4		
Other provisions		11 459 517	10 489 710
Sum avsetninger for forpliktelser		11 459 517	10 489 710
Annen langsiktig gjeld			
Other non-current liabilities	7		
Sum langsiktig gjeld		11 459 517	10 489 710
Kortsiktig gjeld			
Leverandørgjeld	7	30 828 594	31 627 196
Tax payable	4		
Public duties payable		3 263 152	
Other current liabilities	7, 8	26 283 826	33 626 179
Sum kortsiktig gjeld		60 375 571	65 253 375
Sum gjeld		71 835 088	75 743 084
SUM EGENKAPITAL OG GJELD		83 210 183	90 160 876



Brønnøysundregistrene

ÅRSREGNSKAP FOR REGNSKAPSÅRET 2021 - GENERELL INFORMASJON

Journalnummer: 2022 470656

Enheten

Organisasjonsnummer: 920 340 245
Organisasjonsform: Aksjeselskap
Foretaksnavn: SUBSEA 7 I-TECH NORWAY AS
Forretningsadresse: Kanalsletta 9
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Brønnøysundregistrene, 21.06.2022



Organisasjonsnr: 920 340 245
SUBSEA 7 I-TECH NORWAY AS

RESULTATREGNSKAP

<u>Beløp i: NOK</u>	<u>Note</u>	<u>2021</u>	<u>2020</u>
RESULTATREGNSKAP			
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Organisasjonsnr: 920 340 245
SUBSEA 7 I-TECH NORWAY AS

BALANSE

Beløp i: NOK **Note** **2021** **2020**

BALANSE - EIENDELER

Anleggsmidler

Immaterielle eiendeler

Utsatt skattefordel 4 14 405 714 13 782 085
Sum immaterielle eiendeler 14 405 714 13 782 085

Varige driftsmidler

Buildings and land 5
Machinery and equipment 5 13 848 056 21 378 022
Ships 5
Equipment and other
movables 5
Sum varige driftsmidler 5 13 848 056 21 378 022

Finansielle anleggsmidler

Lån til tilknyttet
selskap og felles
kontrollert virksomhet 965 214
Sum finansielle
anleggsmidler 965 214
Sum anleggsmidler 29 218 984 35 160 107

Omløpsmidler

Varer

Sum varer 3 084 426 1 067 747

Fordringer

Accounts receivables 6, 7 47 118 746 46 126 982
Other short-term
receivables 3 788 026 7 806 040
Krav på innbetaling av
selskapskapital 7
Sum fordringer 50 906 773 53 933 022

Sum omløpsmidler 53 991 199 55 000 769

SUM EIENDELER 83 210 183 90 160 876

BALANSE - EGENKAPITAL OG GJELD

Egenkapital

Innskutt egenkapital

Share capital 3 30 000 30 000
Beholdning av egne aksjer 3
Annen innskutt egenkapital 65 011 680 65 011 680
Sum innskutt egenkapital 65 041 680 65 041 680



Opptjent egenkapital			
Other equity		-53 666 585	-50 623 888
Sum opptjent egenkapital		-53 666 585	-50 623 888
Sum egenkapital		11 375 095	14 417 792
Gjeld			
Langsiktig gjeld			
Utsatt skatt	4		
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SUM EGENKAPITAL OG GJELD		83 210 183	90 160 876



Organisasjonsnr: 920 340 245
SUBSEA 7 I-TECH NORWAY AS

NOTEOPPLYSNINGER - SELSKAP - alle poster oppgitt i hele tall

Note

Antall aksjer og aksjeeiere

Note

Antall årsverk i regnskapsåret

Virksomheten har hatt følgende antall årsverk:
0.00

Omløpsmidler Startdato Sluttdato Endring

Skattemessig fremf.undersk. Startdato Sluttdato Endring

Kortsiktig gjeld Startdato Sluttdato Endring



Subsea 7 i-Tech Norway AS
Company registration number 920 340 245

DIRECTORS REPORT 2021

The Financial statements and notes in this report are specific to Subsea 7 i-Tech Norway AS (the Company) and not the wider Subsea 7 S.A. Group.

Subsea 7 i-Tech Norway AS is indirectly 100 % owned by Subsea 7 S.A., a global leader in the delivery of projects and services for the offshore energy industry. Subsea 7 S.A. is listed on the Oslo Stock Exchange. Subsea 7 provides project management, engineering and construction expertise across the offshore oil & gas and renewable energy life-cycle. These services are delivered within the operational business units Subsea & Conventional and Renewables. The Annual Report and Consolidated Financial statements of Subsea 7 S.A. are available at www.subsea7.com.

The main activity of Subsea 7 i-Tech Norway AS is delivery of IMR projects (Inspection, Maintenance and Repair) primarily in the Norwegian sector of the North Sea. In addition, the Company owns and operate ROV equipment and sublet 3rd party vessels. The Company's head office is at Kanalsletta 9, Sola.

FINANCIAL STATEMENT REVIEW 2021 (in NOK)

Operating income	: 445,749,191
Net profit before tax	: -2,834,678
Net income/(loss)	: -3,042,697
Total comprehensive income/(loss)	: -3,042,697
Total equity	: 11,375,095
Total equity and liabilities	: 83,210,183

The operating income has decreased by approx. 17.7 % compared to 2020 (NOK 541,504,798). The decrease is mainly related to reduction in recovery from ROV equipment and vessel chartering (MMA Pinnacle and Siem Spearfish). Project job level income is in line with 2020, the reduced operating result is generated from decrease in internal rental of ROV equipment and charter of 3rd party IMR vessels Siem Spearfish and MMA Pinnacle. The operating income is generated from the Equinor Subsea IMR Services frame contact and intra-group services provided to other entities within the Subsea 7 Group.

The profit for the year after tax was NOK -3.0m and has been allocated to other equity. At the end of December 2021, shareholders equity amounted to NOK 11.4m compared to NOK 14.4m at the end of 2020.

The Board is of the opinion that the Financial statement presents a fair and correct view of the Company's financial position.

GOING CONCERN

The Company has adequate resources to continue in operational existence for the foreseeable future. The Board of directors is of the opinion that the Company is a going concern and the Annual accounts are prepared under this assumption. The company has an insurance policy for members of the Board of Directors and the general manager that covers potential liability towards the company



and third parties.

FINANCIAL RISK

Market risk

Subsea 7 i-Tech Norway AS signed a Subsea IMR Service Frame contract with Equinor in 2018. The frame contract is a provisional sum dayrate contract running from 2019 to 2023.

The contract scope consist of 365 days/per year offshore operation with the IMR and Light construction vessel Seven Viking supported by an onshore project management and engineering team. The Subsea IMR Service frame contract with Equinor provides predictability and a sound back-log in the contract period. Most transactions are in NOK, but the company may be exposed to foreign exchange fluctuations, mainly in USD and GBP.

As per 1st November 2021 all new work orders for Equinor Subsea IMR Services were transferred to Subsea 7 Norway AS.

Credit risk

The Company's main external client, Equinor, is a very solid energy company with a proven ability to fulfil their financial obligations. The credit risk is deemed to be low.

Liquidity risk

Subsea 7 i-Tech Norway AS is part of Group's cash pooling Working Capital Agreement and will receive funding if required. Subsea 7 S.A. has a strong balance sheet and sufficient access to cash securing financial stability for its subsidiaries.

LOOKING FORWARD STATEMENT

The Board find it appropriate to mention that there is an ongoing evaluation regarding a potential merger between the Company and Subsea 7 Norway AS. Final decision is subject to Board and General meeting approval.

EMPLOYEES

One person was employed by the Company for parts of the year. The Company hire onshore and offshore personnel from other Subsea 7 entities, mainly Subsea 7 Norway AS.

The Board of directors consists of 2 men and 1 woman.

ENVIRONMENTAL REPORT

Subsea 7 has implemented an integrated HSEQ management system, which is certified by DNV against the ISO 9001, 14001 and 45001 standards. The management system is overseen by senior management and underpinned by our HSEQ Policy Statement. Central elements of our management system are stakeholder engagement, compliance with legislative requirements and striving for continuous improvement. Together with our Values (Safety, Integrity, Sustainability, Performance, Collaboration and Innovation), these drive our HSEQ performance. Based on this, the Company has established procedures, routines and measures that enable us to meet the regulatory requirements and minimize environmental risk from our operations.

Under our value "Sustainability", the company has 6 defined Sustainability Priorities: Employee Health, Safety and Wellbeing; Labour Practices and Human Rights; Business Ethics; Energy Transition; Operational Eco-Efficiency and Ecological Impacts. In 2021, Subsea 7 also published a

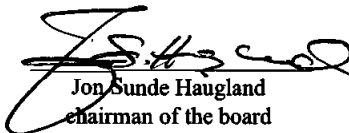
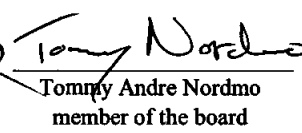
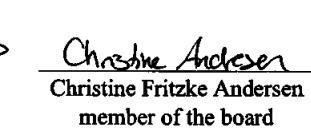


Net Zero Carbon target for 2050 with intermediate targets and established a separate entity for fixed offshore wind installation. Sustainability is increasingly becoming part of our core business and this will drive our efforts in energy transition and subsea field of the future.

The Company vessels are managed in accordance with ISM and comply with all MARPOL regulations related to emissions to air, generation of waste and discharges to water from our ships. The Company has, in accordance with international regulations, established contingency plans for all vessels related to pollution accidents. These plans are subject to the approval of an independent third party.

Forus, 23.05.2022

The board of Subsea 7 i-Tech Norway AS

 Jon Sunde Haugland chairman of the board	 Tommy Andre Nordmo member of the board	 Christine Fritzke Andersen member of the board
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**Statement of Comprehensive Income**

Subsea 7 i-Tech Norway AS

Operating income and operating expenses	Note	2021	2020
Revenue	2	445,749,191	541,504,798
Total income		445,749,191	541,504,798
Cost of sales		41,026,566	56,500,727
Employee benefits expense	9	64,593	0
Depreciation	5	7,529,966	47,394,895
Other expenses	9	397,192,352	439,569,484
Total expenses		445,813,476	543,465,106
Operating profit/(loss)		-64,286	-1,960,308
Financial income and expenses			
Interest income from group companies		0	51,599
Other financial income		10,846,747	8,132,372
Sum financial income		10,846,747	8,183,971
Interest expense to group companies		915,188	2,223,465
Other interest expenses		5,863	1,421,943
Other financial expenses		12,696,089	2,326,529
Sum financial expenses		13,617,139	5,971,937
Net financial items		-2,770,392	2,212,034
Net profit before tax		-2,834,678	251,726
Income tax expense	4	208,019	944,966
Net profit after tax		-3,042,697	-693,240
Net income/(loss)		-3,042,697	-693,240
Other comprehensive income/(loss)		0	0
Total comprehensive income/(loss)		-3,042,697	-693,240
Attributable to			
Other equity		-3,042,697	-693,240
Total		-3,042,697	-693,240

Subsea 7 i-Tech Norway AS

Side 4



Balance sheet			
Subsea 7 i-Tech Norway AS			
Assets	Note	2021	2020
Non-current assets			
Deferred tax assets	4	14,405,714	13,782,085
Total intangible assets		<u>14,405,714</u>	<u>13,782,085</u>
Machinery and equipment	5	13,848,056	21,378,022
Total property, plant and equipment	5	<u>13,848,056</u>	<u>21,378,022</u>
Other non-current assets		965,214	0
Total non-current financial assets		<u>965,214</u>	<u>0</u>
Total non-current assets		<u>29,218,984</u>	<u>35,160,107</u>
Current assets			
Inventories		3,084,426	1,067,747
Debtors			
Accounts receivables	6, 7	47,118,746	46,126,982
Other short-term receivables		3,788,026	7,806,040
Group contribution	7	0	0
Total receivables		<u>50,906,773</u>	<u>53,933,022</u>
Total current assets		<u>53,991,199</u>	<u>55,000,769</u>
Total assets		<u>83,210,183</u>	<u>90,160,876</u>


**Balance sheet**


Subsea 7 i-Tech Norway AS


Equity and liabilities	Note	2021	2020
Paid-in capital			
Share capital	3	30,000	30,000
Other paid-up equity		<u>65,011,680</u>	<u>65,011,680</u>
Total paid-up equity		<u>65,041,680</u>	<u>65,041,680</u>
Retained earnings			
Other equity		<u>-53,666,585</u>	<u>-50,623,888</u>
Total retained earnings		<u>-53,666,585</u>	<u>-50,623,888</u>
Total equity		<u>11,375,095</u>	<u>14,417,792</u>
Liabilities			
Non-current liabilities			
Other provisions		<u>11,459,517</u>	<u>10,489,710</u>
Total non-current liabilities		<u>11,459,517</u>	<u>10,489,710</u>
Current liabilities			
Trade payables	7	30,828,594	31,627,196
Public duties payable		3,263,152	0
Other current liabilities	7, 8	<u>26,283,826</u>	<u>33,626,179</u>
Total current liabilities		<u>60,375,571</u>	<u>65,253,375</u>
Total liabilities		<u>71,835,088</u>	<u>75,743,084</u>
Total equity and liabilities		<u>83,210,183</u>	<u>90,160,876</u>

Forus, 23.05.2022

The board of Subsea 7 i-Tech Norway AS


Jon Sunde Haugland
chairman of the board


Tommy Andre Nordmo
member of the board


Christine Fritzke Andersen
member of the board

**Indirect cash flow**

Subsea 7 i-Tech Norway AS

	Note	2021	2020
Cash flows from operating activities			
		-2,834,678	251,726
	Profit/loss before tax		
+	Depreciation	7,529,966	47,394,895
+/-	Change in inventory	-2,016,679	-1,067,747
+/-	Change in accounts receivable	-1,038,452	-5,200,601
+/-	Change in accounts payable	-662,977	-34,477,227
+/-	Exchange rate variations	68,833	-2,242,463
+/-	Change in other accrual items	-1,046,013	23,698,652
=	Net cash from operating activities	<u>0</u>	<u>28,357,234</u>
Cash flows from investment activities			
-	Payments to buy tangible assets	0	28,907,992
=	Net cash from investments activities	<u>0</u>	<u>-28,907,992</u>
Cash flows from financing activities			
-	Cash payments for the principal portion of lease liability	0	64,449,242
+	Proceeds from Group contributions	0	65,000,000
=	Net cash flow from financing activities	<u>0</u>	<u>550,758</u>
+	Cash and cash equivi. at the start of the period	0	0
=	Cash and cash equivalents at the end of the period	<u>0</u>	<u>0</u>



Statement of Equity 2021

	Share capital	Other paid-up equity	Other equity	Total
As at 1.1.2021	30,000	65,011,680	-50,623,888	14,417,792
Net income/(loss) of the year			-3,042,697	-3,042,697
Total comprehensive income/(loss) 31.12		0	-53,666,585	-53,666,585
Pr 31.12.2021	30,000	65,011,680	-53,666,585	11,375,095

Note1 Accounting principles

The Financial statements and notes in this report are specific to Subsea 7 i-Tech Norway AS and not the wider Subsea 7 S.A. Group. The results for the Subsea 7 S.A. Group are contained within the Annual Report and Consolidated Financial Statements of Subsea 7 S.A. which can be found at www.subsea7.com.

The Financial statement for 2021 is prepared in accordance with the Norwegian Accounting Act § 3-9 and Regulation on IFRS Light of January 21st 2008:57 as provided by the Norwegian Ministry of Finance.

This means that measurement and recognition follow IFRS and that presentation and notes are in accordance with the Norwegian Accounting Act and NGAAP.

The Company has taken advantage of the following exemptions from Regulation on IFRS Light of January 21st 2008:57:

- Section 3.2.3 Dividend and Group Contribution - The Company will treat Dividend and Group Contribution in accordance with the Norwegian Accounting Act.
- Cash flow statement is presented in accordance with RL§ 3-2 and NRS.

Changes in standards and interpretations with future effective date

The Company intend to implement any relevant amendments to applicable standards when they become effective. The Company has no knowledge of future accounting standard or interpretations that will have significant impact on the Financial statement.

Currency

The Financial statements are presented in NOK, which is the Company's functional currency and the currency of the primary economic environment in which the Company operates.

Transactions in foreign currencies are translated to NOK using exchange rates provided on a monthly basis by Subsea 7 Group (source: Bloomberg).

Estimates

Management is required to make judgements, estimates and assumptions regarding the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other assumptions that the Company believes to be reasonable under the circumstances. Actual results may differ from these estimates under different assumptions or conditions.



The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised prospectively in the period in which the estimate is revised.

Revenue and cost recognition

Day-rate contracts

Inspection, Maintenance and Repair (IMR) services are provided on a day-rate basis. A day-rate contracts consist of a range of activities compensated based on a contractual agreed set of rates and revenue is recognised when goods or services are provided to the customer.

The transaction price for all day-rate contracts is determined by the expected value approach being the number of days multiplied by the expected day-rate. This method of revenue recognition for day-rate contracts provides a faithful depiction of the transfer of goods and services. Typically, the value of work completed in any one month corresponds directly with Subsea 7's right to payment.

Costs are expensed in the same period as revenue recognised.

Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

The financial instrument is recognised when the entity becomes party to the contractual provision of the instrument. On initial recognition are both financial assets and liabilities recognised at fair value.

Subsequent measurement of financial instruments is dependent on the classification of the financial asset or liability at initial recognition.

Initial measurement is based upon one of four IFRS 9 'Financial Instruments' models: amortised cost; fair value through profit and loss; fair value through other comprehensive income (with recycling of accumulated gains and losses) or fair value through other comprehensive income (without recycling of accumulated gains and losses).

The Company's main financial asset are trade and other receivables, intercompany receivables and derivate financial instruments. The financial liabilities include trade and payables, intercompany payable and lease liabilities.

Financial assets and liabilities are measured at amortised cost. Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

Payables are measured at their nominal amount when the effect of discounting is not material.

Accounts receivable and other receivables

Accounts receivable and other current receivables are recorded in the balance sheet at nominal value.



The Company applies the expected credit loss (ECL) impairment model to record allowances for expected credit losses. The expected credit loss model applies to all debt financial assets accounted for in accordance with IFRS 9 'Financial Instruments'.

For contract assets and trade and other receivables which do not contain a significant financing component, the Company applies the simplified approach. This approach requires the allowance for ECLs to be recognised at an amount equal to lifetime expected credit losses.

For other debt financial assets, the allowance for ECLs is calculated on a 12-month basis and is based on the portion of ECLs expected to result from default events possible within 12 months of the reporting date.

Valuation and classification

Assets acquired for long term use are classified as Property, plant and equipment and accounted for at historical cost and depreciated over the useful economic life of the asset.

Other assets are classified as Current assets and recorded at the lowest of acquisition cost and fair value.

Current and non-current liabilities are recognised in the Balance sheet at nominal amount at the time of acquisition.

Property, plant and equipment

Property, plant and equipment are capitalized at cost less accumulated depreciation and accumulated impairment charges.

Depreciation is calculated on a straight-line basis over the estimated useful life of the asset.

If the carrying amount of a non-current asset exceeds its estimated recoverable amount, and this is not temporarily, is the asset impaired accordingly.

Gains and losses on disposals are recognised in the Statement of Comprehensive Income in the period in which the asset is disposed.

Costs for maintenance are expensed as incurred, whereas costs for improving and upgrading property plant and equipment are added to the acquisition cost and depreciated with the related asset.

Assets under construction are carried at cost, less any recognised impairment charge. Depreciation of these assets commences when the assets become operational and either commence activities or are deemed available for service.



Leasing

A lease is defined as a contract, or part of a contract, that conveys the right to control the use of an identified asset for a period in exchange for consideration.

Recognition of leases and exemptions

At the lease commencement date, the Company recognises a lease liability and corresponding right-of-use asset for all lease agreements in which it is the lessee, except for the following exemptions applied:

- Short-term leases (defined as 12 months or less)
- Low value assets

For these leases, the Group recognises the lease payments as other operating expenses in the statement of profit or loss when they incur.

Lease liabilities

The lease liability is recognised at the commencement date of the lease. The Company measures the lease liability at the present value of the lease payments for the right to use the underlying asset during the lease term that are not paid at the commencement date. The lease term represents the non-cancellable period of the lease, together with periods covered by an option either to extend or to terminate the lease when the Company is reasonably certain to exercise this option.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications, or to reflect adjustments in lease payments due to an adjustment in an index or rate.

Right-of-use assets

The Group measures the right-of-use asset at cost, less any accumulated depreciation and impairment losses, adjusted for any remeasurement of lease liabilities.

The Company applies the depreciation requirements in IAS 16 Property, Plant and Equipment in depreciating the right-of-use asset, except that the right-of-use asset is depreciated from the commencement date to the earlier of the lease term and the remaining useful life of the right-of-use asset.

The Company applies IAS 36 Impairment of Assets to determine whether the right-of-use asset is impaired and to account for any impairment loss identified.

Inventory

Inventories such as materials, consumables and spares are valued at the lower of cost and net selling price. The cost is arrived at using the FIFO method and includes the costs incurred in acquiring the goods and the costs of bringing the goods to their current state and location.

Net selling price is the estimated selling price in the case of ordinary operations minus the estimated completion, marketing and distribution costs.

Physical inventory inspection is done on a regular basis and obsolete inventory written down accordingly.

Taxation

Taxation expense or income recorded in the Statement of Comprehensive Income represents the sum of current tax and deferred tax charge or credit for the year.

Deferred tax is calculated with 22% based on the temporary differences between the Balance Sheet and the



corresponding tax bases, and tax loss to carry forward year end. Increasing and reducing tax bases of the temporary differences that are reversed or can be reversed in the same period are offset and netted. Deferred tax asset on net reducing tax bases of temporary differences that have not been offset and tax losses carried forward, are justified by assumed profit in the future.

Cash flow statement

The cash flow statement is prepared according to the Indirect method. Cash and cash equivalents include cash and bank deposits.



Note 2 Operating income

Operating income by geographic origin:	2021	2020
Norway	345,480,633	492,072,145
UK	100,265,822	46,978,971
Other	2,736	2,453,682
Total	445,749,191	541,504,798

Operating income by activity:		
IMR projects (Inspection, Maintenance and Repair)	300,735,017	301,985,457
Vessel chartering	122,250,970	206,539,773
ROV equipment	0	32,047,002
Other	22,763,204	932,566
Total	445,749,191	541,504,798

IMR

Income relates to the activities associated with the provision of IMR services, drill-rig operations, integrity management of subsea infrastructure and remote intervention support.

Vessel chartering

Income relates to the charter of the vessels Siem Spearfish and MMA Pinnacle to other entities within the Subsea 7 Group.

ROV equipment

Income relates to rental of ROV equipment.



Note 3 Shareholders

The share capital in Subsea 7 i-Tech Norway AS as of 31/12 consists of:

	Total	Face value	Entered
Ordinary shares	300	100.0	30,000
Total	300		30,000

Ownership structure

The largest shareholders in % at year end:

	Ordinary	Owner interest	Share of votes
Subsea 7 i-Tech Limited	300	100.0	100.0

Note 4 Skattenote

This year's tax expense	2021	2020
Entered tax on ordinary profit/loss:		
Payable tax	831,648	889,586
Changes in deferred tax assets	-623,629	55,380
Tax expense on ordinary profit/loss	208,019	944,966

Taxable income:

Ordinary result before tax	-2,834,678	251,726
Changes in temporary differences	2,904,687	-23,616,051
Use of carried forward loss from previous year	-70,009	
Restricted interest	-465,532	2,180,687
Taxable income	-465,532	-21,183,638

Payable tax in the balance:

Payable tax on this year's result	0	0
Total payable tax in the balance	0	0

Calculation of effective tax rate:

Profit before tax	-2,834,678	251,726
Calculated tax on profit before tax	-623,629	55,380
Income tax contingency	831,648	889,586
Total	208,019	944,966
Effective tax rate	-7.34%	375.39%

The tax effect of temporary differences and loss for to be carried forward that has formed the basis for deferred tax and deferred tax advantages, specified on type of temporary differences:

	2021	2020	Difference
Tangible assets	-4,653,059	-1,748,371	2,904,687
Total	-4,653,059	-1,748,371	2,904,687
Accumulated loss to be brought forward	-59,112,306	-58,716,784	395,522
Restricted interest	-1,715,155	-2,180,687	-465,532
Basis for deferred tax assets	-65,480,519	-62,645,842	2,834,677
Deferred tax assets (22%)	-14,405,714	-13,782,085	623,629



Note 5 Non-current assets

	Machinery and equipment	Total
Purchase cost as of 01.01.21	28,907,992	28,907,992
= Acquisition cost 31.12.21	28,907,992	28,907,992
Accumulated depreciation 31.12.21	15,059,936	15,059,936
= Book value 31.12.21	13,848,056	13,848,056
This year's ordinary depreciations	7,529,966	7,529,966
Economic life	5-10 years	

Note 6 Accounts Receivable

Accounts Receivable	2021	2020
Accounts Receivable - Trade	17,032,543	11,361,829
Unbilled - accrued income	30,086,203	34,765,153
Total	47,118,746	46,126,982

Note 7 Balances held with Group companies

	Customer receivables		Other long-term liabilities	
	2021	2020	2021	2020
Companies in the same group	11,970,357	0		
Total	11,970,357	0		
	Debt to suppliers		Other long-term liabilities	
	2021	2020	2021	2020
Companies in the same group	-19,461,648	-27,859,898	0	0
Jointly controlled businesses	-1,020,570	-228,978		
Total	-20,482,218	-28,088,876	0	0

The Company is part of Subsea 7's Working Capital Agreement and an automated sweeping mechanism setup, whereby any surplus funds are deposited with Subsea 7 Treasury Ltd (STL) overnight, conversely any



overdrawn positions are funded by STL.

Note 8 Other current liabilities

	2021	2020
Provisions	26,283,826	33,626,179
Total other current liabilities	26,283,826	33,626,179

Note 9 Employees and auditor

Salary costs

	2021	2020
Salaries	458,082	0
Employment tax	339,546	0
Pension costs	34,931	0
Other benefits	316,083	0
Secondment	-1,084,049	0
Total	64,593	0

In 2021 the company employed 0,3 man-years. The employee has been on secondment and the wage cost is therefore charged to company Subsea 7 (UK Service Company) Limited.

The Vice President and Board of directors have not received any remuneration or other benefits in relation to their responsibilities as VP and members of the Board.

Audit fee for the 2021 Financial Statement (decreed by law) was NOK 135,000.

Note 10 Other information

Guarantee obligations

The Company has bank guarantee liabilities to the International Tax Collection Office (Skatteoppkrever utland) of NOK 0.5M, and to Equinor NOK 5.0M in relation to the Subsea IMR Services contract.

Post balance sheet date incidents

There have been no events after the balance sheet date that impact the financial results for 2021.



Statsautoriserte revisorer
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INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of Subsea 7 i-tech Norway AS

Opinion

We have audited the financial statements of Subsea 7 i-tech Norway AS (the Company), which comprise the balance sheet as at 31 December 2021, the income statement, statement of cash flows and statement of changes in equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion the financial statements comply with applicable legal requirements and give a true and fair view of the financial position of the Company as at 31 December 2021 and its financial performance and cash flows for the year then ended in accordance with simplified application of international accounting standards according to section 3-9 of the Norwegian Accounting Act.

Basis for opinion

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

Other information

Other information consists of the information included in the annual report other than the financial statements and our auditor's report thereon. Management (the board of directors and the general manager) is responsible for the other information. Our opinion on the financial statements does not cover the other information, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information, and, in doing so, consider whether the board of directors' report contains the information required by legal requirements and whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information or that the information required by legal requirements is not included, we are required to report that fact.

We have nothing to report in this regard, and in our opinion, the board of directors' report is consistent with the financial statements and contains the information required by applicable legal requirements.

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with simplified application of international accounting standards according to section 3-9 of the Norwegian Accounting Act, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the



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going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

Stavanger, 01. June 2022
ERNST & YOUNG AS

The auditor's report is signed electronically

Stig Tore Strand
State Authorised Public Accountant (Norway)

Independent auditor's report - Subsea 7 i-tech Norway AS 2021

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Stig Tore Strand

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