



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2023 - GENERELL INFORMASJON

Enheten

| | |
|----------------------|-------------------------------------|
| Organisasjonsnummer: | 988 263 419 |
| Organisasjonsform: | Aksjeselskap |
| Foretaksnavn: | DOF SUBSEA AS |
| Forretningsadresse: | Thormøhlens gate 53C 5006 BERGEN |

Regnskapsår

| | |
|-------------------------|-------------------------|
| Årsregnskapets periode: | 01.01.2023 - 31.12.2023 |
|-------------------------|-------------------------|

Konsern

| | |
|---------------------------|----|
| Mørselskap i konsern: | Ja |
| Konsernregnskap lagt ved: | Ja |

Regnskapsregler

| | |
|--|----------------|
| Regler for små foretak benyttet: | Nei |
| Benyttet ved utarbeidelsen av årsregnskapet til selskapet: | Forenklet IFRS |
| Benyttet ved utarbeidelsen av årsregnskapet til konsernet: | IFRS |

Årsregnskapet fastsatt av kompetent organ

| | |
|--|-------------------|
| Bekreftet av representant for selskapet: | Christoffer Lunde |
| Dato for fastsettelse av årsregnskapet: | 30.05.2024 |

Grunnlag for avgivelse

| |
|--|
| År 2023: Årsregnskapet er elektronisk innlevert |
| År 2022: Tall er hentet fra elektronisk innlevert årsregnskap fra 2023 |

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, 08.07.2025



Resultatregnskap

| Beløp i: NOK | Note | 2023 | 2022 |
|---|------|----------------------|---------------------|
| RESULTATREGNSKAP | | | |
| Inntekter | | | |
| Operating revenue | 5 | 127 000 000 | 115 000 000 |
| Sum inntekter | | 127 000 000 | 115 000 000 |
| Kostnader | | | |
| Payroll expenses | 6 | 63 000 000 | 63 000 000 |
| Depriciation and impairment | 7 | 7 000 000 | 6 000 000 |
| Other operating expenses | | 92 000 000 | 67 000 000 |
| Rounding corrections | | | 1 000 000 |
| Sum kostnader | | 162 000 000 | 137 000 000 |
| Driftsresultat | | -35 000 000 | -22 000 000 |
| Finansinntekter og finanskostnader | | | |
| Income from investments | 8 | 415 000 000 | 59 000 000 |
| Financial income | 8 | 654 000 000 | 196 000 000 |
| Realised net gain on derivative instruments and currency position | 8 | 55 000 000 | 5 000 000 |
| Sum finansinntekter | | 1 124 000 000 | 260 000 000 |
| Financial expenses | 8 | -799 000 000 | 408 000 000 |
| Unrealised net loss on derivative instruments and currency position | 8 | 11 000 000 | 94 000 000 |
| Rounding corrections | | -1 000 000 | |
| Sum finanskostnader | | -789 000 000 | 502 000 000 |
| Netto finans | | 1 913 000 000 | -242 000 000 |
| Ordinært resultat før skattekostnad | | 1 878 000 000 | -264 000 000 |
| Income tax expenses | 9 | -261 000 000 | -34 000 000 |
| Ordinært resultat etter skattekostnad | | 2 139 000 000 | -230 000 000 |
| Årsresultat | | 2 139 000 000 | -230 000 000 |
| Overføringer og disponeringer | | | |
| To other equity | | 2 139 000 000 | -230 000 000 |



Resultatregnskap

| Beløp i: NOK | Note | 2023 | 2022 |
|-----------------------------------|-------------|---------------|--------------|
| Sum overføringer og disponeringer | | 2 139 000 000 | -230 000 000 |



Balanse

| Beløp i: NOK | Note | 2023 | 2022 |
|---|------|-----------------------|----------------------|
| BALANSE - EIENDELER | | | |
| Anleggsmidler | | | |
| Immaterielle eiendeler | | | |
| Utsatt skattefordel | 9 | 310 000 000 | 50 000 000 |
| Sum immaterielle eiendeler | | 310 000 000 | 50 000 000 |
| Varige driftsmidler | | | |
| Tangible assets | 7 | 13 000 000 | 20 000 000 |
| Sum varige driftsmidler | | 13 000 000 | 20 000 000 |
| Finansielle anleggsmidler | | | |
| Investering i datterselskap | 10 | 6 243 000 000 | 3 900 000 000 |
| Investeringer i tilknyttet selskap | 11 | 16 000 000 | 21 000 000 |
| Non-current receivables from Group companies and joint ventures | 12 | 5 529 000 000 | 280 000 000 |
| Rounding corrections | | -1 000 000 | |
| Sum finansielle anleggsmidler | | 11 787 000 000 | 4 201 000 000 |
| Sum anleggsmidler | | 12 110 000 000 | 4 271 000 000 |
| Omløpsmidler | | | |
| Varer | | | |
| Fordringer | | | |
| Current receivables from Group companies | 12 | 489 000 000 | 814 000 000 |
| Other current receivables | 13 | 22 000 000 | 9 000 000 |
| Rounding corrections | | | -1 000 000 |
| Sum fordringer | | 511 000 000 | 822 000 000 |
| Bankinnskudd, kontanter og lignende | | | |
| Restricted cash | 14 | 619 000 000 | 56 000 000 |
| Unrestricted cash and cash equivalents | 14 | 528 000 000 | 381 000 000 |
| Sum bankinnskudd, kontanter og lignende | | 1 147 000 000 | 437 000 000 |
| Sum omløpsmidler | | 1 658 000 000 | 1 259 000 000 |



Balanse

| Beløp i: NOK | Note | 2023 | 2022 |
|--|-------|-----------------------|-----------------------|
| SUM EIENDELER | | 13 768 000 000 | 5 530 000 000 |
| BALANSE - EGENKAPITAL OG GJELD | | | |
| Egenkapital | | | |
| Innskutt egenkapital | | | |
| Paid-in capital | 15 | 4 813 000 000 | 1 674 000 000 |
| Sum innskutt egenkapital | | 4 813 000 000 | 1 674 000 000 |
| Opptjent egenkapital | | | |
| Other equity | | 1 341 000 000 | -1 127 000 000 |
| Sum opptjent egenkapital | | 1 341 000 000 | -1 127 000 000 |
| Sum egenkapital | | 6 154 000 000 | 547 000 000 |
| Gjeld | | | |
| Langsiktig gjeld | | | |
| Annen langsiktig gjeld | | | |
| Obligasjonslån | 16 | 733 000 000 | |
| Gjeld til kredittinstitusjoner | 16 | 5 325 000 000 | |
| Lease liabilities | 16 | 13 000 000 | 25 000 000 |
| Non-current liabilities to Group companies | 16 | 311 000 000 | |
| Sum annen langsiktig gjeld | | 6 382 000 000 | 25 000 000 |
| Sum langsiktig gjeld | | 6 382 000 000 | 25 000 000 |
| Kortsiktig gjeld | | | |
| Current portion of debt | 16 | 290 000 000 | 3 761 000 000 |
| Leverandørgjeld | 17 | 11 000 000 | 8 000 000 |
| Current liabilities to Group companies | 14 | 909 000 000 | 1 057 000 000 |
| Other current liabilities | 18,19 | 22 000 000 | 132 000 000 |
| Sum kortsiktig gjeld | | 1 232 000 000 | 4 958 000 000 |
| Sum gjeld | | 7 614 000 000 | 4 983 000 000 |
| SUM EGENKAPITAL OG GJELD | | 13 768 000 000 | 5 530 000 000 |



Konsernets resultatregnskap

| Beløp i: NOK | Note | 2023 | 2022 |
|---|--------------------------|----------------------|-----------------------|
| RESULTATREGNSKAP | | | |
| Inntekter | | | |
| Operating revenue | 5,6,7,1 5,28 | 8 627 000 000 | 6 702 000 000 |
| Share of net income from joint ventures and associates | 16 | 410 000 000 | 606 000 000 |
| Profit from sale of non-current assets | 13 | 33 000 000 | 27 000 000 |
| Sum inntekter | | 9 070 000 000 | 7 335 000 000 |
| Kostnader | | | |
| Payroll expenses | 8,29 | 2 878 000 000 | 2 439 000 000 |
| Depreciation and impairment | 13 | -577 000 000 | -31 000 000 |
| Other operating expenses | 9,11,1 4,15,2 8,29 | 3 268 000 000 | 2 592 000 000 |
| Sum kostnader | | 5 569 000 000 | 5 000 000 000 |
| Driftsresultat | | 3 501 000 000 | 2 335 000 000 |
| Finansinntekter og finanskostnader | | | |
| Financial income | 10 | 184 000 000 | 71 000 000 |
| Unrealised net gain on derivative instruments and currency position | 10 | 782 000 000 | -636 000 000 |
| Sum finansinntekter | | 966 000 000 | -565 000 000 |
| Financial expenses | 10 | 744 000 000 | 996 000 000 |
| Realised loss on derivative instruments and currency position | 10 | 1 034 000 000 | -45 000 000 |
| Rounding corrections | | -1 000 000 | 1 000 000 |
| Sum finanskostnader | | 1 777 000 000 | 952 000 000 |
| Netto finans | | -811 000 000 | -1 517 000 000 |
| Ordinært resultat før skattekostnad | | 2 690 000 000 | 818 000 000 |
| Income tax expense | 11 | -89 000 000 | 71 000 000 |
| Ordinært resultat etter skattekostnad | | 2 779 000 000 | 747 000 000 |
| Årsresultat | | 2 779 000 000 | 747 000 000 |



Konsernets resultatregnskap

| Beløp i: NOK | Note | 2023 | 2022 |
|--|------|----------------------|----------------------|
| Currency translation difference | | -44 000 000 | -80 000 000 |
| Share of other comprehensive income of joint ventures and associates | 16 | 187 000 000 | 361 000 000 |
| Sum resultatkomponenter for IFRS-foretak | | 143 000 000 | 281 000 000 |
| Totalresultat | | 2 922 000 000 | 1 028 000 000 |
| Overføringer og disponeringer | | | |
| To other equity | 22 | 2 880 000 000 | 1 041 000 000 |
| To minority interest | 22 | 42 000 000 | -13 000 000 |
| Sum overføringer og disponeringer | | 2 922 000 000 | 1 028 000 000 |



Konsernets balanse

| Beløp i: NOK | Note | 2023 | 2022 |
|--|-----------------|-----------------------|-----------------------|
| BALANSE - EIENDELER | | | |
| Anleggsmidler | | | |
| Immaterielle eiendeler | | | |
| Utsatt skattefordel | 11 | 595 000 000 | 101 000 000 |
| Sum immaterielle eiendeler | | 595 000 000 | 101 000 000 |
| Varige driftsmidler | | | |
| Tangible assets | 13,15, 23,31 | 9 603 000 000 | 7 656 000 000 |
| Sum varige driftsmidler | | 9 603 000 000 | 7 656 000 000 |
| Finansielle anleggsmidler | | | |
| Investeringer i tilknyttet selskap | 16 | 3 276 000 000 | 3 646 000 000 |
| Other non-current receivables | 17,26, 28 | 1 315 000 000 | 194 000 000 |
| Sum finansielle anleggsmidler | | 4 591 000 000 | 3 840 000 000 |
| Sum anleggsmidler | | 14 789 000 000 | 11 597 000 000 |
| Omløpsmidler | | | |
| Varer | | | |
| Fordringer | | | |
| Trade receivables | 18,26 | 1 980 000 000 | 1 506 000 000 |
| Other current receivables | 19,26, 28 | 845 000 000 | 458 000 000 |
| Sum fordringer | | 2 825 000 000 | 1 964 000 000 |
| Bankinnskudd, kontanter og lignende | | | |
| Restricted cash | 20 | 778 000 000 | 178 000 000 |
| Unrestricted cash and cash equivalents | 20 | 1 293 000 000 | 2 035 000 000 |
| Sum bankinnskudd, kontanter og lignende | | 2 071 000 000 | 2 213 000 000 |
| Sum omløpsmidler | | 4 896 000 000 | 4 177 000 000 |
| SUM EIENDELER | | 19 685 000 000 | 15 774 000 000 |



Konsernets balanse

| Beløp i: NOK | Note | 2023 | 2022 |
|---------------------------------------|-------|-----------------------|-----------------------|
| BALANSE - EGENKAPITAL OG GJELD | | | |
| Egenkapital | | | |
| Innskutt egenkapital | | | |
| Share capital | 21 | 1 926 000 000 | 1 674 000 000 |
| Sum innskutt egenkapital | | 1 926 000 000 | 1 674 000 000 |
| Opptjent egenkapital | | | |
| Other equity | | 8 021 000 000 | 1 862 000 000 |
| Minoritetsinteresser | 22 | 95 000 000 | 87 000 000 |
| Sum opptjent egenkapital | | 8 116 000 000 | 1 949 000 000 |
| Sum egenkapital | | 10 042 000 000 | 3 623 000 000 |
| Gjeld | | | |
| Langsiktig gjeld | | | |
| Annen langsiktig gjeld | | | |
| Obligasjonslån | 23,26 | 733 000 000 | 0 |
| Gjeld til kredittinstitusjoner | 23,26 | 5 976 000 000 | 0 |
| Lease liabilities | 15,23 | 601 000 000 | 261 000 000 |
| Other non-current liabilities | 28 | 3 000 000 | 4 000 000 |
| Sum annen langsiktig gjeld | | 7 313 000 000 | 265 000 000 |
| Sum langsiktig gjeld | | 7 313 000 000 | 265 000 000 |
| Kortsiktig gjeld | | | |
| Current portion of debt | 23 | 679 000 000 | 10 183 000 000 |
| Leverandørgjeld | 24 | 1 079 000 000 | 907 000 000 |
| Other current liabilities | 25,28 | 572 000 000 | 798 000 000 |
| Rounding corrections | | | -2 000 000 |
| Sum kortsiktig gjeld | | 2 330 000 000 | 11 886 000 000 |
| Sum gjeld | | 9 643 000 000 | 12 151 000 000 |
| SUM EGENKAPITAL OG GJELD | | 19 685 000 000 | 15 774 000 000 |



To the General Meeting of DOF Subsea AS

Independent Auditor's Report

Opinion

We have audited the financial statements of DOF Subsea AS, which comprise:

- the financial statements of the parent company DOF Subsea AS (the Company), which comprise the balance sheet as at 31 December 2023, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- the consolidated financial statements of DOF Subsea AS and its subsidiaries (the Group), which comprise the consolidated balance sheet as at 31 December 2023, the consolidated statement of comprehensive income, statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion

- the financial statements comply with applicable statutory requirements,
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with simplified application of international accounting standards according to section 3-9 of the Norwegian Accounting Act, and
- the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the EU.

Basis for Opinion

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

Other Information

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

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

PricewaterhouseCoopers AS, Sandviksbodene 2A, Postboks 3984 - Sandviken, NO-5835 Bergen
T: 02316, org. no.: 987 009 713 MVA, www.pwc.no
Statsautoriserte revisorer, medlemmer av Den norske Revisorforening og autorisert regnskapsførerselskap



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

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements of the Company that give a true and fair view in accordance with simplified application of international accounting standards according to the Norwegian Accounting Act section 3-9, and for the preparation of the consolidated financial statements of the Group that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU. Management is responsible for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. For further description of Auditor's Responsibilities for the Audit of the Financial Statements reference is made to: <https://revisorforeningen.no/revisionsberetninger>

Bergen, 18 April 2024
PricewaterhouseCoopers AS

Marius Kaland Olsen
State Authorised Public Accountant
(This document is signed electronically)



 Securely signed with Brevio

Revisjonsberetning

Signers:

| Name | Method | Date |
|----------------------|---------------|------------------|
| Olsen, Marius Kaland | BANKID | 2024-04-18 17:18 |

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Skattedirektoratet

| | | |
|--|---------------------------------|------------------------------|
| Saksbehandler Torstein Kinden Helleland | Deres dato 27.04.2009 | Vår dato 17.06.2010 |
| Telefon 22078139 | Deres referanse Petter Pharo | Vår referanse 2009/276917 |

DOF SUBSEA ASA
Thormøhlens gate 53 C
5006 BERGEN

MOTTATT

17. JUN 2010

Søknad om tillatelse til å utarbeide årsregnskap og årsberetning på engelsk språk

Det vises til brev av 27. april 2009 fra Ernst & Young Tax Advokatfirma AS samt telefonsamtaler i sakens anledning. De søker om tillatelse til å utarbeide årsregnskap og årsberetning på engelsk språk på vegne av;

| | |
|---------------------------------|-----------------------------|
| DOF Subsea Holding AS | org. nr. 993 087 564 |
| DOF Subsea Holding II AS | org. nr. 993 303 844 |
| DOF Subsea AS | org. nr. 988 263 419 |

Bakgrunn

DOF Subsea Holding AS eier DOF Subsea Holding II AS og DOF Subsea AS med 100 %. DOF Subsea Holding AS er igjen eid med 51 % av DOF ASA og 49 % av First Reserve Corporation hjemmehørende i Luxemburg. Dette selskapet er igjen eid av det amerikanske selskapet First Reserve Corporation. Aksjonærstrukturen er således begrenset. Selskapene driver virksomhet innen internasjonal shipping og subsea service. Selskapene har engelsk som arbeidsspråk. De aller fleste av selskapenes kunder, leverandører og andre brukere av regnskapet har engelsk som sitt naturlige språk. Dette gjelder også selskapenes långivere.

Selskapene må derfor i dag utarbeide alle regnskaper både på norsk og engelsk. Denne praksisen innebærer en vesentlig kostnad uten at man ser noen synlig nytte av den norske versjonen. Det søkes derfor om dispensasjon.

Skattedirektoratets vurdering og konklusjon

Etter regnskapsloven § 3-4 tredje ledd skal "årsregnskapet og årsberetningen ... være på norsk. Departementet kan ved ... enkeltvedtak bestemme at årsregnskapet og/eller årsberetningen kan være på et annet språk."

I Ot. prp. nr. 42 (1997-1998) Om lov om årsregnskap m.v., er det uttalt følgende om regnskapslovens formål, jf. pkt. 1.1:

"Regjeringen har som siktemål at regnskapsloven skal bidra til informative regnskaper for ulike grupper av regnskapsbrukere. Regnskapsbrukerne er dels investorer og kreditorer som tilfører kapital til foretakene, og dels andre grupper som har interesse av å vite hvordan foretaket drives, f.eks. de ansatte og lokalsamfunnet. Informasjonen til kapitalmarkedet skal gi grunnlag for riktig prising av finansielle objekter. Riktig prisdannelse på aksjer er en forutsetning for at ressursbruken i samfunnsøkonomien skal bli best mulig. Gode regnskaper vil også gjøre det vanskeligere for markedsdeltakere å ta ut spekulasjonsgevinster med basis i skjevt fordelt informasjon."

| | | |
|--|--|--|
| Postadresse Postboks 9200 Grønland 0134 Oslo | Besøksadresse Fredrik Selmers vei 4 Org. nr: 974761076 | Sentralbord 800 80 000 Telefaks 22 17 08 60 |
|--|--|--|

skattedirektoratet@skatteetaten.no



Det fremgår således at et av hovedformålene med regnskapsloven er å bidra til "*informative regnskaper for ulike grupper av regnskapsbrukere*". Regnskapsbrukere vil omfatte, jf. uttalelsen i proposisjonen, blant andre investorer, kreditorer, ansatte og lokalsamfunnet. Offentlige myndigheter må også anses som en sentral regnskapsbruker, idet ulike myndigheter, som lignings- og tilsynsmyndigheter, benytter regnskapene som sentrale verktøy i sin kontrollvirksomhet.

Det er etter Skattedirektoratets vurdering derfor avgjørende ved vurdering av om dispensasjon fra kravet til å utarbeide årsregnskap og/eller årsberetning på norsk skal gis, at det ikke foreligger mulige brukere av regnskapsinformasjon som blir negativt berørt ved en eventuell dispensasjon.

Som nevnt ovenfor er det særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. Det fremgår av søknaden at selskapene har en begrenset aksjonærstruktur. Selskapene opererer inne en bransje med sterk internasjonal karakter og arbeidsspråket er engelsk. Alle sentrale aktører innen de bransjer selskapene driver, antas å måtte beherske og benytte engelsk språk.

Skattedirektoratet gir på bakgrunn av en helhetsvurdering de overnevnte navngitte selskapene dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk, jf. regnskapsloven § 3-4 tredje ledd.

Dispensasjonen forutsetter at engelsk språk benyttes i stedet, og at øvrige opplysninger som vedtaket baserer seg på ikke endres vesentlig.

Vennligst oppgi vår referanse ved henvendelser i anledning saken.

Med hilsen

Jan Hoelstad
seniorrådgiver
Rettsavdelingen, foretaksskatt
Skattedirektoratet

Torstein Kinden Helleland



DOF Subsea
Annual Report 2023





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REPORT OF THE BOARD OF DIRECTORS

Report of the Board of Directors

Key notes

The DOF Subsea Group ("the Group") has after the financial restructuring in March, delivered strong results through the year and achieved a sustainable balance sheet by end of 2023.

The Group's revenue (management reporting) was NOK 10,261 million (NOK 8,302 million) and the EBITDA was NOK 3,763 million (NOK 2,939 million). The EBIT of NOK 3,960 million (NOK 2,693 million) and the net profit of NOK 2,779 million (NOK 747 million) was impacted by reversal of previous impairments due to an improved market and increased values of the Group's assets. The Group's total assets by year-end was NOK 23,363 million (NOK 19,804 million). The equity ratio was 43% (18%) and the net interesting bearing debt was NOK 8 248 million (NOK 11,349 million).

The Group's net cash flow (management reporting) from operating activities was NOK 1 751 million (NOK 2 585 million). Cash by end of the year was NOK 2 812 million (NOK 2 609 million).

The markets continued to be strong through the year resulting in a high utilisation of 91% (93%) and better earnings within both segments compared to previous year. The Group has maintained a strong focus on ESG and sustainable operations. DOF Group ASA, which the Group is a part of, achieved several high HSE performance scores with the main clients and retained its Carbon Disclosure Project's (CDP) A- score in 2023.

Business Overview & Strategy

DOF Subsea AS ("the Company") is the parent company of several subsidiaries and corporations which provide offshore and subsea services to the global Conventional and Renewable energy industry. The Group owns and operates a fleet of CSV (Construction Support Vessels) and AHTS (Anchor Handling Tug Support Vessels).

The Group is organised into two business segments, Subsea/IMR Projects and Long-term Chartering. Included in the Subsea/IMR Projects segment are engineering companies that are providing services within the subsea project market in four regions: the Atlantic region, the Asia-Pacific region, the North America region and the South America region.

The Group's main strategy is to engage in long-term and industrial offshore relationships, delivering high quality subsea and marine services in the offshore energy sector, and to operate within a mix of subsea project contracts and time charter contracts. The Group's backlog was by year-end approximately USD 1 220 million representing a contract coverage of 79% for 2024.

The Fleet

The Group, including the DOFCON Brasil JV, owns a diversified and advanced fleet of offshore vessels with an average age of approximately 13 years, and a fleet of ROVs (Remote Operated Vehicles) and AUVs (Autonomous Underwater Vehicles). As of the 31st of December 2023, the Group's fleet comprised 26 vessels (including 4 vessels hired in and 6 PLSV (Pipe Laying Vessels) in the Joint Venture) and 74 ROVs including 2 AUVs.

The Group's fleet includes vessels on fixed-term contracts and vessels utilised for subsea project activities. The subsea vessels are serving the IMR (Inspection, Maintenance & Repair) market, the SURF (Subsea, Umbilicals, Risers & Flowlines) market, the Wind Farm market and in addition, survey, diving services, ROV operations, mooring and construction among others.

Operating segments

The segments reflect the Group's operational performance from the regions and the vessel owning companies. The Group owns 22 vessels (including the DOFCON fleet) and has an additional four vessels hired in from external owners on firm contracts. The average utilisation of the DOF Subsea fleet was 91% (91%) in 2023.



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The activities from the subsea operations include Subsea IMR projects contracts ("subsea projects") and fixed time charter contract ("long term chartering"). During the year, DOF Subsea has operated on average 17 vessels on subsea projects and approximately 1,800 employees have been engaged in this part of the business. The project activity has increased with 28% through the year and more vessels have been hired in to support subsea projects undertaken in the Group's four regions. The long-term Chartering comprises eight vessels, seven of which are PLSVs (Pipe Laying Vessels). Six PLSVs are owned via the joint venture DOFCON, (50/50 owned by DOF Subsea and TechnipFMC). The current backlog for DOF Subsea is approximately USD 1,220 million including the DOFCON JV, and a contract coverage of 79% for 2024.

The Atlantic region includes operations in the North Sea, Mediterranean and West Africa and has achieved a strong operational performance due to the high activity in the region. The main activities in 2023 have been projects within the IMR segment on existing infrastructure, FPSO installations, decommissioning and mooring projects, for clients within offshore conventional and renewable energy production. Main projects have included the completion of Equinor's Hywind Tampen offshore floating wind field in the North Sea, field support in West-Africa, SURF projects in the Mediterranean, and several decommissioning projects in the North Sea. The region secured several new contracts which resulted in hiring-in a large state-of-the-art vessel with a 400-tonne crane, to support the subsea project activity.

In the Asia-Pacific region various long-term IMR with subsea vessel frame agreements were the core activities undertaken, in addition to mooring installations, decommissioning, and diving projects. In addition to several subsea vessels utilised in frame agreement, one vessel continued to operate on a firm contract in the Philippines which has been extended until 2027 and another vessel has operated on a firm contract for Esso Australia.

The North America region has grown significantly after the start-up on a subsea project contract with Exxon at the Starbroek Block offshore Guyana utilising two large CSVs of which one is hired in from an external owner. The region has further performed IMR, survey and light subsea construction projects for several key clients in the Gulf of Mexico utilising the Group's or hired in vessels and has continued doing IMR and installation work on a long-term contract in Canada. Responding to higher activity the region hired three Jones Act compliant vessels to support its operation in the Gulf of Mexico.

The activities in South America mainly represent operations in Brazil, and the region has continued to deliver high activity throughout 2023. The main contract has been survey and inspection project (PIDF) for Petrobras utilising multiple vessels. A new PIDF contract was awarded and started during the 4th quarter 2023. The region has

successfully undertaken subsea projects for various clients in Brazil and is also responsible for the operation of a large ROV fleet, a diving support vessel, and IMR and RSV vessels in its region.

The six PLSVs owned by the DOFCON JV continued to operate on firm contracts in Brazil through the year and achieved a utilisation rate of 87% (96%). In June a fire incident happened when one of the DOFCON vessels, Skandi Buzios, was alongside Porto do Açú in Brazil. No serious injuries were sustained to the personnel. The vessel sailed from Brazil to Europe during the 4th quarter and is currently undergoing repairs at a Norwegian yard. The vessel is expected to be operational during the 2nd half 2024 and continue its existing contract with Petrobras.

DOF Subsea further owns one PLSV 100% and this vessel has continued a firm contract with TechnipFMC.

Vessel management

The Group's vessel management activities are performed by the DOF Group ASA companies, DOF Management AS ("DOFMAN") and Norskan Offshore ("Norskan"). DOFMAN's main office is in Norway and is responsible for vessel management for all vessels outside Brazil and class renewals and conversion projects on the Group's entire fleet. Norskan is responsible for vessel management of the fleet operating in Brazil.

The markets

The Oil and Gas market continued with high activity throughout the year partly due to the complex geopolitical picture creating instability on the supply side and 2023 demanded more oil and gas in the transition into renewable energy sources. It's expected that global production of liquid fuels will increase by 0.6 million b/d in 2024, a slower growth than the increased 1.8 million b/d seen in 2023. (EIC Short-term energy outlook).

In 2024 total offshore upstream capex is expected to rise 8% to USD 211 billion, and the offshore opex is expected to rise 7.7% to USD 217 billion. Out of all segments, spending on logistics and vessels will rise the most in 2024, with a growth of 9.0%. (Rystad Global service report Oil gas Feb 2024).

The notable increase is influenced by several factors including an attractive oil and gas price that increases investments, concerns around energy security and the global economic rebound after the COVID-19 pandemic. Rystad Energy anticipates significant short-term expansion in the subsea market, predicting CAGR of 4% from 2023 to 2026.

South America is expected to defend its dominant role in the subsea market, with forecasts indicating purchases worth USD 6.8 billion in 2023, a 30% increase from the preceding year. This growth is largely contributed by



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major pre-salt developments in Brazil, including Buzios, Jubarte and Mero. Furthermore, Guyana is to contribute with ExxonMobils Yellowtail and Payara projects.

2023 was a challenging year for the offshore wind industry, especially on the developer and supply chain side. By the end of 2023, several offshore wind projects were postponed, mainly due to increased and prolonged inflationary pressure on the energy market as well as bottle necks in the supply chain. Rystad expects that overall activity in the global offshore wind market show signs to improve after the current high inflation period.

For floating offshore wind, the ambition with developers seems to be large scale projects sanctioned for offshore installation taking place from 2028.

Social and Environmental Sustainability

In the dynamic business landscape of 2023, social and environmental sustainability stand as foundational principles guiding the Group's operations, emphasising a commitment to responsible and ethical practices. Recognising the evolving challenges and opportunities of this era, the Group prioritise achieving a harmonious balance between social, environmental, and economic performance to ensure the enduring viability of the business.

At the core of the Group's sustainability strategy is the principle of 'Safe the RITE way,' reflecting an unwavering dedication to safeguarding people, the external environment, vessels, and subsea assets. This philosophy serves as the cornerstone of the Group's safety program, aligning the core values of Respect, Integrity, Teamwork, and Excellence (RITE) and strategically driving sustainable operations forward.

Furthermore, amidst the complexities of the business environment, the Group upholds its commitment to governance frameworks, including the articles of association, enterprise risk management system, and Group policies, alongside the organisation's Code of Business Conduct. In 2023, the Group placed even greater emphasis on transparency and the quality of disclosures related to non-financial performance, as evidenced by the scoring within CDP and reporting against the Global Reporting Initiative. For detailed insights into the Groups progress in sustainability, stakeholders can refer to the dedicated ESG fact book section of the Group's Annual Report.

Throughout the year, the Group reinforced its dedication to the '4P's' framework, utilising the principles of People, Planet, Prosperity, and Principles to shape its sustainability approach. This framework not only aligns with the Group's vision of creating broad stakeholder value but also serves as the guiding pillars through which the organisation can communicate its sustainability vision and initiatives to internal and external parties.

Moreover, the certification of the Group companies to ISO 9001:2015, ISO 14001:2015, and ISO 45001:2018 standards underscore a commitment to quality, environmental management, and occupational health and safety. These certifications, issued at the DOF Group ASA level, serve as a testament to the relentless pursuit of excellence and compliance across all facets of the Groups operations.

As the Group navigates the ever-changing business landscape of 2023, it remains steadfast in its dedication to social and environmental sustainability. Guided by core values, the 4P's and a commitment to safety and business responsibility. The Group continues to evolve and expand its sustainability efforts, focusing on what is material to the organisation while delivering value to stakeholders and contributing positively to the communities in which it operates.

Employees

In the dynamic market conditions of 2023, the Group has skillfully adapted its operational capacity to meet evolving demands and customer expectations. At the close of 2023, the Groups headcount grew to 1,807 individuals, reflecting a strategic distribution of human capabilities aimed at optimising workforce flexibility while retaining core competencies.

Of the total headcount, 337 individuals are women, highlighting a dedication to fostering diversity and gender inclusivity within the workforce. Notably, 1,094 men and 275 women are employed under full-time permanent contracts, indicating a commitment to providing stable employment opportunities. Additionally, the Group maintain 32 men and four women under full-time temporary contracts, ensuring agility in response to market fluctuations.

Moreover, 207 men and 10 women contribute as self-employed workers, reflecting a collaborative approach to harnessing specialised expertise. Furthermore, 12 men and 29 women are engaged under part-time permanent contracts, while 10 men and six women contribute through part-time temporary contracts. The Group also employed 115 men and 13 women as 'non-guaranteed hours employees'.

As market conditions evolve and stakeholders expect more, the Board of Directors remain vigilant in monitoring the need for further adaptations in operational capacity. Moving forward, the Groups aim is to retain the capability to maintain a flexible workforce while preserving and developing core competencies to support the Groups strategy. By prioritising sustainability alongside operational efficiency, the Group is poised to navigate the complexities of the evolving market while delivering value to external stakeholders.

Equal opportunities and anti-discrimination

The Group remains committed to fostering social inclusivity and upholding exemplary workplace conduct. This dedication is underscored by proactive measures aimed at reinforcing



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ethical standards and providing clarity on acceptable behavior in the workplace.

Central to the Group's ethos is the promotion of diversity and the creation of equal opportunities for all employees, irrespective of their ethnic background, nationality, descent, colour, language, religion, lifestyle, or gender. The 'Equal Employment Opportunity' policy reaffirms the Group's dedication to being an employer that values meritocracy, selecting individuals for positions based solely on their attitude, skills, and qualifications.

In 4th quarter 2023, the Group introduced a comprehensive Dignity and Respect at Work Guide, complementing the existing Code of Business Conduct. This guide serves to enhance awareness among employees and contractors regarding unlawful, unethical, and unacceptable conduct, further strengthening the Group's commitment to maintaining a respectful and professional work environment.

Complemented by the Dignity and Respect at Work Guide, the Group maintains a zero-tolerance policy towards workplace harassment, ensuring that every member of the workforce feels safe, respected, and valued. During 2023, 20 cases were reported to Ethics Helpline. Of these, 18 were concluded by the end of year. 8 cases were concluded as substantiated. The substantiated cases concern harassment in various forms. The most serious reports concern bullying and sexual harassment. 2 cases resulted in dismissal, of which both concerned DOF Subsea employees. The other substantiated cases resulted in warnings and/or performance review. The Group remains committed to fostering a culture of accountability and respect, where such behaviour is unequivocally condemned.

Continuing initiatives from previous years, the Group has stepped up its campaign to promote and retain female managers and captains within the organisation. This includes internal and external communication efforts aimed at highlighting the value of diversity and gender equality in leadership roles.

To further support its commitment to diversity and inclusion, the Group has implemented various measures such as flexible work hours and remote working options. These initiatives are designed to cultivate a balanced workforce and provide equal opportunities for all employees.

Health, safety and working environment

In 2023, the Group remains dedicated to enhancing safety and environmental performance across all worksites worldwide. Notably, significant improvements in safety lagging indicators and performance have been observed, attributed to various factors. The reduction in third-party contractors between the Group and end-clients has promoted greater oversight and accountability. Increased stability in work assignments has resulted in lower personnel turnover, fostering a more experienced offshore workforce. Management visits to vessels and the presence of medics/

safety technicians on board have enhanced on-the-ground safety supervision. The strengthening of training programs, including leadership development and workbook training, have proven successful in equipping personnel with the necessary skills and knowledge to prioritise safety. The globale sick-leave absence was 1,2 % for 2023.

While overall safety performance has shown improvement, certain regions faced challenges due to personnel shortages and underlying medical conditions contributing to incidents. As the Group reflects on its safety performance, it carries forward some successes of 2023 aimed at sustaining and further enhancing safety standards. This includes a continued focus on direct communication with offshore leaders and regular vessel visits to reinforce safety culture, intensified training programs for offshore crew, rigorous investigation of incidents and near misses, and a firm stance against non-commitment to safety culture. Emphasis is also placed on robust onboarding processes to address challenges in resource availability and maintain low turnover rates, as well as ongoing system improvements and strengthened contractor and supplier management to ensure adherence to high safety standards across all aspects of operations.

Despite the challenges, the Group's ambition remains to achieve an incident-free organisation. Through the 'Safe the RITE way' program, the Group has cultivated a unified safety culture, fostering collaboration with clients, industry partners, and suppliers. Surveys and feedback among offshore employees have demonstrated a strong and unified safety culture rooted in the Group's values and commitment to safety.

Reflecting on the previous year, the Group experienced one Lost Time Incidents (LTI) in 2023, resulting in a Lost Time Injury Frequency Rate (LTIFR) of 0.21 LTIs per million man-hours. Additionally, there were two Medical Treatment Cases and two restricted workday cases, leading to a Total Recordable Injuries Rate (TRIR) of 1.05 recordable incidents per million man-hours. It's noteworthy that none of these incidents resulted in disabilities, and all workers have returned to duty.

In relation to a 2017 Deep Saturation Diving Project (DSDP) conducted under contract to McDermott Australia Pty Ltd (who had been contracted by Inpex Operations Australia Pty Ltd), DOF Subsea Australia (DSAU) was found guilty of three changes of negligent breaches of the Offshore Petroleum and Greenhouse Gas Storage Act 2006 Act, in October 2022. On 25 May 2023, DSAU was fined penalties in the amount of AUD 945,000 and NOPSEMA was awarded costs in the amount of AUD 97,997. In sentencing, the magistrate took into account the systems, procedures and processes that DSAU had implemented prior to, during and after the DSDP and considered these to be mitigating factors. Further, the magistrate reduced the penalties in mitigation noting that McDermott, Inpex and NOPSEMA all had influence in the setting of diver compression rates for the DSDP.



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The Skandi Buzios fire which occurred on the 2nd June 2023 was a stark reminder to the Group of how quickly a routine activity can escalate into an emergency scenario. Skandi Buzios, a PLSV vessel owned by DOFCON, caught fire in Porto do Açu, Brazil. Despite the fast and professional actions of the marine crew and local authorities, significant damage occurred to both DOF and client assets, requiring extensive downtime and repairs. The incident, in which no injuries or environmental damage occurred, prompted an investigation into its cause. TechnipFMC and DOF Subsea, through their joint venture continue to cooperate with authorities in the investigation.

Business integrity and ethics

Embedded as a core value, integrity is upheld through comprehensive integrity training across the organisation, ensuring that all business practices and decisions adhere to the Group's Code of Business Conduct. This commitment promotes professionalism, competence, diligence, confidentiality, and ethical behaviour in all endeavours undertaken on behalf of the Group. As part of the Group's ongoing efforts to foster a culture of integrity, the Ethics Helpline, which is operated by a third-party provides a confidential platform for reporting unacceptable conduct when regular reporting channels are not feasible. It enables communication with reporters, even allowing for anonymity if desired, facilitating thorough investigations when necessary.

Anti-corruption and anti-bribery

The Group's Code of Business Conduct establishes clear expectations for employees, reinforced by ongoing internal training initiatives. The Board of Directors emphasises the importance of upholding high ethical standards. Anti-corruption and anti-bribery measures undergo regular evaluation to ensure alignment with legal requirements and industry best practices. Notably, there were no confirmed incidents of corruption reported in 2023.

Compliance with law

Recognising the significance of being a dependable partner to both internal and external stakeholders, compliance remains a paramount focus for the Group. Adherence to international, local laws, regulations, and industry standards is imperative. In 2023, the Group incurred no significant fines or non-monetary sanctions for non-compliance with social and economic laws and regulations. This commitment underscores the Group's dedication to upholding ethical standards and the strengthening of internal systems, such as the code of business conduct.

Acknowledging the evolving landscape of legislation, particularly within the European Union (EU), the Group recognises the necessity of proactive governance systems and Environmental, Social, and Governance (ESG) practices. As regulatory frameworks continue to evolve, especially with the EU's increasing emphasis on sustainability and corporate responsibility, the Group remains committed to staying abreast of emerging laws and regulations. This entails not only ensuring compliance

with existing standards but also anticipating and adapting to forthcoming changes. The Group has initiated various internal projects to ensure a proactive approach to the likes of the EU Taxonomy Regulation and Corporate Sustainability Reporting Directive (CSRD). In response to the shifting regulatory environment across the Groups jurisdictions, the organisation is dedicated to enhancing its governance structures to effectively navigate complex legal landscapes. This includes bolstering internal controls, risk management frameworks, and compliance protocols to mitigate legal risks and ensure alignment with evolving regulatory requirements.

By prioritising proactive governance systems and ESG practices, the Group aims to not only comply with existing laws and regulations but also position itself as a responsible corporate citizen, capable of effectively navigating the dynamic regulatory environment and contributing positively to society and the environment.

External environment

The Group continues to uphold its commitment to environmental stewardship through the implementation of its environmental management system. This system ensures the effective management of operations and facilitates continuous improvement in environmental performance. Notably, the Group's energy efficiency program remains a focal point, with ongoing efforts aimed at decarbonising the fleet in a sustainable manner. Throughout 2023, there was a heightened emphasis on energy efficiency. The increased availability and use of quantifiable information in relation to Scope 1 and 3 emissions, has allowed the Group to make more informed decisions around energy consumption on vessels and supply chain. The Group supports and aligns itself with the strengthening of Emission reduction targets published by IMO in 2023.

There were no incidents of loss of secondary containment spills exceeding the 50-litre threshold to the environment during the year. It is noteworthy that the Group did not incur any fines or other non-monetary sanctions from local governments related to spills to the external environment.

Climate change and emissions to air

In the context of the industry, the Group and the current era, climate change and vessel emissions represent significant challenge and opportunity. As the world grapples with the urgent need to mitigate greenhouse gas emissions and adapt to the impacts of climate change, the offshore marine sector plays a crucial role in driving sustainable practices and innovation. Rising sea levels, extreme weather events, and changing ocean conditions pose operational and environmental risks for offshore operations, underscoring the importance of proactive climate action. In addition to the physical risks posed by climate change, the offshore marine industry faces transition risks as global markets shift towards decarbonisation and renewable energy sources. This presents both challenges and opportunities for the Group and the broader industry. As regulatory frameworks evolve and demand for clean energy solutions grows, there



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is a pressing need for offshore marine contractors to adapt their business models, technologies, and operations to remain competitive in a low-carbon economy.

The Group recognises the pressing need to address climate change and reduce emissions across its operations. Through the Groups enterprise risk management model, the Group have integrated climate scenario analysis to better understand and mitigate climate-related risks. By transferring climate risks into the corporate risk register, the group aim to proactively manage these risks and capitalise on emerging opportunities through strategy and improvement initiatives. Furthermore, the Group recognise climate change and energy use as key material topics for the business, aligning with a commitment to sustainability and responsible corporate citizenship.

As we navigate the transition to a low-carbon future, the Group remains confident its commitment to implementing sustainable practices, reducing emissions, and driving innovation will set the Group ahead in the industry. By embracing climate action and integrating climate considerations into strategic decision-making processes, the Group aims to create long-term value for stakeholders while contributing to a more sustainable and resilient future.

Continuous improvement

The Board of Directors holds the firm conviction that cultivating a culture of continuous improvement is pivotal for risk mitigation, performance enhancement, and operational alignment. Accordingly, the Group has instituted a thorough improvement program, aimed at refining, and organising enhancement endeavours. With meticulous planning and execution, improvement initiatives have been diligently pursued across the Group's value chain, prioritising standardisation, and efficiency gains. In 2023, the Group has revamped its improvement program format to align with the 4P's framework, ensuring that each material topic identified by the Group corresponds to specific improvement areas, thus reinforcing a commitment to sustained progress and development in financial and non-financial areas.

Risk management and compliance

In 2023, the Group remains vigilant in addressing a range of geopolitical risks that extend beyond the ongoing tensions in Ukraine. Geopolitical flashpoints such as Israel, marked by enduring regional conflicts, present a significant humanitarian concern, in addition to potential disruptions to global supply chains and maritime operations. Additionally, the persistent threat of global piracy and shipping issues poses challenges to maritime security and trade routes, requiring heightened vigilance and risk mitigation measures.

Furthermore, the Group acknowledges the impact of the cost-of-living crisis, characterised by rising inflation rates and socio-economic disparities. This crisis has implications for operational costs and market dynamics. The emergence of artificial intelligence (AI) introduces

both opportunities and challenges for the offshore marine industry, with automation and digitalisation reshaping the Groups operational processes and workforce dynamics.

In response to these multifaceted risks, the Group maintains robust enterprise risk management protocols and compliance frameworks aligned with global standards, such as the COSO framework. By leveraging comprehensive reporting mechanisms and existing maturity within risk management processes the Group continues to proactively identify and address emerging threats. The Groups commitment to due diligence extends to evaluating geopolitical risks and implementing targeted strategies to navigate complex landscapes effectively.

Aligned with the Norwegian Code of Practice for Corporate Governance, the Group's risk management and internal controls are founded on principles aimed at fostering efficient operations in line with stakeholders' expectations. Routine reporting on operations, liquidity, financing, HSEQ, HR, taxes, and legal performance ensures transparency and accountability. Additionally, comprehensive financial forecasts and budget processes provide insight into market assumptions and guide strategic decision-making. The Groups focus remains on liquidity, profit/loss forecast control, and financial compliance.

The Group's commitment to due diligence is evident through strengthened processes involving global expertise in legal, finance, and ESG. Enhanced vendor evaluation procedures, aligned with UN Global Compact guidelines and ISO standards, underscore a dedication to sustainability. Furthermore, the development and roll-out of the DOF Workbook sets the foundation for comprehensive training, aligning activities with UN sustainability development goals. Investment in modern communication tools facilitates global alignment and organisational development, reinforcing a commitment to sustainable practices and stakeholder expectations.

Transparency Act Statement

The Norwegian Transparency Act entered into force on 1st of July 2022 and DOF Group ASA published its first annual statement June 2023 and outlined steps taken to ensure safeguarding of fundamental human rights and decent working conditions.

The statement is publicly available on the DOF Group ASAs webpage and is subject to yearly updates within 30th June each year.

Shareholders & the Board

In an Extraordinary General Meeting (EGM) in 2023, approximately NOK 3.1 billion of the Group's debt was decided to be converted into equity in the Company. After this, the new share capital was NOK 1 926 million divided into 167 352 762 ordinary shares. By year end 100% of the shares was owned by DOF Group ASA.



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As part of the implementation of the Restructuring Agreement in 2023, Harald Thorstein resigned from the board 30th of March 2023. After this event, the board in the Company consist of Mons Aase(Chair), Hilde Drønen(Director) and Martin Lundberg(Director).

The DOF Group ASA has signed D&O insurance on behalf of the board members and executive management to protect against claims which may arise from the decisions and actions taken within the scope of their regular duties. The insurance policy is signed with international reputable companies.

Financial performance

The Group revenue in 2023 totalled NOK 8,627 million (NOK 6,702 million), and the operating profit before depreciation and finance (EBITDA) totalled NOK 2,924 million (NOK 2,303 million). The main reason for the significant improved EBITDA is higher activity from subsea projects and generally improved earnings within all the segments due to higher rates on contract renewals during the year. A net gain of NOK 33 million (NOK 27 million) represent gain from the sale of ROVs and operating equipments.

The operating profit (EBIT) amounted to NOK 3,501 million (NOK 2,335 million) of which NOK -777 million (NOK -643 million) represents depreciation and NOK 1,354 million (NOK 674 million) represents impairment and reversal of previous impairment. The basis for the impairment assessment has been fair market values received from independent broker companies and value in use (VIU) calculations. The reversal of previous impairments is the consequence of higher fair market values of the Group's fleet combined with adjusted earnings in the VIU estimates.

Net financial items totalled NOK -811 million (NOK -1,517 million), of which net finance costs represented NOK -744 million (NOK -996 million). The interest costs of NOK -708 million (NOK -858 million) have been positively impacted by the reduced debt after the financial restructuring and lower margins on the new loan facilities. Net currency gain/loss and changes in fair value of financial instruments amounted to NOK -252 million (NOK -591 million).

Taxes amounted to NOK 89 million (NOK -71 million). The tax costs are positive due to reversal of previous impaired tax assets.

The Group's net profit in 2023 was NOK 2,779 million (NOK 747 million) and adjusted for other comprehensive income the net result was NOK 2,922 million (NOK 1 028 million).

The consolidated balance sheet at year-end 2023 totalled NOK 19,685 million (NOK 15,774 million). The non-current assets are mainly vessels and subsea equipment at a book value of NOK 9,603 million (NOK 7,656 million) and the

shares in joint ventures at a value of NOK 3,276 million (NOK 3,646 million) representing 65% of the Group's total assets. The other non-current assets of NOK 1,909 (NOK 295 million) are deferred tax assets, contract costs and other non-current receivable. The latter asset mainly represents a shareholder loan to the DOFCON JV. The Group's cash reserve is NOK 2,071 million (NOK 2,213 million) of which NOK 778 million (NOK 178 million) is restricted cash.

The Group's equity is NOK 10,042 million (NOK 3,622 million) representing an equity ratio of 51%.

The Group reported net interest-bearing debt of NOK 4,773 million (NOK 8,065 million) as of 31st of December 2023. The current debt totals NOK 2,329 million (NOK 11,887 million), of which NOK 676 million (NOK 10,122 million) represent interest-bearing debt. The current interesting bearing debt has been reduced after completion of the financial restructuring.

The Group's net cash flow from operating activities was NOK 727 million (NOK 1,715 million). The operating cash flow has been reduced mainly due to higher payments of net interest of NOK -814 million (NOK -146 million) and in addition the payable taxes has increased partly due to WHT taxes. The net cash flow from investments activities was NOK -392 million (NOK -27 million) which include net investment in assets of NOK -475 million (NOK -304 million) and other investments NOK 82 million (NOK 278 million). The cash flow from financing activities was NOK -565 million (NOK -689 million), of which NOK -528 million (NOK -689 million) represent net cash impact from borrowings, and other financing activities of NOK -37 million (NOK nil million).

Financing and capital structure

The Group's total interest-bearing debt at the end of the year is NOK 7,986 million (NOK 10,383 million) of which NOK 5,976 million represent secured debt to credit institutions, NOK 733 million is the remaining bond debt in DOF Subsea and NOK 854 million as lease debt (partly related to right-of-use assets and sub leases). Approximately 83% of the Group's debt is drawn in USD and the remaining debt is drawn in NOK.

After completion of the restructuring in 1st quarter 2023, new facilities were drawn. The main terms in the new facilities include low interest (-2% margin above NIBOR/SOFR) and low amortisation and a cash sweep mechanism. The new facilities mature in January 2026.

The convertible bond loan in DOF Subsea AS matures in December 2027 and includes interest (PIK) of NIBOR+2%. The company has the right to convert the remaining bond loan to equity on maturity in December 2027.

The debt in the DOFCON JV was not part of the restructuring and this fleet has been funded by BNDES and Eksfin with maturity after 2026. 97% of the DOFCON



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debt are fixed at rates between 2.2- 4.2% and with maturity from 2027-2037. Any dividend payments from DOFCON JV will be utilised to repay the secured debt (2/3) and the bond debt (1/3) in DOF Subsea.

The Group has during the year utilised options to acquire two vessels. The relevant vessels are financed at normal market terms including margins in the range of 4 to 5% and with maturity after 5 years. The facilities are non-recourse. See further details in note 23 "Interest-bearing debt".

Parent company financial statements

The parent company financial statements for 2023 show a revenue of NOK 127 million (NOK 115 million) and an operating profit of NOK -35 million (NOK -22 million). Net financial items are NOK 1,913 million (NOK -242 million) and are impacted by reversal of impairment financial assets of NOK 416 million (NOK -12 million) and reversal of accruals on guarantees of NOK 124 million (reversal of NOK 55 million). Net result after taxes was NOK 2,139 million.

The parent company's balance sheet as of 31st of December 2023 totals NOK 13,768 million of which booked equity totalled NOK 6,154 million.

Risk

The Group remains vigilant in addressing geopolitical risks beyond Ukraine, including enduring conflicts in Israel and persistent threats of piracy, requiring heightened risk mitigation measures, while also acknowledging the cost-of-living crisis and the transformative impact of artificial intelligence on operational processes, reinforcing a commitment to robust enterprise risk management processes aligned with global standards.

The Group has limited exposure to Russia and Ukraine; however, the general risk has increased following the invasion of Ukraine and the impact on the world economy.

Material topics

The identification of material topics through the Group's double materiality process serves as the foundation for developing a business strategy and improvement initiatives. By understanding the financial, environmental, social, and governance (ESG) issues that are most relevant to stakeholders and the Group's business operations, the organisation is better equipped to align strategic priorities with the expectations of stakeholders and the demands of the market. These material topics guide decision-making processes, allowing the Group to allocate resources effectively and prioritise initiatives that drive sustainable value creation.

Once identified, material topics are systematically tracked, monitored, and reported to the audit committee, ensuring transparency and accountability in ESG performance. This ongoing monitoring process enables the Group to assess

the effectiveness of strategies and initiatives, identify areas for improvement, and address emerging risks and opportunities in a timely manner. By regularly reviewing and reporting on material topics, the Group demonstrates commitment to continuous improvement and stakeholder engagement, reinforcing trust and confidence in existing business practices. Through this integrated approach to materiality management, the Group not only enhance operational resilience but also contribute to the long-term sustainability and success of the business.

Climate risk

Managing GHG emissions is integral to the Group's ESG profile, as it directly impacts competitiveness and investor sentiment. The Group's ability to offer a vessel fleet and services with reduced GHG emissions will serve as a value proposition for clients and investors. However, failure to meet evolving stakeholder expectations regarding GHG emissions from ships poses significant risk to reputation and market positioning.

In the context of the Groups enterprise risk management framework, it acknowledges the importance of incorporating climate scenarios to assess and mitigate risks associated with GHG emissions. By aligning risk management protocols with climate-related scenarios, the Group aim to anticipate and address potential challenges arising from changing regulatory requirements, stakeholder preferences, and market dynamics. This proactive approach not only strengthens resilience to climate-related risks but also positions the organisation as a responsible and forward-thinking player in the maritime industry.

The Group's ability to manage GHG Emissions is a key component of the organisation's ESG profile. Providing a vessel fleet and services with reduced GHG emissions can become a value proposition for clients and investors or negatively impact upon competitiveness of the organisation against peers. The main concern is the Group's ability to meet changing stakeholder expectations associated with Greenhouse Gas emission from ships, including Nitrogen Oxides (NOX), Sulphur Oxides (SOX) and Particulate Matter (PM) in harbour areas.

Financial and liquidity risk

The Group is exposed to financial and liquidity risk through its operations and the existing or future debt arrangements could limit the Group's liquidity and flexibility in obtaining additional financing, in pursuing other business opportunities or corporate activities.

The Group has secured a runway until 2026 for the main part of its fleet as part of the financial restructuring, where the focus is to reduce the debt, hence the opportunities to invest in new assets or new businesses are limited. The Group's credit facilities contain, and any future bank and bond loan agreements may contain, certain covenants and event of default clauses, including cross default provisions and restrictive covenants and performance requirements, free cash reserves, certain cash sweep limitations and



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fair value of vessels, which may affect the operational and financial flexibility of the Group.

The Group's business is capital intensive, and the Group may need to raise additional funds through public or private debt or equity financing to fund capital expenditures. Adequate sources of funds may not be available, or available at acceptable terms and conditions, when needed.

Interest risk

The Group is exposed to changes in interest rates as parts of the Group's liabilities have a floating rate of interest. The Group has historically reduced its interest rate exposure by entering into interest rate swap agreements. The possibilities to enter into interest forward contracts (swap contracts), in the new loan facilities are limited and the Group's exposure to volatility in interest rates has increased.

Currency risk

The Group operates globally and is exposed to foreign exchange risk arising from various currency exposures, basically with respect to USD, BRL, AUD, NOK and GBP. Foreign exchange risk arises from future commercial transactions, contractual obligations (assets), liabilities and investments in foreign operations. The Group aims to achieve a natural hedge between cash inflows and cash outflows to secure the debt funding in equivalents currency as the committed earnings from the charter contracts, and further to manage the remaining foreign exchange risk arising from commercial transactions, through forward contracts and similar instruments as appropriate. However, these forward contracts are limited in the new loan facilities. Hence, the Group's liquidity risk will increase if the currencies fluctuate.

Credit and client concentration risk

The Group's credit risk has historically been low as the Group's customers traditionally have had good financial capability to meet their obligations and have high credit ratings. Historically, the portion of receivables not being collectable has been low.

The Group's total revenues are derived from a smaller group of large clients, thus exposing the Group to client concentration risk. Revenue from the 10 largest customers, large oil companies and operators, represent approximately 71% of the Group's revenue, whereof Petrobras represent the largest customer. Because of the client concentration in the Group's contracts, the Group's business could be adversely affected if any of its major clients fail to compensate the Group or if the Group does not perform according to its contractual obligations. This could lead to termination, or no renewal of contracts or additional costs related to disputes on the existing contracts among others.

Market risk

The markets for the offshore service industry and the rates the Group can charge have been, and are, cyclical and volatile. Fluctuations in rates the Group can charge its customers are caused by changes in the global supply

of offshore services and the global demand for offshore support vessels and subsea services. Over the past years there have been large upheavals in global offshore energy markets, which prior to the recent increase in oil prices, saw a steep decline in oil prices resulting in lower demand for the services provided by the Group.

The demand for offshore support vessels and subsea services depends also on the Group's customers' level of exploration and production ("E&P") activity and the main factor for the level of E&P activity is the price for oil and gas. Higher oil and gas prices increase the level of E&P activity and, typically, the demand and price for the Group's services.

There are several factors that influence the supply of offshore support services. Subsea services are mainly delivered by offshore support vessels. As such, the supply of offshore support services depends on the number of operating vessels, which is influenced by factors such as the number of newbuilds ordered and delivered, the number of vessels being scrapped, conversion of vessels to other uses and the number of vessels that are out of service and lay-ups due to market situations. An increase in the supply of offshore support vessels could have a material adverse effect on the Group's revenues, profitability, liquidity, cash, and financial position.

The Group's strategy is to focus on long-term relationships with the clients and firm contracts for its fleet and has managed to continue a high utilisation also through the downturn. Since 2022 the client's willingness to agree contracts for longer periods have increased due to improving markets.

Price risk

The Group is exposed to increases in costs in general. The effects of the Covid pandemic and the geopolitical instability have resulted in a general higher inflation, hence increased costs on vessel maintenance, services, and salaries. In addition, the logistics and supply management have become more challenging and more costly. The Group has focus on early planning to mitigate the risk of not receiving deliveries on time and sign agreements with the main suppliers at fixed prices.

Tax risk

The Group has a global organisation and operate vessels and subsea services in several different tax jurisdictions and is subject to complex laws and regulations. The income and profit from these operations are subject to income taxes and judgment may be involved when determining the taxable results. Tax authorities in different jurisdictions may challenge the calculation of taxes payable from prior periods through tax audits. Furthermore, the Group is vulnerable to changes in the tax rules, including tax rates and legislation and rules with regards to employees and consultants, in a great number of jurisdictions compared to companies with less global operations.



REPORT OF THE BOARD OF DIRECTORS

Several tax audits have been conducted over the last couple of years, where some of the tax claims are disputed by the Group, ref note 32 'Contingencies' to the accounts. In general, attention from tax authorities is increasing, and the trend is that each individual country has increased focus on protecting their tax base.

Cyber risk

The ongoing digitalisation of routines and operations heightens the vulnerability of the Group's business information and communication systems to both external and internal cyber-attacks. Such attacks pose the risk of business disruption and potential data breaches and remains a material topic for the Group. To effectively manage this risk, the Group implements systematic measures to enhance its resilience against cyber-attacks and mitigate the impact of potential breaches. Cybersecurity is integrated into the organisation's framework, with internal training programs aimed at equipping employees with the knowledge and skills necessary to recognize and respond to cyber threats effectively. Through these proactive efforts, the Group aims to strengthen its cybersecurity posture and safeguard its business operations and sensitive information against evolving cyber risks.

Going concern

The consolidated financial statements of the Parent Company's and the Group's financial statement are prepared on the assumption of going concern. The Group's financial position has been sustainable after completion of the financial restructuring followed by strong financial results throughout the year. The markets have continued to be strong and based on the Group's high backlog and the budgets for the next 12 months, the Board is of the opinion that the Group is a going concern.

Profit & loss allocation

The parent company has a profit for the year of NOK 2 139 million. The Board of Directors proposes to allocate the profit to other equity.

The Group has a profit for the year of NOK 2 779 million, and total comprehensive income of NOK 2 922 million, of which NOK 42 million is attributed to non-controlling interests.

Events after balance sheet date

The Group has been awarded several new contracts after balance date representing a total value of approximately USD 150 million, see further details in note 33 "Events occurring after period end".

Based on the Group's global operations all reporting in 2024 will be in USD.

Outlook

The markets have continued to improve for all types of the Group's services and the Group is well positioned towards an expected increased demand for its assets both within the O&G and the Renewable markets. The Group further expects an increased demand for AHTS tonnage similar to what has been seen for the CSV and PSV tonnage. Longer term the Group is well positioned towards expected increased demand within floating wind installations due to its fleet and subsea and mooring competence. The Group has secured a backlog of the existing fleet of approximately 79% for 2024 and has a good visibility on the operational earnings for 2024.

The Group's balance sheet is now sustainable, and the Group is well positioned to support further growth and to deliver on the Group's strategy.

Bergen, 18th of April 2024

The Board of Directors of DOF Subsea AS

Mons S. Aase
Chair/CEO

Martin Lundberg
Director

Hilde Drønen
Director



FINANCIAL STATEMENTS / DOF SUBSEA GROUP

Financial Statements DOF Subsea Group



FINANCIAL STATEMENTS / DOF SUBSEA GROUP

DOF Subsea Group

Amounts in NOK million

Consolidated statement of comprehensive income

| | Note | 2023 | 2022 |
|--|-----------------------|--------------|---------------|
| Operating revenue | 5, 6, 7, 15, 28 | 8 627 | 6 702 |
| Payroll expenses | 8, 29 | -2 878 | -2 439 |
| Other operating expenses | 9, 11, 14, 15, 28, 29 | -3 268 | -2 592 |
| Share of net income from joint ventures and associates | 16 | 410 | 606 |
| Profit from sale of non-current assets | 13 | 33 | 27 |
| Operating profit before depreciation and impairment (EBITDA) | | 2 924 | 2 303 |
| Depreciation | 13 | -777 | -643 |
| Impairment (-)/ reversal of impairment | 13 | 1 354 | 674 |
| Operating profit (EBIT) | | 3 501 | 2 335 |
| Financial income | 10 | 184 | 71 |
| Financial expenses | 10 | -744 | -996 |
| Realised net gain / loss on derivative instruments and currency position | 10 | -1 034 | 45 |
| Unrealised net gain / loss on derivative instruments and currency position | 10 | 782 | -636 |
| Net financial income / loss | 10 | -811 | -1 517 |
| Profit / loss before tax | | 2 690 | 818 |
| Income tax expense | 11 | 89 | -71 |
| Profit / loss for the year | | 2 779 | 747 |
| Other comprehensive income net of tax | | 143 | 281 |
| Items that may be subsequently reclassified to profit / loss | | | |
| Currency translation difference (CTA) | | -44 | -80 |
| Share of other comprehensive income of joint ventures and associates | 16 | 187 | 361 |
| Other comprehensive income net of tax | | 143 | 281 |
| Total comprehensive income net of tax | | 2 922 | 1 028 |
| Profit / loss attributable to | | | |
| Non-controlling interests | 22 | 42 | -13 |
| Owners of the parent | 22 | 2 737 | 760 |
| Total comprehensive income / loss attributable to | | | |
| Non-controlling interests | 22 | 42 | -13 |
| Owners of the parent | 22 | 2 880 | 1 041 |
| Earnings per share | | | |
| Basic and diluted earnings per share (NOK) | 12, 21 | 16.35 | 4.54 |



FINANCIAL STATEMENTS / DOF SUBSEA GROUP

DOF Subsea Group

Amounts in NOK million

Consolidated Balance Sheet

| Assets | Note | 31.12.2023 | 31.12.2022 |
|---|----------------|---------------|---------------|
| Tangible assets | 13, 15, 23, 31 | 9 603 | 7 656 |
| Contract costs | 14 | 232 | 99 |
| Deferred tax asset | 11 | 595 | 101 |
| Investments in joint ventures and associates | 16 | 3 276 | 3 646 |
| Other non-current receivables | 17, 26, 28 | 1 082 | 95 |
| Total non-current assets | | 14 788 | 11 597 |
| Trade receivables | 18, 26 | 1 980 | 1 506 |
| Other current receivables | 19, 26, 28 | 845 | 458 |
| Current receivables | | 2 825 | 1 964 |
| Restricted cash | 20 | 778 | 178 |
| Unrestricted cash and cash equivalents | 20 | 1 293 | 2 035 |
| Cash and cash equivalents | | 2 071 | 2 213 |
| Total current assets included assets held for sale | | 4 897 | 4 177 |
| Total assets | | 19 685 | 15 774 |



FINANCIAL STATEMENTS / DOF SUBSEA GROUP

DOF Subsea Group

Amounts in NOK million

Consolidated Balance Sheet

| Equity and liabilities | Note | 31.12.2023 | 31.12.2022 |
|--------------------------------------|--------|---------------|---------------|
| Paid-in equity | 21 | 1 926 | 1 674 |
| Other equity | | 8 021 | 1 862 |
| Non-controlling interests | 22 | 95 | 87 |
| Total equity | | 10 042 | 3 622 |
| Bond loans | 23, 26 | 733 | - |
| Debt to credit institutions | 23, 26 | 5 976 | - |
| Lease liabilities | 15, 23 | 601 | 261 |
| Other non-current liabilities | 28 | 3 | 4 |
| Total non-current liabilities | | 7 313 | 265 |
| Current portion of debt | 23 | 679 | 10 183 |
| Trade payables | 24 | 1 079 | 907 |
| Other current liabilities | 25, 28 | 572 | 798 |
| Total current liabilities | | 2 329 | 11 887 |
| Total liabilities | | 9 642 | 12 152 |
| Total equity and liabilities | | 19 685 | 15 774 |

Bergen, 18th of April 2024
The Board of Directors of DOF Subsea AS

Mons S. Aase
Chair/CEO

Martin Lundberg
Director

Hilde Drønen
Director



FINANCIAL STATEMENTS / DOF SUBSEA GROUP

DOF Subsea Group

Amounts in NOK million

Statement of changes in equity

| Changes in equity | Share capital | Other equity - Other contributed capital | Other equity - Retained earnings | Other equity - Currency translation differences | Total other equity | Non-controlling interest | Total equity |
|--|---------------|--|----------------------------------|---|--------------------|--------------------------|---------------|
| Balance at 01.01.2023 | 1 674 | - | 1 889 | -28 | 1 862 | 86 | 3 622 |
| Profit (loss) for the year | - | - | 2 737 | - | 2 737 | 42 | 2 779 |
| Other comprehensive income net of tax | - | - | 187 | -44 | 143 | - | 143 |
| Total comprehensive income for the year | - | - | 2 924 | -44 | 2 880 | 42 | 2 922 |
| Debt conversion | 253 | 3 290 | - | - | 3 290 | - | 3 543 |
| Dividend paid | - | - | - | - | - | -37 | -37 |
| Other adjustments | - | - | -10 | - | -10 | 3 | -7 |
| Total transactions | 253 | 3 290 | -10 | - | 3 280 | -34 | 3 499 |
| Balance at 31.12.2023 | 1 926 | 3 290 | 4 803 | -72 | 8 022 | 95 | 10 042 |
| Balance at 01.01.2022 | 1 674 | - | 768 | 52 | 821 | 99 | 2 594 |
| Profit (loss) for the year | - | - | 760 | - | 760 | -13 | 747 |
| Other comprehensive income net of tax | - | - | 361 | -80 | 281 | - | 281 |
| Total comprehensive income for the year | - | - | 1 121 | -80 | 1 041 | -13 | 1 028 |
| Balance at 31.12.2022 | 1 674 | - | 1 889 | -28 | 1 862 | 86 | 3 622 |



FINANCIAL STATEMENTS / DOF SUBSEA GROUP

DOF Subsea Group

Amounts in NOK million

Consolidated statement of cash flows

| | Note | 2023 | 2022 |
|--|--------|--------------|--------------|
| Operating profit (EBIT) | | 3 501 | 2 335 |
| Depreciation and impairment | 13 | -577 | -31 |
| Profit from sale of non-current assets | 13 | -33 | -27 |
| Share of net income of joint ventures and associates | 16 | -410 | -606 |
| Dividend received from joint ventures | 16 | 30 | 123 |
| Amortisation of contract cost | 14 | 68 | 56 |
| Change in trade receivables | 18 | -474 | -531 |
| Change in trade payables | 24 | 172 | 411 |
| Changes in other working capital | 19, 25 | -570 | 116 |
| Exchange rate effect on operating activities | | 6 | 52 |
| Cash flow from operating activities | | 1 713 | 1 898 |
| Interest received | | 121 | 60 |
| Interest and other finance cost paid | | -814 | -146 |
| Tax paid | | -293 | -98 |
| Net cash flow from operating activities | | 727 | 1 715 |
| Sale of tangible assets | 13 | 147 | 27 |
| Purchase of tangible assets | 13 | -475 | -304 |
| Purchase of intangible assets | 14 | -193 | -62 |
| Cash received at business acquisition | 31 | 25 | - |
| Payment on sale of shares | | 13 | - |
| Net cash flows from other non-current receivables | | 90 | 313 |
| Cash flow from investing activities | | -392 | -27 |
| Restricted cash net of debt | 23 | 859 | -344 |
| Repayment of borrowings | 23 | -1 387 | -345 |
| Dividend paid | 22 | -37 | - |
| Cash flow from financing activities | | -565 | -689 |
| Net change in cash and cash equivalents | | -230 | 999 |
| Cash and cash equivalents, included restricted cash, at 01.01 | 20 | 2 213 | 1 183 |
| Exchange rate effect on cash and cash equivalents | | 88 | 31 |
| Cash and cash equivalents, included restricted cash, at 31.12 | 20 | 2 071 | 2 213 |

Restricted cash at 31.12.2023 is NOK 778 million (NOK 178 million) and is included in Cash and cash equivalents. Changes in restricted cash is reflected in the cash flow. For further information about restricted cash, please refer to note 20 'Cash and cash equivalents'.

Restricted cash, previously offset against debt to credit institutions, has been reclassified to cash in March 2023. The cash effect of the reclassifications is reflected in the financing activities.



FINANCIAL STATEMENTS / DOF SUBSEA GROUP

DOF Subsea Group

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Notes to the Consolidated Financial Statements

1 Corporate information and going concern

Corporate information

DOF Subsea AS, the Company, is a limited liability company registered in Norway. The Company's head office is located at Thormøhlensgate 53 C, 5006 Bergen, Norway.

The Company is 100% owned by DOF Group ASA as a sole shareholder with 100 % ownership stake on 31st of December 2023. DOF Group ASA completed a financial restructuring in 1st quarter 2023 and by end of 2nd quarter 2023 the re-listing of the DOF Group ASA in the Oslo Stock Exchange was done with OSE ticker code "DOFG".

DOF Subsea AS is the parent company in the DOF Subsea Group exercising control over a number of subsidiaries. The Company also holds investments in associates and joint arrangements.

The vision of the Group is to be a trusted and leading partner delivering services globally for a sustainable utilisation of offshore energy and other subsea resources.

The DOF Subsea Group has two business segments, Subsea/IMR Projects and Long-term Chartering. In these segments, the Group provides integrated subsea and marine services to the world's offshore energy producers.

The annual accounts were approved for publication by the Board of Directors on the 18th of April 2023. The financial report consist of the Group financial statements and the Parent Company financial statements.

If not stated otherwise all amounts in the notes are in NOK million.

Going concern

The consolidated financial statements and the Parent Company's financial statement are prepared on the assumption of going concern in accordance with IAS 1.25. The Group's financial position has been sustainable after completion of the financial restructuring, followed by a strong financial results throughout the year. The markets have continued to be strong and based on the Group's high backlog and the budgets for the next 12 months, the Board is of the opinion that the Group is a going concern.

2 Summary of material accounting principles

General

The consolidated financial statements of the Group have been prepared in accordance with IFRS[®] Accounting Standards as adopted by the EU.

Group consolidation principles

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method for business combinations. The consideration transferred for the acquisition of a business is the fair values of the assets transferred, the liabilities assumed, and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of the acquiree's identifiable net assets.

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. When necessary, amounts

reported by subsidiaries have been adjusted to conform to the Group's accounting policies.

Conversion of foreign currency

a) Foreign currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The functional currency is mainly NOK, USD, BRL, GBP and AUD. The consolidated financial statements are presented in Norwegian Kroner (NOK).

b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the transaction date. Foreign exchange gains and losses resulting from the settlement of such transactions are presented as realised currency gain/loss under financial items. Similarly, the conversion at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised as unrealised currency gain/loss.

c) Group companies

Group entities that have a functional currency which differs from the Group's presentation currency are converted into the presentation currency as follows:

- Assets and liabilities are converted to the presentation currency at the foreign exchange rate at the end of the reporting period.
- Income and expenses are converted using the average rate of exchange.
- All exchange differences are recognised in other comprehensive income and specified separately in the statement of changes in equity.

When the entire interest in a foreign entity is disposed of or control is lost, the cumulative exchange differences relating to that foreign entity are reclassified to profit or loss.

General Classification of assets and liabilities

Assets are classified as current assets when:

- The asset forms part of the entity's service cycle, and is expected to be realised or consumed over the course of the entity's normal operations, or;
- The asset is held for trading, or;
- The asset is expected to be realised within 12 months after the reporting period.

All other assets are classified as non-current assets.

Liabilities are classified as current when:

- The liability forms part of the entity's service cycle, and is expected to be settled in the course of normal production time, or;
- The liability is held for trading, or;
- Settlement of the liability has been agreed upon within 12 months after the reporting period, or;
- The entity does not have an unconditional right to postpone settlement of the liability until at least 12 months after the reporting period.

All other liabilities are classified as non-current liabilities.

Provisions

Provisions are recognised when, and only when, the Group faces an obligation (legal or constructive) as a result of a past event and it is probable (more than 50%) that a settlement will be required, and a reliable estimate can be made of the obligation amount.

Provisions are reviewed at the end of each reporting period and adjusted to the best estimate. The best estimate of the expenditure required to



settle the present obligation is the amount that rationally will have to be paid, to settle the obligation at the balance sheet date or to transfer it to a third party at that time. When timing is significant for the obligation, the obligation is measured at its present value.

Use of estimates

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 5. Changes in accounting estimates are recognised in profit or loss for the period in which they occurred. If the changes also apply to future periods, the effect of the change is distributed over current and future periods.

New standards, amendments and interpretations adopted by the Group

There are no material standards, or interpretations, that are relevant for the Group in 2023. The Group has taken the amendments to IAS 1 into consideration in assessing whether the information presented in disclosures is material or not.

Other material accounting policies are presented directly in the relevant disclosures.

Group have changed functional currency to USD as from 2024 and this will reduce exposure to currency fluctuations going forward.

The Group has 14% of the liabilities denominated in NOK. In conducting the foreign exchange rate sensitivity analysis, a hypothetical change in exchange rates of 10% against USD has been used. Included in the liabilities below are NOK debt to financial institutions and bondholders.

| Foreign exchange risk | Appreciation 10% | Depreciation 10% |
|-------------------------|---------------------|---------------------|
| Liabilities in currency | 665 | -665 |
| Net effect | 665 | -665 |

Currency effects on other liabilities are not included in the above sensitivity analysis. Current receivables and liabilities excluding bonds and debt to credit institutions are often in the same currency and are normally due within 30 - 60 days. Over the last couple of years the Group has experienced that payment terms on some receivables have been extended.

Foreign exchange rate changes in receivables, liabilities and currency swaps are recognised as a financial income/expense in the profit (loss) statement. Fluctuation in foreign exchange rates will therefore have an effect on the future results and balances.

Interest rates risk

The Group is exposed to changes in interest rates as main parts of the Group's liabilities have a floating rate of interest. The Group has historically reduced its interest rate exposure by entering into interest rate swap agreements. The possibilities to enter into interest forward contracts (swap contracts) in the new loan facilities are limited and the Group's exposure to volatility in interest rates has increased.

Price risk

The Group is exposed to price risk at two main levels:

- The demand for the Group's vessels is sensitive to changes in the oil industry, for example oil price movements, exploration and general activity level within the offshore energy industry. This affects both the pricing and the utilisation of the Group's assets.
- The costs of construction of new assets and replacements of assets are sensitive to changes in market prices.

The Group attempts to reduce price risk by long-term contracts and frame agreements with key suppliers.

The Group is exposed to increases in costs in general. The effects of the Covid-19 pandemic and the geopolitical instability have resulted in a general higher inflation, hence increased costs on vessel maintenance, services, and salaries. In addition, the logistics and supply management have become more challenging and more costly. The Group focus on early planning to mitigate the risk of not receiving deliveries on time and sign agreements with the main suppliers at fixed prices.

Credit and Liquidity risk

Credit and liquidity risk arise from cash and cash equivalents, derivatives, financial instruments and deposits with banks as well as payment terms towards clients and suppliers. Liquidity risk management implies maintaining sufficient cash and marketable securities, and to maintain available funding through committed credit facilities.

The Group's counterparties' credit risk has historically been low as the Group's customers traditionally have had good financial capability to meet their obligations and have high credit ratings. Historically, the portion of receivables not being collectible has been low.

The Group's total revenues are derived from a smaller group of large clients, thus exposing the Group to client concentration risk. Revenue from the 10 largest customers, large oil companies and operators, represent approximately 71% of the Group's revenue, whereof Petrobras

3 Financial risk management

Financial risk factors

The Group is exposed to various types of financial risk relating to its ongoing business operation; Market risk (including foreign exchange risk, interest rate risk and price risk), credit and liquidity risk, capital structure risk, cyber risk, inflation risk and tax risk. The Group's overall risk management seeks to minimise potential adverse effects of the Group's financial performance.

The Group is exposed to financial and liquidity risk through its operations and the existing or future debt arrangements could limit the Group's liquidity and flexibility in obtaining additional financing and in pursuing other business opportunities or corporate activities.

The Group's credit facilities contain, and any future bank and bond loan agreements may contain, certain covenants and event of default clauses, including cross default provisions and restrictive covenants and performance requirements, free cash reserves, certain cash sweep limitations and fair value of vessels, which may affect the operational and financial flexibility of the Group.

Market risk

Foreign exchange risk

The Group operates globally and is exposed to foreign exchange risk arising from various currency exposures, mainly with respect to USD, BRL, AUD, CAD, EUR and GBP. The Group's presentation currency is NOK. Foreign exchange risk arises when future commercial transactions, contractual obligations (assets), liabilities and investments are in different currencies than the presentation and/or functional currency.

The Group aims to achieve a natural hedge between cash inflows and cash outflows to secure the debt funding in equivalent currency as the committed earnings from the charter contracts, and further to manage the remaining foreign exchange risk arising from commercial transactions, through forward contracts and similar instruments as appropriate. However, these forward contracts are limited in the new loan facilities. Hence, the Group's liquidity risk will increase if the currencies fluctuate.

The Group has a global operation, and the Group will change its presentation currency from 2024 to USD. In addition some of the companies in the



represent the largest customer. Because of the client concentration in the Group's contracts, the Group's business could be adversely affected if any of its major clients fail to compensate the Group or if the Group does not perform according to its contractual obligations. This could lead to termination, or no renewal of contracts or additional costs related to disputes on the existing contracts among others.

The Group has routines to bi-weekly report cash flow forecasts in order to monitor the Group's future cash position.

Cyber risk

The ongoing digitalisation of routines and operations heightens the vulnerability of the Group's business information and communication systems to both external and internal cyber-attacks. Such attacks pose the risk of business disruption and potential data breaches and remains a material topic for the Group. To effectively manage this risk, the Group implements systematic measures to enhance its resilience against cyber-attacks and mitigate the impact of potential breaches. Cybersecurity is integrated into the organisation's framework, with internal training programs aimed at equipping employees with the knowledge and skills necessary to recognise and respond to cyber threats effectively. Through these proactive efforts, the Group aims to strengthen its cybersecurity posture and safeguard its business operations and sensitive information against evolving cyber risks.

Capital structure and equity

The Group completed a comprehensive refinancing in March 2023, where approximately NOK 3 billion of the Group's debt was converted into equity, while most of the remaining debt was settled at new terms, including soft amortisation, cash sweep and low margins.

The Group has secured a runway until 2026 for the main part of its fleet as part of the financial restructuring, where the focus is to reduce the debt.

The Group's business is capital intensive, and the Group may need to raise additional funds through public or private debt or equity financing to fund capital expenditures. Adequate sources of funds may not be available, or available at acceptable terms and conditions, when needed.

The main objective when managing the Group's capital structure is to ensure that the Group is able to sustain an acceptable credit rating and thereby achieve favourable terms and conditions for long-term funding which is suitable for the Group's operation and growth.

| Debt ratio | 2023 | 2022 |
|----------------------------------|---------------|---------------|
| Interest-bearing debt | 7 986 | 10 383 |
| Interest-bearing receivables | 1 142 | 105 |
| Cash | 2 071 | 2 213 |
| Net interest bearing debt | 4 773 | 8 065 |
| Total equity | 10 042 | 3 622 |
| Total equity and net debt | 14 815 | 11 687 |
| Debt ratio | 32% | 69% |

4 Climate Risk

Climate risk has evolved significantly over the past decade, emerging as a critical aspect of overall enterprise risk management. DOF and its stakeholders face an array of short-, medium-, and long-term climate risks, which are deemed material concerns. These risks intersect DOF's business continuity and revenue base by altering the physical and market environments in which DOF operate and generating transition risks, necessitating the establishment of resilience measures. As with any material issue, our approach to addressing these topics is guided by transparency and integrity in communication and reporting.

DOF has incorporated climate change risk management into its operations, following the framework of IFRS Sustainability Disclosure standard "IFRS S2 Climate-related Disclosures". This involves actively identifying, assessing, and prioritising climate-related risks and opportunities. This integration is part of DOF's broader enterprise risk management process. Within this framework, DOF has undertaken climate change risk analysis aligned with Intergovernmental Panel on Climate Change (IPCC's) long-term emission scenarios. Relevant risks and opportunities have been systematically transferred through the corporate risk and opportunity register and, where necessary, recognised as material topics. Additionally, impairment testing has been conducted to recognise the financial consequences of climate change based on key assumptions. See also Appendix B.3 - Enterprise Risk Management in the Integrated Annual Report for DOF Group ASA.

By implementing these risk management strategies, DOF has developed a comprehensive understanding of potential climate-related impacts. This enables the organisation to make informed decisions and strategically plan to mitigate risks while capitalising on emerging opportunities.

A large component of what will enable the Group to reduce exposure and build resilience against climate change challenges is the Group's ability to decarbonise the value chain. Read more about the Decarbonisation Commitment and initiatives in the section "Our Planet" in the DOF Group ASA's Annual report.

Climate Risk and Impairment test

The impairment test for vessels has included an analysis of which measures will be necessary to achieve DOF decarbonisation targets. The technical and commercial feasibility of decarbonisation measures have, in general, a high degree of uncertainty in comparison to conventional maintenance and upgrade programs for vessels. Cash flow effects related to risk and opportunities in a climate risk context, therefore, come with a higher degree of uncertainty. For further information about the Group's decarbonisation strategy, see the chapter "Our Planet" and section "Decarbonisation" in the Integrated Annual Report for DOF Group ASA.

For cash flow, the key climate change risks for our operations comprise cost increases following the introduction of carbon pricing, a contraction in carbon-intensive operations in a push to decarbonise the economy, as well as increasing severity and rate of occurrence of extreme weather events. Nevertheless, there remains uncertainty around the form and the trajectory these risks shall take and what effect this will have on cash flows over different time horizons. In the current impairment model, the group has, therefore, not included any costs linked to a potential tax on GHG emissions.

A general transformation to a low-carbon economy can also affect future revenue for the Group's vessels. There will be risks and opportunities in the energy transition to a low-carbon economy. However, limited knowledge is available about future cash flow effects on revenue. Hence, it has not been possible to quantify or measure these effects. The impairment test has, therefore, not included any potential effect on future income cash flow related to energy transition.



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Climate Risk and Useful Lives of Vessels

The business model is founded on the principle of maximising the value of vessel assets across its operational lifespan. With a greater appreciation of climate change risks and circular economy, the Group seeks to extend assets' operational and economic life for as long as possible. With this objective comes increased business sustainability through maximising material value and reduced exposure to asset write-down. The principles of maximising material value across an asset's useful life are a fundamental component of DOF's decarbonisation strategy and how the organisation generates value.

The residual value has been set to zero after 30 years as the cost of increasing environmental requirements related to the disposal of vessels is estimated to offset the scrap value of the steel. The useful life and residual value of vessels are based on knowledge of the market and years of operation of these types of vessels.

The economic life of the vessels will in a climate risk & opportunities context be dependent on the Group's ability to reach and to meet the markets and the stakeholder's expectation to sustainable operation. Additionally, the growing emphasis on the circular economy will positively impact both the economic and useful life of the Group's vessels.

A short or longer economic life might affect the value of the Group's vessels and equipment as well as future depreciation.

5 Management reporting

Management reporting is reported in a manner consistent with the internal reporting provided to the Board as the chief operating decision-makers.

The reporting below is presented according to internal management reporting, based on the proportional consolidation method of accounting of jointly controlled companies. The bridge between the management reporting and the figures reported in the financial statement is presented below.

| | 2023 Consistent with management reporting | Reconciliation to equity method | 2023 | 2022 Consistent with management reporting | Reconciliation to equity method | 2022 |
|--|---|---------------------------------------|--------------|---|---------------------------------------|---------------|
| Operating revenue | 10 261 | -1 634 | 8 627 | 8 302 | -1 600 | 6 702 |
| Operating expenses | -6 533 | 387 | -6 146 | -5 392 | 361 | -5 032 |
| Share of net profit from associates and joint ventures | 2 | 408 | 410 | 3 | 604 | 606 |
| Profit from sale of non-current assets | 33 | - | 33 | 27 | - | 27 |
| Operating profit before depreciation and impairment - EBITDA | 3 763 | -839 | 2 924 | 2 939 | -635 | 2 303 |
| Depreciation | -1 158 | 381 | -777 | -981 | 338 | -643 |
| Impairment (-)/ reversal of impairment | 1 354 | - | 1 354 | 736 | -61 | 674 |
| Operating profit - EBIT | 3 960 | -458 | 3 501 | 2 693 | -358 | 2 335 |
| Financial income | 161 | 23 | 184 | 61 | 10 | 71 |
| Financial expenses | -892 | 148 | -744 | -1 177 | 180 | -996 |
| Realised net gain/loss on derivative instruments and currency position | -1 029 | -5 | -1 034 | 46 | -1 | 45 |
| Unrealised net gain/loss on derivative instruments and currency position | 784 | -2 | 782 | -610 | -26 | -636 |
| Net financial income/loss | -976 | 165 | -811 | -1 680 | 163 | -1 516 |
| Profit (loss) before taxes | 2 984 | -294 | 2 690 | 1 013 | -195 | 818 |
| Tax income (cost) | -205 | 294 | 89 | -266 | 195 | -71 |
| Profit (loss) for the period | 2 779 | - | 2 779 | 747 | - | 747 |



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| Consolidated statement of financial position | 31.12.2023 Consistent with management reporting | Reconciliation to equity method | 31.12.2023 | 31.12.2022 Consistent with management reporting | Reconciliation to equity method | 31.12.2022 |
|--|--|---------------------------------------|---------------|--|---------------------------------------|---------------|
| Tangible assets | 16 135 | -6 532 | 9 603 | 14 200 | -6 544 | 7 656 |
| Deferred tax assets | 657 | -62 | 595 | 351 | -250 | 101 |
| Investments | 65 | 3 211 | 3 276 | 80 | 3 566 | 3 646 |
| Other non-current assets | 483 | 831 | 1 314 | 297 | -104 | 194 |
| Total non-current assets | 17 341 | -2 553 | 14 788 | 14 928 | -3 332 | 11 597 |
| Receivables | 3 210 | -385 | 2 825 | 2 266 | -302 | 1 964 |
| Cash and cash equivalents | 2 812 | -741 | 2 071 | 2 609 | -396 | 2 213 |
| Assets held for sale | - | - | - | - | - | - |
| Total current assets | 6 023 | -1 126 | 4 897 | 4 875 | -698 | 4 177 |
| Total assets | 23 363 | -3 679 | 19 685 | 19 804 | -4 030 | 15 774 |

| Consolidated statement of financial position | 31.12.2023 Consistent with management reporting | Reconciliation to equity method | 31.12.2023 | 31.12.2022 Consistent with management reporting | Reconciliation to equity method | 31.12.2022 |
|--|--|---------------------------------------|---------------|--|---------------------------------------|---------------|
| Total equity | 10 042 | - | 10 042 | 3 622 | - | 3 622 |
| Non-current liabilities | 10 191 | -2 878 | 7 313 | 3 510 | -3 245 | 265 |
| Total current liabilities | 3 130 | -801 | 2 329 | 12 672 | -785 | 11 887 |
| Total liabilities | 13 321 | -3 679 | 9 642 | 16 182 | -4 030 | 12 152 |
| Total equity and liabilities | 23 363 | -3 679 | 19 685 | 19 804 | -4 030 | 15 774 |

| Consolidated statement of cash flows | 31.12.2023 Consistent with management reporting | Reconciliation to equity method | 31.12.2023 | 31.12.2022 Consistent with management reporting | Reconciliation to equity method | 31.12.2022 |
|---|--|---------------------------------------|--------------|--|---------------------------------------|--------------|
| Net cash flow from operating activities | 1 751 | -1 024 | 727 | 2 585 | -870 | 1 715 |
| Cash flow from investing activities | -563 | 171 | -392 | -556 | 529 | -27 |
| Cash flow from financing activities | -1 072 | 507 | -565 | -1 153 | 464 | -689 |
| Net change in cash and cash equivalents | 116 | -346 | -230 | 876 | 123 | 999 |
| Cash and cash equivalent at the beginning of the period | 2 609 | -396 | 2 213 | 1 651 | -468 | 1 183 |
| Exchange rate effect on cash and cash equivalents | 88 | - | 88 | 83 | -52 | 31 |
| Cash and Cash equivalents at the end of the period | 2 812 | -740 | 2 072 | 2 609 | -396 | 2 213 |



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6 Segment information

The segment reporting is based on the management reporting, and reconciled to the financial statement. The Group's business is divided into two business segments: Subsea/IMR Projects and Long-term Chartering.

The Subsea/IMR Projects segment is the Group's largest segment, accounting for 79% of the Group's total revenues for the period ended 31st of December 2023 (76% in 2022). The Subsea IMR project activities have been performed in four regions: the Atlantic region, the Asia-Pacific region, the North America region, and the South America region. The Long-term Chartering comprises eight vessels of which seven vessels are PLSVs (pipe laying vessels).

| | | |
|--|--------|--------|
| Operating revenue consistent with management reporting | 2023 | 2022 |
| Long-term Chartering | 2 165 | 1 999 |
| Subsea/IMR Projects | 8 096 | 6 303 |
| Total consistent with management reporting | 10 261 | 8 302 |
| Reconciliation to equity method | -1 634 | -1 600 |
| Total | 8 627 | 6 702 |
| EBITDA consistent with management reporting | | |
| Long-term Chartering | 1 590 | 1 444 |
| Subsea/IMR Projects | 2 140 | 1 468 |
| Profit from sale of non-current assets | 33 | 27 |
| Total consistent with management reporting | 3 763 | 2 939 |
| Reconciliation to equity method | -839 | -635 |
| Total | 2 924 | 2 303 |

7 Operating revenue

The Group recognises income in line with the transfer of promised goods or services to customers in an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. Operating revenue is shown net of discounts, value-added tax and other taxes on gross rates.

a) Day rate contracts

A day rate contract is a contract where the Group is remunerated by the customer at an agreed daily rate for each day of use of the vessel, equipment, crew and other resources and service utilised on the contract. Such contracts may also include certain lump sum payments.

Under long-term chartering the Group delivers a vessel, including crew, to a client. The charterer determines, within the contractual limits, how the vessel is to be utilised. Under subsea/IMR Projects the Group utilises its vessels, equipment, crew and the onshore project organisation to perform tailor made services on the client's installations and/or assets.

The right to use the vessel falls under the scope of IFRS 16 'Leases', and revenue is recognised over the lease period on a straight-line basis.

Distinct service components in a contract are accounted for separately from other promises in the contract. Where the contracts include multiple performance obligations, the transaction price is allocated to each performance obligation based on the stand-alone selling prices. Revenue is recognised over time as the services are provided. The stage of completion for determining the amount of revenue to recognise is assessed based on input or an output method. The method applied is the one that most faithfully depicts the Group's progress towards complete satisfaction of the performance obligation. Progress is usually measured based on output methods such as days.

The Group does not recognise revenue during periods when the underlying vessel is off-hire. In contracts where the Group is remunerated for maintenance days the revenue is recognised over the contract period. The maintenance days are recognised as receivables and invoiced during the off-hire.

Costs incurred relating to future performance obligations are deferred and recognised as assets in the statement of balance sheet. The costs incurred will be expensed in line with the satisfaction of the performance obligation.

b) Lump sum contracts

A lump sum contract is a contract where the Group is remunerated by the client to a fixed price which is deemed to include the Group's costs, profit and contingency allowances for risks. Any over-run of costs experienced by the Group is for the Group's account, unless specifically agreed with the client in the contract.

For lump sum projects, contract revenue and expenses are recognised over time in accordance with the stage of completion of a contract. The stage of completion is calculated by dividing contract costs incurred to date by total estimated contract costs. Revenue is recognised in line with the stage of completion.



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The method relies on the Group's ability to estimate future costs in an accurate manner over the remaining life of a project. The process requires judgement, and changes to estimates or unexpected costs resulting in fluctuations in revenue and probability. Cost forecasts are reviewed on a continuous basis and the project accounts are updated in a monthly project manager's report as a result of these reviews. The reviews monitor actual cost of work performed project to date, the estimate cost to complete and the estimate cost at completion. This enables a reliable estimate for the likely outcome in terms of profitability of each project.

As contract revenue, costs and the resulting profit are recognised as the work is performed, costs incurred relating to future activities are deferred and recognised as an asset in the statement of the balance sheet. Conversely, where revenue is received in advance of costs being incurred, a deferred liability is recognised in the statement of balance sheet.

Where the outcome of a project cannot be reliably measured, revenue will be recognised only to the extent that costs are recoverable. Where it is probable that contract costs will not be recovered, it is only costs incurred that are recognised in the profit or loss statement.

c) Variation orders

Additional contract revenue arising from variation orders is recognised when it is probable that the client will approve the variation and the amount of revenue arising from the variation can be reliably measured.

d) Mobilisation

In contracts where the Group is remunerated for mobilisation or demobilisation of a vessel, the remuneration is classified as prepayment and amortised over the contract period.

For onerous contracts provisions are made when unavoidable costs of meeting the obligations under the contract exceed the economic benefit to be received under the contract. The unavoidable costs under the contract are the lower of the cost of fulfilling the contract and any compensation or penalties arising from failure to fulfil the contract. Unavoidable cost includes both direct cost and indirect costs to fulfil the contract.

The Group's revenue has been disaggregated and presented in the table below:

| Operating revenue | Note | 2023 | 2022 |
|--------------------------------|------|--------------|--------------|
| Lump sum contracts | | 433 | 385 |
| Day rate contracts | | 8 194 | 6 317 |
| Total operating revenue | | 8 627 | 6 702 |

| Geographical distribution of operating revenue 2023 | Angola | Norway | Great Britain | Brazil | Australia | Canada | USA | Philippines | Other | Total |
|---|--------|--------|---------------|--------|-----------|--------|-------|-------------|-------|-------|
| Operating revenue | 683 | 421 | 623 | 2 401 | 1 589 | 291 | 1 457 | 385 | 778 | 8 627 |

| Geographical distribution of operating revenue 2022 | Angola | Norway | Great Britain | Brazil | Australia | Canada | USA | Philippines | Other | Total |
|---|--------|--------|---------------|--------|-----------|--------|-------|-------------|-------|-------|
| Operating revenue | 527 | 836 | 778 | 1 888 | 1 210 | 224 | 1 087 | | 153 | 6 702 |

Geographical distribution of revenue from contracts with customers is based on the location of clients. In 2023, two clients accounted for more than 10% of the Group's revenue.

The lease portion of revenue contracts are included in revenue from contracts with customers presented above. The right to use the vessel will normally be within the range 50-70% of the total contract value.

8 Payroll expenses

| Payroll expenses | Note | 2023 | 2022 |
|-------------------------------------|------|---------------|---------------|
| Salary | | -1 879 | -1 560 |
| Employer's contributions | | -183 | -147 |
| Pension costs | | -61 | -44 |
| Other personnel costs | | -44 | -126 |
| Total employee benefits | | -2 167 | -1 877 |
| Hired personnel | | -712 | -563 |
| Total | | -2 878 | -2 439 |
| Full-time employees (at period end) | | 1 802 | 1 552 |

Pension cost above is related to defined contribution pension plan for the employees. The Group's pension scheme meets the requirements of the Norwegian law of Occupational pension.



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9 Other operating expenses

| Other operating expenses | 2023 | 2022 |
|---|---------------|---------------|
| Short-term lease of vessels including crew expenses | -476 | -359 |
| Technical costs | -366 | -178 |
| Equipment cost | -1 214 | -825 |
| Bunkers | -249 | -368 |
| Administration cost | -442 | -372 |
| Amortisation of contract cost | -68 | -56 |
| Other operating expenses | -454 | -435 |
| Total other operating expenses | -3 268 | -2 592 |

10 Financial income and expenses

Interest income is recognised using the effective interest method.

| Financial income and expenses | Note | 2023 | 2022 |
|---|------|---------------|---------------|
| Interest income | 28 | 143 | 34 |
| Guarantee income from Joint Ventures | 16 | 15 | 17 |
| Gain on settlement of loan facility | | - | 4 |
| Other financial income | | 26 | 16 |
| Financial income | | 184 | 71 |
| Interest expenses | | -708 | -858 |
| Impairment (-)/ reversal impairment shares and loans | | 23 | -30 |
| Other financial expenses | | -59 | -109 |
| Financial expenses | | -744 | -996 |
| Realised foreign currency net gain / loss on non-current debt and current debt | | -1 287 | 3 |
| Realised foreign currency net gain / loss on current receivables / liabilities | | 256 | -18 |
| Realised net gain / loss on foreign exchange derivatives | | -2 | 59 |
| Realised net gain / loss on derivative instruments and currency position | | -1 034 | 45 |
| Unrealised foreign currency net gain / loss on non-current debt and current debt | | 984 | -4 |
| Unrealised foreign currency net gain / loss on current receivables / liabilities | | -202 | -639 |
| Net change in unrealised gain / loss on interest rate derivatives | | - | 7 |
| Unrealised net gain / loss on derivative instruments and currency position | | 782 | -636 |
| Net financial income / loss | | -811 | -1 517 |



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11 Tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting date in the countries where the Company's subsidiaries and associated companies operate and generate taxable income. Permanent establishment of the operation will be dependent on number of days operating in a specific country. Tax is calculated in accordance with the legal framework in those countries in which the Group's subsidiaries, associated companies or vessels with permanent establishment operate and generate taxable income.

The Group periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishes provisions for uncertain tax positions where appropriate on the basis of amounts expected to be paid to the tax authorities. For further information, please refer to note 33 'contingencies'.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated accounts. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Companies under the shipping tonnage tax regime

The Group is organised in compliance with the tax regime for shipping companies in Norway. This scheme entails no tax on profits or tax on dividends from companies within the scheme. Net finance, allowed for some special regulations, will continue to be taxed on an ongoing basis. In addition, tonnage tax is payable, which is determined based on the vessel's net weight. This tonnage tax is presented as an operating expense.

The Norwegian Tonnage tax scheme is approved as legal state aid under the EU guidelines for a 10-years period, from the 1st of January 2018 until the 31st of December 2027. These tax rules stipulate certain requirements which will have to be met. A failure to meet such requirements may have an adverse effect on the effective tax rate of the Group.

| Income tax expense | 2023 | 2022 |
|-------------------------------------|-----------|------------|
| Current tax on profits for the year | -399 | -199 |
| Change in deferred tax | 488 | 128 |
| Income tax expense | 89 | -71 |

The tax on the Group's profit before tax differs from the theoretical amount, calculated by using domestic tax rates applicable to profits of each subsidiary as follows:

| Reconciliation of nominal and effective tax rate | 2023 | 2022 |
|---|--------------|------------|
| Profit / loss before tax | 2 690 | 818 |
| Tax estimated by use of domestic tax rates applicable to profits in the respective countries* | -373 | -203 |
| Tax effect of: | | |
| Income/expenses not deductible for tax purposes | -7 | 16 |
| Unrecognised tax losses and temporary differences | -33 | -41 |
| Utilisation of previous unrecognised tax losses | 697 | 157 |
| Adjustments in respect to prior years | -3 | - |
| Withholding taxes and effect of different tax regimes | -274 | -106 |
| Joint ventures and associates results reported net of tax | 81 | 107 |
| Income tax expense | 89 | -71 |

* Domestic tax rates applicable to the Group vary between 0% and 35%. Tax estimates exclude withholding taxes and other business taxes

| Tax effect other comprehensive income | 2023 | | |
|--|------------|------------|------------|
| | Before tax | Income tax | After tax |
| Currency translation differences | -49 | 5 | -44 |
| Share of other comprehensive income of associates and joint ventures | 187 | - | 187 |
| Other comprehensive income | 138 | 5 | 143 |

| Tax effect other comprehensive income | 2022 | | |
|--|------------|------------|------------|
| | Before tax | Income tax | After tax |
| Currency translation differences | -80 | - | -80 |
| Share of other comprehensive income of associates and joint ventures | 361 | - | 361 |
| Other comprehensive income | 281 | - | 281 |



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| The gross movement on the deferred tax in the statement of financial position | 2023 | 2022 |
|---|-------------|-------------|
| At 01.01 | -101 | 26 |
| Tax related to comprehensive income | -488 | 128 |
| Tax related to components of other comprehensive income | -5 | - |
| At 31.12 | -595 | -101 |

Deferred tax

The table below specifies the temporary differences between accounting and tax values, and the calculation of deferred tax/tax assets at period end. The Group's deferred tax assets are reviewed for impairment.

Deferred tax assets are recognised on the basis of unused tax losses carried forward or deductible temporary differences to the extent that it is probable that there will be sufficient future earnings available against which the loss or deductible can be utilised. Earnings for several companies in the Group have continue to improve during 2022 and 2023. Contracts entered these years have also longer duration than previous years which gives better visibility of future earnings. Deferred tax assets from tax losses carried forward are expected to be offset against taxable income within a period of 5-10 years.

| Basis for deferred tax | 2022 | 2022 |
|---|---------------|-------------|
| Non-current assets | 686 | 308 |
| Current assets | -40 | -33 |
| Liabilities | -764 | -812 |
| Tax position related to sold assets | 170 | 18 |
| Other differences | 72 | 47 |
| Total temporary differences | 126 | -473 |
| Temporary differences not included as deferred tax (+) | 408 | 587 |
| Total temporary differences included as deferred tax | 534 | 114 |
| Tax loss carried forward* | -4 993 | -4 885 |
| Tax loss not included as deferred tax asset | 1 844 | 4 405 |
| Tax loss included as deferred tax assets (-) | -3 149 | -479 |
| Basis for calculating deferred tax / tax asset (-) | -2 615 | -365 |

*Tax losses carried forward from subsidiaries taxed under the shipping tonnage tax regime are excluded.

| | | |
|---|-------------|-------------|
| Deferred tax / tax asset (-) calculated at domestic tax rates (17-35%) | -595 | -101 |
| Deferred tax (included in other non-current liabilities) | - | - |
| Deferred tax asset | -595 | -101 |
| Total deferred tax / tax asset (-) recognised in the statement of financial position | -595 | -101 |

Tax-loss carried forward recognised as deferred tax asset per country

2023

| Country | Tax-loss carried forward | Temporary differences | Tax rate | Deferred tax asset |
|--------------|--------------------------|-----------------------|----------|--------------------|
| Norway | -3 014 | 576 | 22% | -536 |
| Australia | - | -42 | 30% | -13 |
| Brazil | -135 | - | 34% | -46 |
| Total | 3 149 | 534 | | 595 |

2022

| Country | Tax-loss carried forward | Temporary differences | Tax rate | Deferred tax asset |
|--------------|--------------------------|-----------------------|----------|--------------------|
| Norway | -325 | 150 | 22% | -38 |
| Australia | - | -35 | 30% | -11 |
| Brazil | -154 | - | 34% | -52 |
| Total | -479 | 114 | | -101 |



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Global minimum tax (GMT)

On the 12th of January 2024, a new law was approved in Norway ensuring a global minimum tax for multinational enterprises with consolidated group revenue of at least EUR 750 million. The law and the rules are based on the "Two-Pillar Solution" that has been developed in a project with collaboration from 140 countries and jurisdictions within the OECD/G20 Inclusive Framework on Base erosion and profit shifting (BEPS). The law will apply in Norway from 1st of January 2024.

The Two-Pillar Solution, a key part of the OECD Project, is addressing the tax challenges arising from the digitalisation and globalisation of the economy. The minimum tax will ensure a minimum level of tax of 15% on the income arising in each of the jurisdictions where the Group operates.

For 2024, the Group is expected to have consolidated revenue above EUR 750 million and will be subject to the law.

The Group has adopted amendments to IAS 12 'Income Taxes', giving companies temporary relief from accounting for deferred taxes arising from the "Two-Pillar Solution" rules.

Potential effect on the Group for 2024

The GMT will be imposed on the parent company in Norway for any jurisdictions with an effective taxation less than 15%, based on a specific set of rules for determining revenue and assessed taxes. A detailed evaluation per country will be required to provide a guide on the effect.

The Group is in a process to estimate effects and has identified main operational countries and domestic corporate tax rate as shown below.

| Land of operation and tax jurisdictions | Corporate tax | Withholding tax | Tonnage tax*) |
|---|---------------|-----------------|---------------|
| Norway* | 22% | - | 0% |
| Brazil | 34% | 15% | - |
| United States | 21% | - | - |
| Australia | 30% | - | - |
| United Kingdom | 25% | - | - |
| Guyana | 25% | 10% | - |
| Angola | 25% | 6.5% | - |
| Canada | 30% | - | - |

*) Tonnage taxation of vessel owning companies

Based on the table, Norway stands out as the country where the new rules might have an effect. A significant part of the earnings of the vessels owned by Norwegian tax resident entities is subject to the tonnage tax scheme, which has a very low tax rate compared to regular corporate tax rates and shall be included in the total revenue and taxes calculating the 15% GMT for Norway. The analysis and the calculations will continue in 2024, but the Group does not expect significant tax effects as result of the implementation of this new regulation.

12 Earnings per share

| Basis for calculating earnings per share | 2023 | 2022 |
|--|--------------|-------------|
| Profit / loss attributable to shareholders of the parent company | 2 737 | 760 |
| Weighted average number of outstanding shares | 167 352 762 | 167 352 762 |
| Weighted average number of outstanding shares, diluted | 167 352 762 | 167 352 762 |
| Basic and diluted earnings per share (NOK) | 16.35 | 4.54 |



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13 Tangible assets

Tangible assets are recognised at cost less accumulated depreciation and accumulated impairment losses. The cost of tangible asset comprises its purchase price, borrowing costs and any directly attributable costs of bringing the asset to its operating condition. If significant, the total expenditure is separated into components which have different expected useful lives.

Depreciation commences when the asset is ready for its intended use. The useful life and the depreciation method are reviewed periodically in order to ensure that the method and period of depreciation are consistent with the expected pattern of financial benefits expected to be derived from the assets.

When tangible assets are sold, reclassified to asset held for sale, reclassified to financial lease or retired, their cost and accumulated depreciation and accumulated impairment loss are derecognised and any gain or loss resulting from their disposal or derecognition, is included in profit or loss.

| 2023 | Vessels | Periodic maintenance | ROVs | Operating equipments | Right-of-use assets | Total |
|---|---------------|----------------------|---------------|----------------------|---------------------|---------------|
| Cost at 01.01 | 11 961 | 1 480 | 1 942 | 912 | 362 | 16 657 |
| Additions | 723 | 177 | 147 | 46 | 446 | 1 540 |
| Disposals | -319 | -382 | -55 | -18 | -5 | -778 |
| Reallocation | - | - | - | -5 | - | -5 |
| Currency translation differences | 17 | 17 | 9 | 28 | 21 | 93 |
| Cost at 31.12 | 12 383 | 1 293 | 2 043 | 964 | 824 | 17 507 |
| Depreciation and impairment at 01.01 | -5 645 | -1 025 | -1 446 | -702 | -182 | -9 000 |
| Depreciation for the year | -403 | -140 | -124 | -35 | -73 | -777 |
| Reversal of impairment | 1 354 | - | - | - | - | 1 354 |
| Depreciation and impairment on disposals | 233 | 333 | 20 | 6 | 3 | 595 |
| Currency translation differences | -19 | -12 | -10 | -27 | -9 | -76 |
| Depreciation and impairment at 31.12 | -4 480 | -844 | -1 561 | -758 | -260 | -7 904 |
| Book value at 31.12 | 7 905 | 449 | 481 | 205 | 564 | 9 603 |

| | | | | | | |
|-------------------------------------|--------|--------|--------|--------|--------|-----|
| Lease assets included in book value | | | 45 | 16 | 564 | 625 |
| Asset lifetime (years) | 30 | 2.5-5 | 10-12 | 5-15 | 5-30 | |
| Depreciation schedule | Linear | Linear | Linear | Linear | Linear | |

| 2022 | Vessels | Periodic maintenance | ROVs | Operating equipments | Right-of-use assets | Total |
|---|---------------|----------------------|---------------|----------------------|---------------------|---------------|
| Cost at 01.01 | 12 133 | 1 313 | 1 853 | 836 | 321 | 16 456 |
| Additions | -9 | 194 | 121 | 46 | 34 | 386 |
| Disposals | -258 | -42 | 51 | -9 | -4 | -364 |
| Reallocation | - | - | - | - | - | - |
| Currency translation differences | 95 | 15 | 19 | 38 | 11 | 179 |
| Cost at 31.12 | 11 961 | 1 480 | 1 942 | 912 | 362 | 16 657 |
| Depreciation and impairment at 01.01 | -6 194 | -915 | -1 357 | -625 | -137 | -9 228 |
| Depreciation for the year | -316 | -137 | -109 | -44 | -38 | -643 |
| Impairment for the year | - | - | -13 | - | -4 | -18 |
| Reversal of impairment | 692 | - | - | - | - | 692 |
| Depreciation and impairment on disposals | 209 | 41 | 51 | 1 | 2 | 304 |
| Currency translation differences | -38 | -13 | -17 | -34 | -4 | -106 |
| Depreciation and impairment at 31.12 | -5 646 | -1 025 | -1 445 | -702 | -182 | -9 000 |
| Book value at 31.12 | 6 317 | 455 | 496 | 209 | 182 | 7 656 |

| | | | | | | |
|-------------------------------------|--------|--------|--------|--------|--------|-----|
| Lease assets included in book value | | | 133 | 44 | 180 | 357 |
| Asset lifetime (years) | 30 | 2.5-5 | 12 | 5-15 | 5-30 | |
| Depreciation schedule | Linear | Linear | Linear | Linear | Linear | |



DOF Subsea Group

Amounts in NOK million

Useful life and residual value

The level of depreciation depends on the vessels estimated useful lives. Useful life and economic life of the Group vessels are estimated to be 30 years. Useful life of vessels is based on knowledge of the market and years of operations of these types of vessels.

For information about how climate risk can affect useful life of vessels, see note 4 "Climate risk".

Residual value of vessels

The level of depreciation depends on the calculated residual value. Residual value after 30 years is set to zero based on an assumption that environmental requirements related to disposal of vessels are estimated to offset the scrap value of the steel.

Useful life of investments related to periodical maintenance

Periodic maintenance is related to major inspections and overhaul costs which occur at regular intervals over the life of an asset. The expenditure is capitalised and depreciated until the vessel enters the next periodical maintenance. Estimated life of each periodical maintenance program is normally five years. When new vessels are acquired, a portion of the cost price is classified as periodic maintenance based on best estimates.

Lease assets

The Group leases vessels, ROVs, various offices and cars. On long-term contracts with low residual value, the Group has assumed an expectation of purchase of the asset. These contracts are classified as ROV and operating equipment. Other contracts are classified as right-of-use assets and is mainly related to lease of offices and vessels. For more information please see note 15 'Leases'.

Disposal

Gain on sale of tangible assets in the result are related to sale of one vessel, ROV's and other operating equipment.

Impairment of assets

Vessels

For the purposes of assessing impairment for vessels, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units, "CGU"). Each vessel together with associated contracts is considered as a separate CGU.

Fair value less cost to sell.

For vessels, fair value less cost to sell is based on an average of the brokers' estimates, taken into account sales commission. All vessels in the Group are assessed by obtaining independent broker estimates. The brokers' estimates are based on the principle of 'willing buyer and willing seller' under normal commercial terms. Broker estimates include mounted equipment and assume that the vessels are without any charter contracts (i.e. charter-free basis). The Group has sought to substantiate the broker valuations, inter alia with value in use calculations. The value in use calculations adjusts for positive or negative value in associated contracts and for the expected cost level going forward. When value in use calculations have lower value than broker estimates, value in use has been used as a recoverable amount in the impairment test.

Value in use

Estimated cash flows are based on next year's budgets per vessel and forecasted earnings going forward. The budget process is a detailed and thorough bottom-up process including approval procedures on all levels within the Group. Estimated future cash flows are based on historical performance per vessel, in combination with current market situation and future expectations. Critical assumptions in the assessment are related to income rates, utilisation, operational and capital expenditure. The impairment test for vessels has included costs related to decarbonisation measures. For more information about calculation and assumptions related to decarbonisation measures, see note 4, "Climate risk".

For vessels fixed on firm long-term contracts, the assumption is that the contracts run up until expiry of the contracts. Options held by the customers are not assumed to be exercised unless the options are at or below current market rates. For vessels without a contract, assumptions derived from the evaluation of broker estimates, combined with other market information are considered when estimating future revenues.

The Weighted Average Cost of Capital (WACC) is used as a discount rate and reflects a normalised capital structure for the industry. The WACC represents the rate of return the Group is expected to pay to its sources of finance for cash flows with similar risks. Cash flows are calculated after tax and discounted with an after-tax discount rate. The nominal WACC used in the value in use calculations are ranging from 9.2%-11.2%.

Sensitivity analysis or stress tests have been carried out for the main variables in the assessment. See separate section about sensitivity analyses and risk of impairment.

The market has improved in 2022-2023, and based on contract backlog and operational performance the impairment test has resulted in reversal of impairment of NOK 1,354 million (NOK 692 million) and impairment of NOK 0 million (NOK 18 million) in 2023.

ROVs

The ROVs are defined as interchangeable with each other and are therefore identified as one CGU. Based on sales prices and an increase in earnings for ROVs in 2023, the Group has not identified any impairment indicators.



FINANCIAL STATEMENTS / DOF SUBSEA GROUP

DOF Subsea Group

Amounts in NOK million

| 2023 | | | |
|-------------------------------------|-------------------|---|------------------------|
| Vessels with reversal of impairment | | | |
| Age | Number of vessels | Book value after reversal of impairment | Reversal of impairment |
| 0-10 years | 1 | 413 | 9 |
| 11-15 years | 7 | 4 014 | 1 008 |
| 15+ years | 4 | 885 | 337 |
| Total | 12 | 5 312 | 1 354 |

| 2022 | | | |
|-------------------------------------|-------------------|---|------------------------|
| Vessels with reversal of impairment | | | |
| Age | Number of vessels | Book value after reversal of impairment | Reversal of impairment |
| 0-10 years | 2 | 2 342 | 192 |
| 11-15 years | 5 | 2 554 | 406 |
| 15+ years | 2 | 240 | 95 |
| Total | 9 | 5 136 | 692 |

| Depreciation and impairment | Note | 2023 | 2022 |
|------------------------------------|------|------------|-----------|
| Depreciation tangible asset | | -777 | -643 |
| Impairment subsea equipment | | - | -18 |
| Reversal of impairment vessel | | 1 354 | 692 |
| Depreciation and impairment | | 577 | 31 |

Sensitivity analysis and risk of further impairment

Impairment tests are sensitive to changes in currencies. A weakening of USD towards NOK with 10% will result in an impairment of NOK 524 million, given no change in other assumptions. While testing the reasonableness of the broker estimates the Group has applied a nominal WACC after tax in the range of 9.2-11.2%. An increase in WACC with 100 basis points will result in an impairment of vessels with NOK 211 million. Negative effect on net future cash flows by 10% will result in an impairment of the vessels of approximately NOK 565 million.

The Group has a global operation and the Group will change the presentation currency from 2024 to USD. In addition, some of the companies in the Group will change their functional currency from NOK to USD from 2024 and this will reduce the sensitivities towards currencies for parts of the Group's vessels.

The Group has a relatively new fleet of vessels (average age approximately 13 (12) years) and as a result future cash flows for a long period of time. The key assumptions in a discounted cash flow calculation for vessels are utilisation and charter rates. Changes in these assumptions would have considerable effects on the net present value of the vessels in a value in use calculation. The Group uses measurement level 3 in value in use calculations.

14 Contract cost

Costs of obtaining contracts with customers and costs related to mobilisation of vessels, equipment and personnel are capitalised as contract costs. Amortisation is done in line with the agreed contract period and includes the probability judgement in assessing whether the option period shall be included. Contract costs are recognised as intangible assets and the amortisation is presented as operating expenses.

For further information about contract costs, refer to note 7 'Operating revenue'.

| 31.12.2023 | 2023 | 2022 |
|---------------------------------------|------------|-----------|
| Net booked value 01.01 | 99 | 84 |
| Additions | 193 | 62 |
| Reclassification from tangible assets | 4 | - |
| Amortisation | -68 | -56 |
| Currency translation differences | 4 | 10 |
| Net booked value 31.12 | 232 | 99 |



FINANCIAL STATEMENTS / DOF SUBSEA GROUP

DOF Subsea Group

Amounts in NOK million

15 Leases

The Group as lessor

The Group acts as a lessor in connection with operating leases. The leases are related to the time charter and bareboat contracts on vessels and equipment. For time charter contracts both the lease component and the service component are included in the overview of future lease revenue. Vessels on operating lease are recognised as tangible assets, see note 13 'Tangible assets'. Lease payments received are recognised in the statement of profit or loss on a straight – line basis over the lease term.

Future minimum operating lease income arising from contracts on vessels at period end 2023 is shown in the overview below. All contracts in foreign currency are converted to NOK at 31st of December 2023 and stated in NOK million.

| Overview of future minimum lease revenue | Within 1 year | 2-5 years | After 5 years | Total |
|--|---------------|-----------|---------------|-------|
| Minimum operating lease income amounts falling due in the periods | 512 | 194 | - | 706 |
| Minimum operating lease income amounts falling due in the periods including joint ventures | 1 760 | 2 298 | - | 4 058 |

Total future minimum operating lease revenues include firm contracts from the Group's vessels and the Group's share of vessels in the joint ventures.

Joint ventures are consolidated using equity method, see notes 5 'Management reporting', 6 'Segment information' and 16 'Investments in joint controlled companies and associated companies' for further information.

For further information about revenue recognition see note 7 'Operating revenue'.

Leases of tangible assets - the Group as lessee

The Group leases ROV's, IT equipment, offices, cars and vessels, which are presented as either tangible assets or sub-lease receivables and liabilities. The Group has elected not to recognise right-of-use assets and liabilities for leases that have a lease term of 12 months or less or leases of low-value assets.

Right- of- use assets are depreciated on a straight-line basis over the lease period. The Group's right- of- use assets are mainly related to lease of offices and to the lease of the vessels Stril Explorer and Skandi Iceman from 2023.

The bareboat contract of Havila Phoenix is classified as sub-lease receivables. Debt related to right- of -use assets and sub-lease is classified as lease debt.

Where assets are financed through finance leases with low residual values, the Group has assumed an expectation of purchase of the asset. These assets are presented as tangible assets and are depreciated over the useful lifetime. The financial leases are related to ROV's and operating equipment and the debt is classified as debt to credit institution.

Amounts recognised in the statement of financial position;

| | 2023 | 2022 |
|--|------------|------------|
| Tangible assets - ROVs and operating equipment | 60 | 177 |
| Tangible assets - right-of-use vessel | 381 | - |
| Tangible assets - right-of-use property | 184 | 180 |
| Total tangible assets | 624 | 357 |
| Non-current receivables sub-lease | 146 | 65 |
| Current receivable sub-lease | 96 | 40 |
| Total assets | 866 | 463 |
| Non-current debt to credit institution for lease of ROVs | 4 | - |
| Current debt to credit institution for lease of ROVs | 16 | 63 |
| Non-current lease - right of use property | 601 | 261 |
| Current lease - right of use property | 253 | 115 |
| Total liabilities | 874 | 439 |



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DOF Subsea Group

Amounts in NOK million

Amounts recognised in statement of comprehensive income;

| | 2023 | 2022 |
|--|-------------|-------------|
| Short-term lease expenses of vessels including crew related cost | -476 | -359 |
| Depreciation ROVs and operating equipment | -24 | -30 |
| Depreciation right of use property | -73 | -38 |
| Total depreciation and impairment | -97 | -68 |
| Interest income | 22 | 6 |
| Interest expenses | -41 | -17 |
| Currency effects | 3 | - |
| Net financial income / loss | -16 | -11 |
| Total expenses in statement of comprehensive income | -589 | -438 |

| Financial lease | 2023 | 2022 |
|----------------------------------|-------------|-------------|
| Cost at 01.01. | 705 | 705 |
| Additions | 449 | 37 |
| Disposals | -176 | -48 |
| Currency translation differences | 19 | 11 |
| Cost at 31.12. | 997 | 705 |
| Depreciation at 01.01. | -312 | -271 |
| Depreciation for the year | -97 | -68 |
| Depreciation disposals | 80 | 32 |
| Currency translation differences | -7 | -5 |
| Depreciation at 31.12. | -337 | -312 |
| Impairment 01.01 | -35 | -30 |
| Impairment for the year | - | -5 |
| Impairment 31.12 | -35 | -35 |
| Book value at 31.12 | 624 | 358 |

| Repayment profile lease liabilities | 2024 | 2025 | 2026 | 2027 | 2028 | Subsequent | Total |
|---|------------|------------|------------|-----------|-----------|------------|------------|
| Lease liabilities - related to ROV and IT | 16 | 4 | | | | | 20 |
| Lease liabilities - right-of-use assets and sub-lease | 253 | 281 | 183 | 68 | 21 | 49 | 854 |
| Total | 269 | 285 | 183 | 68 | 21 | 49 | 874 |

16 Investments in joint ventures and associates

The Group has assessed the nature of its jointly controlled companies and determined them to be joint ventures. Joint ventures are accounted for using the equity method of accounting.

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting.

Under the equity method of accounting, interests are initially recognised at cost and adjusted thereafter to recognise the Group's share of post-acquisition profit or loss and movements in other comprehensive income. When the Group's share of losses equals or exceeds its interest in the investee (which includes any long-term interests that, in substance, form part of the Group's net investments in the investee), the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the investee.

Unrealised gains on transactions between the Group and its investee are eliminated to the extent of the Group's interest in the investee. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

If the ownership interest in an investee is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

The Group determines at each reporting date whether there is any objective evidence that the investment in the investee has been impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the investee and its carrying value, recognising the amount in 'share of income of associates and joint ventures' in the profit or loss.

Accounting policies of the joint ventures have been changed where necessary to ensure consistency with the policies adopted by the Group.

Dividend from joint ventures and associates is recognised when the right to receive payment is established.



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DOF Subsea Group

Amounts in NOK million

The Group has the following investments in joint ventures and associates accounted for using the equity method:

| Name of entity | Place of business/ country of incorporation | Industry | % of ownership interest | Nature of relationship | Measurement method |
|----------------------|---|---------------------------------|----------------------------|---------------------------|-----------------------|
| DOFCON Brasil Group | Norway | Subsea Chartering | 50% | Joint Venture | Equity |
| KDS JV AS | Norway | Subsea Operations | 50% | Joint Venture | Equity |
| DOF Management Group | Norway | Vessel management and operation | 34% | Associate | Equity |
| Semar AS | Norway | Engineering | 42% | Associate | Equity |

Reconciliation of the aggregate carrying amounts of the investments

| 2023 | DOFCON Brasil | | | Total |
|---------------------------------------|---------------|-----------|----------------------|--------------|
| | Group | KDS JV AS | Associated companies | |
| Book value of investment 01.01 | 3 547 | 19 | 80 | 3 646 |
| Profit/loss for the period | 391 | 17 | 2 | 410 |
| Other comprehensive income | 187 | - | - | 187 |
| Dividend | -920 | -30 | - | -950 |
| Book value of investment 31.12 | 3 205 | 6 | 82 | 3 293 |

| 2022 | DOFCON Brasil | | | Total |
|---------------------------------------|---------------|-----------|----------------------|--------------|
| | Group | KDS JV AS | Associated companies | |
| Book value of investment 01.01 | 2 724 | - | 77 | 2 802 |
| Profit/loss for the period | 585 | 19 | 3 | 606 |
| Other comprehensive income | 361 | - | - | 361 |
| Repayment of capital | -123 | - | - | -123 |
| Book value of investment 31.12 | 3 547 | 19 | 80 | 3 646 |

DOFCON Brasil Group

DOFCON Brasil AS is a holding company located in Bergen and is jointly owned by DOF Subsea AS and Technip Coflexip Norge AS. DOFCON Brasil AS owns and controls TechDOF Brasil AS and DOFCON Navegação Ltda. DOFCON Brasil Group owns and operates six vessels at longterm contracts in Brazil with Petrobras.

Skandi Açú and Skandi Buzios are owned by TechDOF Brasil AS. Skandi Niterói, Skandi Vitória, Skandi Recife and Skandi Olinda are owned by DOFCON Navegação Ltda.

Skandi Buzios, fire incident

The Skandi Buzios has been off hire since 2nd of June 2023 due to a fire incident. The vessel is currently in Norway to do the repairs. The progress of the repairs is good, and the vessel is expected to be back in operation during 2nd half 2024 and then continue on its existing contract with Petrobras. The vessel is insured including a Loss of Hire insurance coverage for the first 90 days. The Loss of Hire claim is all paid by end of 2023. The dialog with the insurance company is good and constructive with well organised procedure for refund of costs to repair the vessel.

Impairment

Impairment test have been done for the vessels in accordance with IAS 36 and conclusion is that there is no need for impairment. In 2022 a reversal of impairment with NOK 61 million was recognised (50 % share).

The Group has guarantee commitments on behalf of the ownership in DOFCON Brasil Group. The guarantees are in favor of credit institutions in the total amount of USD 273 million. See note 27 'Guarantees' for additional information.

KDS JV AS

KDS JV AS is owned by DOF Subsea Group and Aker Solutions AS where each part owns 50% of liable capital. KDS JV has operated under a subcontract with Aker Solutions AS to perform marine operations for the Hywind Tampen project for Equinor. The Hywind Tampen is the world's largest offshore floating windfarm. The Hywind Tampen project was finalised in 2023.

Associates

DOF Subsea AS own 42.3% of the shares in Semar AS.

DOF Subsea own 34% of DOF Management AS, the remaining 66% is owned by DOF Group. DOF Management AS and Norskan Offshore Ltda performs vessel management, vessel operation and other related services to vessel owners in the offshore energy industry. DOF Management AS and Norskan Offshore Ltda delivers vessel management to the DOF Subsea Group's fleet.



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DOF Subsea Group

Amounts in NOK million

Summarised preliminary consolidated financial information for the joint ventures DOFCON Brasil Group and KDS JV AS.

The information disclosed reflects the amounts presented in the preliminary financial statements of DOFCON Brasil Group and KDS JV AS. The table also reconciles the summarised financial information to the DOF Subsea Group's share and carrying amount of the investment.

| | | | 2023 | 2022 |
|--|--------------|-----------|------------|------------|
| | DOFCON | | Total | Total |
| Statement of comprehensive income | Brasil Group | KDS JV AS | | |
| Operating revenue | 3 205 | 126 | 3 331 | 3 413 |
| Operating expenses | -751 | -86 | -863 | -934 |
| Operating profit before depreciation (EBITDA) | 2 454 | 40 | 2 494 | 2 478 |
| Depreciation and impairment | -762 | - | -762 | -554 |
| Operating profit (EBIT) | 1 692 | 40 | 1 732 | 1 924 |
| Net financial income / loss | -331 | 2 | -329 | -326 |
| Profit / loss before tax | 1 360 | 43 | 1 403 | 1 598 |
| Income tax expenses | -578 | -9 | -587 | -390 |
| Profit / loss for the year | 782 | 33 | 816 | 1 208 |
| Other comprehensive income / loss, net of tax | 374 | - | 374 | 722 |
| Total comprehensive income / loss for the year, net of tax | 1 157 | 33 | 1 190 | 1 930 |
| DOF Subsea Group's share of profit for the year | 578 | 17 | 595 | 965 |

| | | | 2023 | 2022 |
|---|---------------|-----------|---------------|---------------|
| Statement of financial position | | | | |
| Assets | | | | |
| Deferred tax asset | 124 | - | 124 | 500 |
| Tangible assets | 13 064 | - | 13 064 | 13 088 |
| Other non-current assets | 138 | - | 138 | 207 |
| Non-current assets | 13 327 | - | 13 327 | 13 795 |
| Total receivables | 777 | 2 | 779 | 624 |
| Cash and cash equivalents | 1 461 | 21 | 1 482 | 792 |
| Current assets | 2 238 | 23 | 2 261 | 1 416 |
| Total assets | 15 565 | 23 | 15 588 | 15 212 |
| Equity and liabilities | | | | |
| Total equity | 6 412 | 10 | 6 423 | 7 132 |
| Non-current liabilities | 7 555 | - | 7 555 | 6 490 |
| Current liabilities | 1 598 | 13 | 1 611 | 1 590 |
| Total liabilities | 9 153 | 13 | 9 166 | 8 080 |
| Total equity and liabilities | 15 565 | 23 | 15 588 | 15 212 |
| DOF Subsea Group's carrying amount of the investment | 3 206 | 5 | 3 211 | 3 565 |

The preliminary financial statements of the joint ventures are not audited at the DOF Subsea Group reporting date. Figures above are consolidated with the use of the equity method in the DOF Subsea Group financial statements.



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Summarised financial information for associates

The table below provides summarised financial information for the associate companies. The information disclosed reflects the Group's share in the financial statements of the associate companies. The preliminary financial statements of the associate companies are not audited at the Group reporting date.

2023

| Associated companies | Assets at 31.12 | Liabilities at 31.12 | Equity at 31.12. | Profit / loss for the year |
|---|-----------------|----------------------|------------------|----------------------------|
| DOF Management Group | 136 | 75 | 61 | -1 |
| Semar AS | 4 | - | 4 | -1 |
| Group's carrying amount of investments | 140 | 75 | 65 | -2 |

2022

| Associated companies | Assets at 31.12 | Liabilities at 31.12 | Equity at 31.12. | Profit / loss for the year |
|---|-----------------|----------------------|------------------|----------------------------|
| DOF Management Group | 129 | 66 | 64 | 2 |
| Marin IT AS* | 33 | 22 | 11 | 2 |
| Semar AS | 8 | 4 | 5 | -1 |
| Group's carrying amount of investments | - | - | 80 | - |

*The shares in Marin IT are sold in 2023

17 Other non-current receivables

| Other non-current receivables | Note | 2023 | 2022 |
|--|------|--------------|-----------|
| Non-current receivables from DOF companies | 28 | 52 | 50 |
| Non-current receivables from joint ventures and associated companies | | 900 | - |
| Other non-current receivables | | 37 | 30 |
| Non-current receivables sub-lease | 15 | 146 | 65 |
| Provision for bad non-current receivables | 28 | -52 | -50 |
| Total other non-current receivables at 31.12 | | 1 082 | 95 |

A provision of NOK 52 million is related to non-current receivable from DOF companies.



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18 Trade receivables

Trade receivables are amounts due from customers for services performed in the ordinary course of business and classified as current assets. In addition to invoiced amounts, trade receivable also includes accrued, not invoiced revenues.

| Trade receivables | 2023 | 2022 |
|--------------------------------------|--------------|--------------|
| Trade receivables at nominal value | 1 224 | 960 |
| Uninvoiced revenue | 793 | 576 |
| Allowance for expected credit losses | -11 | -10 |
| Loss allowance specific contracts | -26 | -20 |
| Total trade receivables | 1 980 | 1 506 |

| Currency specification at 31.12.2023 | AUD | USD | BRL | NOK | GBP | Other | Total |
|--------------------------------------|-----|-----|-----|-----|-----|-------|-------|
| Trade receivables | 523 | 840 | 464 | 42 | 55 | 55 | 1 980 |

The Group's credit exposure is mainly towards customers who historically have had good financial capability to meet their obligations and have had high credit rating. Historically, the portion of receivables not being collectible has been low. General allowance for expected credit losses the 31st of December 2023 and the 31st of December 2022 are based on historical losses and updated view on general risk in the Group's industry. Loss allowance for a specific contract are based on expectation of recovery of outstanding amount.

| Aging profile and credit risk at 31.12.2023 | Total | Not matured | < 30 d | 30-60 d | 60-90 d | >90 d |
|---|-----------|----------------|--------|---------|---------|-------|
| Trade receivables at nominal value | 1 224 | 1 008 | 71 | 26 | 20 | 99 |
| Receivable not included in provision for bad debt | | | | | | 73 |
| Expected credit loss rate | | 0,2% | 2,5% | 3,0% | 7,0% | 12,0% |
| Loss allowance trade receivables | 9 | 2 | 2 | 1 | 1 | 3 |
| Loss allowance specific contract | 26 | | | | | |
| Uninvoiced revenue | | 793 | | | | |
| Expected credit loss rate | | 0,2% | | | | |
| Loss allowance contract asset | | 2 | | | | |
| Total loss allowance | 37 | | | | | |

| Currency specification at 31.12.2022 | AUD | USD | BRL | NOK | GBP | Other | Total |
|--------------------------------------|-----|-----|-----|-----|-----|-------|-------|
| Trade receivables | 554 | 372 | 345 | 16 | 176 | 43 | 1 506 |

| Aging profile and credit risk at 31.12.2022 | Total | Not matured | < 30 d | 30-60 d | 60-90 d | >90 d |
|---|-----------|----------------|--------|---------|---------|-------|
| Trade receivables at nominal value | 960 | 672 | 156 | 44 | 15 | 72 |
| Expected credit loss rate | | 0,2% | 2,5% | 3,0% | 7,0% | 12,0% |
| Loss allowance trade receivables | 10 | 1 | 4 | 1 | 1 | 3 |
| Loss allowance specific contract | 20 | | | | | |
| Work in progress, not invoiced | | 576 | | | | |
| Expected credit loss rate | | 0,2% | | | | |
| Loss allowance work in progress, not invoiced | - | 1 | | | | |
| Total expected loss allowance | 30 | | | | | |

19 Other current receivables

| Other current receivables | Note | 2023 | 2022 |
|---|------|------------|------------|
| Receivables from DOF companies | 28 | 351 | 149 |
| Receivables from joint ventures | 28 | 6 | 7 |
| Government taxes receivable (VAT) | | 113 | 41 |
| Prepaid expenses | | 102 | 87 |
| Insurance claims | | 30 | 3 |
| Fuel reserves and other inventory | | 120 | 101 |
| Sub lease asset | | 96 | 40 |
| Other current assets | | 29 | 30 |
| Total other current receivables at 31.12 | | 845 | 458 |



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20 Cash and cash equivalents

Cash and cash equivalents include cash on hand and deposits held at call with banks. Restricted cash consists of cash only available for specific purposes and include deposits with restrictions exceeding twelve months.

A portion of this cash serves as security for outstanding debt following enforcements of account pledges.

In the stand-still period the restricted cash towards lenders was presented net of debt to credit institutions and included in the repayment of debt in the cash flow statement. At the completion of the refinancing the restricted cash is reclassified to cash and cash equivalent. The reclassification amounts to NOK 859 million.

| Cash and cash equivalents | 2023 | 2022 |
|---|--------------|--------------|
| Total restricted cash | 778 | 1 037 |
| Restricted cash serving as security for loans | - | -859 |
| Restricted cash net | 778 | 178 |
| Unrestricted cash and cash equivalents | 1 293 | 2 035 |
| Total cash and cash equivalents at 31.12 | 2 071 | 2 213 |

Cash pool arrangement

The Group has an administrative cash pooling arrangement whereby cash surpluses and overdrafts residing in the Group companies bank accounts are pooled together to create a net surplus. Liquidity is made available through the cash pooling for the companies in the Group to meet their obligations. The bank accounts in the cash pool consists of accounts in various currencies. The total cash pool cannot be overdrafted. The cash pool is presented as unrestricted cash and cash equivalents.

Surplus cash transferred to the Group's cash pool will be available at all times to meet the Group's financial obligations at any time. Some subsidiaries are not part of the cash pool. Surplus cash in these companies is not immediately available for the rest of the Group. The main part of this is the DOF Installer ASA unrestricted cash balance of NOK 379 million.

For further information about market-, credit- and liquidity risk see note 3 'Financial risk management'.

| Group cash pool | 2023 | | 2022 | |
|----------------------------|--------------------|------------|--------------------|------------|
| | Amount in currency | Book value | Amount in currency | Book value |
| NOK | 51 | 51 | 35 | 35 |
| USD | 8 | 79 | 31 | 306 |
| GBP | 3 | 36 | 1 | 7 |
| EUR | 1 | 16 | 1 | 6 |
| CAD | 5 | 37 | 3 | 18 |
| AUD | 21 | 148 | 1 | 7 |
| SGD | - | 3 | - | 1 |
| Net Group cash pool | - | 370 | - | 381 |

21 Share capital and share information

Share capital

The share capital in DOF Subsea AS was NOK 1,926 million comprising 167,352,762 shares, each with a nominal value of NOK 11.51.

Shareholder overview

| Shareholders at 31.12.2023 | No. of shares | Proportion of ownership | Share capital |
|----------------------------|---------------|-------------------------|---------------|
| DOF Group ASA | 167 352 762 | 100% | 100% |

The Company is a part of DOF Group ASA. DOF Group ASA has its headquarters at Storebø in Austevoll municipal in Norway. Consolidated financial statements for DOF Group ASA can be acquired by visiting DOF's web page, www.dof.com.



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22 Non - controlling interest

Transactions with non-controlling interests

Non-controlling interest represents external interest in subsidiaries.

The Group treats transactions with non-controlling interests as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of the non-controlling interests is recorded in the statement of changes in equity. Gains or losses on disposals to non-controlling interests are also recorded in the statement of changes in equity.

Non-controlling share of profit (loss) and financial position are as follows:

| Ownership share of non-controlling interest | 2023 | 2022 |
|--|-----------|------------|
| Non-controlling share of; | | |
| Operating income | 60 | 39 |
| EBITDA | 39 | 32 |
| Depreciation and impairment | 33 | 1 |
| Operating result | 73 | 33 |
| Profit (loss) before taxes | 44 | -12 |
| Taxes | -2 | -1 |
| Profit (loss) for the year | 42 | -13 |
| Financial position; | | |
| Tangible assets | 254 | 222 |
| Non-current debt | 223 | - |
| Current portion of non-current debt | - | 263 |
| Changes in non-controlling interest; | | |
| Non-controlling interest 1.1. | 87 | 99 |
| Non-controlling interest share of result | 42 | -13 |
| Non-controlling interest share of result OCI | - | - |
| Dividend paid | -37 | - |
| Reclassification to other equity | 3 | - |
| Non-controlling interest 31.12. | 95 | 87 |

23 Interest-bearing debt

Debt is recognised initially at fair value, net of transaction costs incurred. Debt is subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the profit or loss over the period of the borrowings using the effective interest method.

Fees paid on the establishment of debt is capitalised as a pre-payment for liquidity services and amortised over the period of the facility.

Debt is classified as current liability unless the borrowing involves an unconditional right to postpone payment of the liabilities for more than 12 months from the reporting period. The current portion of such debt includes undiscounted instalments due within the next 12 months.

A comprehensive restructuring was completed in March 2023. The main highlights in the restructuring included the following:

- A conversion of debt into equity of approximately NOK 3 billion.
- NOK 675 million of the DOF Subsea bonds to be reinstated into a new bond recovery instrument maturing in December 2027 with PIK interest and an option to convert into equity.
- The consolidation of most bilateral facilities in the Group to create a single syndicated loan with maturity in January 2026. The main terms in the new facilities include low interest (2 % margin above SOFR), low amortisation and a cash sweep mechanism.

The debt in the DOFCON JV was not part of the restructuring and this fleet has been funded by BNDES and Eksfin with maturity after 2026. 97% of the DOFCON debt are fixed at rates between 2.2- 4.2% and with maturity from 2027-2037. Any dividend payments from DOFCON JV will be utilised to repay the secured debt (2/3) and the bond debt (1/3) in DOF Subsea. The Group has during the year utilised options to acquire two vessels. The relevant vessels are financed at normal market terms including margins in the range of 4 to 5% and with maturity after 5 year. The facilities are non-recourse.



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Financial covenants in new loan agreements

After completion of the financial restructuring of the Group, new loan facilities have been established including changes in the financial covenants. Covenants applicable to DOF Subsea Group also include covenants in sister companies DOF Rederi AS and Norskan offshore Ltda. The most important financial covenants in the new loan agreements for DOF Subsea Group (excluding DOF Subsea Brasil Ltda.) are the following:

- The DOF Subsea Group shall have available cash of at least NOK 600 million on each testing date.
- DOF Subsea Group shall have positive working capital (current assets less current liabilities excluded current portion of debt to credit institutions), on each testing date.
- DOF Subsea Group's Interest Coverage Ratio (EBITDA / interest payable in period) shall be no less than the level set out that period. The Interest coverage ratios are the following: From June 23-Dec 23, 2.0x, from March 24-Dec 24, 2.50x and from March 25-Dec 25, 3.25x.
- Fair value (based on 2 brokers valuations) for the vessels shall be at least 100% of the total outstanding loans related to the vessels. From March 2024 105 % and from March 2025 110 %.
- Testing date is set to be the last day in each quarter.

The new loan facilities for the Skandi Hera and the Skandi Darwin include financial covenants related to minimum cash, fair value and minimum book equity in the borrower.

The DOF Subsea Group has further the following financial covenants as guarantor for two facilities in the joint venture with TechnipFMC:

- The Group shall have value adjusted equity to value adjusted assets of at least 30%.
- The Group shall have a minimum book equity of NOK 3,000 million.
- The Group shall have positive working capital at all times, excl. current portion of debt to credit institutions.
- The Group shall have free cash of minimum NOK 500 million.

| Non-current interest-bearing debt | Note | 2023 | 2022 |
|--|------|--------------|---------------|
| Bond loans | | 733 | - |
| Debt to credit institutions | | 5 976 | - |
| Lease liabilities | 15 | 601 | 261 |
| Total non-current interest-bearing debt | | 7 310 | 261 |
| Current interest-bearing debt | | | |
| Bond loans | | - | 3 661 |
| Debt to credit institutions | | 423 | 6 394 |
| Lease liabilities | 15 | 253 | 67 |
| Total current interest-bearing debt | | 676 | 10 122 |
| Total non-current and current interest-bearing debt | | 7 986 | 10 383 |
| Net interest-bearing debt | | | |
| Other interest bearing receivables | | 900 | - |
| Cash and cash equivalent | | 2 071 | 213 |
| Receivables sub-lease | | 242 | 105 |
| Total net interest-bearing debt | | 4 773 | 8 065 |
| Average rate of interest | | 8.15% | 8.52% |

Current portion of debt in the statement of financial position includes accrued interest expenses of NOK 3 million 31.12.2023 (NOK 61 million 31.12.2022). Accrued interest expenses are excluded in the current interest-bearing debt above.

Installment, balloons and interest profile

| Installments, balloons and interest profile | 2024 | 2025 | 2026 | 2027 | 2028 | Subsequent | Sum |
|---|--------------|--------------|--------------|------------|-----------|------------|--------------|
| Bond loan | - | - | - | 733 | - | - | 733 |
| Debt to credit institutions | 423 | 392 | 5 443 | 121 | 20 | - | 6 399 |
| Lease debt | 252 | 281 | 183 | 68 | 21 | 49 | 854 |
| Total instalments and balloon | 675 | 673 | 5 626 | 921 | 41 | 49 | 7 986 |
| Calculated interest profile | 563 | 537 | 89 | 61 | 3 | 4 | 1 256 |
| Total instalments, balloons and interest | 1 237 | 1 210 | 5 714 | 982 | 44 | 53 | 9 242 |



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Changes in the interest-bearing liabilities

Changes in total borrowings over a period consists of both cash effects and non-cash effects. The following is the changes in the Group's borrowings:

2023

| Interest bearing debt | Balance 31.12.2022 | Cash flows | | Non-cash changes | | | Balance 31.12.2023 |
|------------------------------------|-----------------------|--------------|-------------------------|---------------------------|-----------------------|----------------------------|-----------------------|
| | | Cash flows † | Conversion to equity †) | Acquisition subsidiary**) | New lease liabilities | Currency and other effects | |
| Bond loans | 3 661 | | -3 025 | | | 97 | 733 |
| Debt to credit institutions | 6 394 | -373 | -316 | 407 | | 287 | 6 399 |
| Lease liabilities | 328 | -154 | | -68 | 755 | -7 | 854 |
| Total interest bearing debt | 10 383 | -527 | -3 341 | 339 | 755 | 377 | 7 986 |

*) During the stand- still period the restricted cash towards lenders was presented net of debt to credit institutions and included in the repayment of debt in the cash flow statement. At the completion of the refinancing the restricted cash is reclassified to cash. The reclassification amounts to NOK 859 and has effected the cash flow of interest bearing liabilities. See note 20 Cash and cash equivalent.

***) The conversion of equity in the above table does not include accrued interest, which have not been interest bearing, and therefore this amount differs from the amount in the consolidated statement of equity.

****) Loan related to purchase of Skandi Darwin and Skandi Hera.

2022

| Interest bearing debt | Balance 31.12.2021 | Cash flows | | Non-cash changes | | | | | Balance 31.12.2022 | |
|------------------------------------|-----------------------|----------------------------|-------------|-------------------------|------------------|--|------------------------|------------------------|-----------------------|---------------------|
| | | Netting of restricted cash | Cash flows | Conversion to equity**) | Debt forgiveness | Capitalisation of interest and other changes | Amortised loan expense | Amortised loan expense | | Currency adjustment |
| Bond loans | 2 979 | - | - | -3 025 | - | 495 | - | 4 | 184 | 3 661 |
| Debt to credit institutions | 5 847 | -344 | -264 | -316 | -4 | 432 | 46 | 5 | 677 | 6 394 |
| Lease liabilities | 274 | - | -81 | - | - | - | 125 | - | 10 | 328 |
| Total interest bearing debt | 9 100 | -344 | -345 | -3 341 | -4 | 927 | 171 | 9 | 871 | 10 383 |

| Liabilities secured by mortgage | 2023 | 2022 |
|--|--------------|--------------|
| Debt to credit institutions | 6 399 | 6 045 |
| Liabilities secured by mortgage | 6 399 | 6 045 |

| Assets provided as security | 2023 | 2022 |
|--|---------------|--------------|
| Tangible assets | 8 043 | 7 082 |
| Receivables | 1 320 | 35 |
| Cash | 1 683 | - |
| Total assets provided as security | 11 946 | 7 117 |

| Currency distribution current and non-current liabilities | 31.12.2023 | | 31.12.2022 | |
|---|--------------|-------------|---------------|-------------|
| | NOK | Ratio | NOK | Ratio |
| USD | 6 651 | 83% | 8 020 | 77% |
| NOK | 1 130 | 14% | 2 037 | 20% |
| Other currencies | 206 | 3% | 326 | 3% |
| Total | 7 986 | 100% | 10 383 | 100% |

Debt to credit institutions in USD and GBP are revaluated to NOK using exchange rate at period end.

24 Trade payables

| Currency specification at 31.12.2023 | NOK | AUD | BRL | GBP | USD | Other | Total |
|--------------------------------------|-----|-----|-----|-----|-----|-------|-------|
| Trade payables | 192 | 144 | 108 | 107 | 457 | 71 | 1 079 |
| Currency specification at 31.12.2022 | NOK | AUD | BRL | GBP | USD | Other | Total |
| Trade payables | 84 | 179 | 86 | 56 | 458 | 44 | 907 |



25 Other current liabilities

| Other current liabilities | Note | 2023 | 2022 |
|---|------|------------|------------|
| Current liabilities to DOF Group ASA companies | 28 | 164 | 261 |
| Tax payables | 10 | 105 | 91 |
| Public duties payables | | 66 | 60 |
| Prepayment from customers | | 30 | 198 |
| Other current liabilities | | 207 | 188 |
| Total other current liabilities at 31.12 | | 572 | 798 |

26 Financial assets and liabilities: information on the balance sheet

The Group classifies its financial assets in the following categories: fair value through other comprehensive income (FVOCI), fair value through profit and loss (FVTPL), and amortised cost. Classification of financial assets is determined at initial recognition and is not reclassified subsequently unless the Group changes its business model for managing financial assets.

A financial asset shall be measured at amortised cost if both of the following conditions are met:

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

A financial asset shall be measured at FVOCI if both of the following conditions are met and it is not designated at FVTPL:

- The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

The following of the Group's financial instruments are measured at amortised cost: cash and cash equivalents, trade receivables, other current receivables, overdraft facilities and all interest bearing debt.

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

The carrying amount of cash and cash equivalents and overdraft facilities is approximately equal to fair value since these instruments have a short term to maturity. Similarly, the carrying amount of trade receivables, trade payables and other working capital are approximately equal to fair value since they are entered into at standard terms and conditions.

a) Financial assets at FVTPL

The assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

b) Financial assets at amortised cost

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

c) Equity investments at FVOCI

These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

d) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. Loans and receivables are classified as "trade receivables" and "other receivables", and as "cash and cash equivalent". Those exceeding 12 months are classified as non-current financial assets. Loans and receivables are carried at amortised cost.



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| 31.12.2023 | Note | Financial instruments at fair value through profit and loss | Financial instruments measured at amortised cost | Total | Of which included in net interest bearing debt |
|--|----------|---|--|--------------|--|
| Assets | | | | | |
| Other non-current receivables | 17,23 | - | 1082 | 1082 | 1046 |
| Trade receivables and other current assets | 18,19,23 | - | 2 461 | 2 461 | 96 |
| Restricted deposits | 20,23 | - | 778 | 778 | 778 |
| Unrestricted cash | 20,23 | - | 1 293 | 1 293 | 1 293 |
| Total financial assets | | - | 5 614 | 5 614 | 3 213 |
| Liabilities | | | | | |
| Interest-bearing non-current liabilities | 23 | - | 7 310 | 7 310 | 7 310 |
| Current portion of debt | 23 | - | 679 | 679 | 676 |
| Other non-current liabilities | | - | 3 | 3 | - |
| Trade payables and other current liabilities | 24,25 | - | 1 450 | 1 450 | - |
| Total financial liabilities | | - | 9 442 | 9 442 | 7 986 |

| 31.12.2022 | Note | Financial instruments at fair value through profit and loss | Financial instruments measured at amortised cost | Total | Of which included in net interest bearing debt |
|--|----------|---|--|---------------|--|
| Assets | | | | | |
| Other non-current receivables | 17,23 | - | 95 | 95 | 65 |
| Trade receivables and other current assets | 18,19,23 | - | 1 731 | 1 731 | 40 |
| Restricted deposits | 20,23 | - | 178 | 178 | 178 |
| Unrestricted cash | 20,23 | - | 2 035 | 2 035 | 2 035 |
| Total financial assets | | - | 4 039 | 4 040 | 2 319 |
| Liabilities | | | | | |
| Interest-bearing non-current liabilities | 23 | - | 261 | 261 | 261 |
| Current portion of debt | 23 | - | 10 183 | 10 183 | 10 122 |
| Other non-current liabilities | | - | 4 | 4 | - |
| Trade payables and other current liabilities | 24,25 | - | 1 355 | 1 355 | - |
| Total financial liabilities | | - | 11 803 | 11 083 | 10 383 |

Prepayments and non-financial liabilities are excluded from the disclosures above. The following of the Group's financial instruments are measured at amortised cost: cash and cash equivalents, trade receivables, other current receivables, overdraft facilities and all interest bearing debt.

The carrying amount of cash and cash equivalents and overdraft facilities is approximately equal to fair value since these instruments have a short term to maturity. Similarly, the carrying amount of trade receivables, trade payables and other working capital items are approximately equal to fair value since they are entered into at standard terms and conditions.

Fair value of bond is estimated to be NOK 637 million compared to a book value of NOK 733 million. Fair value of debt to credit institutions is estimated to be NOK 6 062 million compared to a book value of NOK 6 399 million.

27 Guarantees

The Group has commitments to clients to ensure performance under contracts. These commitments are mainly parent company guarantees or counter guarantees given to banks for the issuance of bank guarantees and performance bonds. The guarantees are limited to fulfilment of the contract and are released after fulfilment of the contract obligation. In some cases, this is followed by a warranty period. Normally this warranty period will have duration of 12-24 months and will only be for a portion of the initial guarantee amount.

The Group has guarantee commitments on behalf of DOFCON Brasil Group in favor of credit institutions of USD 273 million as per 31.12.2023 (USD 309 million per 31.12.2022).

Furthermore, guarantees are given to suppliers for fulfilment of payment for deliveries of goods and services.



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28 Related parties

Description of related parties and the DOF Subsea Group's relationship to these:

DOF Group ASA is the sole shareholder in DOF Subsea AS with a 100% holding on 31st of December 2023.

DOF controls companies which hire vessels, and deliver goods and services to companies in the Group. Furthermore, the Group has contracts covering leasing of assets and delivering of services to DOF companies. All related parties transactions and contracts are subject to standard terms and Group policies, and are entered into based on arm's length principle.

| Operating revenue from DOF companies | 2023 | 2022 |
|--------------------------------------|------------|------------|
| Vessel hire | 288 | 196 |
| Hire of ROV equipment and services | 129 | 108 |
| Other revenue | 83 | 85 |
| Total | 500 | 389 |

| Operating expenses to DOF companies | 2023 | 2022 |
|--|--------------|------------|
| Vessel hire | 138 | 84 |
| Crew and other personnel hire | 541 | 436 |
| Vessel technical costs | 44 | 40 |
| Management fee vessels | 98 | 77 |
| Other management services and IT costs | 354 | 194 |
| Total | 1 175 | 831 |

Vessel hire

The Group hires vessels from and to DOF companies based on the demands in the market and available tonnage. Skandi Ice-man was hired from DOF companies during the year.

Hire of ROV equipment and services

Some of the Group's ROVs are hired by DOF companies. The ROVs are operated by DOF Subsea personnel.

Crew and other personnel hire

The Group hires marine crew from DOF companies and external parties.

Vessel technical costs

Vessel technical costs are purchases done by DOF companies on behalf of DOF Subsea Group.

Other management services and IT costs

Other management services (income and expenses) will include transactions such as hire of onshore staff, rental of office space and other reimbursable expenses invoiced from or to DOF companies.

Management fee vessels

The Group purchases management services from DOF Management AS, DOF Management Pte Ltd and Norskan Offshore Ltda. for its entire fleet of owned vessels. The management fee during the year varied from NOK 2 million till NOK 11 million (NOK 1 million till NOK 7 million in 2022) per vessel.

Other financial expenses

DOF Group ASA has provided a parent company guarantee for obligation of DOF Subsea Brasil Servicos Ltda and for two of the vessels in the Joint Venture DOFCON Navegacao. The basis for guarantee fee to DOF Group ASA amounts to USD 65 million at year-end (USD 97 million as of 31st of December 2022). The refinancing process was a common process for the Group and costs related to the refinancing process are allocated to different companies in the Group based on agreements with the parties. All refinancing costs are classified and presented as external expenses.

| Financial income and expenses from/to DOF companies | | 2023 | 2022 |
|---|--|------|------|
| Interest income | | - | - |
| Impairment of non-current receivables/(-)reversal of impairment | | -23 | 30 |
| Guarantee fees expenses | | - | 7 |

| Balances arising from sales / purchases of goods / services and loans related to DOF companies | Note | 2023 | 2022 |
|--|------|------|------|
| Current receivables | 19 | 357 | 175 |
| Impairment current receivables | | - | -25 |
| Current liabilities | 25 | 164 | 261 |

| Loans to DOF companies | Note | 2023 | 2022 |
|---------------------------------------|------|------|------|
| Non-current receivables | 17 | 52 | 50 |
| Impairment of non-current receivables | 17 | -52 | -50 |



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| Financial income and expenses from/to joint ventures | Note | 2023 | 2022 |
|--|-------------|-------------|-------------|
| Interest income | 10 | 39 | - |
| Guarantee income | 10 | 15 | 17 |
| Loans to joint ventures | Note | 2023 | 2022 |
| Other non-current receivables from joint ventures | 17 | 900 | - |
| Other current receivables from joint ventures | 19 | 6 | 7 |

DOF Subsea AS has provided parent company guarantees for 50% of the loan obligations for the vessels owned in the joint venture. For further information see note 27 'Guarantees' and note 16 'Investment in joint venture and associates'.

29 Remuneration to Board of Directors, Executives and Auditor

No salaries or other remuneration have been paid to the members of the Board of Directors or Managing Director in 2023. No loans or guarantees have been provided for the members of the Board of Directors, Managing Director or close associates. Cost related to CEO Mons Aase is included in the management fee. Please refer to the DOF Group annual report for further information of salary to CEO Mons Aase and to executive management.

| Specification of Auditor's fee (excl. VAT) | 2023 | 2022 |
|--|-------------|------------|
| Fee for audit of financial statements | 9.3 | 8.0 |
| Fee for other attestation services | 0.2 | 0.0 |
| Fee for other tax consultancy | 0.9 | 1.0 |
| Fee for other services | 0.8 | 0.2 |
| Total | 11.2 | 9.2 |

30 Companies within the Group

| Subsidiary | Owner | Registered office | Proportion of ownership and votes |
|---|----------------------------------|-----------------------------------|-----------------------------------|
| DOF Installer ASA | DOF Subsea AS | Austevoll, Norway | 85.15% |
| DOF Subsea Chartering AS | DOF Subsea AS | Bergen, Norway | 100% |
| DOF Subsea Congo SA. | DOF Subsea AS | Pointe-Noire, Republique du Congo | 55% |
| DOF Subsea Norway AS | DOF Subsea Atlantic AS | Bergen, Norway | 100% |
| DOF Subsea Norway Offshore AS | DOF Subsea Atlantic AS | Bergen, Norway | 100% |
| DOF Subsea Atlantic AS | DOF Subsea AS | Bergen, Norway | 100% |
| DOF Subsea Rederi AS | DOF Subsea AS | Bergen, Norway | 100% |
| DOF Subsea Rederi III AS | DOF Subsea AS | Bergen, Norway | 100% |
| DOF Subsea ROV AS | DOF Subsea AS | Bergen, Norway | 100% |
| DOF PLSV Investments AS | DOF Subsea AS | Bergen, Norway | 100% |
| LOS Shipping I AS | DOF Subsea AS | Bergen, Norway | 100% |
| Skandi Darwin AS | LOS Shipping AS | Bergen, Norway | 100% |
| Skandi Hera AS | LOS Shipping AS | Bergen, Norway | 100% |
| DOF Subsea Angola Lda | DOF Subsea AS | Luanda, Angola | 100% |
| DOF Subsea Asia Pacific Pte Ltd | DOF Subsea AS | Singapore | 100% |
| DOF Subsea Asia Pacific Pte Ltd Philippine Branch | DOF Subsea Asia Pacific Pte Ltd | Muntinlupa City, Philippines | 100% |
| DOF Korea Co. Ltda | DOF Subsea Asia Pacific Pte Ltd | Busan, South Korea | 100% |
| DOF Subsea Brasil Serviços Ltda | DOF Subsea AS | Macaé, Brazil | 100% |
| DOF Subsea UK Ltd | DOF Subsea Atlantic AS | Aberdeen, UK | 100% |
| DOF Subsea Ghana Ltd | DOF Subsea Ghana Investments Ltd | Accra, Ghana | 49% |
| DOF Subsea USA Inc | DOF Subsea AS | Houston, USA | 100% |
| PT DOF Subsea Indonesia | DOF Subsea Asia Pacific Pte Ltd | Jakarta, Indonesia | 95% |
| DOF Subsea Labuan Bhd | DOF Subsea Asia Pacific Pte Ltd | Labuan, Malaysia | 100% |
| DOF Subsea Australia PTY | DOF Subsea Asia Pacific Pte Ltd | Perth, Australia | 100% |
| DOF Subsea Malaysia Sdn Bhd | DOF Subsea Asia Pacific Pte Ltd | Kuala Lumpur, Malaysia | 100% |
| DOF Subsea Offshore Services Pte Ltd | DOF Subsea Asia Pacific Pte Ltd | Singapore | 100% |
| Mashhor DOF Subsea Sdn | DOF Subsea Australia Pty Ltd | Negara Brunei Darussalam | 50% |
| DOF Subsea Ghana Investments Ltd | DOF Subsea UK Ltd | Accra, Ghana | 100% |
| DOF Subsea Canada Corp. | DOF Subsea US Inc | St. Johns, Canada | 100% |



31 Significant acquisitions in the year

At the end of April 2023, the Group bought from the parent company DOF Group ASA at a price of NOK 162 million, the option to buy all shares in LOS Shipping 1 AS and the vessels Skandi Hera and Skandi Darwin at a pre-defined price. The option to buy the shares was exercised at the same time and included in the Group's accounts. The vessels were also refinanced in connection with the acquisition.

See note 13 'Tangible asset'.

In addition the Group has in the period from 2009 until 2023 received notices of assessment of customs penalty from the Brazilian Tax Authorities regarding importation of vessel and equipment to Brazil. The Group has disputed the assessments and based on legal opinions from a reputable law firm decided not to make a provision in the accounts for 2023 related to these penalty assessments, as the Group considers the risk of negative outcomes to be lower than 50%. In 2023 the Group has had a favourable decision related to Repetro importation tax in year 2010.

In total the Group has exposures due to ongoing tax audit of approximately NOK 116 million at year-end 2023.

32 Contingencies

Contingent liabilities are defined as: Possible liabilities resulting from past events, but where their existence relies on future events;

Liabilities which are not reported in the financial statements because it is improbable that the commitment will result in an outflow of resources;

Liabilities which cannot be measured with a sufficient degree of reliability.

Significant contingent liabilities are presented in the notes to the financial statements, except for contingent liabilities with a very low probability of settlement.

The Group and its subsidiaries are not involved in any court case as of the 31st of December 2023.

Tax assessment

In 2014, the Brazilian Federal Revenue issued a Tax Assessment Notice against DOF Subsea Brasil Ltda (the Company). Loans given by the Parent Company to DOF Subsea Brasil Ltda were deemed to be taxable revenue for the Company. The Tax Assessment Notice is being disputed under judicial courts. Estimated amount of the claim disputed is approximately BRL 43 million (NOK 90 million). The Company intends to defend its position and considered it to be more likely than not that the final verdict will conclude that the loans received by the Company will not be reclassified as taxable revenue. No provision related to the dispute is included in the Group's accounts as of 31st of December 2023. DOF Subsea Brasil Ltda has provided guarantee for the tax claim and the amount is included in restricted cash. Outcome of such processes are uncertain and changes in assumptions and interpretations of circumstances might result in future cash outflow for DOF Subsea Brasil Ltda.

33 Events occurring after period end

Contracts

The Group has been awarded several new contracts after balance date:

- The contract with Prime Energy Resources for the Skandi Hawk has been extended to the end of 2027 and includes vessel and subsea services at the Malampaya gas field offshore the Philippines.
- The Group has been awarded a project contract by Altera Infrastructure to install one FPSO at the Baleine field in Cote d'Ivoire, West-Africa. The contract has a duration of 130 days, the Skandi Skansen will be mobilised on the project.
- TechnipFMC has exercised the option for the Skandi Africa and the vessel is firm until January 2026.
- The Group has been awarded a project by an international energy operator to repair an export cable for an offshore wind farm in Southern North Sea. The vessel Skandi Hera is scheduled as the installation vessel.
- DOF has been awarded a Substantial Subsea Engineering Procurement Removal and Disposal (EPRD) Contract from AS Norske Shell in the Atlantic region in Q2 and Q3 2025. The vessels Skandi Hera and Maersk Installer to be utilised for this contract.

General

The Group has a global operation with the main currency in USD, hence the reporting from 2024 and onwards will be in USD. Some of the Norwegian companies has changed their functional currency as from 2024.



34 Performance measurement definitions

Alternative performance measurements

The Group presents alternative performance measurements (APM) that are regularly reviewed by management and aim to enhance the understanding of the Group's performance. APMS are calculated consistently over time and are based on financial data presented in accordance with IFRS and other operational data as described in the table below.

| Measure | Description | Reason for including |
|---|--|---|
| Operating profit before depreciation (EBITDA) | EBITDA is defined as operating profit, including profit from sale of non-current assets, and amortisation of contract costs before impairment of tangible and intangible assets, depreciation of tangible assets. EBITDA represents earnings before interest, tax, depreciation, and is a key financial parameter for the Group. | This measure is useful in evaluating operating profitability on a more variable cost basis as it excludes depreciation and impairment. EBITDA shows operating profitability regardless of capital structure and tax situations with the purpose of simplifying comparison in the same industry. |
| EBITDA margin | EBITDA margin presented is defined as EBITDA divided by operating revenue. | Enables comparability of profitability relative to operating revenue. |
| Operating profit (EBIT) | EBIT represents earnings before interest and tax. | EBIT shows operating profitability regardless of capital structure and tax situations. |
| Net interest-bearing debt | Net interest-bearing debt consists of both current and non-current interest-bearing liabilities less interest bearing financial assets, cash and cash equivalents. Non-current receivables from joint ventures are not included in net interest-bearing debt. Cash and cash equivalents will include restricted cash. Current interest-bearing debt includes interest-bearing debt related to asset held for sale. | Net interest-bearing debt is a measure of the Group's net indebtedness that provides an indicator of the overall statement. It measures the Group's ability to pay all interest-bearing liabilities within available interest bearing financial assets, cash and cash equivalents, if all debt matured on the day of the calculation. It is therefore a measurement of the risk related to the Group's capital structure. |
| Working capital | The working capital position of the Group is equal to current assets less current liabilities. | It is a measure of the Group's liquidity and efficiency, and demonstrates the Group's ability to pay its current liabilities. |
| Other definitions | | |
| Measure | Description | |
| Equity ratio | Equity ratio is defined as total equity divided by total assets at the reporting date. | |
| Market value | Calculated average vessel value between several independent brokers' estimates based on the principle of "willing buyer and willing seller". | |
| Vessel utilisation | Vessel utilisation is a measure of the Group's ability to keep vessels in operation and on contract with clients, expressed as a percentage. The vessel utilisation numbers are based on actual available days. | |
| Contract backlog | Sum of undiscounted revenue related to secured contracts in the future and optional contract extensions as determined by the client in the future. Contract backlog excludes master service agreements (MSAs) within the Subsea/IMR Projects segment. Under the MSAs only confirmed POs are included. | |
| Firm contract backlog | Sum of undiscounted revenue related to secured contracts in the future. Secured contracts are contracts signed with clients in the past, covering future delivery of services. | |
| Backlog options | Sum of undiscounted revenue related to optional contract extensions as determined by the client in the future. | |



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FINANCIAL STATEMENTS / DOF SUBSEA AS

DOF Subsea AS

Amounts in NOK million

Statement of comprehensive income

| | Note | 2023 | 2022 |
|--|------|--------------|-------------|
| Operating revenue | 5 | 127 | 115 |
| Payroll expenses | 6 | -63 | -63 |
| Other operating expenses | | -92 | -67 |
| Operating profit before depreciation and impairment (EBITDA) | | -28 | -15 |
| Depreciation and impairment | 7 | -7 | -6 |
| Operating profit (EBIT) | | -35 | -22 |
| Income/loss from investments | 8 | 415 | 59 |
| Financial income | 8 | 654 | 196 |
| Financial expenses | 8 | 799 | -408 |
| Realised net gain / loss on derivative instruments and currency position | 8 | 55 | 5 |
| Unrealised net gain / loss on derivative instruments and currency position | 8 | -11 | -94 |
| Net financial income / loss | 8 | 1 913 | -242 |
| Profit / loss before tax | | 1 878 | -263 |
| Income tax expense | 9 | 261 | 34 |
| Profit / loss for the year | | 2 139 | -230 |
| Total comprehensive income / loss for the year net of tax | | 2 139 | -230 |



FINANCIAL STATEMENTS / DOF SUBSEA AS

DOF Subsea AS

Amounts in NOK million

Balance sheet

| | Note | 31.12.2023 | 31.12.2022 |
|---|------|---------------|--------------|
| Assets | | | |
| Tangible assets | 7 | 13 | 20 |
| Deferred tax asset | 9 | 310 | 50 |
| Investments in subsidiaries | 10 | 6 243 | 3 900 |
| Investments in joint ventures and associates | 11 | 16 | 21 |
| Non-current receivables from Group companies and joint ventures | 12 | 5 529 | 280 |
| Total non-current assets | | 12 110 | 4 271 |
| Current receivables from Group companies and joint ventures | 12 | 489 | 814 |
| Other current receivables | 13 | 22 | 9 |
| Current receivables | | 511 | 822 |
| Restricted cash | 14 | 619 | 56 |
| Unrestricted cash and cash equivalents | 14 | 528 | 381 |
| Cash and cash equivalents | | 1 147 | 436 |
| Total current assets | | 1 658 | 1 259 |
| Total assets | | 13 768 | 5 530 |



FINANCIAL STATEMENTS / DOF SUBSEA AS

DOF Subsea AS

Amounts in NOK million

Balance sheet

| | Note | 31.12.2023 | 31.12.2022 |
|--|--------|---------------|--------------|
| Equity and liabilities | | | |
| Paid-in equity | 15 | 4 813 | 1 674 |
| Other equity | | 1 341 | -1 127 |
| Total equity | | 6 154 | 547 |
| <hr/> | | | |
| Bond loans | 16 | 733 | - |
| Debt to credit institutions | 16 | 5 325 | - |
| Lease liabilities | 16 | 13 | 25 |
| Non-current liabilities to Group companies | 16 | 311 | - |
| Total non-current liabilities | | 6 382 | 25 |
| <hr/> | | | |
| Current portion of debt | 16 | 290 | 3 761 |
| Trade payables | 17 | 11 | 8 |
| Current liabilities to Group companies | 14 | 909 | 1 057 |
| Other current liabilities | 18, 19 | 22 | 132 |
| Total current liabilities | | 1 233 | 4 958 |
| <hr/> | | | |
| Total liabilities | | 7 614 | 4 983 |
| <hr/> | | | |
| Total equity and liabilities | | 13 768 | 5 530 |

Bergen, 18th of April 2024
The Board of Directors of DOF Subsea AS

Mons Aase
Chair/CEO

Martin Lundberg
Director

Hilde Drønen
Director



FINANCIAL STATEMENTS / DOF SUBSEA AS

DOF Subsea AS

Amounts in NOK million

Statement of changes in equity

| Changes in equity | Share capital | Share premium fund | Total paid-in equity | Other equity | Total equity |
|--|---------------|--------------------|----------------------|--------------|--------------|
| Equity at 01.01.2023 | 1 674 | - | 1 674 | -1 127 | 547 |
| Profit / loss for the year | - | - | - | 2 139 | 2 139 |
| Other comprehensive income for the year | - | - | - | - | - |
| Total comprehensive income for the year | - | - | - | 2 139 | 2 139 |
| Capital increase with debt conversion | 252 | 3 047 | 3 300 | - | 3 300 |
| Other adjustments | - | - | - | 168 | 168 |
| Equity at 31.12.2023 | 1 926 | 3 047 | 4 974 | 1 180 | 6 154 |
| Equity at 01.01.2022 | 1 674 | - | 1 674 | - 897 | 776 |
| Profit / loss for the year | - | - | - | - 230 | - 230 |
| Other comprehensive income for the year | - | - | - | - | - |
| Total comprehensive income for the year | - | - | - | - 230 | - 230 |
| Equity at 31.12.2022 | 1 674 | - | 1 674 | -1 127 | 547 |



FINANCIAL STATEMENTS / DOF SUBSEA AS

DOF Subsea AS

Amounts in NOK million

Statement of cash flows

| | Note | 2023 | 2022 |
|--|------|--------------|-------------|
| Operating profit (EBIT) | | -35 | -22 |
| Depreciation and impairment | 7 | 7 | 6 |
| Change in trade payables | 17 | 2 | 3 |
| Changes in other working capital | | 2 | -2 |
| Exchange rate effect on operating activities | | -8 | -2 |
| Cash flow from operating activities | | -31 | -17 |
| Interest received | 8 | 614 | 156 |
| Interest and other financial cost paid | 8,16 | -557 | -86 |
| Net cash flow from operating activities | | 26 | 54 |
| Purchase of tangible assets | 7 | - | -1 |
| Investment in shares | | -353 | -59 |
| Dividends / Group Contributions received | | 381 | 59 |
| Payment from sale of shares | | 13 | |
| Changes in other non-current receivables | | 8 | 3 |
| Change in cash pool receivables to Group companies | | -15 | 134 |
| Payments on receivables from Group companies and joint ventures | | 894 | -245 |
| Cash flow from investing activities | | 929 | -110 |
| Restricted cash net of debt | | 421 | -126 |
| Change in cash pool debt to Group companies | | -57 | 466 |
| Payment from internal borrowing | | 321 | - |
| Installments on interest-bearing debt | 16 | -908 | -8 |
| Cash flow from financing activities | | -225 | 332 |
| Net change in cash and cash equivalents | | 730 | 275 |
| Cash and cash equivalents, included restricted cash, at 01.01 | 14 | 436 | 199 |
| Exchange rate effect on cash and cash equivalents | 8 | -19 | -37 |
| Cash and cash equivalents, included restricted cash, at 31.12 | 14 | 1 147 | 436 |

Restricted cash at 31.12.2023 is NOK 619 million (NOK 56 million) and is included in Cash and cash equivalents. Changes in restricted cash is reflected in the cash flow. For further information about restricted cash, please refer to note 14 'Cash and cash equivalents'.



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Notes to the Financial Statements

1 Corporate information and going concern

DOF Subsea AS, the "Company", is a limited liability company registered in Norway. The Company's head office is located at Thormøhlensgate 53 C, 5006 Bergen, Norway.

The Company is 100% owned by DOF Group ASA as a sole shareholder with 100% ownership stake on 31st of December 2023. DOF Group ASA completed a financial restructuring in 1st quarter 2023 and by end of 2nd quarter 2023 the re-listing of the DOF Group ASA in the Oslo Stock Exchange was done with OSE ticker code "DOFG".

DOF Subsea AS is the parent company in the DOF Subsea Group exercising control over a number of subsidiaries. The Company also holds investments in joint and associate arrangements.

This section of the financial statements covers the parent company accounts. The financial statements of the Company have been prepared in accordance with the Norwegian accounting act § 3-9 and Finance Ministry's prescribed regulations on simplified IFRS. For further information see note 2 'Accounting policies'.

Going concern

The Company's financial statement are prepared on the assumption of going concern in accordance with IAS 1.25. The Company's financial position has been sustainable after completion of the financial restructuring.

2 Accounting policies

Summary of significant accounting principles

The financial statements of the Company have been prepared in accordance with the Norwegian Accounting Act § 3-9 and Finance Ministry's prescribed regulations from 21st of January 2008 on simplified IFRS. Principally, this means that recognition and measurement comply with the International Financial Reporting Standards (IFRS) and presentation and note disclosures are in accordance with the Norwegian Accounting Act and generally accepted accounting principles. The financial statements have been prepared in accordance with the historical cost convention with the following exceptions: available-for-sale financial assets and financial instruments at fair value through profit or loss are subsequently carried at fair value. The fiscal year is the same as the calendar year.

Operating revenue

Operating revenue from management services is recognised when it is probable that transactions will generate future economic benefits that will flow to the Company, and the amount can be reliably estimated. Operating revenue is presented net of value added tax and discounts.

Investment in subsidiaries, joint ventures and associated companies

Investments in shares are based on the cost method.

Dividends and Group contributions

Dividends and Group contributions are accounted for according to IFRS. Dividends and Group contributions are recognised when approved by the General Assembly and are presented as financial income. In the cash flow statement received dividend and group contribution are presented as investing activities.

For further information, reference is made to the consolidated financial statements for DOF Group ASA.

3 Financial risk management

The Company is exposed to various types of financial risk relating to its ongoing business operations: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk.

The current loan agreements limit the Company from entering hedging transactions to reduce foreign exchange risk, interest rate risk and liquidity risk. Hence, these risks have increased if the currencies and interest rates fluctuate.

Foreign exchange risk

The Company's reporting currency is NOK. Foreign exchange risk arises when future commercial transactions, contractual obligations and liabilities are denominated in a currency that is not the functional currency. The Company has significant debt in USD and has been exposed for currency fluctuations in 2023.

The Company has changed functional currency to USD from 2024 and aims to reduce currency fluctuations going forward.

Interest risk

The Company's debt arrangements, after implementation of the Restructuring Agreement in March 2023, are debt at floating interest rates. Movements in interest rates will have effects on the Company's cash flow and financial condition.

Credit risk

Credit risk exposure arises on the values of financial assets recognised in the statement of financial position. The Company's trade receivables balance is minimal and relates to subsidiaries, joint ventures and associated companies. The Company has guidelines for monitoring and recovering trade receivables.

Historically the Company has been exposed for credit risk related to some of the internal receivable, and some of the receivables have been written down.

A large part of loans to subsidiaries have been converted to shares in 2023, reducing the risk for losses going forward. Loss provision related to internal loans and receivables amounts to NOK 335 million per 31.12.2023 (NOK 1 203 million per 31.12.2022).

Liquidity risk

Credit and liquidity risk arise from cash and cash equivalents, derivatives and deposit with banks as well as payment terms towards clients and suppliers. Liquidity risk management implies maintaining sufficient cash and marketable securities, and to maintain available funding through committed credit facilities.

The Company has routines to bi-weekly report cash flow in order to monitor future cash position.

Capital structure and equity

DOF Group ASA including the Company completed a comprehensive refinancing in March 2023, where approximately NOK 3 billion of debt in the Company was converted into equity, while most of the remaining debt settled by issuance of new debt instruments with substantially modified terms, and a secured runway until 2026.

The main objective when managing the capital structure is to ensure that the Company and the Group are able to sustain an acceptable credit rating and thereby achieve favourable terms and conditions for long term funding which is suitable for the Company's and the Group's operation and growth.



DOF Subsea AS

Amounts in NOK million

The Company and the Group's business is capital intensive, and the Group may need to raise additional funds through public or private debt or equity financing to fund capital expenditures. Adequate sources of funds may not be available, or available at acceptable terms and conditions, when needed.

4 Accounting estimates and assessments

Valuations, estimates and assumptions with a significant effect on the financial statements are summarised below:

Financial assets

All financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognised in the statement of comprehensive income. The recoverable amount is the higher of an asset's net selling price and value in use. Due to the challenging market situation and the Company has recognised significant impairments of financial assets previous years. However, improved market conditions and earnings for the subsidiaries in 2022 and 2023 have resulted in reversal of some of the impairments from previous periods. Changes in the market and earnings in subsidiaries, will have significant effect on the value of financial assets in the Company.

Deferred tax assets

Deferred tax assets are recognised in the statement of financial position on the basis of tax losses carried forward or deductible temporary differences, to the extent that it is probable there will be sufficient future earnings available against which the loss or deductible can be utilised.

Earnings for several subsidiaries of the Company have continued to improve during 2022 and 2023. Contracts entered these years have also a longer duration than previous years, which gives better visibility of future earnings. Deferred tax assets from tax losses carried forward are expected to be offset against taxable income within a period of 5-10 years.

For further information, reference is made to the consolidated financial statements and note 9 'Tax'.

5 Related parties

Detailed description of related parties and DOF Subsea AS relationship to these

The Company is owned by DOF Group ASA, a sole shareholder with 100% ownership stake on 31st of December 2023. All sales transactions are carried out in accordance with the Group's policy. DOF Group is defined as DOF Group ASA companies.

Rental of office space

Part of the office space located at Thormøhlensgate 53 C, 5006 Bergen, rented by DOF Subsea AS, is used by DOF Management AS, DOF Subsea Norway AS and Marin IT AS (Marin IT until September 2023). The rental fee charged to DOF Management AS, DOF Subsea Norway AS and Marin IT AS was NOK 8.9 million in 2023.

Management services on behalf of subsidiaries and sales transactions

Management services and other deliveries of services to Group companies are charged to DOF AS in 2023 with NOK 70 million (NOK 76 million charged to Group companies in 2022). Other revenues, including reimbursables, related to DOF Group ASA companies comprises NOK 57 million in 2023 (NOK 35 million).

Guarantee agreement between subsidiaries and the Company

The Company has issued guarantees on behalf of subsidiaries. For further information about the guarantees, see note 22 'Guarantees'

Guarantee agreement between DOF Group ASA and the Company

The Company has a guarantee agreement with DOF Group ASA. DOF Group ASA has provided a parent company guarantee for obligation of DOF Subsea Brasil Servicos Ltda and for two of the vessels in the Joint Venture DOFCON Naveqacao. The basis for guarantee fee to DOF Group ASA amounts to USD 65 million at year-end (USD 97 million as of 31st of December 2022).

DOF Subsea AS has guaranteed for 50% of the obligations related to loans on the vessels in the joint venture. The Company has guarantee commitments on behalf of DOFCON Brasil Group in favor of credit institutions of USD 273 million as per 31.12.2023 (309 million per 31.12.2022), see also note 8 'Financial income and expenses' and note 22 'Guarantees'.

Receivables from Group companies and Joint Ventures

For information about loans and receivables against Group companies and joint ventures, please see note 12 'Receivables from Group Companies and joint ventures'.



FINANCIAL STATEMENTS / DOF SUBSEA AS

DOF Subsea AS

Amounts in NOK million

Payroll expenses

| Payroll expenses | Note | 2023 | 2022 |
|-------------------------------------|------|------------|------------|
| Salary | 17 | -54 | -54 |
| Employer's contributions | | -5 | -5 |
| Pension costs | | -1 | -2 |
| Other personnel costs | | -3 | -2 |
| Total payroll expenses | | -63 | -63 |
| Full time employees (at period end) | | 23 | 30 |

6 Tangible assets

| Tangible assets | 2023 | 2022 |
|------------------------------|-------------|-------------|
| Cost 01.01 | 165 | 156 |
| Additions | - | 9 |
| Cost at 31.12 | 165 | 165 |
| Depreciation at 01.01 | -146 | -140 |
| Depreciation for the year | -7 | -6 |
| Depreciation at 31.12 | -153 | -146 |
| Book value at 31.12 | 13 | 20 |
| Asset lifetime (years) | 5-10 | 5-10 |
| Depreciation schedule | Linear | Linear |

IFRS16 lease has been implemented in 2019 and right of use asset is included in figures in the table above. The right of use asset in DOF Subsea AS per 31.12.2023 was NOK 8 million (NOK 9 million in 2022), with a depreciation of NOK 3 million (NOK 2 million).

7 Financial income and expenses

| Financial income and expenses | Note | 2023 | 2022 |
|---|------|--------------|-------------|
| Dividends / Group Contributions from subsidiaries | | 404 | 59 |
| Gain / loss from sale of shares | | 11 | - |
| Income / loss from investments | | 415 | 59 |
| Interest income from Group companies and joint ventures | | 543 | 126 |
| Interest income | | 85 | 16 |
| Guarantee income from Group companies and joint ventures | | 26 | 54 |
| Other financial income from Group companies | | - | - |
| Financial income | | 654 | 196 |
| Impairment of investments +/- reversal of impairment | 10 | 416 | -12 |
| Impairment of loans to Group companies | 12 | 868 | 157 |
| Interest expenses payable to Group companies | | -7 | -9 |
| Interest expenses | | -616 | -492 |
| Other financial expenses | | 138 | -52 |
| Financial expenses | | 799 | -408 |
| Realised foreign currency net gain / loss on loans | | 80 | 12 |
| Realised foreign currency net gain / loss on current receivables / liabilities | | -20 | -6 |
| Realised net gain / loss on financial derivatives | | -5 | -1 |
| Realised net gain / loss on derivative instruments and currency position | | 55 | 5 |
| Unrealised foreign currency net gain / loss on loans | | -11 | -94 |
| Unrealised net gain / loss on derivative instruments and currency position | | -11 | -94 |
| Net financial income / loss | | 1 913 | -242 |



FINANCIAL STATEMENTS / DOF SUBSEA AS

DOF Subsea AS

Amounts in NOK million

8 Tax

| | | |
|---------------------------------|-------------|-------------|
| Income tax expense | 2023 | 2022 |
| Change in deferred tax | 261 | 34 |
| Total income tax expense | 261 | 34 |

Reconciliation of nominal and effective tax rate

| | | |
|---|------------|-----------|
| Profit before tax | 1878 | -263 |
| Tax calculated at domestic tax rate 22% (22%) | - 413 | 58 |
| Tax effect of: | | |
| Impairment of financial assets (reversal) | 283 | 32 |
| Group contribution | 13 | -13 |
| Gain sale of shares | 2 | |
| Dividend not subject to tax | 74 | - |
| Unrecognised tax losses | 302 | -43 |
| Total income tax expense | 261 | 34 |

| | | |
|--|-------------|-------------|
| The gross movement on the deferred tax in the statement of financial position | 2023 | 2022 |
| Deferred tax at 01.01 | 50 | 16 |
| Current year group contribution received | -18 | -16 |
| Change in deferred tax asset | 278 | 50 |
| Deferred tax asset 31.12 | 310 | 50 |

Deferred tax

The table below specifies the temporary differences between accounting and tax values, and calculation of deferred tax / tax asset at year-end. Deferred tax asset is recognised based on expected group contribution from subsidiaries and use of tax loss carried forward.

For further information about the risk and assessments done related to deferred tax, see note 4 'Accounting estimates and assessments'

| | | |
|---|-------------|-------------|
| Basis for deferred tax | 2023 | 2022 |
| Non-current assets | 1 | 2 |
| Liabilities | 16 | - 124 |
| Total temporary differences | 17 | 122 |
| Tax loss carryforward | -1855 | -2 005 |
| Tax loss not included as deferred tax asset | 429 | 1 779 |
| Basis for calculating deferred tax / tax asset (-) | 1410 | 226 |
| Total deferred tax / tax asset (-) recognised in the statement of financial position | 310 | 50 |



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DOF Subsea AS

Amounts in NOK million

9 Investments in subsidiaries

| Subsidiary | Registered office | Proportion of ownership and votes | Cost price | Accumulated impairment | Booked value |
|---------------------------------|-----------------------|-----------------------------------|--------------|------------------------|--------------|
| DOF Installer ASA | Austevoll, Norway | 85% | 859 | -304 | 555 |
| DOF Subsea Angola Ltda. | Luanda, Angola | 100 % | - | - | - |
| LOS Shipping I AS | Bergen, Norway | 100% | 460 | - | 460 |
| DOF Subsea Asia Pacific Pte Ltd | Singapore | 100% | 980 | -560 | 420 |
| DOF Subsea Atlantic AS | Bergen, Norway | 100% | 278 | - | 278 |
| DOF Subsea Brasil Serviços Ltda | Macaé, Brasil | 100% | 706 | - | 706 |
| DOF Subsea Chartering AS | Bergen, Norway | 100% | 73 | - | 73 |
| DOF PLSV Investments AS | Bergen, Norway | 100% | 594 | - | 594 |
| DOF Subsea Rederi AS | Bergen, Norway | 100% | 2 570 | - | 2 570 |
| DOF Subsea Rederi III AS | Bergen, Norway | 100% | 486 | -486 | 0 |
| DOF Subsea ROV AS | Bergen, Norway | 100% | 384 | - | 384 |
| DOF Subsea US Inc. | Houston, US | 100% | 1 357 | -1 152 | 205 |
| Total | | | 8 745 | -2 502 | 6 243 |

In 2023 reversal of impairment of subsidiaries was recognised with NOK 416 million (NOK 12 million in 2022) and is included in the statement of comprehensive income as financial expenses. Please refer to note 8 'Financial income and expenses'.

At the end of April 2023, the Company bought from the parent company DOF Group ASA at a price of NOK 162 million, the option to buy all shares in LOS Shipping I AS.

10 Investments in joint associates

| Name of entity | Place of business/ country of incorporation | % ownership interest | Booked value 01.01.2023 | Sale of shares | Booked value 31.12.2023 |
|----------------------------|---|-------------------------|----------------------------|----------------|----------------------------|
| Marin IT | Norway | 35 % | 6 | -6 | - |
| DOF Management AS | Norway | 34% | 16 | - | 16 |
| Total at 31.12.2023 | | | 21 | - 6 | 16 |

The shares in Marin IT are sold in 2023.

Shares in DOFCON Brasil AS was transferred to the wholly owned subsidiary DOF PLSV Investments AS in 2022.

11 Receivables from Group companies and joint ventures

| Non-current receivables from Group companies and joint ventures | Note | 2023 | 2022 |
|---|------|--------------|------------|
| Non-current receivables from Group companies - basis | | 5 864 | 803 |
| Non-current receivables from Group companies - impairment | 8 | -335 | -523 |
| Total non-current receivables from Group companies and joint ventures at 31.12 | | 5 529 | 280 |

| Current receivables from Group companies and joint ventures | Note | 2023 | 2022 |
|---|------|------------|------------|
| Current receivables from joint ventures | | 6 | 7 |
| Current receivables from Group companies - basis | | 483 | 1 487 |
| Current receivables from Group companies - impairment | 8 | - | -680 |
| Total current receivables from Group companies and joint ventures at 31.12 | | 489 | 814 |



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DOF Subsea AS

Amounts in NOK million

12 Other current receivables

| Other current receivables | 2023 | 2022 |
|---|-----------|----------|
| Government tax receivables | 2 | 5 |
| Other current receivables | 4 | - |
| Prepaid expenses | 16 | 3 |
| Total other current receivables at 31.12 | 22 | 8 |

13 Cash and cash equivalents

| Cash and cash equivalents | 2023 | 2022 |
|---|-------------|------------|
| Restricted cash | 619 | 56 |
| Unrestricted cash and cash equivalents | 528 | 381 |
| Total cash and cash equivalents at 31.12 | 1147 | 436 |

Restricted cash consists of cash only available for specific purposes. In the stand-still period restricted cash towards lenders was presented net of debt to credit institutions and included in the repayment of debt in the cash flow statement. At the completion of the refinancing the restricted cash was reclassified to cash and cash equivalent. The reclassification amounts to NOK 421 million.

The Company has an administrative cash pooling arrangement whereby cash surpluses and overdrafts residing in the Group Companies bank accounts are pooled together to create a net surplus. Liquidity is made available through the cash pooling for the Companies in the Group to meet their obligations. The bank accounts in the cash pool consists of accounts in various currencies. The total cash pool can never be in net overdraft. The cash pool is presented as unrestricted cash and cash equivalents. For further information about market-, credit- and liquidity risk see note 3 'Financial risk management'.

See DOF Group ASA note 20 'Cash and cash equivalents' for further information about cash pool arrangements.

14 Share capital and share information

Share capital

The share capital in DOF Subsea AS at 31.12.2023 was NOK 1 926 million comprising 167 352 762 shares, each with a nominal value of NOK 11.51.

Shareholder overview

| Shareholders at 31.12.2023 | No. of shares | Proportion of ownership | Share capital |
|----------------------------|---------------|-------------------------|---------------|
| DOF Group ASA | 167 352 762 | 100% | 100% |

Board of Directors

| | Title |
|-------------------|----------|
| Mons Svendal Aase | Chair |
| Martin Lundberg | Director |
| Hilde Drønen | Director |

The Company is a part of DOF Group ASA. DOF Group ASA has its headquarters at Storebø in Austevoll municipal in Norway. Consolidated financial statements for DOF Group ASA can be acquired by visiting DOF's web page, www.dof.com.



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DOF Subsea AS

Amounts in NOK million

15 Interest-bearing debt

A comprehensive restructuring was completed in March 2023. The main highlights in the restructuring included the following:

- A conversion of debt into equity of approximately NOK 3 billion.
- NOK 675 million of the DOF Subsea bonds to be reinstated into a new bond recovery instrument maturing in December 2027 with PIK interest and an option to convert into equity.
- The consolidation of most bilateral facilities in DOF Subsea Group to create a single syndicated loan in DOF Subsea AS with maturity in January 2026.

See DOF Group ASA note 23 'Interest-bearing debt' for information about financial covenants related to the new loan.

| | | |
|--|--------------|--------------|
| Non-current interest-bearing debt | 2023 | 2022 |
| Bond loans | 733 | - |
| Debt to credit institutions | 5 325 | - |
| Non-current liabilities to Group companies | 311 | - |
| Leasing debt | 13 | 25 |
| Total non-current interest-bearing debt | 6 382 | 25 |
| Current interest-bearing debt | | |
| Bond loans | - | 3 661 |
| Debt to credit institutions | 282 | 65 |
| Current debt to Group companies | 898 | 1 020 |
| Leasing debt | 8 | 7 |
| Total current interest-bearing debt | 1 188 | 4 754 |
| Total non-current and current interest-bearing debt | 7 570 | 4 779 |
| Net interest-bearing debt | | |
| Cash and cash equivalent | 1 147 | 436 |
| Interest bearing assets from Group companies | 6 321 | 23 |
| Total net interest-bearing debt | 102 | 4 319 |

The company's cash pooling system is included in the net interest-bearing debt.

Installments, balloons and interest profile

| Installments, balloons and interest profile | 2024 | 2025 | 2026 | 2027 | 2028 | Subsequent | Sum |
|---|------------|------------|--------------|------------|----------|------------|--------------|
| Bond loan | - | - | - | 733 | - | - | 733 |
| Debt to credit institutions | 283 | 265 | 5 060 | - | - | - | 5 608 |
| Lease debt | 8 | 8 | 5 | - | - | - | 21 |
| Total instalments and balloon | 291 | 273 | 5 064 | 733 | - | - | 6 362 |
| Calculated interest profile | 483 | 466 | 45 | 46 | - | - | 1 040 |
| Total instalments, balloons and interest | 774 | 739 | 5 110 | 779 | - | - | 7 402 |



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Cash and non-cash changes in total borrowings

Changes in total borrowings over a period consists of both cash effects (disbursements and repayments) and non-cash effects (amortisations and currency translation effects). The following is the changes in the Company's borrowings:

| 2023 | Cash changes | | | Non-Cash changes | | |
|------------------------------------|---------------------|-------------|-------------------------|----------------------------|-------------------------------|---------------------|
| | Balance 31.12.22 | Cash flows | Conversion to equity | Proceeds from new loans | Currency and other changes | Balance 31.12.23 |
| Interest bearing debt | | | | | | |
| Bond loans | 3 661 | 0 | -3 025 | - | 98 | 733 |
| Debt to credit institutions | 65 | -469 | -12 | 6 273 | -249 | 5 608 |
| Debt to Group companies | 1 020 | -147 | - | 320 | -10 | 1 184 |
| Lease liabilities | 33 | -9 | - | -3 | - | 21 |
| Total interest bearing debt | 4 779 | -624 | -3 037 | 6 590 | -162 | 7 546 |

| 2022 | Cash changes | | | Non-cash changes | | |
|------------------------------------|---------------------|------------|--|---------------------------|------------------------|---------------------|
| | Balance 31.12.21 | Cash flows | Capitalisation of interest and other changes | Amortised loan expense | Currency adjustment | Balance 31.12.22 |
| Interest bearing debt | | | | | | |
| Bond loans | 2 979 | 0 | 495 | 4 | 184 | 3 661 |
| Debt to credit institutions | 130 | -126 | 47 | - | 14 | 65 |
| Debt to Group companies | 555 | 465 | - | - | - | 1 020 |
| Lease liabilities | 16 | -7 | 24 | - | - | 33 |
| Total interest bearing debt | 3 681 | 332 | 566 | 4 | 198 | 4 779 |

| Liabilities secured by mortgage | 2023 | 2022 |
|--|--------------|-----------|
| Debt to credit institutions | 5 608 | 65 |
| Liabilities secured by mortgage | 5 608 | 65 |

| Assets provided as security | 2023 | 2022 |
|--|---------------|------------|
| Tangible assets | 5 | |
| Investments in shares | 6 243 | - |
| Receivables and loans | 5 998 | - |
| Cash | 991 | 421 |
| Total assets provided as security | 13 237 | 421 |

| Currency distribution non-current liabilities incl first year repayment | NOK | USD | Total |
|---|------------|--------------|--------------|
| Bond loans | 733 | - | 733 |
| Debt to credit institutions | - | 5 608 | 5 608 |
| Total | 733 | 5 608 | 6 341 |

Debt to credit institution in USD are revaluated to NOK using exchange rate as per 31st of December 2023.

16 Trade payables

| Trade payables | 2023 | 2022 |
|--------------------------------------|-----------|----------|
| Trade payables at nominal value | 2 | 5 |
| Accrued expenses | 9 | 3 |
| Total trade payables at 31.12 | 11 | 8 |



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17 Other current liabilities

| Other current liabilities | Note | 2023 | 2022 |
|---|------|-----------|------------|
| Provision foreign tax | | 1 | 1 |
| Public duties payables | | 1 | 3 |
| Prepaid revenues | | 17 | - |
| Other current liabilities | | 3 | 4 |
| Accrued guarantee expenses for subsidiaries | 22 | 0 | 124 |
| Total other current liabilities at 31.12 | | 22 | 132 |

18 Financial instruments - by category

This note gives an overview of the carrying value of the Company's financial instruments and the accounting treatment of these instruments. The table is the basis for further information regarding the Company's financial risk.

| 31.12.2023 | Note | Financial instruments measured at amortised cost | Total | Of which included in net-interest bearing debt |
|--|-------|--|--------------|--|
| Assets | | | | |
| Other non-current receivables | 12 | 5 864 | 5 864 | 5 864 |
| Other current receivables | 12 | 489 | 489 | 458 |
| Restricted cash | 14 | 619 | 619 | 619 |
| Unrestricted cash | 14 | 528 | 528 | 528 |
| Total financial assets | | 7 500 | 7 500 | 7 469 |
| Liabilities | | | | |
| Interest-bearing non-current liabilities | 16 | 6 382 | 6 382 | 6 382 |
| Current portion of debt | 16 | 290 | 290 | 290 |
| Trade payables and other current liabilities | 17,18 | 923 | 923 | 898 |
| Total financial liabilities | | 7 595 | 7 595 | 7 570 |
| 31.12.2022 | | | | |
| Assets | | | | |
| Other non-current receivables | 12 | 280 | 280 | 17 |
| Other current receivables | 12 | 814 | 814 | 6 |
| Restricted cash | 14 | 56 | 56 | 56 |
| Unrestricted cash | 14 | 381 | 381 | 381 |
| Total financial assets | | 1 530 | 1 530 | 460 |
| Liabilities | | | | |
| Interest-bearing non-current liabilities | 16 | 25 | 25 | 25 |
| Current portion of debt | 16 | 3 761 | 3 761 | 3 733 |
| Trade payables and other current liabilities | 17,18 | 1 193 | 1 193 | 1 020 |
| Total financial liabilities | | 4 979 | 4 979 | 4 779 |

The company's cash pooling system is included in the net interest-bearing debt.

The carrying amount of cash and cash equivalents is approximately equal to fair value since these instruments have a short term to maturity. Similarly, the carrying amount of trade receivables and trade payables are approximately equal to fair value since they are entered into at standard terms and conditions.

Fair value of bond is estimated to be NOK 637 million compared to a book value of NOK 733 million. Fair value of debt to credit institutions is estimated to be NOK 5 285 million compared to a book value of NOK 5 608 million.



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19 Remuneration to Board of Directors, Executives and Auditor

No salaries or other remuneration have been paid to the members of the Board of Directors or Managing Director in 2023. No loans or guarantees have been provided for the members of the Board of Directors, Managing Director or close associates. Cost related to CEO Mons Aase is included in the management fee charges by DOF AS. Please refer to the DOF Group annual report for further information of salary to CEO Mons Aase.

| Specification of Auditor's fee | 2023 | 2022 |
|---------------------------------------|-------------|-------------|
| Fee for audit of financial statements | 1.74 | 2.27 |
| Fee for other attestation | 0.17 | - |
| Fee for other services | - | - |
| Total | 1.91 | 2.27 |

20 Contingencies

The Company is not involved in any legal disputes or on-going legal matters involving potential losses, and therefore no provision has been made for possible claims arising from the same.

21 Guarantees

| Guarantees | 2023 | 2022 |
|-------------------------------------|--------------|--------------|
| Parent company guarantees for loans | 2 799 | 8 552 |
| Total | 2 799 | 8 552 |

After the refinancing in March 2023 the parent company guarantee is mainly related to the vessels in DOFCON Brasil Group, DOF Subsea AS has guaranteed for 50% of the obligations related to loans. The Company has guarantee commitments on behalf of DOFCON Brasil Group in favor of credit institutions of USD 273 million as per 31.12.2023, see also note 8 'Financial income and expenses'.

In addition Parent company guarantees are given to subsidiaries in the Subsea/IMR Projects segment and the Long-term Chartering segment. The guarantees in the Subsea/IMR Projects segment are limited to the fulfilment of the construction contract and are released after delivery of the project. In some cases there is a warranty period after delivery of the project. Normally this warranty period will have duration of 12-24 months and will only be for a portion of the initial guarantee amount.

In addition DOF Subsea AS has provided parent company guarantees for the bareboat agreements in Skandi Hera AS and Skandi Darwin AS in 2023.

22 Events occurring after period end

General

The Company has changed functional currency to USD from 2024.



FINANCIAL STATEMENTS / DOF SUBSEA AS

Confirmation from the Board of Directors and CEO

We confirm, to the best of our knowledge, that the financial statements for the period from 1st of January to 31st of December 2023 have been prepared in accordance with approved accounting standards, and give a true and fair view of the Group's and the Company's assets, liabilities, financial position and result of operations and that the report of the Board of Directors provides a true and fair view of the development and performance of the business and the position of the Group and the Company together with a description of the key risks and uncertainty factors that the Group and the Company are facing.

Bergen, 18th of April 2024
The Board of Directors of DOF Subsea AS

Mons Aase
Chair/CEO

Martin Lundberg
Director

Hilde Drønen
Director



To the General Meeting of DOF Subsea AS

Independent Auditor's Report

Opinion

We have audited the financial statements of DOF Subsea AS, which comprise:

- the financial statements of the parent company DOF Subsea AS (the Company), which comprise the balance sheet as at 31 December 2023, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- the consolidated financial statements of DOF Subsea AS and its subsidiaries (the Group), which comprise the consolidated balance sheet as at 31 December 2023, the consolidated statement of comprehensive income, statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion

- the financial statements comply with applicable statutory requirements,
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with simplified application of international accounting standards according to section 3-9 of the Norwegian Accounting Act, and
- the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the EU.

Basis for Opinion

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

Other Information

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

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

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Statsautoriserte revisorer, medlemmer av Den norske Revisorforening og autorisert regnskapsførerselskap



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

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements of the Company that give a true and fair view in accordance with simplified application of international accounting standards according to the Norwegian Accounting Act section 3-9, and for the preparation of the consolidated financial statements of the Group that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU. Management is responsible for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. For further description of Auditor's Responsibilities for the Audit of the Financial Statements reference is made to: <https://revisorforeningen.no/revisjonsberetninger>

Bergen, 18 April 2024
PricewaterhouseCoopers AS

Marius Kaland Olsen
State Authorised Public Accountant
(This document is signed electronically)







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