



## ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2022 - GENERELL INFORMASJON

### Enheten

Organisasjonsnummer:	912 176 673
Organisasjonsform:	Aksjeselskap
Foretaksnavn:	TECHDOF BRASIL AS
Forretningsadresse:	Thormøhlens gate 53C 5006 BERGEN

### Regnskapsår

Årsregnskapets periode:	01.01.2022 - 31.12.2022
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### Konsern

Morselskap i konsern:	Nei
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### Regnskapsregler

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

### Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet:	Knut Søråsdekkan
Dato for fastsettelse av årsregnskapet:	26.06.2023

### Grunnlag for avgivelse

År 2022: Årsregnskapet er elektronisk innlevert  
År 2021: Tall er hentet fra elektronisk innlevert årsregnskap fra 2022

*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, 05.07.2024



### Resultatregnskap

Beløp i: USD	Note	2022	2021
<b>RESULTATREGNSKAP</b>			
<b>Inntekter</b>			
Operating revenue	5	149 000 000	142 000 000
<b>Sum inntekter</b>		<b>149 000 000</b>	<b>142 000 000</b>
<b>Kostnader</b>			
Depreciation	9	29 000 000	30 000 000
Other operating expenses	6,16	25 000 000	28 000 000
Rounding error		1 000 000	
<b>Sum kostnader</b>		<b>55 000 000</b>	<b>58 000 000</b>
<b>Driftsresultat</b>		<b>94 000 000</b>	<b>84 000 000</b>
Financial expenses	7	21 000 000	20 000 000
<b>Sum finanskostnader</b>		<b>21 000 000</b>	<b>20 000 000</b>
<b>Netto finans</b>		<b>-21 000 000</b>	<b>-20 000 000</b>
<b>Ordinært resultat før skattekostnad</b>		<b>73 000 000</b>	<b>64 000 000</b>
Income tax expenses	8	4 000 000	5 000 000
<b>Ordinært resultat etter skattekostnad</b>		<b>69 000 000</b>	<b>59 000 000</b>
<b>Årsresultat</b>		<b>69 000 000</b>	<b>59 000 000</b>
<b>Overføringer og disponeringer</b>			
Ordinært utbytte			18 000 000
To other equity		69 000 000	41 000 000
<b>Sum overføringer og disponeringer</b>		<b>69 000 000</b>	<b>59 000 000</b>



### Balanse

Beløp i: USD	Note	2022	2021
<b>BALANSE - EIENDELER</b>			
<b>Anleggsmidler</b>			
<b>Immaterielle eiendeler</b>			
<b>Varige driftsmidler</b>			
Vessels	4,9	581 000 000	590 000 000
ROVs	4,9	10 000 000	12 000 000
<b>Sum varige driftsmidler</b>		<b>591 000 000</b>	<b>602 000 000</b>
<b>Sum anleggsmidler</b>		<b>591 000 000</b>	<b>602 000 000</b>
<b>Omløpsmidler</b>			
<b>Varer</b>			
<b>Fordringer</b>			
Trade receivables	10	16 000 000	14 000 000
Other current receivables		1 000 000	
<b>Sum fordringer</b>		<b>17 000 000</b>	<b>14 000 000</b>
<b>Bankinnskudd, kontanter og lignende</b>			
Unrestricted cash and cash equivalents	11	48 000 000	49 000 000
<b>Sum bankinnskudd, kontanter og lignende</b>		<b>48 000 000</b>	<b>49 000 000</b>
<b>Sum omløpsmidler</b>		<b>65 000 000</b>	<b>63 000 000</b>
<b>SUM EIENDELER</b>		<b>656 000 000</b>	<b>665 000 000</b>
<b>BALANSE - EGENKAPITAL OG GJELD</b>			
<b>Egenkapital</b>			
<b>Innskutt egenkapital</b>			
<b>Opptjent egenkapital</b>			
Other equity		196 000 000	170 000 000
<b>Sum opptjent egenkapital</b>		<b>196 000 000</b>	<b>170 000 000</b>



## Balanse

Beløp i: USD	Note	2022	2021
<b>Sum egenkapital</b>		<b>196 000 000</b>	<b>170 000 000</b>
<b>Gjeld</b>			
<b>Langsiktig gjeld</b>			
<b>Annen langsiktig gjeld</b>			
Gjeld til kredittinstitusjoner	13	224 000 000	269 000 000
Langsiktig konserngjeld	13,15	162 000 000	160 000 000
Rounding error		-1 000 000	-1 000 000
<b>Sum annen langsiktig gjeld</b>		<b>385 000 000</b>	<b>428 000 000</b>
<b>Sum langsiktig gjeld</b>		<b>385 000 000</b>	<b>428 000 000</b>
<b>Kortsiktig gjeld</b>			
Current portion of debt	13	50 000 000	49 000 000
Other current liabilities	14,15	25 000 000	18 000 000
<b>Sum kortsiktig gjeld</b>		<b>75 000 000</b>	<b>67 000 000</b>
<b>Sum gjeld</b>		<b>460 000 000</b>	<b>495 000 000</b>
<b>SUM EGENKAPITAL OG GJELD</b>		<b>656 000 000</b>	<b>665 000 000</b>



TECHDOF BRASIL AS  
ANNUAL REPORT  
**2022**





## Board of Directors Report 2022

TechDOF Brasil AS (the Company) was founded in June 2013 in connection with the awards of two 8+8-year contracts with Petrobras for the provision and operation of two Pipelay Support Vessels (PLSVs). At year-end 2022, the Company had its two vessels, Skandi Acu and Skandi Buzios, in operation on the charter contract with Petrobras in Brazil.

### Business concept and vision

The Company's core business is ownership and long-term chartering of vessels. TechDOF Brasil AS owns two vessels in operation, Skandi Acu and Skandi Buzios. The vessels owned by the Company are advanced Pipelay Support Vessels (PLSV) built in 2016. The Company seeks to have a long-term employment for its fleet.

### Operational events during 2022

Skandi Acu and Skandi Buzios have been working under its 8-year contract with Petrobras since their contract started in August 2016 and April 2017, respectively.

During 2022, the Company performed a 5 year's class docking on Skandi Búzios.

The fleet has had a strong operational performance during 2022 and achieved an average utilisation of its fleet of 99% in 2022 and an operating profit before depreciation (EBITDA) of USD 123 million compared to an operating profit before depreciation (EBITDA) of USD 113 million in 2021.

### Subsea market risk

The Oil and Gas market continued with a high activity through the year mainly due to changes in the geopolitical picture after the Russian invasion of Ukraine resulting in instability on the supply side, but also an increased demand for oil and gas in a transition phase into renewable energy sources. The positive trend has continued into 2023. Total offshore capex is expected to rise 7.7% to USD 178 billion with both offshore deep water and offshore shelf adding 15.9%. Offshore opex is expected to rise by 15.5% to reach USD 203 billion with both offshore deep water and offshore shelf adding 14.2% according to Rystad Energy.

### Financial risk

The financing, capital structure and liquidity are monitored closely. Liquidity risk is monitored on short, medium and long-term, focusing on funding and liquidity requirements. Working capital, including next year's ordinary instalments on loans, is negative with USD 10 million. At the end of 2022, the Group has sufficient liquidity to meet its expected obligations for the next 12 months. This evaluation is based on cash and cash equivalents at year end, USD 48 million, and the firm contract backlog for the vessels.

Both vessels are financed with long-term funding. The loan agreements contain financial covenants, and the Company was in compliance with all financial covenants by year end 2022.

Some parts of the costs are denominated in foreign currencies, mainly BRL, EUR and NOK. Fluctuations in foreign exchange rates against the USD have impact on the Company's financial statements.

The Company has exposure to interest rate risk on outstanding debt. Existing external debt arrangements are non-current loans both on fixed interest rates and on floating interest rates.

The Company's external contracts are with Petrobras. Historically, there have been no losses on outstanding receivables. The Company continuously evaluates the financial strength and credit worthiness of its customer. In addition, policies and guidelines for follow-up and collection of outstanding receivables have been established.

The Company has limited direct financial exposure to changes in the prices of commodities and raw materials, such as oil and refined oil products. To the extent the Company has such risk exposure, it is managed and partly hedged through clauses in the contracts. The oil price is an important driver for the global demand for vessels and services within the subsea industry.

Since income and operations are outside Norway, the activities carried out are exposed to risk related to compliance with local laws and regulations. The Company has established reporting routines and procedures to manage this risk, and it is focused on ensuring full compliance with all applicable international and local legislation and regulation wherever it operates.

The Company is exposed to market fluctuations. The Company's strategy is to focus on long-term relationships with the clients and firm contracts for its fleet.

### Climate risk

The ability to manage Greenhouse Gas emissions (GHG) is a key component of the ESG profile. Providing a fleet and services with reduced GHG emissions can become a value proposition for clients, lenders and owners of the Company. The main concern and risk are the Company's ability to meet changing stakeholder expectations associated with GHG emission from ships, including Nitrogen Oxides (NOX), Sulphur Oxides (SOX) and Particulate Matter (PM) in harbour areas.



## External environment

The environmental management system that the Company currently are working under, ensures that operations are effectively managed, and that continuous improvement of environmental performance is achieved. There is in place energy efficiency program that is continuously challenged with the aim to improve environmental performance. Several processes are ongoing to ensure that direct and indirect climate influencing activities are kept at a minimum and consistent with the overall approach to climate change. Close cooperation with Petrobras to ensure sustainable operations has been established. In this context detailed analysis, planning and good cooperation for operational activities can allow the vessel to operate with lower bunker consumption and reduced greenhouse gas emission.

Defining and measuring environmental sustainability and risks associated with the Company's business activities are important. Investments in systems and equipment have been made to record, understand, and improve environmental performance.

Through continued focus on technologically advanced vessels and an improved environmental culture on all levels of the organisation, the Company strives to achieve the objective of a reduction in CO2 emissions through reduced fuel consumption.

During the year, there have been no major spills to the external environment and no spills that resulted in fines or other non-monetary sanctions.

## Anti-corruption and anti-bribery

The Company has a zero tolerance policy for bribery and corruption. The Company's policy is to conduct all business in an honest and ethical manner. The Code of Business Conduct sets clear expectations for all employees and is supplemented by internal training.

It is the desire of the Board of Directors that the Company shall be recognised by its high ethical standards. Anti-corruption and anti-bribery measures are regularly evaluated and assessed to ensure that they are aligned with legal requirements and best practice.

## Human Rights and Labor standards

The Company embraces practices consistent with international human rights standards and operates in compliance with fundamental as well as local labor standards. The Company recognises and respects employees' right to freely associate, organise and collectively bargain, and the policies are compliant with working hour requirements as established by local laws.

## Board of Directors and employees

The Board of Directors of TechDOF Brasil AS consists of two men and two women. The Company had no employees at year-end 2022. The Company hires managements services from the Joint Venture partners.

There has been signed D&O insurance on behalf of the board members 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.

## Shareholders

The Company has one shareholder, DOFCON Brasil AS.

## Corporate Governance

Risk management and internal control is based on principles established in the Norwegian Code of Practice for Corporate Governance, available at [www.nues.no](http://www.nues.no).

The Board of Directors is responsible for ensuring a satisfactory monitoring of risk and internal control. This includes focus on business opportunities and establishing cost-efficient solutions. In addition, focus on operational and financial reporting provides comprehensive information for decision-making and risk assessment.

Both operational and financial processes are standardized. These processes are integrated part of the Joint Venture owner's policies, guidelines and standards and supported by the joint venture owners Business Management System.

The Management monitor monthly and quarterly operational and financial reports and carry out a detailed and thorough budgeting process for the Group.

The Board of Directors is of the opinion that the Company's reporting procedures and quality are at a high standard and sufficient to fulfil the requirements of the Board of Directors for risk management and financial control.

On 1st of July 2022 the Norwegian Transparency Act entered into force. The organisation is aligned and prepared for the new requirements. The Group's Transparency Act statement is published on the DOF's website [www.dof.com](http://www.dof.com).

For further information about environmental, social and governance (ESG) topics, reference is made to annual report for the joint venture owners, DOG Group ASA and TechnipFMC.



## Company Financial Statement

TechDOF Brasil AS has prepared the financial statements in accordance with the Norwegian Accounting Act § 3-9 and Finance Ministry's prescribed regulations on simplified IFRS.

## Going concern

In accordance with the Norwegian Accounting Act § 3-3a, the Board of Directors confirms that the financial statements have been prepared under the assumption of going concern. This assumption is based on the budget for the year 2023 and the Company's contract backlog. The Company's economic and financial position is sound.

## Company accounts

For 2022, the Company achieved an operating revenue of USD 149 million compared to an operating revenue USD 142 million in 2021. Operating profit before depreciation, EBITDA, was USD 123 million (compared to USD 113 million in 2021), whilst operating profit after depreciation, EBIT, was USD 94 million (USD 84 million). The EBITDA for the year is up compared with 2021, mainly due to Covid-19 related effects in 2021.

Net financial result was USD -21 million (USD -20 million), profit before tax was USD 74 million (USD 64 million) and profit or loss for the year was USD 69 million compared with USD 59 million in 2021.

The total assets were USD 656 million (USD 665 million) where total tangible assets amounted to USD 591 million (USD 602 million). The total current assets were USD 65 million (USD 63 million) of which USD 48 million (USD 49 million) were cash and cash equivalents. The liquidity in the Company was satisfactory at year end.

The total equity was USD 196 million (USD 170 million). Non-current liabilities were USD 385 million (USD 428 million), of which USD 162 million represented debt to the parent company, DOFCON Brasil AS (USD 160 million). Total current liabilities were USD 75 million (USD 67 million) of which USD 50 million (USD 49 million) was current portion of debt.

Net cash flow from operating activities during the year was USD 104 million (USD 99 million). Cash flow from the investing activities during the year was USD -19 million (USD -12 million), while the cash flow from financing activities was USD -86 million (USD -80 million).

## Allocation of profits

The Company's profit for the year was USD 69 million in 2022. The profit for the year is proposed allocated to other equity.

## Events after period end

On 2 June 2023, a fire occurred onboard Skandi Buzios while the vessel was alongside Porto do Açu in Brazil. All personnel are safe and no serious injuries were sustained. The fire was brought under control after efforts by the crew and local authorities.

Skandi Buzios is owned and operated by TechDOF Brasil AS, a joint venture between TechnipFMC and DOF Subsea. TechDOF Brasil AS, supported by its joint venture partners, are cooperating in the investigation of the fire and its cause, and the process to get the vessel back in operations. This incident is likely to have a material negative effect on the P&L for TechDOF Brasil AS in the near term.

The loan agreements in the Company have guarantees clauses. One of the Guarantors, DOF Subsea AS, has finalized and implemented a refinancing agreement 22th of March 2023. For further information please see DOF Subsea AS's Annual Report on [www.dof.com](http://www.dof.com).



## Outlook


Local Brazilian market expansion continues consolidating the growing trend. Led by Petrobras and with major international companies like Equinor, Total, Shell, Repsol, Karoon, BW Energy, Trident, Perenco and local independents operators (PetroRio, Enauta, 3R), activity in the local market in Brazil is increasing.

Petrobras tendering activities are high both for large EPCI Projects and long-term chartering but also increasing tendering for services. With regards to Petrobras long term contract for its total PLSVs fleet there is an expectation that Petrobras might extend its current fleet of 17 vessels on the short and medium term.

The Board of Directors confirms that, to the best of its knowledge, the information contained in the Annual Report, gives a true and fair view of the Company's assets, liabilities, financial position and results.

Bergen, 26th June 2023

The Board of Directors of TechDOF Brasil AS

  
Mons Aase (Jun 28, 2023 11:44 GMT+2)  
Mons S. Aase  
Chairman

  
Marianne Møgster (Jun 27, 2023 14:21 GMT+2)  
Marianne Møgster  
Board member

  
Knut Brovoll-bø (Jun 28, 2023 15:36 GMT+2)  
Knut Brovoll-Bø  
Board member

  
Virginie Charrier (Jun 28, 2023 12:50 GMT+2)  
Virginie Estelle Marie Charrier  
Board member



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TechDOF Brasil AS

Amounts in USD million

Financial statements  
TechDOF Brasil AS



TechDOF Brasil AS

Amounts in USD million

## Statement of comprehensive income

	Note	2022	2021
<b>Operating revenue</b>	5	149	142
Other operating expenses	6, 16	-25	-28
<b>Total operating expenses</b>		<b>-25</b>	<b>-28</b>
<b>Operating profit before depreciation (EBITDA)</b>		<b>123</b>	<b>113</b>
Depreciation	9	-29	-30
<b>Operating profit (EBIT)</b>		<b>94</b>	<b>84</b>
Financial expenses	7	-21	-20
<b>Net financial income / loss</b>		<b>-21</b>	<b>-20</b>
<b>Profit before tax</b>		<b>74</b>	<b>64</b>
Income tax expenses	8	-4	-5
<b>Profit for the year</b>		<b>69</b>	<b>59</b>
Other comprehensive income for the year, net of tax		-	-
<b>Total comprehensive income for the year, net of tax</b>		<b>69</b>	<b>59</b>



TechDOF Brasil AS

Amounts in USD million

## Statement of financial position

	Note	2022	2021
<b>Assets</b>			
Vessels	4,9	581	590
ROVs	4,9	10	12
<b>Tangible assets</b>		<b>591</b>	<b>602</b>
<hr/>			
<b>Non-current assets</b>		<b>591</b>	<b>602</b>
<hr/>			
Trade receivables	10	16	14
Other current receivables		1	-
<b>Current receivables</b>		<b>17</b>	<b>14</b>
<hr/>			
<b>Unrestricted cash and cash equivalents</b>	<b>11</b>	<b>48</b>	<b>49</b>
<hr/>			
<b>Total current assets</b>		<b>65</b>	<b>63</b>
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<b>Total assets</b>		<b>656</b>	<b>665</b>



TechDOF Brasil AS


Amounts in USD million

## Statement of financial position

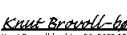
	Note	2022	2021
<b>Equity and liabilities</b>			
Paid-in equity	12	-	-
Other equity		196	170
<b>Total equity</b>		<b>196</b>	<b>170</b>
Debt to credit institutions	13	224	269
Debt to Group companies	13, 15	162	160
<b>Total non-current liabilities</b>		<b>385</b>	<b>428</b>
Current portion of debt	13	50	49
Other current liabilities	14, 15	25	18
<b>Current liabilities</b>		<b>75</b>	<b>67</b>
<b>Total liabilities</b>		<b>460</b>	<b>495</b>
<b>Total equity and liabilities</b>		<b>656</b>	<b>665</b>

Bergen, 26th June 2023

The Board of Directors of TechDOF Brasil AS

  
Mons S. Aase (Jun 28, 2023 11:44 GMT+2)  
Chairman

  
Marianne Møgster (Jun 27, 2023 14:21 GMT+2)  
Board member

  
Knut Brovoll-Bø (Jun 28, 2023 15:38 GMT+2)  
Board member

  
Virginie Charrier (Jun 28, 2023 12:50 GMT+2)  
Board member



TechDOF Brasil AS

Amounts in USD million

## Statement of cash flows

	Note	2022	2021
Operating profit (EBIT)		94	84
Depreciation	9	29	30
Change in trade receivables		-2	10
Change in trade payables		-	-1
Changes in other working capital		8	-3
<b>Cash flow from operating activities</b>		<b>129</b>	<b>120</b>
Interest paid	15	-21	-17
Tax paid		-4	-5
<b>Net cash flow from operating activities</b>		<b>104</b>	<b>99</b>
Purchase of tangible assets	9	-19	-12
<b>Cash flow from investing activities</b>		<b>-19</b>	<b>-12</b>
Installments on non-current liabilities		-45	-45
Change in non-current liabilities to Group companies		2	-10
Dividend payments	12	-43	-25
<b>Cash flow from financing activities</b>		<b>-86</b>	<b>-80</b>
<b>Net change in cash and cash equivalents</b>		<b>-1</b>	<b>7</b>
<b>Cash and cash equivalents at 01.01.</b>	11	<b>49</b>	<b>43</b>
Exchange rate gain / loss on cash and cash equivalents		-	-
<b>Cash and cash equivalents at 31.12.</b>	11	<b>48</b>	<b>49</b>



## Notes to the financial statements

### 1 Corporate information

TechDOF Brasil AS, the Company, was founded in June 2013. The main purpose of the Company is to conduct business within the shipping, offshore and energy sectors. The Company owns and operates two modern vessels: Skandi Acu and Skandi Buzios.

The office address for the Company is Thormøhlensgate 53C in Bergen, Norway.

TechDOF Brasil AS is 100 % owned by DOFCON Brasil AS.

### 2 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 Company's governing risk management strategy focuses on minimising the potential negative effects on the Company's results. The Company consider at all times use of financial derivatives to hedge against certain types of risk. The Company does not use financial derivatives linked to ordinary activities such as trade receivables, trade payables and similar.

#### Foreign exchange risk

Functional currency and presentation currency are USD. Foreign exchange risk arises when future commercial transactions, contractual obligations, non-current liabilities and investments are in different currencies than USD. The Company is exposed to fluctuations in currency, mainly with respect to BRL, NOK and EUR, for some of the operational costs and tax costs. The Company aims to achieve a natural hedge between cash inflows and cash outflows and manages remaining foreign exchange risk arising from commercial transactions, assets and liabilities by forward contracts and similar instrument as appropriate.

Foreign exchange rate changes in receivables and liabilities are recognised in the net financial income/loss section in the consolidated statement of comprehensive income. Fluctuations in foreign exchange rates will therefore influence the Company's statement of comprehensive income and statement of financial position.

#### Interest risk

The Company's existing debt arrangements are non-current loans partly at floating and fixed interest rates. For the part of the loan at floating interest rates, the Company is exposed to interest rate risk. Movements in interest rates in these loans will have effects on the cash flow and financial condition.

#### Credit and liquidity risk

Credit and liquidity risk arise from cash and cash equivalents, financial derivative instruments and deposits with banks as well as credit exposures to clients. The Company has a policy of limiting the credit exposure to any single financial institution and bank, and actively manages its exposure to achieve this. Credit exposures are to clients that traditionally have good financial position to meet their obligations. Historically there have been no losses on outstanding receivables to clients. Risk of losses is considered to be low.

The Company continuously evaluates credit and liquidity risk and have in place policies and guidelines for follow-up and collection of outstanding receivables.

Liquidity risk management implies maintaining sufficient cash, marketable securities, available funding through committed and uncommitted credit facilities and ability to close market positions. The Company aims to maintain flexibility in its liquidity risk management by keeping credit lines available.

The Company's loan agreements include terms and conditions. The Company's business is capital intensive, and the Company may need to raise additional funds to execute the strategy and to fund capital expenditures.

There is implemented routines to monitor and report cash flow forecasts on a regular basis.

Working capital, including next year's ordinary instalments on loans, is negative with USD 10 million. At the end of 2022, the Company has sufficient liquidity to meet its expected obligations for the next 12 months. This evaluation is based on cash and cash equivalents at year end, USD 48 million, and the firm contract backlog for the vessels.

#### Capital structure and equity

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

The Company is exposed to financial risk through its operations and the requirement for periodical maintenance, repairs, upgrades and refinancing of existing vessels.

The Company has historically achieved satisfactory long-term financing for its vessels.

#### Price risk

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

- The demand for the Company's vessels and services is sensitive to changes in the offshore energy industry, for example oil price movements, exploration and general activity level within the industry. This can affect both the pricing/valuation and utilisation of the Company's assets.

- The cost of construction of new assets and replacement of assets are sensitive to changes in market prices.

To reduce the price risk, the strategy is to secure the vessels on long-term contracts. Both vessels in the Company are fixed on long-term charter contracts.



TechDOF Brasil AS

Amounts in USD million

### Inflation risk and supply management

The Company is exposed to inflation risks. Effects of the covid pandemic and the war in Ukraine contributed to higher inflation and a greater degree of unpredictability in the prices of goods, services and salaries. Inflation has during 2022 reached levels not seen in decades. In addition, the logistics and supply management have become more challenging. To mitigate these risks and not receiving deliveries on time, strategy is to do early planning and sign agreements with the main suppliers at fixed prices.

### 3. Accounting estimates and assessments

When preparing the annual accounts, estimates and assessments have been in use. Bases for these estimates and assessments may change and impact assets, liabilities, equity and result.

Assessments, estimates and assumptions which have a significant effect on the accounts are summarised below:

#### Depreciation of vessels

The carrying amount of the vessels, including equipment's and ROV's, represents 90% of total assets. Consequently, policies and estimates linked to the vessel values have a significant impact on the Company's financial statements. Depreciation is calculated on a modified straight-line basis over the estimated useful life of the asset. Please see note 4 'Accounting policies', for information on tangible assets.

#### 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 the vessel. 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.

#### Impairment of assets

##### Vessels

For the purposes of assessing impairment of 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. Vessels are assessed by obtaining independent broker estimates. The brokers' estimates are based on the principle of 'willing buyer and willing seller'. Broker estimates include mounted equipment and assume that the vessels are without any charter contracts (i.e. charter-free basis). The Company has sought to substantiate the broker valuations, inter alia with value in use calculations or tests of reasonableness of implicit rates and other

assumptions derived from the valuations. The value in use calculations adjusts for positive or negative value in associated contracts and for the cost level going forward. When value in use calculations have lower value than broker estimates, value in use has been used in the impairment test.

##### Value in use

Estimated cash flows are based on next year's budgets per vessel and forecasted earnings. The budget process is a detailed and thorough bottom-up budgeting process at all levels of the organisation, with approval procedures on all levels. 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 cost related to decarbonisation measures.

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 Company 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 10.8%.

Sensitivity analysis or stress tests have been carried out for the main variables in the assessment. This includes changes to key assumptions such as broker estimates, operating income, operating expenses and the discount rate.

##### Climate Risk and Impairment test

The impairment test for vessels has included an analysis of which measures will be necessary to achieve GHG emissions reductions target. It is expected that decarbonisation measures will contain activities that have a greater degree of uncertainty than a traditional maintenance and upgrade program for the vessels. Cash flow effects related to risk and opportunities in a climate risk context therefore comes with higher degree of uncertainty.

It is likely that a tax on GHG emissions can be implemented during the vessels' useful life. However, there is great uncertainty about when, where, and how this tax will affect future cash flows. In the current impairment model, the Company 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 vessels. There will be risks and opportunities in energy transition to a low carbon economy. However, there are limited knowledge available about future cash flow effects on revenue, hence there 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.

##### Climate Risk and useful life 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 transition risks and circular economy, the Company 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. These principles are a fundamental component of the decarbonisation roadmap, building business resilience to climate change impact and offering greater value to stakeholders of the Company.

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

It is key for the Company to limit exposure to stranded assets by incorporating climate-resilient strategies within the business model and create low-carbon value propositions for the clients across short, medium and long-term timeframes.

The economic life of the vessels and the risk of stranded assets will depend on the Company's ability to reach its climate targets. Increasing focus on the circular economy will also have effects on the economic life and the useful life of the vessels. A short or longer economic life might affect the value of the vessels and equipment as well as future depreciation.

There will always be a risk that a change in regulation and the market's requirements for sustainable operation may affect the economic life and useful life of the vessels and in turn increase the risk of asset being stranded.

#### ROVs

ROVs are mounted equipment on the vessels and are integrated part of the contracts on the vessels. The vessels are reviewed for impairment together with ROVs.

#### Tax

Changes in tax regimes may adversely affect the cash flows and financial condition. The Company is subject to special tax rules for ship owners in the Norwegian Taxation Act (§ 8-10 - § 8-20). The Norwegian tonnage tax scheme is approved as legal state aid under the EU guidelines for a 10-year period, from 1 January 2018 until 31 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.

For further information about deferred tax assets and tax loss carried forward please refer to note 8 'Tax'.

## 4 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 on simplified IFRS. Principally this means that recognition and measurement complies with the International Accounting 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 exception: financial instruments at fair value through profit or loss are subsequently carried at fair value. All amounts are in USD million.

The fiscal year is the same as the calendar year.

#### Going concern

The Company has a satisfactory economical and financial position which provides the basis for the going concern assumption in accordance with the Norwegian Accounting Act section 3-3a.

#### Group companies

Group companies are defined as DOFCON Brasil AS and its subsidiaries.

#### Joint venture partners

Joint venture partners comprise of DOF companies and TechnipFMC plc companies.

DOF companies are defined as DOF Group ASA, its subsidiaries and related parties.

TechnipFMC companies are defined as TechnipFMC, its subsidiaries and related parties.

#### Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-makers are responsible for allocating resources and assessing performance of the operating segments.

The Company operates within one business segment; Chartering of vessels.

#### Conversion of foreign currency

##### a) Foreign currency

The functional currency is USD. The statements are presented in USD million.

##### 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.

#### Classification of assets and liabilities

Assets are classified as current assets when:

- the asset forms part of the entity's operating 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 operating cycle, and is expected to be realised or consumed over the course of the entity's normal operations; or



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- 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.

#### Working capital

Working capital is defined as current assets less current liabilities. This is a measure of the Company's liquidity position and demonstrates the Company's ability to pay its current liabilities.

#### Cash and cash equivalents

Cash and cash equivalents include cash in hand and deposits held on call accounts with banks.

#### Trade receivables

Trade receivables are amounts due from customers for services performed in the ordinary course of business. In addition to invoiced amounts, trade receivable also includes accrued not invoiced revenues when the amounts are independent of future performance.

Trade receivables are recognised initially at nominal amount. An impairment analysis is performed at each reporting period to measure expected credit losses.

#### Tangible assets

Tangible assets are recognised at cost less accumulated depreciation and accumulated impairment losses. The cost of tangible assets 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 is calculated on a modified straight-line basis over the useful life of the asset.

Depreciation commences when the asset is ready for its intended use. The useful lives of tangible assets 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 or retired, their cost and accumulated depreciation and accumulated impairment loss are derecognised and any gain or loss resulting from their disposal is included in profit or loss.

For vessels, residual value is determined based on estimated fair value today as if the asset was at the end of its useful life. Useful life and economic life of the Company's vessels is estimated to be 30 years. For further information on depreciation policy see note 3 'accounting estimates and assessments'.

#### Impairment of assets

All 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. Where there are circumstances and evidence that impairment losses recognised previously no longer exists or has decreased, a reversal of the impairment loss is recognised.

#### Periodic maintenance of tangible assets

Periodic maintenance is related to major inspection and overhaul costs which occur at regular intervals over the life of an asset. The expenditure is capitalised when it is probable that the Company will derive future financial benefits from upgrading the assets. Periodic maintenance is depreciated on a straight-line basis until the vessel is due for its next periodic maintenance. When new vessels are acquired, a portion of the cost price is classified as periodic maintenance based on best estimates. Intervals between periodic maintenance are calculated on the basis of past experience. The estimated life of each periodic maintenance program is 5 years.

Ordinary repairs and maintenance costs of assets are expensed as incurred.

See note 3 'Accounting estimates and assessments' for further discussion on periodic maintenance.

#### Debt

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

Fees paid on the establishment of debt are recognised as transaction costs of the debt to the extent that it is probable that some or all of the liability will be drawn. In this case, the fee is deferred until the drawdown occurs. To the extent there is no evidence that it is probable that some or all of the liability will be drawn, the fee is recognised as a pre-payment for liquidity services and amortised over the period of the liability to which it relates.

Interest expenses related to debt are recognised as part of the cost of an asset when the borrowing costs accrue during the construction period of a qualifying asset.

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

#### Provisions

Provisions are recognised when, and only when, the Company faces an obligation (legal or constructive) as a result of a past event, 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 or to transfer it to a third party. When timing is significant for the obligation, the obligation is measured at its present value. Subsequent increases in the amount of the obligation due to interest are reported as interest costs.

#### Contingent assets and liabilities

Contingent assets are not recognised in the financial statements but are disclosed in the notes to the financial statements if it is probable that the Company will benefit economically.

Contingent liabilities are defined as:

- possible liabilities resulting from past events, but where their existence relies on future events;



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- liabilities which are not reported on the financial statements because it is improbable that the commitment will result in an outflow of resources;
- liabilities which cannot be measured to a sufficient degree of reliability.

Contingent liabilities are not reported in the financial statements. Significant contingent liabilities are presented in the notes to the financial statements, except for contingent liabilities with a very low probability of settlement.

#### Equity

Share capital is classified as equity. Transaction costs related to equity transactions, including tax effects of transaction costs, are recognised directly in equity.

Dividend is recognised in the accounts at the time of approval of the dividend.

#### Revenue recognition

The Company recognises income in line with the transfer of promised goods or services to customers in an amount that reflects the consideration to which the Company 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.

#### Day rate contracts

A day rate contract is a contract where the Company 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.

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

The Company does not recognise revenue during periods when the vessel is off-hire.

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

#### Current and deferred income tax

The Company is compliant to special tax rules for ship owners in the Norwegian Taxation Act (§ 8-10 - § 8-20). The Norwegian tonnage tax scheme is approved as legal state aid under the EU guidelines for a 10-year period, from 1 January 2018 until 31 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 Company.

Deferred tax is calculated at relevant tax rates on the basis of the temporary differences which exist between accounting and tax values, and any carry-forward losses for tax purposes at year-end. Tax enhancing or tax reducing temporary differences, which are reversed or may be reversed in the same period, have been eliminated. The disclosure of deferred tax benefits on net tax reducing differences which have not been eliminated, and carry-forward losses, is based on estimated future earnings. Deferred tax and tax benefits which may be shown in the statement of financial position are presented net. Deferred tax is reflected at nominal value.

The tonnage tax is payable, which is determined based on the vessel's net weight. This tonnage tax is presented as an operating expense.

The Company is liable for withholding tax on revenue in Brazil. Tax withheld in Brazil is presented as tax expense.

#### Events after period end

New information regarding the Company's financial position at period end is included in the financial statements. Events occurring after period end, which do not impact the Company's financial position, but which have a significant impact on future periods, are presented in the notes.

#### Use of estimates

The preparation of financial statements in conformity with simplified IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. Changes in accounting estimates are recognised for the period in which they occur. If the changes also apply to future periods, the effect of the change is distributed over current and future periods.

#### Statement of cash flows

The statement of cash flows is prepared in accordance with the indirect model.

#### New standards, amendments and interpretations adopted

No new standards, amendments or interpretations have been adopted by the Company in 2022.

#### New standards, amendments and interpretations not yet adopted

The International Accounting Standards Board (IASB) has issued amendments to IAS 1 Presentation of Financial Statements in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures.

Purpose of the changes is for the reporting entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

IASB has issued amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. The amendments clarify how entities should distinguish changes in accounting policies from changes in accounting estimates.

The Company will implement these changes for annual reporting periods after 31st of December 2022.



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## 5 Operating revenue

The Company's vessels Skandi Açú and Skandi Buzios operate in the Chartering of vessels segment in Brazil.

## 6 Operating expenses

Other operating expenses relate to operation of Skandi Açú and Skandi Buzios.

## 7 Financial income and expenses

Financial income and expenses	Note	2022	2021
Guarantee expenses to Group companies and joint venture partners	15	-2	-3
Interest expenses	15	-18	-17
Other financial expenses		-	-1
<b>Financial expenses</b>		<b>-21</b>	<b>-20</b>
<b>Net financial income / loss</b>		<b>-21</b>	<b>-20</b>

## 8 Tax

The Company is registered within the shipping tonnage tax regime. The Company has temporary differences relating to unrealised currency loss on loans in foreign currencies and unrealised effects on financial instruments. Best estimate is that it is unlikely that the company will have taxable financial profit going forward to offset the temporary differences. Deferred tax asset related to unrealised currency losses and tax loss carry forward will therefore not be recognised in the financial position.

The tax effects of unrealised financial items are dependent on the future relation between financial assets and total assets. Future relation between financial assets and total assets cannot be estimated reliably.

The current income tax expenses for 2022 of USD -4 million (compared to USD -5 million in 2021) is related to withholding taxes on operational revenue in Brazil. Tax payable included in other current liabilities of USD 1 million (USD 1 million) also relates to operational revenue in Brazil.



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Amounts in USD million

## 9 Tangible assets

2022	Vessels	Periodical maintenance	ROVs	Total
<b>Cost at 01.01</b>	<b>664</b>	<b>37</b>	<b>20</b>	<b>721</b>
Additions	2	17	-	19
<b>Cost at 31.12</b>	<b>666</b>	<b>54</b>	<b>20</b>	<b>740</b>
<b>Depreciation at 01.01</b>	<b>-89</b>	<b>-22</b>	<b>-8</b>	<b>-120</b>
Depreciation for the year	-24	-4	-2	-29
<b>Depreciation at 31.12</b>	<b>-113</b>	<b>-26</b>	<b>-10</b>	<b>-149</b>
<b>Book value at 31.12</b>	<b>553</b>	<b>28</b>	<b>10</b>	<b>591</b>
Asset lifetime (years)	30	2.5-5	12	
Depreciation schedule	Linear	Linear	Linear	
2021	Vessels	Periodical maintenance	ROVs	Total
<b>Cost at 01.01</b>	<b>664</b>	<b>26</b>	<b>20</b>	<b>710</b>
Additions	-	12	-	12
<b>Cost at 31.12</b>	<b>664</b>	<b>37</b>	<b>20</b>	<b>721</b>
<b>Depreciation at 01.01</b>	<b>-65</b>	<b>-18</b>	<b>-7</b>	<b>-90</b>
Depreciation for the year	-24	-4	-2	-30
<b>Depreciation at 31.12</b>	<b>-89</b>	<b>-22</b>	<b>-8</b>	<b>-120</b>
<b>Book value at 31.12</b>	<b>574</b>	<b>15</b>	<b>12</b>	<b>602</b>
Asset lifetime (years)	30	2.5-5	12	
Depreciation schedule	Linear	Linear	Linear	

### Impairment assessment

While testing the reasonableness of the broker estimates the Company has applied a nominal WACC after tax of 10.8%. An increase in WACC with 50 basis points will not result in an additional impairment. Negative effect on net future cash flows with 20 % will not result in an additional impairment.

TechDOF Brasil AS has a new fleet of vessels. As a result, the future cash flows for the vessels are long. The key assumptions in discounted cash flow calculation for the vessels are utilization and charter rates. Changes in these assumptions would have considerable effects on the net present value of the vessels. For further information see note 4 'accounting estimates and assessments'.

## 10 Trade receivables

Trade receivables	2022	2021
Accrued revenue not invoiced	16	14
<b>Trade receivables at 31.12</b>	<b>16</b>	<b>14</b>

Company trade receivables are to Petrobras for operation of Skandi Açú and Skandi Buzios vessels in Brazil.



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## 11 Cash and cash equivalents

The Company has no restricted deposits at year-end 2022.

## 12 Share capital and share information

### Share capital

The share capital in the Company at 31.12.2022 was NOK 100 000 comprising 1 000 shares, each with a nominal value of NOK 100. Share capital equals USD 16 815 as of 31.12.2022.

### Shareholder overview

At 31 December 2022 the shareholders in the Company were as follows:

Shareholders at 31.12	No. of shares	Proportion of ownership
DOFCON Brasil AS	1 000	100 %
<b>Total</b>	<b>1 000</b>	<b>100 %</b>

### Board of Directors

	Title
Mons S. Aase	Chairman
Marianne Møgster	Board member
Virginie Estelle Marie Charrier	Board member
Knut Brovoll-Bø	Board member

Please refer to the DOF Group ASA and Technip FMC annual reports for shares held in DOF Group ASA and Technip FMC by the management and the Board of Directors. The annual reports are published at [www.dof.no](http://www.dof.no) and [www.technipfmc.com](http://www.technipfmc.com).

Share capital	No. of shares	Share capital
Share capital 01.01.2022	1 000	16 815
Share capital 31.12.2022	1 000	16 815

Changes in equity	Share capital	Paid-in equity	Other equity	Total equity
<b>Equity at 31.12.2021</b>	-	-	170	170
Dividend	-	-	-43	-43
Profit / loss for the year	-	-	69	69
<b>Equity at 31.12.2022</b>	-	-	196	196

The ordinary general meeting of TECHDOF Brasil AS was held on May 25th 2022, a dividend of USD 18 million, equivalent to USD 18 000 per share was approved. Additionally, another general meeting was held on December 19th 2022 a dividend of USD 25 million, equivalent to USD 18 000 per share was approved. Collectively, dividend payments of USD 43 million was made in 2022.



TechDOF Brasil AS

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## 13 Interest-bearing debt

The loan agreements in the Company have guarantee clauses.

<b>Non-current interest-bearing debt</b>	<b>2022</b>	<b>2021</b>
Debt to credit institutions	224	269
Debt to Group companies	162	160
<b>Total non-current interest-bearing debt</b>	<b>385</b>	<b>428</b>
<b>Current interest-bearing debt</b>	<b>2022</b>	<b>2021</b>
Debt to credit institutions	45	45
<b>Total current interest-bearing debt</b>	<b>45</b>	<b>45</b>
<b>Total non-current and current interest-bearing debt</b>	<b>431</b>	<b>474</b>
<b>Net interest-bearing debt</b>		
Cash and cash equivalent	48	49
Other interest-bearing assets	-	-
<b>Net interest-bearing debt</b>	<b>383</b>	<b>425</b>

Current portion of debt in the statement of financial position includes accrued interest expenses. Accrued interest expenses are excluded in the current interest-bearing debt above.

Debt repayment profile	2023	2024	2025	2026	2027	Thereafter	Total
Debt to credit institutions	45	45	45	45	45	44	269
Debt to Group companies	-	-	162	-	-	-	162
<b>Total repayment</b>	<b>45</b>	<b>45</b>	<b>207</b>	<b>45</b>	<b>45</b>	<b>44</b>	<b>431</b>

Amortised costs are not included in the repayment profile above. Debt to Group companies matures in 2025 but may be repaid earlier based on company earnings.

<b>Liabilities secured by mortgage</b>	<b>2022</b>	<b>2021</b>
Liabilities to credit institutions	269	314
Book value of assets pledged as security for debt to credit institutions	591	602
<b>Average rate of interest of debt to credit institutions</b>	<b>4,23%</b>	<b>4,02%</b>



TechDOF Brasil AS

Amounts in USD million

## 1.3 Interest-bearing debt (continued)

### Financial covenants

- The Company's long-term financing agreements include the following financial covenants: The Company shall have positive working capital at all times, excl. current portion of debt to credit institutions. The Company is in compliance with all financial covenants at year-end 2022.

In addition to the above-mentioned financial covenants, the guarantor (DOF Subsea AS) on a consolidated basis should fulfil the following financial covenants:

- 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 (based on the proportionate consolidation method of accounting for joint ventures)

The Guarantor DOF Subsea was in breach of some financial covenants per 31.12.2022 at guarantor level, but these were waived with relevant lenders.

## 1.4 Other current liabilities

Other current liabilities	Note	2022	2021
Trade payables and accrued expense		15	7
Current liabilities to Group companies and joint venture partners	15	9	9
Tax payable	8	1	1
<b>Other current liabilities at 31.12</b>		<b>25</b>	<b>18</b>

## 1.5 Related parties

Detailed description of related parties and the Company's relationship to these:

TechDOF Brasil AS is 100 % owned by DOFCON Brasil AS, which is partially owned by DOF PLSV Investments AS and Technip Coflexip Norge AS.

Technip Coflexip Norge AS is a company within the TechnipFMC plc Group and DOF PLSV Investments AS is a company within the DOF Group.

Technip Offshore International, a Company within TechnipFMC plc Group, DOF Subsea AS and DOFCON Brasil AS are guarantors for debt to credit institutions for the Company. The guarantees are given in proportion to ownership in the Company. For more information see note 13.

Financial expenses to Group companies and joint venture partners	2022	2021
Guarantee expenses to DOFCON Brasil AS	1	1
Guarantee expenses to DOF companies	1	1
Guarantee expenses to TechnipFMC companies	1	1
Interest expenses to DOFCON Brasil AS	6	4
<b>Total</b>	<b>8</b>	<b>6</b>

Non-current liabilities to Group companies	2022	2021
DOFCON Brasil AS	162	160
<b>Total</b>	<b>162</b>	<b>160</b>

Current liabilities to Group companies and joint venture partners	2022	2021
DOFCON Brasil Group companies	1	1
DOF companies	4	3
TechnipFMC companies	4	5
<b>Total</b>	<b>9</b>	<b>9</b>

For further information see financial statement for DOFCON Brasil AS.



TechDOF Brasil AS

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## 16 Remuneration to Board of Directors, Executives, and Auditor

The Company has no employees. No salaries or other remuneration have been paid to the Company's Board of Directors or the Managing Director. No loans or guarantees have been provided for the Company's Board of Directors, Managing Director or close associates.

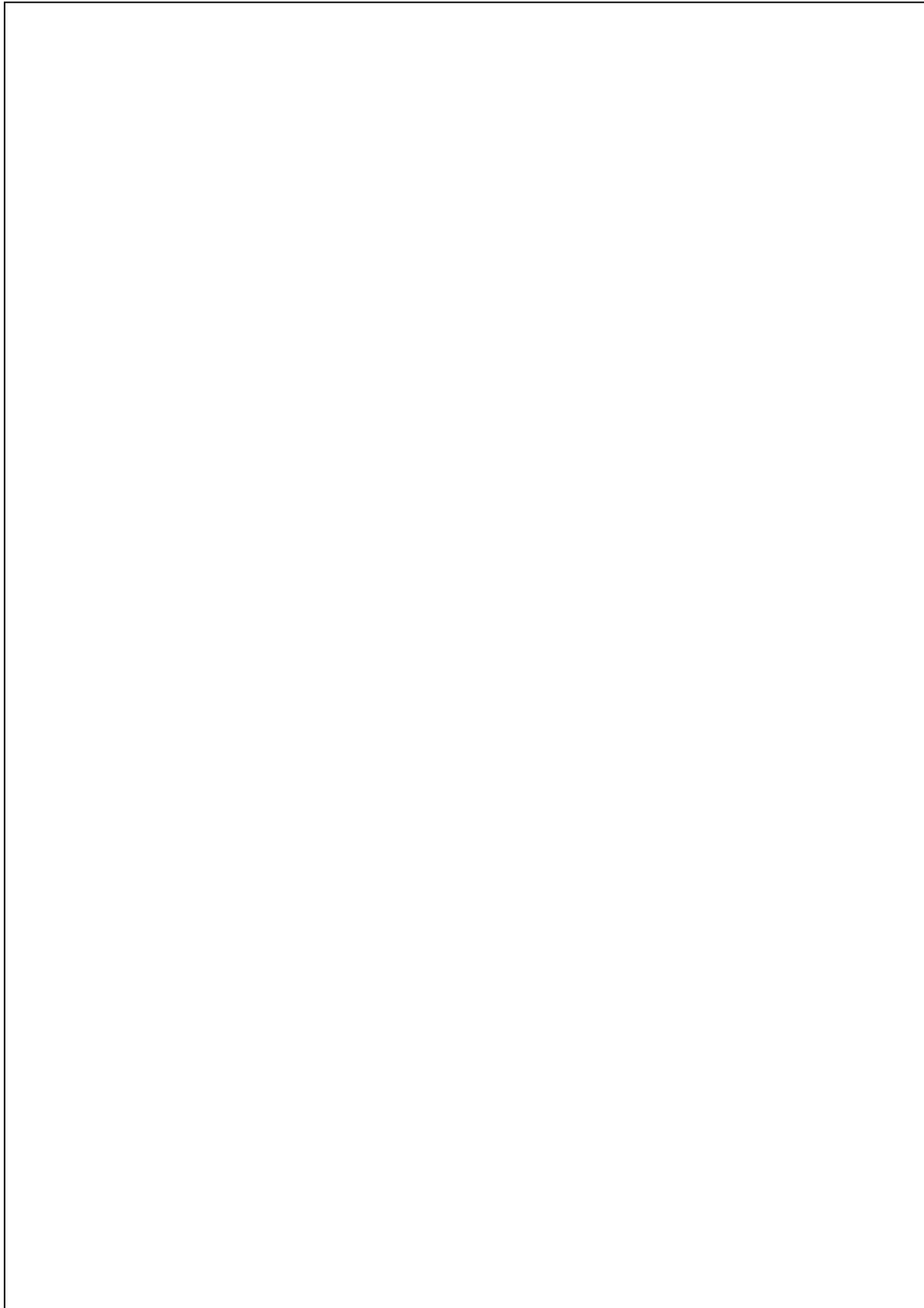
Specification of auditor's fee (excl. VAT), amounts in USD	2022	2021
Fee for audit of financial statements (USD)	42 362	40 896
<b>Total (USD)</b>	<b>42 362</b>	<b>40 896</b>

## 17 Events after period end

On 2 June 2023, a fire occurred onboard Skandi Buzios while the vessel was alongside Porto do Açú in Brazil. All personnel are safe and no serious injuries were sustained. The fire was brought under control after efforts by the crew and local authorities.

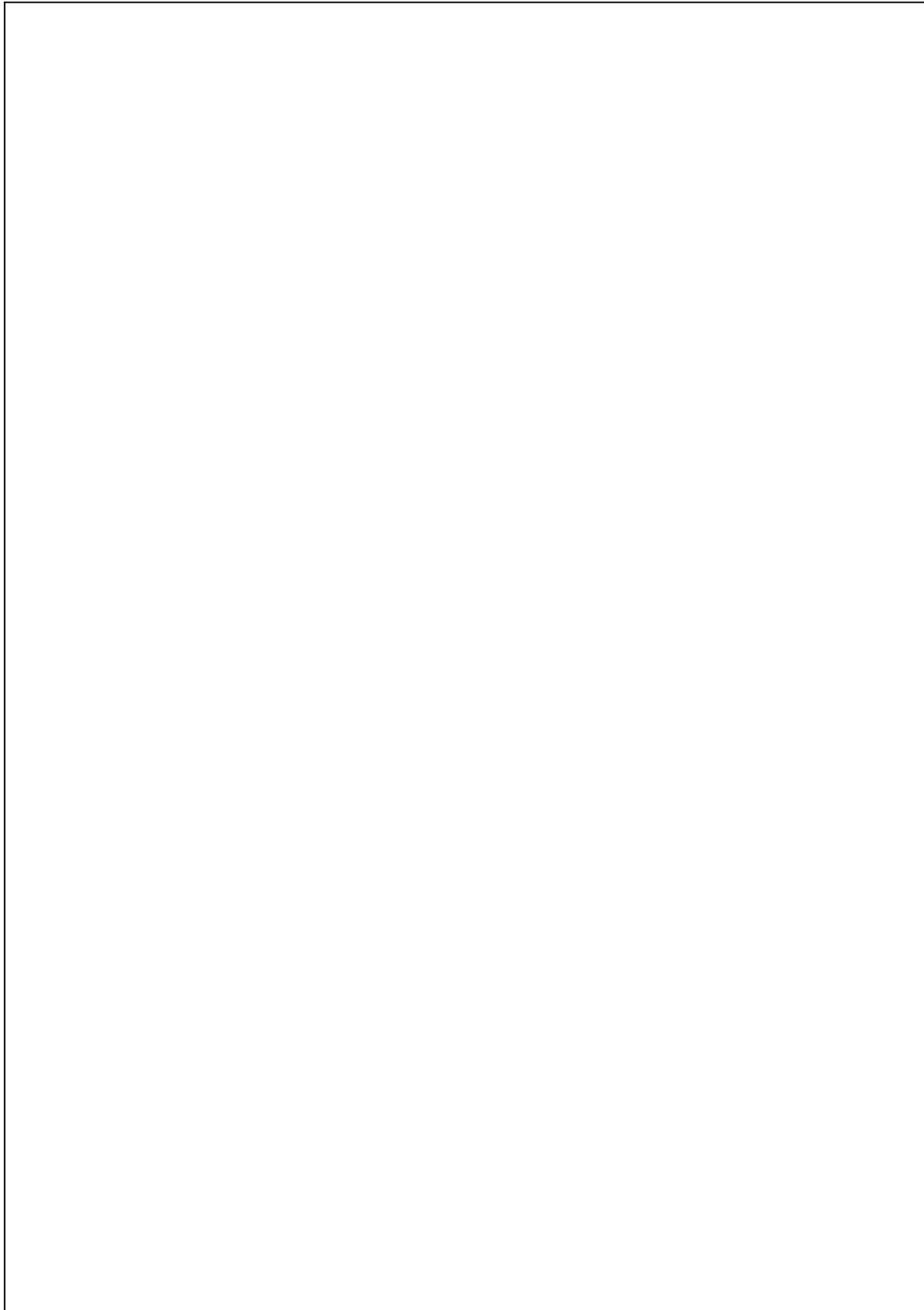
Skandi Buzios is owned and operated by TechDOF Brasil AS, a joint venture between TechnipFMC and DOF Subsea. TechDOF Brasil AS, supported by its joint venture partners, are cooperating in the investigation of the fire and its cause, and the process to get the vessel back in operations. This incident is likely to have a material negative effect on the P&L for Techdof Brasil AS in the near term.

The loan agreements in the Company have guarantees clauses. One of the Guarantors, DOF Subsea AS, has finalized and implemented a refinancing agreement 22 of March 2023. For further information please see DOF Subsea AS's Annual Report on [www.dof.com](http://www.dof.com).





TechDOF Brasil AS Annual Report | 2022 TECHDOF BRASIL AS AUDITOR'S REPORT











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



## 2022 TechDOF\_Annual\_Report\_Final

Final Audit Report

2023-06-28


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To the General Meeting of TechDOF Brasil AS

## Independent Auditor's Report

### Opinion

We have audited the financial statements of TechDOF Brasil AS (the Company), which comprise the statement of financial position as at 31 December 2022, the statement of comprehensive income and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion

- the financial statements comply with applicable statutory requirements, and
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2022, 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.

### 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 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 (management) is 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.

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

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- contains the information required by applicable statutory requirements.

#### **Responsibilities of Management for the Financial Statements**

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

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

#### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in 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, 26 June 2023

**PricewaterhouseCoopers AS**

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



 Securely signed with Brevio

Revisjonsberetning

**Signers:**

<b>Name</b>	<b>Method</b>	<b>Date</b>
Olsen, Marius Kaland	BANKID	2023-06-26 21:00

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Norwegian Directorate of Taxes

Inquiries to  
Torstein Kinden Helleland

Your date  
07.08.2013

MOTTATT

Our date  
15.08.2013

Telephone  
22078139

Your reference  
Petter O. Pharo

Our reference  
2013/595413

DOF SUBSEA AS  
Thormøhlens gate 53C  
5006 BERGEN

## Permission to prepare the annual accounts and directors' report in English language

Dear Mr Petter O. Pharo

With reference to your letter of 7 August 2013, you apply for permission to keep annual accounts and directors' report in English language. The application in question concerns the companies mentioned below.

**DOF Installer ASA**      **org. nr. 990 512 663**  
**TECHDOF Brasil AS**    **org. nr. 912 176 673**

### Conclusion

Based on a total evaluation, the view of The Directorate of Taxes is that the companies mentioned above may make the directors' report and annual accounts in English language according to the Norwegian Accounting Act § 3-4 third paragraph.

The exemption requires that the information that the decision is based on, does not change significantly.

### Background

The above mentioned companies are subsidiaries of DOF ASA. The DOF ASA Group is an international group of companies which owns and operates a modern fleet of offshore-/subsea vessels, and owns engineering capacity to service the subsea market. Other group companies have in previous decisions been given permission to make the directors' report and annual accounts in English language.

The working language in the group is English. The DOF ASA Group operate within the international offshore-/subsea industry, where English is clearly the dominant language. The group is highly international in the sense that it operates throughout the world, and the group has several legal entities and companies in different countries. A number of these companies are as well taxable or can be taxable in other jurisdictions due to inter alia international operations. It follows that the accounts for these companies as well will have to be presented in different jurisdictions. Almost all of the companies' users, including financial institutions, contracting parties, customers and suppliers

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Org.nr: 996250318

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800 80 000  
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22 17 08 60



are foreign/international companies or institutions. The companies' users, who are not foreign/international companies or institutions, must use English language. The annual report and financial statements of the companies are required to be prepared each year in the Norwegian language only in order to satisfy the requirements of the Norwegian Accounting Act.

#### **Permission to make the annual accounts and the directors' report in Norway in English language**

According to the Norwegian Accounting Act § 3-4, third paragraph shall "*the directors' report and annual accounts ... be in Norwegian. The Ministry can in an individual decision decide that the directors' report and/or annual accounts may be in another language*".

Ot. prp. nr. 42 (1997-1998) About Act about annual accounts etc., says the following about the purpose of the Accounting Act, refer section 1.1:

*"The aim of the Government with respect to the Accounting Act is that it shall contribute towards providing informative accounts for different users of accounts. The users of accounts include investors and creditors which provide capital for the companies. Other groups include those who have an interest in knowing how the companies are operated, for example employees and the local community. The information to the capital market is an important basis for the correct pricing of financial instruments. The correct pricing of stocks is an important factor in securing the best possible allocation of resources in the economy. High quality accounts will also make it more difficult for market participants to obtain speculative gains as a result of non-publicly available information."*

Hence, one of the main aims of the Accounting Act is to contribute to "informative accounts for different users of accounts". The users of the accounts will include investors, creditors, employees and the local community.

Hence, it is the view of the Ministry that it is crucial that the question of dispensation from the general rule that the annual accounts and/or directors' report should be done in Norwegian, not in any significant way deviate from the consideration of users of the accounts.

As mentioned above it is particularly the consideration of the users of the account information which has to be taken into consideration when considering the application for permission. In this assessment, the Directorate of Taxes has emphasized that other group companies have in decisions been given permission to make the directors' report and annual accounts in English language. The companies operate in highly international branch, where English is the common language used. Internal, English is also only language used for reporting purpose. Furthermore, it is emphasized that none in the Board of directors speaks Norwegian.



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We kindly request you to mention “our reference” in all written communication with The Norwegian Tax Authorities.

Best regards

Rune Tystad

Senior Adviser

Rettsavdelingen, foretaksskatt

Norwegian Directorate of Taxes

Torstein Kinden Helleland