Brønnøysundregistrene

ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2021 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer:	990 512 663
Organisasjonsform:	Allmennaksjeselskap
Foretaksnavn:	DOF INSTALLER ASA
Forretningsadresse:	Alfabygget 5392 STOREBØ

Regnskapsår

Årsregnskapets periode:	01.01.2021 - 31.12.2021

Konsern

Morselskap i konsern:	Nei

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:	10.06.2022

Grunnlag for avgivelse

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

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

Brønnøysundregistrene, 14.07.2023

Brønnøysundregistrene
Postadresse: 8910 Brønnøysund
Telefoner: Opplysningstelefonen 75 00 75 00 Telefaks 75 00 75 05
E-post: firmapost@brreg.no Internett: www.brreg.no
Organisasjonsnummer: 974 760 673

Resultatregnskap

Beløp i: NOK	Note	2021	2020
RESULTATREGNSKAP			
Inntekter			
Operating revenue	4,11	148 000 000	155 000 000
Sum inntekter		**148 000 000**	**155 000 000**
Kostnader			
Depriciation	7	91 000 000	55 000 000
Nedskrivning av varige driftsmidler og immaterielle eiendeler	7	0	357 000 000
Other operating expenses	11,12	36 000 000	24 000 000
Sum kostnader		**127 000 000**	**436 000 000**
Driftsresultat		**21 000 000**	**-281 000 000**
Finansinntekter og finanskostnader			
Financial income	5,11	4 000 000	5 000 000
Unrealised gain on derivative instruments and currency position	5	0	6 000 000
Realised gain on financial derivatives and currency positions	5	0	32 000 000
Sum finansinntekter		**4 000 000**	**43 000 000**
Financial expenses	5,11	72 000 000	89 000 000
Unrealised loss on derivatives and currency position	5	9 000 000	0
Realised loss on derivatives and currency position	5	1 000 000	0
Sum finanskostnader		**82 000 000**	**89 000 000**
Netto finans		**-78 000 000**	**-46 000 000**
Ordinært resultat før skattekostnad		**-57 000 000**	**-327 000 000**
Income tax expenses	6	0	0
Ordinært resultat etter skattekostnad		**-57 000 000**	**-327 000 000**
Årsresultat		**-57 000 000**	**-327 000 000**
Overføringer og disponeringer			
To share premium		-57 000 000	-327 000 000
Sum overføringer og disponeringer		**-57 000 000**	**-327 000 000**

Balanse

Beløp i: NOK	Note	2021	2020
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Varige driftsmidler			
Tangible assets	3,7	1 471 000 000	1 491 000 000
Sum varige driftsmidler		**1 471 000 000**	**1 491 000 000**
Sum anleggsmidler		**1 471 000 000**	**1 491 000 000**
Omløpsmidler			
Varer			
Fordringer			
Current receivables from Group companies	10,11	118 000 000	109 000 000
Other current receivables		2 000 000	1 000 000
Sum fordringer		**120 000 000**	**110 000 000**
Bankinnskudd, kontanter og lignende			
Unresticted cash and cash equivalents	8,10	563 000 000	507 000 000
Sum bankinnskudd, kontanter og lignende		**563 000 000**	**507 000 000**
Sum omløpsmidler		**683 000 000**	**617 000 000**
SUM EIENDELER		**2 154 000 000**	**2 108 000 000**
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Share capital	14,15	34 000 000	34 000 000
Overkurs		626 000 000	682 000 000
Sum innskutt egenkapital		**660 000 000**	**716 000 000**
Opptjent egenkapital			

Balanse

Beløp i: NOK	Note	2021	2020
Other equity		0	0
Sum opptjent egenkapital		**0**	**0**
Sum egenkapital		**660 000 000**	**716 000 000**
Sum langsiktig gjeld		**0**	**0**
Kortsiktig gjeld			
Current portion of debt	8,10	1 461 000 000	1 385 000 000
Leverandørgjeld	10	18 000 000	3 000 000
Current liabilities to Group companies	10,11	15 000 000	4 000 000
Sum kortsiktig gjeld		**1 494 000 000**	**1 392 000 000**
Sum gjeld		**1 494 000 000**	**1 392 000 000**
SUM EGENKAPITAL OG GJELD		**2 154 000 000**	**2 108 000 000**

DOF INSTALLER ASA

ANNUAL REPORT

2021

DOF Installer ASA Directors report

DOF Installer ASA (the Company) was founded in December 2006. Since its inception, the Company has been a supplier of vessels to the subsea and AHTS market. During the years of operation, the Company has taken delivery of five high-end subsea/AHTS vessels, of which two have been sold.

In summary, 2021 continued to be a challenging year with respect to COVID-19. During 2021 the O&G markets have improved and the demand for the Company's vessels has increased.

The Company has since Q2 2020 entered into standstill agreements (including deferral of interest payments and instalments) with its secured lenders. Debt restructuring proposals have been presented to the lenders and discussions to agree on a long-term refinancing of the Company and the DOF Subsea Group(the Group) are ongoing. The Group is dependent on continued standstill agreements with its creditors until a long-term and sustainable financial solution is agreed to maintain as going concern.

In 2021, the Company's vessels have been operating in the North Sea, in Gulf of Mexico, in the Far East and off the East Coast of Canada under charter contracts with the Group. The operating revenue was NOK 148 million in 2021 compared to NOK 155 million in 2020. The operating profit before depreciation (EBITDA) was NOK 113 million (NOK 131 million), whilst the operating profit (EBIT) was NOK 22 million (NOK -281 million), after depreciation and impairment of NOK 91 million (NOK 412 million). Total assets amounted to NOK 2 154 million (NOK 2 108 million), of which NOK 1 471 million was non current assets (NOK 1 491 million in 2020). Total equity was NOK 660 million (NOK 716 million), and net interest bearing debt was NOK 781 million (NOK 774 million).

The Company's headquarters is located at Storebø in the municipality of Austevoll.

Business Overview & Strategy

The Company's core business is ownership of subsea/AHTS vessels, and at year-end the Company owned three vessels. The vessels owned by the Company are among the most advanced subsea and AHTS vessels ever built with high bollard pull, offshore cranes and ROV capabilities. The vessels were built to comply with the highest international standards for Environment and Safety of Life at Sea. The vessels' size and capabilities make them suitable for global operations and create a good foundation for long-term relationships with the end users of the vessels. The Group will continue its strategy to be engaged in long-term industrial offshore relationships and secure backlog on Skandi Hercules and Skandi Skansen.

As part of DOF Subsea Group, DOF Installer ASA is working under the DOF Subsea Group's and DOF ASA Group's certification and Business Management System. During the year, DOF Management and DOF Subsea Canada have been responsible for the vessel management of the Company's vessels through ship management agreements.

For further reading reference is given to the annual report of DOF Subsea AS(the parent company) and the DOF Subsea Group.

Operational events

Skandi Hercules has been chartered to DOF Subsea Group, where it has been utilised in the subsea market in the Asia Pacific (APAC) region. The core activity for the vessel has been mooring and commissioning projects, both in New Zealand and on the northern- and western Australia coast, in addition the vessel has conducted IMR work off the west coast of Australia.

Skandi Skansen has been chartered to DOF Subsea Group where it has been utilised in the subsea market in the Atlantic and the North America region, performing IMR, mooring and decommissioning projects.

Both Skandi Hercules and Skandi Skansen have conducted main class docking during the year.

Skandi Vinland is on a 12-year bareboat charter contract with DOF Subsea Canada where she is utilised under a 10-year IMR contract with Husky Energy off the East Coast of Canada.

The market

The market outlook for 2022 has improved mainly based on new Covid variants have being contained and lighter measures being enforced. However, the geopolitical picture encourages a more conservative view to the otherwise promising 2022 outlook. The oil price has stabilised above USD 100/ bbl in 2022, based on the market's response to the geopolitical instability and potential supply challenges. Based on external analysis the Company observes that the oil prices are likely to continue to climb, and the oil and gas macroenvironment continues to be dynamic.

Gas demand had a strong rebound in 2021, but growth is expected to moderately increase in 2022, up by 2.2% y-o-y. Further gas demand gains in 2022 are expected to be strengthened by ongoing economic improvements, as well as coal-to-gas switching. However, exceptionally high gas prices and geopolitical instability may temper demand gains.

Total offshore capex is expected to rise 11.3% with both offshore deep-water and offshore shelf adding 14.2%. The five-year CAGR for capital expenditures towards 2026 is estimated at 4% with growth in all supply segments over the five-year period, according to Rystad Energy.

The overall offshore vessel market is expected to increase towards 2030. Offshore wind will continue to grow from 2025 towards 2030, taking up an increasingly larger share of the total global vessel demand. Spending on offshore installation segments is expected to increase by an average of 32% from 2021 to 2022. The pressure from a growing oil and gas price with growing offshore wind capex might increase the demand for AHTS and subsea vessels on short, medium and long term.

Social and environmental sustainability

Having sustainable operations is important for the Company. The successful balance between social, environmental and economic elements allows the Company to develop 'Sustainable Operations' and ensures that the Company remains commercially feasible, socially acceptable and works within the capacity of the external environment.

The Group's environmental management system ensures that the operations are effectively managed, and that continuous improvement of environmental performance is achieved. The energy efficiency program of the Group is continuously challenged with the aim to improve environmental performance.

During 2022, the focus on energy efficiency has increased by implementing key performance indicators related to environmental performance, e.g. energy consumption and CO2 emissions. There have been no major spills to the external environment and no spills that resulted in fines or other non-monetary sanctions from local governments.

The Group promotes transparency and standard disclosure of information relating to key sustainability aspects. As part of this, the Group reports key environmental performances through the Carbon Disclosure Project and the Global Reporting Initiative.

For detailed reporting on social and environmental sustainability, please find the DOF Group's Sustainability Report on www.dof.com.

For further reading please also refer to the Annual Report for the DOF Subsea Group on www.dofsubsea.com.

Shareholders, Board of Directors and employees

As of 31 December 2021, the Company's equity consists of a share capital of NOK 33 931 000 divided into 33 931 000 shares, each with a nominal value of NOK 1. The Company has 38 shareholders, where DOF Subsea AS is the main shareholder with 84.92% of the shares.

The Board of Directors of the Company consists of two woman and one man. The Company had no employees during the year, and the Managing Director is employed in DOF Subsea AS.

D&O insurance has been signed 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.

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.

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 standardised, and the same reporting and control structures are in use for all companies within the Group. These processes are integrated in the Group's ERP system and supported by Group policies, guidelines and standards in the Business Management System. To strengthen the awareness surrounding the Groups compliance activities, an overall guideline and a training program have been developed, using E-learning followed up by workshops and training.

Every year, a detailed and thorough budgeting process is carried out. There are established routines for monthly and quarterly operational and financial reports, including information on investments, financing, cash flow, liquidity, HSEQ, HR, Tax and Legal performance.

Board of Directors is of the opinion that the Company's reporting procedures and quality are at a sufficient standard to fulfil the requirements of the Board of Directors for risk management and financial control. For further details on Corporate Governance, see the Corporate Governance section of the Annual Report for the DOF ASA Group.

Financial Performance

The operating revenue was NOK 148 million in 2021 compared to NOK 155 million in 2020. The operating profit before depreciation (EBITDA) was NOK 113 million (NOK 131 million). The operating profit (EBIT) was NOK 22 million (NOK -281 million). The depreciation and impairment amounted to NOK 91 million (NOK 412 million).

NOK million	2021	2020	Change
Operating revenue	148	155	4.5%
EBITDA	113	131	13.7%
Depreciation and impairment	91	412	77.9%
EBIT	22	281	107.8%

Net financial loss was NOK 78 million (loss of NOK 46 million), and the loss before tax was NOK 57 million (NOK loss 327 million). The loss for the year was NOK 57 million (loss of NOK 327 million).

Total assets were NOK 2 154 million (NOK 2 108 million), where non current assets amounted to NOK 1 471 million (NOK 1 491 million). Current assets were NOK 683 million (NOK 616 million), of which NOK 563 million (NOK 506 million) was cash and cash equivalents.

Total equity was NOK 660 million (NOK 716 million). Current liabilities were NOK 1 494 million (NOK 1 391million), of which NOK 1 460 million (NOK 1 384 million) was current portion of debt. Debt to credit institution has been presented as current debt as an effect of not having a long-term financial solution in place or waivers covering more than 12 months after balance sheet date.

NOK million	2021	2020	Change
Tangible assets	1 471	1 491	1.3%
Cash and cash equivalents	563	506	11.3%
Total equity	660	716	7.8%
Net interest bearing debt	781	774	0.9%

Net cash flow from operating activities during the year was NOK 128 million (NOK 160 million). Cash flow from investing activities during the year was NOK -71 million (NOK -15 million), while the cash flow from financing activities was nil (NOK nil million).

Financing and capital structure

The Company's interest bearing debt by 31 December 2021 comprise secured debt of NOK 1 373 million and unsecured other current debt of NOK 50 million. Other debt with NOK 10 million has been repaid with discount in 2022.

The Board and Management have, since the second quarter of 2019, been working on a long-term refinancing solution for the Company and the Group which includes discussions with secured lenders and the bond holders.

The restructuring of the Group's debt has been ongoing in 2021 and standstill agreements have been agreed until the 15th of June 2022 with 95% of the secured lenders in the DOF Subsea Group. The BNDES facilities in DOF Subsea Brasil Ltda. has been served according to refinancing agreements signed in February 2020. The standstill agreements assume payment of principal and interest of a NOK 100 million credit facility provided by certain lenders in March 2020. The outstanding amount of this facility was NOK 47 million by the end of the year.

The relevant Group companies have imposed unilateral standstill to the secured lenders not participating in the standstill agreements. One of the DOF Subsea secured lenders has previously requested repayment of a facility of USD 47 million, and in the 3rd quarter this facility was prepaid at a significant discount. Another secured lender has enforced an account pledge for one loan facility in DOF Subsea.

The ad hoc group of bondholders in DOFSUB07, DOFSUB08 and DOFSUB09 have accepted a standstill until the 15th of June 2022.

The DOFCON JV is not part of the standstill agreements and serves its debt according to the terms in the relevant loan facilities. Financial covenants related to the Group's 50% guarantee of the DOFCON loan facilities have been waived.

The Company and the Group will continue the dialogue with its creditors to secure a long-term financial solution for the Group. The refinancing proposal currently discussed include a comprehensive restructuring of the Group's balance sheet which include softer terms on the loan facilities and conversion of substantial amounts of debt to equity in the parent company.

Risk

The Company and 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. The Covid pandemic may further impact the Group's results going forward.

Climate risk

The Company and 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, Sulphur Oxides and Particulate Matter in harbour areas.

Financial and liquidity risk

The Company is exposed to financial and liquidity risk through its operations, periodical maintenance and the requirement for refinancing of exciting vessels. A sustained weak market since 2014 has increased the refinancing risk for the Company significantly, and the Group has since 2019 experienced that regular refinancing has been impossible.

The Company's financing, capital structure and liquidity are monitored closely. Liquidity risk is monitored on short, medium and long-term, focusing on funding and liquidity requirements.

DOF Installer is a part of the DOF Subsea Group and as such dependent on the parent company's performance and the parent company guarantee obligations. During 2019 the parent company faced financial difficulties and since 2019 the Group have had waivers on instalment payment in order to find a long-term financial solution. If the parent company goes in default, this will lead to a cross default in DOF Installer ASA.

The Company's loan agreements contain financial covenants. All covenants for the Company and the Group has been waived until 15th of June 2022.

Currency risk

The Company has global operations, and a significant portion of the income and costs are denominated in foreign currencies, mainly USD and CAD. The Company's debt is denominated in NOK and CAD as of 31.12.2021. In first quarter of 2022 debt in CAD and NOK has been converted to USD. Fluctations in foreign exchange rates against NOK have impact on the Company's financial statement.

The Company aims to be naturally hedged by matching income and costs for the relevant currencies. In addition, the Company has a derivative strategy using derivatives to reduce the exchange rate risk exposure. However, due to the current financial position, entering into forward contracts or commercial transactions have become more challenging. Hence, the Company's liquidity risk has increased if the currencies fluctuate.

Interest risk

The Company's existing debt arrangements are long term loans partly at floating and fixed interest rates. Movements in interest rates will have effects on the Company's cash flow and financial condition. Due to the current financial position of the Company, entering into new interest rate swaps have become more challenging. Hence, the Group's interest rate risk has increased.

Credit risk

The Company has established policies and guidelines for follow-up and collection of outstanding receivables. Historically, the portion of receivables not being collectable has been low. Companies in the Group are dependent on a robust refinancing solution to maintain as a going concern. The Group has in 2021 established payment plans that reduces the risk for losses on internal accounts receivables and the accumulated loss provision of NOK 7 million related to internal accounts receivables has been reversed in 2021. The Company continuously evaluates the financial strength and creditworthiness of customers and suppliers including Group companies.

Market and price risk

The Company is exposed to cost increases in general, including conversions and maintenance of vessels. The Company attempts to reduce price risk by signing contracts with suppliers with the necessary financial strength and expertise to complete projects in accordance with agreements.

The Company is exposed to market fluctuations which have resulted in lower utilisation and reduced earnings for the Company's vessels and services due to continuing challenging markets since 2015. The Group's strategy is to continue its focus on long-term contracts for its fleet, however, during the last five years most of the clients prefer shorter term contract renewals. There are signs of improved markets, but both the price and utilisation risks are applicable.

Presentation of Company accounts

DOF Installer ASA has prepared the financial statement in accordance with the Norwegian Accounting Act § 3-9 and Finance Ministry's prescribed regulations on simplified IFRS.

Going concern

The financial statements for the Company have been prepared on the basis of going concern assumption in accordance with the Norwegian Accounting Act § 3-3a. However, the events described below give rise to significant doubt on the Company's ability to continue as going concern.

DOF Subsea AS is guarantor for the Company's debt and the long-term financial solution for the Company will be affected by the work to find a long-term financial solution for DOF Subsea AS and the DOF Subsea Group.

The Group's financial position is not sustainable, and there is material uncertainty related to going concern. Rolling short-term standstill agreements with the majority of the Group's lenders have been in place since 2nd quarter 2020 and the current standstill agreements are applicable until 15th of June 2022. The Group is on short-term dependent on an extension of standstill periods and on longer term dependent on a robust refinancing solution to continue as going concern. The restructuring proposals being discussed with the secured lenders and bondholders include conversion of debt to equity. The dialogue with the lenders is constructive, but a refinancing solution is not yet in place. The Group and the Company are dependent on continued standstill agreements with its creditors until a long-term financial solution is agreed to maintain as going concern.

If the Company cannot be treated as 'going concern', the valuation of the Company's asset will be further revised. Valuation of asset without the going concern assumption will result in impairment of the Company's assets.

Allocation of the result

The Company's total comprehensive loss for the year net of tax NOK -57 million was covered by share premium.

Events after balance sheet date

Finance

In 2022 the Company has converted NOK loan of 1002 million and CAD loan of NOK 439 million to USD loans. Other debt with NOK 10 million has been repaid with discount in 2022.

On 31st of May 2022, DOF ASA and DOF Subsea AS have agreed to further extend the principal and interest suspension agreements with, or received extensions of similar concessions from, secured lenders representing in total 95% of the secured debt of companies within the Group (excluding DOF Subsea Brasil Servicos Ltda.) until the 15th of June 2022. The ad hoc group of bondholders in DOF Subsea AS have agreed to further extend the standstill agreement until the 15th of June 2022, in accordance with the resolution in the bondholders' meeting held 29 April 2022. The extensions of the standstill periods will facilitate the Group's continued dialogue with its secured lenders and the bondholders under the Group's bonds regarding a long-term financial restructuring of the Group.

Outlook

The O&G markets have improved as several regions have seen increased activity in all the Group's segments towards end of the year and a high tender activity has continued into 2022. The current situation in Eastern-Europe has however created instability in the world economy and it is difficult to predict how the market will respond to this situation going forward.

The Group's financial position is further not sustainable. If a robust long-term refinancing solution is not achieved for the Group, the Company cannot continue as going concern. If the Company cannot be treated as going concern the valuation of the assets will be further revised and will result in significant impairment of the Company's asset.

The annual report is prepared on the assumption of going concern and this assumption is based on agreed standstill agreements (applicable until 15th of June 2022) with the majority of the Group's lenders. The debt restructuring currently discussed include soft terms on the loan facilities and conversion of substantial amounts of debt to equity. The dialogue with the lenders has continued to be constructive and progress has been made so far into 2022. There are still some issues pending, and a refinancing solution is not yet in place.

In parallel with the ongoing debt restructuring, the management and Board have continued the focus on operational and cost efficiency improvements and on implementation of new technology and digital solutions. In response to the ongoing shift in the energy markets and future customer requirements, the Group has a strong forward-looking focus on developing strategic opportunities and new lines of business utilising the Group's combined fleet, services, and competence within the limitations of the financial position due to the debt restructuring of the Group.

The Company emphasizes that the information included in this annual report contains certain forward-looking statements that address activities or developments that the Company anticipates will or may occur in the future. The statements are based on assumptions and estimates, and some of them are beyond the Company's control and therefore subject to risks and uncertainties.

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 results, financial position, assets and liabilities.

Storebø, 10th June 2022

The Board of Directors of DOF Installer ASA

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Mons S. Aase	Hilde Drønen	Marianne Møgster	Martin Lundberg
Chairman	Director	Director	Managing Director

DOF Installer ASA

Amounts in NOK million

Financial statements DOF Installer ASA

DOF Installer ASA

Amounts in NOK million

Statement of comprehensive income

	Note	2021	2020
Operating revenue	4, 11	**148**	**155**
Other operating expenses	11, 12	34	24
Gain/loss on sale of tangible assets			
Operating profit before depreciation (EBITDA)		**113**	**131**
Depreciation and impairment	7	91	412
Operating profit (EBIT)		**22**	**-281**
Financial income	5, 11	4	5
Financial expenses	5, 11	72	89
Realised net gain / loss on derivative instruments and currency position	5	1	32
Unrealised net gain / loss on derivative instruments and currency position	5	9	6
Net financial income / loss		**-78**	**-46**
Profit / loss before tax		**-57**	**-327**
Income tax expense	6		
Profit / loss for the year		**-57**	**-327**
Other comprehensive income / loss, net of tax		-	-
Total comprehensive income / loss for the year, net of tax		**-57**	**-327**

DOF Installer ASA

Amounts in NOK million

Statement of financial position

	Note	31.12.2021	31.12.2020
Assets			
Tangible assets	3, 7	1 471	1 491
Non-current assets		**1 471**	**1 491**
Current receivables from Group companies	10, 11	118	109
Other current receivables		1	1
Total current receivables		**120**	**110**
Unrestricted cash and cash equivalents	8, 10	563	506
Cash and cash equivalents		**563**	**506**
Current assets		**683**	**616**
Total assets		**2 154**	**2 108**

DOF Installer ASA

Amounts in NOK million

Statement of financial position

	Note	31.12.2021	31.12.2020
Equity and liabilities			
Paid-in equity	14, 15	660	716
Other equity		-	-
Total equity		**660**	**716**
Debt to credit institutions	8, 10	-	-
Non-current liabilities		**-**	**-**
Current portion of debt	8, 10	1 460	1 384
Trade payables	10	18	3
Current liabilities to Group companies	10, 11	15	4
Current liabilities		**1 494**	**1 391**
Total liabilities		**1 494**	**1 391**
Total equity and liabilities		**2 154**	**2 108**

Storebø, 10th June 2022

The Board of Directors of DOF Installer ASA

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Mons S. Aase	Hilde Drønen	Mariann Møgster	Martin Lundberg
Chairman	Director	Director	Managing Director

DOF Installer ASA

Amounts in NOK million

Statement of changes in equity

Changes in equity	Share capital	Share premium	Paid-in equity	Other equity	Total equity
Equity at 01.01.2021	34	682	716	-	716
Profit / loss for the period		57	57		57
Total comprehensive income for the period	-	-57	-57	-	-57
Equity at 31.12.2021	34	626	660	-	660
Equity at 01.01.2020	34	1 010	1 044	-	1 044
Profit / loss for the period		327	327		327
Total comprehensive income for the period	-	-327	-327	-	-327
Equity at 31.12.2020	34	682	716	-	716

DOF Installer ASA

Amounts in NOK million

Statement of cash flows

	Note	2021	2020
Operating profit (EBIT)		22	281
Depreciation and impairment	7	91	412
Impairment on receivables		7	15
Profit/loss from sale of non current assets			
Change in trade receivables			
Change in trade payables		15	3
Changes in other working capital			62
Exchange rate effect on operating activities		4	5
Cash flow from operating activities		**125**	**186**
Interest received		4	5
Interest paid		1	31
Net cash flow from operating activities		**128**	**160**
Purchase of tangible assets	7	71	15
Sale of tangible assets	7		
Cash flow from investing activities		**-71**	**-15**
Proceeds of non current debt			
Installments on non current debt			
Dividend paid	16		
Cash flow from financing activities		**-**	**-**
Net change in cash and cash equivalents		**57**	**145**
Cash and cash equivalents at 01.01		**506**	**334**
Exchange rate gain / loss on cash and cash equivalents			27
Cash and cash equivalents at 31.12		**563**	**506**

DOF Installer ASA

Amounts in NOK million

Contents

Notes to the financial statements

1 Corporate information and going concern

Corporate information

DOF Installer ASA (the Company) was founded 4th of December 2006. The main purpose of the Company is to conduct business within the shipping-, offshore- and energy sectors. The Company owns modern high-end subsea and AHTS vessels: Skandi Hercules, Skandi Skansen and Skandi Vinland.

The office address for the Company is at Storebø, in the municipality of Austevoll, Norway.

The vessels have mainly been chartered to the DOF Subsea Group, where they have been utilised in the Subsea/IMR Projects segment. The vessels owned by the Company are among the most advanced subsea and AHTS vessels ever built with high bollard pull, offshore cranes and ROV capabilities. The vessels were built to comply with the highest international standards for Environment and Safety of Life at Sea. The vessels' size and capabilities make them suitable for global operations and create a good foundation for long-term relationships with the end users of the vessels. The Company has 39 shareholders, where DOF Subsea AS is the main shareholder with 84.92% of the shares; the other main shareholders are Euroclear Bank S.A/N.V., Meteva AS and MP Pensjon PK.

Going concern

The financial statements for the Company have been prepared on the basis of going concern assumption in accordance with the Norwegian Accounting Act § 3-3a. However, the events described below give rise to significant doubt on the Company's ability to continue as going concern.

The Company's operations are an integrated part of the Group's operation and the Company's operation is therefore dependent on a long-term sustainable financial solution for the Group. Further, available liquidity has been and will be dependent on the DOF Subsea Group's cash pool arrangement.

The Group's financial position is not sustainable, and it is material uncertainty related to going concern. Standstill agreements with the majority of the Group's lenders have been in place since 2nd quarter 2020 and the current standstill agreements are applicable until 15th of June 2022. The Group is dependent on a robust refinancing solution to continue as going concern. The restructuring proposals being discussed with the secured lenders and bondholders include conversion of debt to equity. The dialogue with the lenders is constructive, but a refinancing solution is not yet in place. The Group is dependent on continued standstill agreements with its creditors until a long-term financial solution is agreed to maintain as going concern.

Without continued standstill agreements or a long-term financing solution in place, the Company and the Group can no longer present financial statements on the assumption of going concern. If the Group cannot be treated as going concern, the valuation of the Company's assets will be further revised and will result in significant impairment of the Company's assets.

2 Financial risk management

The Company is exposed to various types of financial risk relating to its ongoing operations: market risk (including price, currency risk, interest rate risks), contract risk (contract fulfilment, credit an liquidity risks) and operational risk (downtime, cost overruns risks). The Company's governing risk management strategy focuses on minimising the potential negative effects on the Company's results. The primary risks managed using derivative instruments are foreign currency risk and interest rate risk. Please refer to note 17 'Accounting policies', for information on derivative financial instruments and hedging activities.

Currency risk

The Company has global operations, and a significant portion of the income and costs are denominated in foreign currencies, mainly USD and CAD. The Company's debt is denominated in NOK and CAD as of 31.12.2021. In first quarter of 2022 debt in CAD and NOK has been converted to USD. Fluctations in foreign exchange rates against NOK have impact on the Company's financial statement.

The Company aims to be naturally hedged by matching income and costs for the relevant currencies. In addition, the Company has a derivative strategy using derivatives to reduce the exchange rate risk exposure. However, due to the current financial position, entering into forward contracts or commercial transactions have become more challenging. Hence, the Company's liquidity risk has increased if the currencies fluctuate.

Interest risk

The Company's existing debt arrangements are long term loans partly at floating and fixed interest rates. Movements in interest rates will have effects on the Company's cash flow and financial condition. The Company's policy is to maintain part of its debt at fixed rates. Due to the current financial position of the Company, entering into new interest rate swaps have become more challenging. Hence, the Group's interest rate risk has increased.

Credit risk

The Company has established policies and guidelines for follow-up and collection of outstanding receivables. Historically, the portion of receivables not being collectable has been low. Companies in the Group are dependent on a robust refinancing solution to maintain as a going concern. The Group has in 2021 established payment plans that reduces the risk for losses on internal accounts receivables and the accumulated loss provision of NOK 7 million related to internal accounts receivables has been reversed in 2021. The Company continuously evaluates the financial strength and credit worthiness of customers and suppliers including Group companies.

Capital structure and equity

The main objective in managing the Company's capital structure is to ensure that the Company maintains the best possible credit rating, thereby achieving favourable terms and conditions for the long-term funding of the Company's operations and investments. The Company manages its capital structure and carries out all necessary changes, based on continuous assessments of the economic conditions under which the operations take place.

The Company has established common financial covenants on all long-term funding which imply minimum consolidated cash, minimum total equity and minimum value adjusted equity ratio for the DOF Subsea Group. On a quarterly basis, the DOF Subsea Group measures its total equity and value adjusted equity ratio by receiving fair market valuations of the total fleet from several independent brokers. All financial covenants are suspended through the standstill agreements.

The Board and Management have, since the second quarter of 2019, been working on a long-term refinancing solution for the Company and the Group which includes discussions with secured lenders and the bond holders.

The restructuring of the Group's debt has been ongoing in 2021 and standstill agreements have been agreed until the 15th of June 2022 with 95% of the secured lenders in the DOF Subsea Group. The BNDES facilities in DOF Subsea Brasil Ltda. has been served according to refinancing agreements signed in February 2020. The standstill agreements assume payment of principal and interest of a NOK 100 million credit facility provided by certain lenders in March 2020. The outstanding amount of this facility was NOK 47 million by the end of the year. The relevant Group companies have imposed unilateral standstill to the secured lenders not participating in the standstill agreements. One of the Group`s secured lenders has previously requested repayment of a facility of USD 47 million, and in the 3rd quarter this facility was prepaid at a significant discount. Another secured lender has enforced an account pledge for one loan facility in the Group.

The Group's financial position is not sustainable, and a long-term financial solution is necessary to continue as going concern. Due to the ongoing debt restructuring of the Group, the vast majority of the Group's secured- and unsecured debt are classified as current debt. This classification is based on that standstill agreements for debt service with the banks and bondholders are less than 12 months.

The Company and the Group will continue the dialogue with its creditors to secure a long-term financial solution for the Company and the Group. Various debt restructuring proposals have been discussed with the secured lenders and the bondholders. The proposals include comprehensive restructuring of the Group's balance sheet, including conversion of debt.

See also note 8 'Interest-bearing debt' for further information about debt to credit institutions.

3 Accounting estimates and assessments

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

Debt to credit institutions

Debt to credit institutions has been presented as current debt as result of not having a long-term financial solution in place or waivers covering more than 12 months after balance sheet date.

Agreement on a new long-term financing solution or waiver of more than 12 months duration, will result in changes in presentation of debt to credit institutions.

For further information about debt to credit institutions, see note 8 'Interest-bearing debt'.

Depreciation of vessels

The carrying amount of the Company's vessels represents 70% of the total statement of financial position. Consequently, policies and estimates linked to the vessels 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. Depreciable amount equals historical cost less residual value. Please see note 17 'Accounting policies' for further information about tangible assets.

Useful life and residual velue

The depreciation of vessels depends on the vessels' estimated useful life in the Group. Useful life and economic life of the Groups vessels is estimated to be 30 years. The Group has reassessed useful life of vessels in 2021. From 01.01.2021 useful life of vessels in the Group has changed from 20 years to 30 years. 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. In addition, impact of climate risk has been considered when determining economic life.

Impairment of 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 brokers' estimates, taken into account sales commission. All vessels in the company 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 adjusts for positive or negative contract value in associated contracts. Due to a limited number of vessel transactions in the current market the brokers' estimates only to a limited extent represent the results of transactions in the market. Because of this, the broker estimates are more influenced by the judgement of each broker. For this reason, 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 Company has deemed it necessary to perform separate calculations for all vessels to support the broker estimates.

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 budgeting process at all levels of the organisation, with 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 charter rates, utilisation, operational and capital expenditure.

For vessels fixed on long-term contracts, the assumption is that the contracts run up until end of contract. 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 Company and the Group has seen increased activity during 2021 and high tender activity into 2022. It is however too early to conclude on a market revovery, hence, future earnings are difficult to forecast.

Amounts in NOK million

The market is expected to be a weak for the next 1-2 years, and gradually normalised to sustainable levels thereafter. Due to the current market situation, there is a high level of uncertainty related to the estimates.

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 is 9.3%.

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

4 Operating revenue

Geographical distribution of operating revenue 2021	Norway	Singapore	Canada	USA	Total
Distribution of operating revenue	27	36	56	28	148

Geographical distribution of operating revenue 2020	Norway	Singapore	Canada	USA	Total
Distribution of operating revenue	57	40	58		155

Geographical distribution of revenue from contracts with customers is based on the location of clients. The Company's vessels operate in the Subsea/IMR Projects market through third parties.

DOF Installer ASA

Amounts in NOK million

5 Financial income and expenses

Financial income and expenses	2021	2020
Interest income	4	5
Financial income	**4**	**5**
Interest expenses	69	71
Impairment of loans to Group companies		15
Other financial expenses	3	3
Financial expenses	**-72**	**-89**
Realised gain / loss on debt	4	
Realised gain / loss on derivative financial instruments		
Realised gain / loss on currencies	3	32
Realised gain / loss on financial instruments	**-1**	**32**
Unrealised gain / loss on debt	11	7
Unrealised gain / loss on derivative financial instruments		
Unrealised gain / loss on currencies	1	1
Unrealised gain / loss on financial instruments	**-9**	**6**
Net financial income / loss	**-78**	**-46**

6 Tax

Financial income within tonnage tax regime	2021	2020
Net taxable financial income	24	12
Unrecognised tax losses	24	12
Basis for deferred tax		
Tax loss carry forward	194	170
Tax loss not included as deferred tax asset	194	170
Basis for calculating deferred tax / tax asset (-)	**-**	**-**

The Company is registered within the shipping tonnage tax regime. It is unlikely that the Company will have a future taxable income due to tonnage tax regulation and current tax loss carry forward. Therefore deferred tax asset is not recognised in the statement of comprehensive income.

The Company has temporary differences relating to effects on financial instruments. The tax effects of unrealised financial items are dependent on the future relation between financial assets and total assets. This future relation cannot be estimated reliably.

Amounts in NOK million

7 Tangible assets

2021	Vessels	Periodical maintenance	Total
Cost at 01.01	2 596	105	2 701
Additions		71	71
Disposals			
Cost at 31.12	**2 596**	**176**	**2 772**
Depreciation at 01.01	392	83	475
Depreciation for the year	71	20	91
Depreciation at 31.12	**-464**	**-103**	**-567**
Impairment at 01.01	734		734
Impairment for the year			
Impairment 31.12	**-734**	**-**	**-734**
Book value at 31.12	**1 398**	**73**	**1 471**
Asset lifetime (years)	30	2.5 5	
Depreciation schedule	Linear	Linear	

2020	Vessels	Periodical maintenance	Total
Cost at 01.01	2 591	95	2 685
Additions	5	10	15
Cost at 31.12	**2 596**	**105**	**2 701**
Depreciation at 01.01	359	61	420
Depreciation for the year	33	22	55
Depreciation at 31.12	**-392**	**-83**	**-475**
Impairment at 01.01	377		377
Impairment for the year	357		357
Impairment 31.12	**-734**	**-**	**-734**
Book value at 31.12	**1 469**	**22**	**1 491**
Asset lifetime (years)	12 20	2.5 5	
Depreciation schedule	*)	Linear	

*) Residual value varies based on market valuation of the vessel

Residual value and useful life

The depreciation of vessels depends on the vessels' estimated useful life in the Group. Useful life and economic life of the Groups vessels is estimated to be 30 years. The Group has reassessed useful life of vessels in 2021. From 01.01.2021 useful life of vessels in the Group has changed from 20 years to 30 years. 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. In addition, impact of climate risk has been considered when determining economic life.

Impairment

The vessels have been assessed for impairment on an individual basis as separate cash generating units. The drop in fair market values has stabilised for the majority of the fleet during 2021. Impairment tests are performed every quarter. Based on the impairment tests performed for 2021 no impairment has been recognised this year. For further information please see note 3 'Accounting estimates and assessments'.

Sensitivity analysis of impairment

Impairment tests are highly USD sensitive and a drop in USD/NOK of NOK 0.5 will result in an impairment of NOK 29 million all else equal. While testing the reasonableness of the broker estimates the Company has applied a nominal WACC after tax of 9.3%. An increase in WACC with 50 basis points will not result in an additional impairment of the vessels. Negative effect on net future cash flows with 20% will result in an additional impairment of the vessels with NOK 173 million.

DOF Installer ASA has vessels with an avarage age below 10 years, and as a result, the future cash flows for the vessels are long. The key assumptions in a discounted cash flow calculation of vessels are utilisation and vessel rates. Changes in these assumptions would have considerable effects on the net present value of the vessels.

DOF Installer ASA

Amounts in NOK million

8 Interest-bearing debt

	31.12.2021	31.12.2020
Debt to credit institutions		
Other non current debt		
Total non-current interest-bearing debt	-	-
Debt to credit institutions	1 369	1 306
Other current debt	50	50
Total current interest-bearing debt	**1 419**	**1 355**
Total non-current and current interest-bearing debt	**1 419**	**1 355**
Cash and cash equivalents	563	506
Interest bearing receivables from Group companies	75	75
Total net interest-bearing debt	**781**	**774**

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

Liabilities secured by mortgage	2021	2020
Debt to credit institutions	1 373	1 312
Book value of assets pledged as security	1 471	1 491

The restructuring of the Group's debt has been ongoing in 2021 and standstill agreements have been agreed until the 15th of June 2022 with 95% of the secured lenders in the DOF Subsea Group. The BNDES facilities in DOF Subsea Brasil Ltda. has been served according to refinancing agreements signed in February 2020. The standstill agreements assume payment of principal and interest of a NOK 100 million credit facility provided by certain lenders in March 2020. The outstanding amount of this facility was NOK 47 million by the end of the year.

The relevant Group companies have imposed unilateral standstill to the secured lenders not participating in the standstill agreements. One of the DOF Subsea secured lenders has previously requested repayment of a facility of USD 47 million, and in the 3rd quarter this facility was prepaid at a significant discount. Another secured lender has enforced an account pledge for one loan facility in DOF Subsea.

The ad hoc group of bondholders in DOFSUB07, DOFSUB08 and DOFSUB09 have accepted a standstill until the 15th of June 2022.

The Group's financial position is not sustainable, and a long-term financial solution is necessary to continue as going concern. Due to the ongoing debt restructuring of the Group, the vast majority of the Group's and the Company's secured- and unsecured debt are classified as current debt. This classification is based on that standstill agreements for debt service with the banks and bondholders are less than 12 months.

The Company and the Group will continue the dialogue with its creditors to secure a long-term financial solution for the the Company and the Group. Various debt restructuring proposals have been discussed with the secured lenders and the bondholders. The proposals include comprehensive restructuring of the Group's balance sheet, including conversion of debt.

Financial covenants

The financial covenants are suspended through the standstill agreements. However, the loan agreements of the Company and the Group include the following covenants (based on the proportionate consolidation method of accounting for joint ventures):

- The fair value of the Company's vessels shall always be at least 110-125% of the outstanding loan amount

In addition to the above-mentioned financial covenants, the guarantor (DOF Subsea AS) on a consolidated basis should fulfil the waived covenants (based on the proportionate consolidation method of accounting for joint ventures):

- The Group shall have available cash of at least NOK 500 million at all times
- The Group shall have value-adjusted equity to value-adjusted assets of at least 30%
- The Group shall have book equity of at least NOK 3 000 million at all time
- The Group shall have positive working capital at all times, excl. current portion of debt to credit institutions
- The fair value of the Group's vessels shall always be at least 110-130% of the outstanding loan amount

The DOF Subsea AS has further received waiver for the financial covenants as guarantor for two facilities in the joint venture with TechnipFMC. If waivers are not extended, it is a significant risk that the Company and the Group will be in breach of its covenants.

Amounts in NOK million

9 Fair value estimation

For those financial and tangible assets and liabilities, which have been recognized at fair value in the Statements of Financial Position, the measurement hierarchy and valuation methods described below have been applied. There have been no transfers between fair value levels.

Measurement level 1 (Quoted, unadjusted prices in active markets for identical assets and liabilities). Not in use for any assets or liabilities.

Measurement level 2 (Techniques for which all inputs which have significant effect on the recorded fair value are observable, directly and indirectly)

The fair value of forward exchange contracts is determined using the forward exchange rate at the end of the reporting period. The forward exchange rate is based on the relevant currency's interest rate curves. The fair value of interest swaps is determined by the present value of future cash flows, which is also dependent on the interest curves.

Measurement level 3 (Techniques which use inputs which have significant effect on the recorded fair value that are not based on observable market data)

The fair value of the Company's assets are assessed by obtaining independent quarterly broker estimates from recognised brokers within the industry. Net sales value is calculated based on an average of the brokers' values, taken into account sales commission and adjusted for for any excess values in the firm existing contracts.

10 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.

31.12.2021	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				
Trade receivables and other current receivables		118	118	75
Unrestricted cash		563	563	563
Total financial assets	**-**	**681**	**681**	**638**
Liabilities				
Current portion of debt		1 460	1 460	1 419
Trade payables and other current liabilities		33	33	
Total financial liabilities	**-**	**1 493**	**1 493**	**1 419**

31.12.2020	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				
Trade receivables and other current receivables		109	109	75
Unrestricted cash		506	506	506
Total financial assets	**-**	**615**	**615**	**581**
Liabilities				
Current portion of debt		1 384	1 384	1 355
Trade payables and other current liabilities		7	7	
Total financial liabilities	**-**	**1 391**	**1 391**	**1 355**

Prepayments and non-financial liabilities are excluded from the disclosures above.

Trade receivables, other current receivables, and all interest-bearing debt are measured at amortised cost.

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 is approximately equal to fair value since they are entered into at standard terms and conditions.

For further information on financial instruments, please refer to accounting policies.

DOF Installer ASA

Amounts in NOK million

11 Related parties

DOF ASA is the owner of DOF Subsea AS with a 100% holding. DOF Installer ASA is owned 84.92% by DOF Subsea AS.

DOF Management and DOF Subsea Canada delivers ship management services on the Company's vessels.

The transactions and balances are as follow:

Operating revenue	2021	2020
DOF Subsea Group	151	156
Total	**151**	**156**

Operating expenses		
DOF Subsea Group other operating expenses	19	11
DOF Subsea Group impairment trade receivable		7
DOF Subsea Group reversal of impairment trade receivable	7	
Total	**-12**	**-18**

Net financial loss		
Interest income from DOF Subsea Group companies	2	3
Guarantee expenses to DOF Subsea Group companies	10	9
Impairment of loans to DOF Subsea Group companies		15
Other financial expenses including foreign exchange gain / loss	4	6
Total	**-3**	**-15**

Current receivables from Group companies		
Loan to DOF Subsea Group companies	90	90
Impairment of loans to DOF Subsea Group companies	15	15
Trade receivables and other current receivales to DOF Subsea Group companies	43	41
Impairment on trade receivales to DOF Subsea Group companies		7
Total	**118**	**109**

Current liabilities to Group companies		
DOF Subsea Group	15	4
Total	**15**	**4**

The outstanding balance at period end is mainly in NOK, USD and CAD.

For further information see the financial statements for DOF ASA and DOF Subsea AS at www.dof.com and www.dofsubsea.com.

12 Remuneration to Board of Directors, Executives and Auditor

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

Specification of auditor's fee (excl. VAT), amounts in NOK	2021	2020
Fee for audit of financial statements PWC	209 803	272 500
Fee for tax consultancy	40 000	
Total	**249 803**	**272 500**

13 Contingencies

The Company is not involved in any legal disputes or on-going legal matters involving potential losses.

Amounts in NOK million

14 Earnings per share

Basis for calculating earnings per share	2021	2020
Profit / loss attributable to shareholders	57	327
Weighted average number of outstanding shares	33 931 000	33 931 000
Weighted average number of outstanding shares, diluted	33 931 000	33 931 000
Basic and diluted earnings per share (NOK)	**-1.68**	**-9.64**

15 Share capital and share information

Share capital

The share capital in the Company at year end was NOK 33 931 000 comprising 33 931 000 shares, each with a nominal value of NOK 1.

Shareholder overview

The members of the Board of Directors and senior executives own shares in related companies, and thus have indirect ownership stakes in DOF Installer ASA. Please refer to the DOF Subsea AS' Annual Report for further information.

Shareholders at 31.12.2021	No. shares	Shareholding and voting shares
DOF SUBSEA AS	28 815 295	84.92%
Euroclear Bank S.A./N.V.	1 501 800	4.43%
METEVA AS	630 000	1.86%
MP PENSJON PK	508 190	1.50%
AS CLIPPER	366 100	1.08%
AS STRAEN	364 915	1.08%
EUROMAR AS	331 900	0.98%
PROFOND AS	321 380	0.95%
AS AUDLEY	225 750	0.67%
SUNDT AS	140 000	0.41%
SNIPTIND INVEST AS	129 560	0.38%
LANDE EIENDOM INVEST AS	75 000	0.22%
BARQUE AS	56 500	0.17%
BYGGEVIRKSOMHET AS	56 000	0.17%
LEIF INGE SLETTHEI AS	50 708	0.15%
Total	33 573 098	98.95%
Other shareholders	357 902	1.05%
Total number of shares	33 931 000	100%

Board of Directors	Title
Mons S. Aase	Chairman
Marianne Møgster	Director
Hilde Drønen	Director
Management group	**Title**
Martin Lundberg	Managing Director

DOF Installer ASA

Amounts in NOK million

16 Events occurring after period end

Finance

In 2022 the Company has converted NOK loan of 1002 million and CAD loan of NOK 439 million to USD loans. Other debt with NOK 10 million has been repaid with discount in 2022.

On 31st of May 2022, DOF ASA and DOF Subsea AS have agreed to further extend the principal and interest suspension agreements with, or received extensions of similar concessions from, secured lenders representing in total 95% of the secured debt of companies within the Group (excluding DOF Subsea Brasil Servicos Ltda.) until the 15th of June 2022. The ad hoc group of bondholders in DOF Subsea AS have agreed to further extend the standstill agreement until the 15th of June 2022, in accordance with the resolution in the bondholders' meeting held 29 April 2022. The extensions of the standstill periods will facilitate the Group's continued dialogue with its secured lenders and the bondholders under the Group's bonds regarding a long-term financial restructuring of the Group.

17 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 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 exception: 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.

Group companies

DOF ASA companies are defined as DOF ASA and its subsidiaries excluding companies within the DOF Subsea Group. DOF Subsea Group companies are defined as DOF Subsea AS and its subsidiaries. Group companies are defined as DOF ASA companies and DOF Subsea Group companies.

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-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors and Managing Director.

The Company operates in the Subsea/IMR Project market through third parties.

Conversion of foreign currency

a) Foreign currency

The functional currency is NOK. The statements are presented in NOK 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 liabilities 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
- 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.

Trade receivables

Trade receivables are amounts due from customers for services performed in the ordinary course of business. Contract asset are presented together with trade receivables. A contract asset is the right to consideration in exchange for services transferred to the customer. If the Company performs by transferring services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

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. The depreciable amount equals historical cost less residual value.

Depreciation commences when the asset is ready for its intended use. The useful lives of tangibe 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. According to the Group's strategy, it intends not to own vessels older than 20 years. For further information on depreciation policy see note 3 'Accounting estimates and assessments'.

Contract costs and costs related to mobilisation are capitalised and amortised over the contract period. Contract period is based on best estimates taken into consideration, the initial agreed period with probability for optional periods. A probability judgment is performed in assessing whether the option period shall be included in the contract period.

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. 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, except for goodwill. For further information on the calculation see note 3 'Accounting estimates and assessments'.

Periodic maintenance

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.

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 consolidated 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 drawndown, the fee is recognised as a prepayment 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.

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.

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.

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 an input or output method. The method applied is the one that most faithfully depicts the Company 's progress towards complete satisfaction of the performance obligation. Progress is usually measured based on output methods such as days.

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

Mobilisation

In contracts where the Company is remunerated for mob- or demobilisation of vessel the remuneration is classified as prepayment and amortised over the contract time.

Interest income

Interest income is recognised using the effective interest method

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 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 financial statements per IAS 12 'Income taxes'.

Deferred tax assets are recognised in the statement of financial position on the basis of unused 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.

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

Derivative financial instruments and hedging activities

The Company uses derivative financial instruments to manage certain exposures to fluctuations in foreign currency exchange rates and interest rates. Foreign exchange derivatives are utilised to manage foreign exchange risk related to projected future sales. Interest rate swaps are utilised to manage interest rate risk by converting from floating to fixed interest rates. Derivative financial instruments are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at fair value through profit or loss. The Company has currently not applied hedge accounting for any hedging activities.

Derivates are carried as assets when the fair value is positive and as liabilities when the fair value is negative. The full fair value of a derivative is classified as a non-current asset or liability when the remaining maturity of the item is more than 12 months, and as a current asset or liability when the remaining maturity is less than 12 months.

Trading derivatives are classified as current assets or liabilities.

Events after period end

New information and other events that provide evidence of conditions that existed at the end of the reporting period is included in the accounts. Events occurring after the reporting period, which do not impact the Company's financial position, but which have a significant impact on future periods, are disclosed 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. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 3 'Accounting estimates and assessments'. Changes in accounting estimates are recognised in profit or loss 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 flow 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 2021.

New standards, amendments and interpretations not yet adopted

New standards and amendments mandatory for annual reporting periods after 31 December 2021 is expected to not be significant for the Company.

DOF Installer ASA

Amounts in NOK million

18 Performance measurement definitions

Alternative performance measurements:

The Company presents alternative performance measurements (APM) that are regularly reviewed by management and aim to enhance the understanding of the Company'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, before impairment of tangible and intangible assets, depreciation of tangible assets and amortisation of contract assets. EBITDA represents earnings before interest, tax, depreciation and amortisation, and is a key financial parameter for the Company.	This measure is useful in evaluating operating profitability on a more variable cost basis as it excludes depreciation, impairment and amortisation expenses related primarily to capital expenditures and acquisitions that occurred in the past. EBITDA shows operating profitability regardless of capital structure and tax situations with the purpose of simplifying comparison in the same industry.
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. 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 Company's net indebtedness that provides an indicator of the overall statement. It measures the Company'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 Company's capital structure
Working capital	The working capital position of the Company is equal to current assets less current liabilities.	It is a measure of the Company's liquidity and efficiency, and demonstrates the Company's ability to pay its current liabilities.

Other definitions	Description
Market value	Calculated average vessel value between two independent brokers' estimates based on the principle of "willing buyer and willing seller".
Equity ratio	Equity ratio is defined as total equity divided by total assets at the reporting date.

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Alfabygget
5392 Storebø
NORWAY

MOTTATT

Norwegian Directorate of Taxes

Inquiries to	Your date	Our date
Torstein Kinden Helleland	07.08.2013	15.08.2013
Telephone	Your reference	Our reference
22078139	Petter O. Pharo	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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are foreign/international companies or institutions. The companies' users, who are not foreign/international companies or institutions, master and 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 operates in highly international branch, where English is the common languages used. Internal, English is also only language used for reporting purpose. Furthermore, it is emphasized that non in the Board of directors speaks Norwegian.

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

Best regards

Rune Tystad

Rune Tystad
Senior Adviser
Rettsavdelingen, foretaksskatt
Norwegian Directorate of Taxes

Torstein Kinden Helleland

pwc

To the General Meeting of DOF Installer ASA

Independent Auditor's Report

Opinion

We have audited the financial statements of DOF Installer ASA (the Company), which comprise the statement of financial position as at 31 December 2021, 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.

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 2021, 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 laws and regulations 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.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial statements and the Board of Directors' report, which indicates that the Company is dependent on that DOF Subsea Group is able to secure a long-term solution with banks and to secure satisfactory financing and liquidity for the Group. As stated in Note 1 and the Board of Directors' report, these events or conditions, along with other matters as set forth in Note 2 and 16 and the Board of Directors' report, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. There is a risk that DOF Subsea Group will not reach an agreement with the lenders, and in such an event the company could be forced to realise its assets at a significantly lower value than their carrying amount. Our opinion is not modified in respect of this matter.

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Statsautoriserte revisorer, medlemmer av Den norske Revisorforening og autorisert regnskapsførerselskap

Other Information

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

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

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

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

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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, 10 June 2022
PricewaterhouseCoopers AS

Marius Kaland Olsen
State Authorised Public Accountant

(This document is signed electronically)

Revisjonsberetning

Signers:

Name	***Method***	***Date***
Olsen, Marius Kaland	BANKID_MOBILE	2022-06-10 16:57