



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2020 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer:	991 051 945
Organisasjonsform:	Aksjeselskap
Foretaksnavn:	DOF SJØ AS
Forretningsadresse:	5392 STOREBØ

Regnskapsår

Årsregnskapets periode:	01.01.2020 - 31.12.2020
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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:	Regnskapslovens alminnelige regler

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet:	Tove Jondahl
Dato for fastsettelse av årsregnskapet:	30.04.2021

Grunnlag for avgivelse

År 2020: Årsregnskapet er elektronisk innlevert
År 2019: Tall er hentet fra elektronisk innlevert årsregnskap fra 2020

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, 01.07.2022



Resultatregnskap

Beløp i: NOK	Note	2020	2019
RESULTATREGNSKAP			
Inntekter			
Salgsinntekt	2,12	500 000	500 000
Sum inntekter		500 000	500 000
Kostnader			
Lønnskostnad	3,10	-20 250 000	1 731 000
Annen driftskostnad	3	267 000	105 000
Sum kostnader		-19 983 000	1 836 000
Driftsresultat		20 483 000	-1 336 000
Finansinntekter og finanskostnader			
Annen renteinntekt	4	438 000	1 233 000
Annen finansinntekt	4	463 000	146 000
Sum finansinntekter		901 000	1 379 000
Annen rentekostnad	4	-2 000	6 000
Annen finanskostnad	4	260 000	239 000
Sum finanskostnader		258 000	245 000
Netto finans		643 000	1 134 000
Ordinært resultat før skattekostnad		21 126 000	-202 000
Skattekostnad på ordinært resultat	5	4 648 000	-44 000
Ordinært resultat etter skattekostnad		16 478 000	-158 000
Årsresultat		16 478 000	-158 000
Overføringer og disponeringer			
Overføringer til/fra annen egenkapital		16 478 000	-158 000
Sum overføringer og disponeringer		16 478 000	-158 000



Balanse

Beløp i: NOK	Note	2020	2019
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Utsatt skattefordel	5	0	4 426 000
Sum immaterielle eiendeler		0	4 426 000
Sum anleggsmidler		0	4 426 000
Omløpsmidler			
Varer			
Fordringer			
Kundefordringer	13	2 006 000	21 978 000
Andre fordringer	6	30 834 000	32 965 000
Konsernfordringer	13	10 859 000	52 056 000
Sum fordringer		43 699 000	106 999 000
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter og lignende	7	67 086 000	21 471 000
Sum bankinnskudd, kontanter og lignende		67 086 000	21 471 000
Sum omløpsmidler		110 785 000	128 470 000
SUM EIENDELER		110 785 000	132 896 000
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Selskapskapital	8,9	105 000	105 000
Overkurs	9	16 295 000	16 295 000
Sum innskutt egenkapital		16 400 000	16 400 000
Opptjent egenkapital			
Annen egenkapital	9	25 701 000	10 008 000



Balanse

Beløp i: NOK	Note	2020	2019
Sum opptjent egenkapital		25 701 000	10 008 000
Sum egenkapital		42 101 000	26 408 000
Gjeld			
Langsiktig gjeld			
Pensjonsforpliktelser	10	0	20 120 000
Sum avsetninger for forpliktelser		0	20 120 000
Annen langsiktig gjeld			
Sum langsiktig gjeld		0	20 120 000
Kortsiktig gjeld			
Leverandørgjeld	13	2 799 000	8 137 000
Skyldige offentlige avgifter	14	39 278 000	52 688 000
Kortsiktig konserngjeld	13	1 006 000	1 529 000
Annen kortsiktig gjeld	11	25 601 000	24 014 000
Sum kortsiktig gjeld		68 684 000	86 368 000
Sum gjeld		68 684 000	106 488 000
SUM EGENKAPITAL OG GJELD		110 785 000	132 896 000



13 FEB. 2017



Norwegian Directorate of Taxes

Inquiries to Torstein Kinden Helleland	Your date 23.01.2017	Our date 10.02.2017
Telephone 22078139	Your reference Hilde Drønen	Our reference 2011/1035547

DOF ASA
Alfabygget
5392 STOREBØ

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

With reference to your letter of 23 January 2017 you apply for permission to keep annual accounts and directors' report in English language. The application in question concerns the following companies.

DOF ASA	org. nr. 935 349 230
DOF Management AS	org. nr. 979 999 682
DOF Sjø AS	org. nr. 991 051 945
DOF Iceman AS	org. nr. 898 092 712
Marin IT AS	org. nr. 994 796 550

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.

A copy of this letter must be sent to the Register of Company Accounts in Brønnøysund together with the financial statements. It is incumbent on the company to document by this letter that the permit is granted.

Background

DOF ASA is the ultimate parent company in the DOF ASA Group. The other companies are owned by DOF ASA. DOF ASA is listed on Oslo Stock Exchange and has permission to present the annual accounts in English language. 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 already 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

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Please state “our reference” (see above) in all written communication with The Norwegian Tax Authorities.

Best regards

Rune Tystad
Senior Adviser
Legal Department
Norwegian Directorate of Taxes

Torstein Kinden Helleland

This document has been electronically approved and contains therefore no handwritten signatures



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2020

DOF Sjø AS
Annual Report

DOF



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Report of the Board of Directors DOF Sjø AS 2020

Report from the Board of Directors

Introduction

DOF Sjø AS ("the Company") is a company whose main purpose is to provide maritime crew to offshore vessels.

The Company is domiciled on Storebø in the municipality of Austevoll. The company is 100% owned and managed by DOF Management AS (DOFMAN).

Operations 2020

The Company was in 2020 responsible for providing maritime crew to the DOF Group ("the Group") fleet. The Company's activities in 2020 were to facilitate stable operations, as well as recruit competent and necessary personnel to the DOF Group's fleet.

Health, safety and the environment

In 2020, the Company has experienced a limited number of COVID-19 cases among employees. No cases have resulted in hospitalisation or fatalities. All cases have been handled by the emergency response team, in close dialogue with the Group's corporate emergency response team and company doctors.

The Company strives to improve safety and environmental performance across all worksites, globally. DOF Management experienced 2 Lost Time Incidents (LTIs) in 2020, resulting a frequency of 0.49 LTIs per million man-hours (0.40 in 2019). Combined with 7 Medical Treatment Cases and 4 Restricted Workday Cases, the Total Recordable Frequency (TRFC) was 3,18 recordable incidents per million man-hours. Employees are back in normal duties and none of the injured suffered permanent disabilities.

The Company's ambition is to be an incident free organisation. Through the 'Safe the RITE way' program, the Company has been able to establish a unified safety culture, as well as a stronger safety cooperation with clients, industry partners and suppliers. The aim for 2020 was to continue to develop the safety program. Going forward the program will be strengthened by establishing a Safe the RITE way Council, consisting of representatives from executive management and the workforce.

Human resources

Human Resources are recognized as the key business enabler and the Company is committed to continuously improve the processes which support managing human capital.

The Company has 504 men and 9 women that are under full-time permanent contract. In addition, 6 men and 2 women are under full-time temporary contracts.



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Report of the Board of Directors DOF Sjø AS 2020

The market conditions have been challenging in 2020 and required the organisation to adapt its capacity and posed a threat to the Company's human capital. The market is still challenging, and the Board of Directors is continuously monitoring the need for the Company to adapt its capacity. The aim going forward will be to retain core competencies.

The Company's working environment is continuously being monitored, also by conducting regular working environment surveys. The Company has conducted a new survey that was completed in January 2020. Absence due to sickness on Company level has been 7.0 % (5.8 %) during 2020. Absence due to sickness for men was 6.7 % and absence due to sickness for women was 18.2 % in 2020. High absence for women is due to isolated cases, that has a large impact due to the relative low number of female employees in the Company.

The Company has focus on diversity and strives to create equal opportunities for all employees, regardless of their ethnic background, nationality, descent, colour, language, religion, lifestyle or gender. The Company's Equal Employment Opportunity' policy clearly states that the Company is committed to be an equal opportunity employer. This means that the Company will select and appoint the most suitable person for a position based on their attitude, skills and qualifications. The Company also has a zero-tolerance policy for workplace harassments.

During 2020, a campaign to promote and secure retention of female managers and captains was performed, with communication internally and externally. Several measures have been promoted to secure a balanced workforce and to create equal opportunities. This also includes dialogue with labour unions for flexible offshore rotation.

Out of the total parental leave taken out in the Company in 2020 the distribution between men and women are 54.6 % men and 45.4 % women. Wage analysis with a gender equality perspective is available in Company and in the DOF Group's sustainability report.

The Company embraces practices consistent with international human rights standards and operates in compliance with fundamental as well as local labour standards. The Company's policies and standards are based on International Labour Organisation (ILO) conventions, and they prohibit any use of forced or child labour. 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.

Several initiatives have been taken during the year to ensure that slavery and human trafficking are not occurring within the supply chain nor in any part of the Company's activities. The Company's human rights and slavery statement is available on the DOF Group's website. In 2020, Amnesty International ranked DOF in the top five global companies based in the Nordics with the best score related to human rights and responsible employer.

External environment

The Board of Directors is not aware that the Company has contaminated the external environment beyond what is common for this type of business.



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Report of the Board of Directors DOF Sjø AS 2020

Business Integrity and Ethics

Integrity is the core of multiple aspects of the Company's business model, both from an internal and external perspective. As one of the governing core values, the Company has established integrity training throughout the organisation. This seeks to ensure sound business practices and decisions determined and executed in accordance with the Code of Business Conduct, promoting everyone to display professional competence, due-diligence, confidentiality and professional behaviour in everything we do on behalf of the DOF Group.

A new Ethics Helpline was launched in 2019. The helpline is operated by a third-party company and provides a platform for reporting unacceptable conduct, when normal reporting lines cannot be used. The helpline allows for communication with the reporters even if they prefer to be anonymous, which can be essential during investigations.

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. There have been no confirmed incidents of corruption during 2020.

The Company acknowledges the importance for its internal and external stakeholders of being a reliable partner, compliance therefore is a key topic for the Company. Compliance with both international and local laws and regulations and industry standards is important for the Company. In 2020, there have been no fines or non-monetary sanctions for non-compliance with laws and/or regulations in the social and economic area.

Financial performance

Revenue in 2020 totalled NOK 0,5 million (NOK 0,5 million), with an operating profit before depreciation and finance (EBITDA) of NOK 20,5 million (NOK -1,3 million). Significant improvement of EBITDA is due to change from a defined benefit pension plan to a defined contribution pension plan effective from 1st January 2020, with a P&L effect of NOK 20,1 million. Change in the pension scheme was based on an agreement between Norges Rederiforbund and the Unions. Operating profit (EBIT) amounted to NOK 20,5 million (NOK -1,3 million).

The Company has no interest-bearing debt and is included in the DOF Group cash pool. Net working capital (current receivables – current liabilities) amounts to NOK 41,0 million (NOK 42,1 million)

The balance sheet at year-end 2020 totalled NOK 110,8 million (NOK 132,9 million) and is mainly related to internal short-term receivables & payables and bank deposits.



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Report of the Board of Directors DOF Sjø AS 2020

Net cash flow from operating activities for 2020 was NOK -5,1 million (NOK -1,8 million). Net cash flow from investing activities was NOK 0 million (NOK 0 million), and cash flow from financing activities was NOK 40,4 million (NOK 3,4 million). In 2020 NOK 50,0 million was transferred from the Group cash pool to a separate bank account in the Company.

Risks

The Company's liquidity is considered as sufficient. Changes to the credit ratings for customers have resulted in an increase focus on overdue receivables. The Company has limited exposure to changes in the interest level since all liabilities is current liabilities.

Going concern

The financial statements are submitted on a going concern assumption, cf. section 3-3a of the Norwegian Accounting Act.

However, the DOF Group's financial position is not sustainable as the equity is negative, and standstill agreements with the majority of the Group's creditors have continued since 2nd quarter 2020. The dialogue with the DOF Group's lenders is constructive, but a refinancing solution is not yet in place. The Group has agreed to extend the standstill agreements with the secured lenders and bondholders until 30th of April 2021. The DOF Group is dependent on continued standstill agreements with its creditors until a long-term financial solution is agreed to maintain as going concern. If the DOF Group will not continue as going concern this will also apply to DOF Sjø AS.

Profit allocation

The Company's financial statements have returned a profit of NOK 16,5 million. The Board of Directors proposes to allocate this figure to other equity.

Events after balance sheet date

The DOF Group has been awarded new time charter contracts after balance date and several vessels are planned to be reactivated. Further two vessels have been sold by the Group and delivered to new owners in January and in March.

The DOF Group has agreed to extend the standstill agreements with the secured lenders and bondholders until 30th of April.

Outlook

The challenging markets are expected to continue in 2021. There are signs of increased activity from 2022, however the timing of a recovery is highly uncertain. Hence, future earnings and asset values are difficult to forecast. Continued weak markets will increase the risk for reduced earnings and further strain the DOF Group's financial position.

The DOF Group will maintain its strategy to secure the fleet on term contracts and the majority of the Group's high-end vessels are committed on firm contracts. The DOFCON PLSVs represent the largest portion of the Group's backlog.



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Report of the Board of Directors DOF Sjø AS 2020

The Company will continue its focus on costs and to adjust its capacity based on changes in the market. The Board of Directors expect the markets in 2021 to remain challenging and the uncertainty going forward is significant.

The Board of Directors is thankful for the effort from all employees through a very challenging 2020.

Storebø, 30 April 2021

The Board of Directors of DOF Sjø AS

DocuSigned by:
Hilde Drønen
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Hilde Drønen
Chairman of the Board

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Mons Aase
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Mons Aase
Board Member



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Statement of Profit or Loss

DOF Sjø AS

Amounts in TNOK	Note	2020	2019
Operating income	2, 12	500	500
Payroll expenses	3, 10	-20 250	1 731
Other operating expenses	3	268	105
Operating expenses		-19 983	1 836
Operating profit before depreciation and impairment - EBITDA		20 483	-1 336
Operating profit - EBIT		20 483	-1 336
Other interest income	4	438	1 233
Other finance income	4	463	146
Other interest expenses	4	-2	6
Other finance expenses	4	260	239
Net financial income/loss		643	1 134
Profit/loss before taxes		21 126	-202
Tax expense/income	5	4 648	-45
Profit/loss for the year		16 478	-158



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Statement of Balance Sheet

DOF Sjø AS

Amounts in TNOK	Note	31.12.2020	31.12.2019
Assets			
Deferred tax assets	5	-	4 426
Non-current assets		-	4 426
Other non-current receivables		-	-
Other non-current receivables		-	-
Trade receivables	13	2 006	21 978
Current receivables intra group	13	10 859	52 056
Other current receivables	6, 10	30 833	32 964
Current receivables		43 699	106 999
Restricted deposits		16 469	20 642
Cash and cash equivalents		50 617	829
Cash and cash equivalents included restricted deposits	7	67 086	21 471
Current assets		110 785	128 470
Total assets		110 785	132 896



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Statement of Balance Sheet

DOF Sjø AS

Amounts in TNOK	Note	31.12.2020	31.12.2019
Equity and liabilities			
Share capital	8, 9	105	105
Share premium	9	16 295	16 295
Other equity	9	25 701	10 008
Total equity		42 101	26 408
Pension liability	10	-	20 120
Non-current financial liabilities		-	20 120
Trade payable	13	2 799	8 137
Tax payable	5	0	0
Other public duties	14	39 278	52 688
Other current liabilities	11	25 600	24 014
Current liabilities group companies	13	1 006	1 529
Current liabilities		68 683	86 368
Total liabilities		68 683	106 488
Total equity and liabilities		110 785	132 896

Storebø, 30 April 2021
The Board of Directors DOF Sjø AS

DocuSigned by:

1667061090BA45D
Hilde Drønen
Chairman

DocuSigned by:

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Mons S. Aase
Board member



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Statement of Cash flows

DOF Sjø AS

Amounts in TNOK	Note	2020	2019
Operating profit - EBIT		20 483	-1 336
Change in trade receivables		19 972	7 913
Change in accounts payable		-5 339	-708
Equity effect pension	10	-	10 527
Change in other working capital		-29 826	-19 395
Exchange rate effect on operating activities		123	-64
Cash flow from operating activities		5 413	-3 063
Interest received		438	1 233
Interest paid		2	7
Tax paid		-	-
Net cash flow from operating activities		5 853	-1 823
Cash flow from investing activities		-	0
Net change intragroup balances "cash pool"		41 197	3 422
Dividend		-1 529	-
Cash flow from financing activities		39 668	3 422
Net changes in cash and cash equivalents		45 521	1 599
Cash included restricted cash at the beginning of the period	7	21 471	19 914
Exchange gain/loss on cash and cash equivalents		94	-42
Cash included restricted cash at the end of the period	7	67 086	21 471



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Notes to the accounts

1 Accounting principles

The financial statements for DOF Sjø AS have been prepared and presented in accordance with the Norwegian Accounting Act, and accounting principles generally accepted in Norway.

Going concern

The financial statements are submitted on a going concern assumption, cf. section 3-3a of the Norwegian Accounting Act.

However, the DOF Group's financial position is not sustainable as the equity is negative, and standstill agreements with the majority of the Group's creditors have continued since 2nd quarter 2020. The dialogue with the DOF Group's lenders is constructive, but a refinancing solution is not yet in place. The Group has agreed to extend the standstill agreements with the secured lenders and bondholders until 30th of April 2021. The DOF Group is dependent on continued standstill agreements with its creditors until a long-term financial solution is agreed to maintain as going concern. If the DOF Group will not continue as going concern this will also apply to DOF Sjø AS.

Conversion of foreign currency

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the conversion at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized as financial income or costs.



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Notes to the accounts

1 Accounting principles (continued)

Classification of assets and liabilities

Assets are classified as current assets when:

- the asset forms part of the entity's service cycle, and is expected to be realised or consumed over the course of the entity's normal operations; or
- the asset is held for trading; or
- the asset is expected to be realised within 12 months of statement of financial position date

All other assets are classified as non-current assets.

Liabilities are classified as current when:

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

All other liabilities are classified as non-current liabilities.

Current assets are valued at the lower of cost and fair value. Short term liabilities are recognized at nominal value. Long term liabilities in NOK, with exception of other provisions, are capitalized at nominal value at the date of establishment. Provisions are discounted if the interest rate element is significant.

Cash and cash equivalents

Cash and cash equivalents include cash on hand and deposits held at call with banks. Restricted deposits are classified separate from unrestricted bank deposits under cash and cash equivalents. Restricted deposits include deposits with restriction past twelve months.

Trade receivables

Trade receivables are amounts due from customers for services performed in the ordinary course of business. If collection is expected within one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets. Accrued, not invoiced revenues are classified as trade receivables.

Trade receivables are subject to value adjustments where their recovery are uncertain.

A provision for impairment of trade receivables is made when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is the difference between the asset's carrying value and the estimated recoverable value. Changes to this provision are recognised in the income statement.



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Notes to the accounts

1 Accounting principles (continued)

Revenue recognition

The Company recognises income when it is probable that future economic benefits will flow to the entity and when the amount of income can be reliably measured. Operating income is shown net of discounts, value-added tax and other taxes on gross rates. Sales income associated with future performance of services are recognised in the balance sheet as deferred income, and are subsequently taken to income in proportion to the work performed. Revenues from management fee related to administration of wage payments to seafarers are recognised in the income statement. The company is intermediary between the customer and the shipowning companies, and does not have any risk for payroll or other operating expenses. Costs recharged to other companies are presented net in the company's accounts.

Current and deferred income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the statement of financial position date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. Deferred income tax assets are recognised on the balance sheet to the extent it is probable that the future taxable profit will be available against which the temporary differences can be utilised.

Both tax payable and deferred tax are recognised directly in equity, to the extent they relate to items recognised directly in equity.

The deferred tax rate is calculated to 22 % 31.12.2020.

Employee benefits

The Company has defined benefit pension plans for the seafarers.

Defined benefit plans

A defined benefit plan is a pension plan that is not a defined contribution plan. Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in the period in which they arise. Past-service costs are recognised immediately in the income statement. Pensions are recorded in accordance with IAS 19, access to select NRS 6.

The Pension plan is presented in note 10.



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Notes to the accounts

1 Accounting principles (continued)

Government grants

The Company recognises grants when it is reasonably secured that it will comply with the required conditions for the grant and the grant will be received. Investments grants are presented as deduction in the asset's carrying amount in the statement of financial position. Contributions relating to the employee and reimbursement for seafarers are recognized as a deduction of payroll expenses in the income statement.

Statement of cash flow

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

Subsequent events

New information regarding the Company's financial position on the statement of balance position date is included in the accounts. Events occurring after statement of financial position date, which do not impact the Company's financial position, but which have a significant impact on future periods, are presented in the notes to the accounts.



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Notes to the accounts

2 Operating income

Other operating income	2020	2019
Management fee*	500	500
Total	500	500

* In addition to the management fee the company reimburse all payroll expenses, see note 3.

3 Payroll, auditor's remuneration, operating expenses

	2020	2019
Payroll and other remunerations	403 777	442 105
Employer's national insurance contributions	56 703	64 391
Pension insurance for seamen (Pensjonstrygden for sjøfolk)	13 018	14 437
Pension costs	11 263	18 465
Change in pension obligations	-20 120	-
Reimbursable payroll costs *	-430 135	-480 453
Government grants **	-73 367	-69 720
Other personnel costs	18 611	12 507
Total	-20 250	1 731

* Payroll costs for seafarers are recharged to DOF group companies without mark-up, and recognized as a deduction of payroll costs in the income statement.

** Government grants related to net salary scheme for vessels are presented as a reduction in the payroll expenses in the income statement at MNOK 73,3 (MNOK 69,7 in 2019).

In accordance with agreement between Norges Rederiforbund and the Unions, the pension scheme has been changed from a defined benefit plan to a defined contribution plan with effect from 01.01.2020. Pension plan is with an external life insurance company.

Pension insurance for seamen is a statutory pension scheme for seamen. The pensions are paid to seafarers born before 1970 when they are aged 60 and for seamen born 1970 or later the pension are paid when they are aged 62.

Average numbers of employees during the year were 522 in 2020 (595 in 2019).

DOF Sjø AS has no managing director.

There were no remunerations or other compensations paid to Board members in 2020.

There were no loans and guarantees issued to related parties in 2020.

Specification of auditor's fee	2020	2019
Fee for audit of financial statement	96	56
Fee for tax consultation	0	0
Fee for other attestation services *	130	80
Total	226	136

Auditor's fees are excl. VAT.

Other operating expenses	2020	2019
Fee for audit of financial statement	96	56
Legal fee	0	0
Fee for other services Legal fee *	130	35
Other operating expenses	42	14
Total	268	105

* Attestation services related to grant scheme for the employment of seafarers.



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Notes to the accounts

4 Financial income and expenses

	2020	2019
Financial income		
Interest income group companies	353	1 054
Interest income	85	179
Total other interest income	438	1 233
Realized gain on currencies	375	141
Unrealized gain on currencies	89	6
Total other financial income	463	146
Financial expenses		
Interest costs group companies	1	5
Other interest costs	-3	2
Total other interest costs	-2	6
Realized loss on currencies	276	166
Unrealized loss on currencies	-72	86
Other financial costs	55	-13
Total other financial costs	260	239
Net financial items	643	1 134



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Notes to the accounts

5 Tax

The income tax expense comprises;	2020	2019
Current tax on profit for the year	0	0
Tax effect group contribution	221	336
Change in deferred taxes	4 426	-381
Impact on change in tax rate on deferred tax	0	0
Income tax expense/ (tax income)	4 648	-45

Reconciliation of nominal and effective tax rate		
Profit before tax	21 126	-202
Tax calculated at domestic tax rates applicable to profits in the respective countries.	4 648	-45
Tax effect of:		
Impact of changes in tax rate	0	0
Tax effect on other items	0	0
Total tax expense	4 648	-45

The gross movement on the deferred income tax account is as follows;	2020	2019
At 01.01.	-4 426	-6 362
Income statement	4 426	1 935
At 31.12.	-0	-4 426

Deferred tax

The table below specifies the temporary differences between accounting and tax values, and the calculation of deferred tax/deferred tax assets at year-end.

Basis of deferred tax	2020	2019
Other differences (pension obligations etc)	0	-20 120
Total temporary differences	0	-20 120
Loss carried forward	0	0
- hereof tax deficit not included in basis for calculation of deferred tax/deferred tax assets	0	0
Basis for calculation of deferred tax/(deferred tax assets)	0	-20 120
Total deferred tax/(deferred tax assets)	0	-4 426

Group contribution is transferred to DOF Management AS for 2020.



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Notes to the accounts

6 Other current receivables

	2020	2019
Prepaid expenses	6 295	8 427
Grants	22 915	23 678
Pension fund	1 090	-
Inventory	533	859
Total	30 833	32 964

7 Cash and cash equivalents

	2020	2019
Restricted deposits	16 469	20 642
Bank deposits	50 617	829
Total	67 086	21 471

The company is included in DOF ASA's cash pool. Deposits/overdrawn accounts related to the cash pool are classified as intra group receivables/liabilities. For further information please see note13.

8 Share capital and share information

	Total Shares	Nominal value	Ownership	Vote share
DOF Management AS	1 000	105	100 %	100 %
Total	1 000	105	100 %	100 %

The ultimate parent company, DOF ASA, has its headquarter at Storebø in Austevoll, Norway. Consolidated financial statement can be acquired by visiting DOF ASA Group web page, www.dof.no.

9 Changes in equity

2020	Share capital	Share premium	Retained earnings	Total equity
Balance at 01.01.19	105	16 295	10 008	26 408
Profit for the year			16 478	16 478
Actuarial gain / losses net after tax			-	-
Group contribution			-785	-785
Balance at 31.12.	105	16 295	25 701	42 101

2019	Share capital	Share premium	Retained earnings	Total equity
Balance at 01.01.18	105	16 295	3 146	19 546
Profit for the year			-158	-158
Actuarial gain / losses net after tax			8 212	8 212
Group contribution			-1 192	-1 192
Balance at 31.12.	105	16 295	10 008	26 408



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Notes to the accounts

10 Pension

Defined benefit pension

Net periodic benefit cost	2020	2019
Current service costs	-	15 311
Net interest on the net defined benefit liability	-	659
Administrative expenses	-	1 507
Local tax	-	2 464
Net periodic benefit costs	-	19 941

Net defined benefit obligation

Present value of defined benefit obligations	-	168 576
Fair value of plan asset	-	150 943
Net defined benefit obligations	-	17 634

Change in pension liabilities	-20 120	1 731
Estimate deviation	-	-10 527
Employer's national insurance contributions	-	2 486
Result effect of change in pension plan	20 120	-
Net defined benefit obligation	-	20 120

Pension fund	1 090	-
Net defined contribution obligation	1 090	-

Economical assumptions

Discount rate	2,30 %
Expected return on plan assets	3,80 %
Salary increase	2,25 %
Pension increase	2,00 %
Social security escalation rate	2,00 %
Local tax rate	14,10 %

In accordance with agreement between Norges Rederiforbund and the Unions, the pension scheme has been changed from a defined benefit plan to a defined contribution plan with effect from 01.01.2020.

Accrued pension up to 01.01.2020 is transferred from the defined benefit scheme to a paid-up policy or an individual pension agreement for all employees. With effect from the same date, the new defined contribution scheme is established.

The company's pension scheme is with DnB Livsforsikring AS and meets the requirements of the law. As of 31.12.2020 there are 522 active members.

The retirement age for crew born before 1970 in the pension insurance for seamen (PTS) is unchanged at 60 years, and for crew born 1970 or later the retirement age is 62 years. However, disbursement from the new defined contribution scheme is from age 62 regardless of year of birth.



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Notes to the accounts

11 Other current liability

	2020	2019
Personnel costs	25 600	24 014
Total	25 600	24 014

12 Related parties

DOF Management AS is owned by DOF ASA 66% and DOF Subsea AS 34 %. DOF Subsea AS is owned by DOF ASA 100 %, and DOF Sjø AS is 100 % owned by DOF Management AS.

DOF Management AS has entered into management agreements with the groups shipowning companies.

Please see note 13 for intra group balances.

Sales of services to group companies	2020	2019
Management fee	500	500

Please see note 3 for salary transactions with the group's shipowning companies.

13 Intra - group balances

	2020	2019
Trade receivables	1 724	21 814
Trade payables	1 260	1 895
Other current receivables group companies*	10 859	52 056
Other current liabilities group companies	1 006	1 529

* MNOK 10,9 (MNOK 52,1 in 2019) is related to cash pool in DOF ASA.

14 Other public duties

The company is jointly registered in value added tax group with DOF ASA.

Short term liability VAT of the company amounts to MNOK 7,2 per 31.12.2020.

The VAT receivables/liabilities are presented net in the companys balance sheet.



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Notes to the accounts

15 Subsequent events

The DOF Group has been awarded new time charter contracts after balance date and several vessels are planned to be reactivated. Further two vessels have been sold by the Group and delivered to new owners in January and in March.

The DOF Group has agreed to extend the standstill agreements with the secured lenders and bondholders until 30th of April.



To the General Meeting of DOF Sjø AS

Independent Auditor's Report

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of DOF Sjø AS, which comprise the balance sheet as at 31 December 2020, the statement of profit or loss and statement of cash flows for the year then ended, and notes to the accounts, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are prepared in accordance with law and regulations and give a true and fair view of the financial position of the Company as at 31 December 2020, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Basis for Opinion

We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including 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 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 DOF Group including the Company is dependent on a long-term solution with banks and bondholders to secure satisfactory financing and liquidity for the Company. As stated in Note 1 and the Board of Directors' report, these events or conditions, along with other matters as set forth in Note 1 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 the DOF 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.

Other information

Management is responsible for the other information. The other information comprises information in the annual report, except the financial statements and our auditor's report thereon.

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State authorised public accountants, members of The Norwegian Institute of Public Accountants, and authorised accounting firm



Independent Auditor's Report - DOF Sjø AS



Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors for the Financial Statements

The Board of Directors (management) is responsible for the preparation in accordance with law and regulations, including a true and fair view of the financial statements in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, 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. The financial statements use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations.

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 laws, regulations, and auditing standards and practices generally accepted in Norway, including 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>

Report on Other Legal and Regulatory Requirements

Opinion on the Board of Directors' report

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors' report concerning the financial statements, the going concern assumption and the proposed allocation of the result is consistent with the financial statements and complies with the law and regulations.

(2)



Independent Auditor's Report - DOF Sjø AS



Opinion on Registration and Documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements (ISAE) 3000, *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*, it is our opinion that management has fulfilled its duty to produce a proper and clearly set out registration and documentation of the Company's accounting information in accordance with the law and bookkeeping standards and practices generally accepted in Norway.

Bergen, 30 April 2021
PricewaterhouseCoopers AS

Sturle Døsen
State Authorised Public Accountant

(This document is signed electronically)

(3)



 Securely signed with Brevio

Revisjonsberetning

Signers:

<i>Name</i>	<i>Method</i>	<i>Date</i>
Døsen, Sturle	BANKID	2021-04-30 16:11

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