



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2021 - GENERELL INFORMASJON

Enheten

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

Regnskapsår

Årsregnskapets periode:	01.01.2021 - 31.12.2021
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Konsern

Mørselskap i konsern:	Ja
Konsernregnskap lagt ved:	Ja

Regnskapsregler

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

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet:	Knut Søråsdekkkan
Dato for fastsettelse av årsregnskapet:	06.04.2022

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, 02.08.2023



Resultatregnskap

Beløp i: NOK	Note	2021	2020
RESULTATREGNSKAP			
Inntekter			
Operating revenue	17	91 000 000	99 000 000
Sum inntekter		91 000 000	99 000 000
Kostnader			
Payroll expenses	4,18	47 000 000	59 000 000
Depriciation	7	4 000 000	3 000 000
Other operating expenses	18	13 000 000	70 000 000
Sum kostnader		64 000 000	132 000 000
Driftsresultat		27 000 000	-33 000 000
Finansinntekter og finanskostnader			
income from investment activities		1 000 000	0
Financial income	5	149 000 000	196 000 000
Unrealised gain on derivative and currency position	5	22 000 000	67 000 000
Sum finansinntekter		172 000 000	263 000 000
Financial expenses	5,8,19, 20	-184 000 000	2 210 000 000
Realised loss on derivative and currency position	5	37 000 000	269 000 000
Sum finanskostnader		-147 000 000	2 479 000 000
Netto finans		319 000 000	-2 216 000 000
Ordinært resultat før skattekostnad		346 000 000	-2 249 000 000
Income tax expenses	6	-16 000 000	90 000 000
Ordinært resultat etter skattekostnad		362 000 000	-2 339 000 000
Årsresultat		362 000 000	-2 339 000 000
Overføringer og disponeringer			
Other paid-in capital			-540 000 000
To share premium			-540 000 000
Other equity		362 000 000	2 339 000 000



Resultatregnskap

Beløp i: NOK	Note	2021	2020
Re-allocation of paid-in capital			1 080 000 000
Sum overføringer og disponeringer		362 000 000	2 339 000 000



Balanse

Beløp i: NOK	Note	2021	2020
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Utsatt skattefordel	6	16 000 000	0
Sum immaterielle eiendeler		16 000 000	0
Varige driftsmidler			
Tangible assets	7	17 000 000	13 000 000
Sum varige driftsmidler		17 000 000	13 000 000
Finansielle anleggsmidler			
Investering i datterselskap	19	3 258 000 000	2 607 000 000
Investeringer i tilknyttet selskap	20	615 000 000	615 000 000
Non-current receivables from Group companies and JV	5,8,16	11 000 000	124 000 000
Other non-current receivables	15,16	3 000 000	5 000 000
Sum finansielle anleggsmidler		3 887 000 000	3 351 000 000
Sum anleggsmidler		3 920 000 000	3 364 000 000
Omløpsmidler			
Varer			
Fordringer			
Current receivables from Group companies	5,8,16	657 000 000	312 000 000
Other current receivables	9,15,1 6	6 000 000	3 000 000
Sum fordringer		663 000 000	315 000 000
Bankinnskudd, kontanter og lignende			
Restricted cash	10,16	15 000 000	31 000 000
Unrestricted cash and cash equivalents	10,16	184 000 000	207 000 000
Sum bankinnskudd, kontanter og lignende		199 000 000	238 000 000
Sum omløpsmidler		862 000 000	553 000 000
SUM EIENDELER		4 782 000 000	3 917 000 000



Balanse

Beløp i: NOK	Note	2021	2020
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Share capital	24	1 674 000 000	1 674 000 000
Sum innskutt egenkapital		1 674 000 000	1 674 000 000
Opptjent egenkapital			
Other equity		-898 000 000	-1 259 000 000
Sum opptjent egenkapital		-898 000 000	-1 259 000 000
Sum egenkapital		776 000 000	415 000 000
Gjeld			
Langsiktig gjeld			
Annen langsiktig gjeld			
Lease liabilities	11,16	8 000 000	16 000 000
Sum annen langsiktig gjeld		8 000 000	16 000 000
Sum langsiktig gjeld		8 000 000	16 000 000
Kortsiktig gjeld			
Current portion of debt	11,16	3 220 000 000	3 050 000 000
Leverandørgjeld	12,16	5 000 000	17 000 000
Current liabilities to Group companies	16	587 000 000	410 000 000
Other current liabilities	13,15, 16	186 000 000	9 000 000
Sum kortsiktig gjeld		3 998 000 000	3 486 000 000
Sum gjeld		4 006 000 000	3 502 000 000
SUM EGENKAPITAL OG GJELD		4 782 000 000	3 917 000 000



Konsernets resultatregnskap

Beløp i: NOK	Note	2021	2020
RESULTATREGNSKAP			
Inntekter			
Operating revenue	4,5	4 303 000 000	3 984 000 000
Share of net income from joint ventures and associates	28	296 000 000	573 000 000
Profit from sale of non-current assets	11	78 000 000	3 000 000
Sum inntekter		4 677 000 000	4 560 000 000
Kostnader			
Payroll expenses	6	1 395 000 000	1 371 000 000
Depriciation	11,13	665 000 000	450 000 000
Nedskrivning av varige driftsmidler og immaterielle eiendeler	11,13	172 000 000	2 470 000 000
Other operating expenses	7	1 904 000 000	1 529 000 000
Sum kostnader		4 136 000 000	5 820 000 000
Driftsresultat		541 000 000	-1 260 000 000
Finansinntekter og finanskostnader			
Financial income	8	339 000 000	58 000 000
Unrealised gain on derivative instruments and currency position	8	11 000 000	244 000 000
Sum finansinntekter		350 000 000	302 000 000
Financial expenses	8	618 000 000	689 000 000
Realised loss on financial derivatives and currency positions	8	145 000 000	465 000 000
Sum finanskostnader		763 000 000	1 154 000 000
Netto finans		-413 000 000	-852 000 000
Ordinært resultat før skattekostnad		128 000 000	-2 112 000 000
Income tax expenses	9	46 000 000	125 000 000
Ordinært resultat etter skattekostnad		82 000 000	-2 237 000 000
Årsresultat		82 000 000	-2 237 000 000
Currency translation difference		-36 000 000	25 000 000
Share of OCI of JV and associates	28	115 000 000	-47 000 000
Sum resultatkomponenter for IFRS-foretak		79 000 000	-22 000 000



Konsernets resultatregnskap

Beløp i: NOK	Note	2021	2020
Totalresultat		161 000 000	-2 259 000 000
Overføringer og disponeringer			
To other equity	27	171 000 000	-2 209 000 000
To minority interests	27	-10 000 000	-50 000 000
Sum overføringer og disponeringer		161 000 000	-2 259 000 000



Konsernets balanse

Beløp i: NOK	Note	2021	2020
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Utsatt skattefordel	9	9 000 000	9 000 000
Sum immaterielle eiendeler		9 000 000	9 000 000
Varige driftsmidler			
Tangible assets	11,13	7 226 000 000	7 696 000 000
Sum varige driftsmidler		7 226 000 000	7 696 000 000
Finansielle anleggsmidler			
Investeringer i tilknyttet selskap	28	77 000 000	63 000 000
Lån til tilknyttet selskap og felles kontrollert virksomhet	28	2 725 000 000	2 328 000 000
Non-current assets	12,14, 22	114 000 000	246 000 000
Sum finansielle anleggsmidler		2 916 000 000	2 637 000 000
Sum anleggsmidler		10 151 000 000	10 342 000 000
Omløpsmidler			
Varer			
Assets held for sale		0	20 000 000
Sum varer		0	20 000 000
Fordringer			
Trade receivables	15	975 000 000	628 000 000
Other current receivables	16,25	503 000 000	485 000 000
Sum fordringer		1 478 000 000	1 113 000 000
Bankinnskudd, kontanter og lignende			
Unrestricted cash and cash equivalents	17	1 067 000 000	1 213 000 000
Restricted cash	17	116 000 000	118 000 000
Sum bankinnskudd, kontanter og lignende		1 183 000 000	1 331 000 000
Sum omløpsmidler		2 661 000 000	2 464 000 000



Konsernets balanse

Beløp i: NOK	Note	2021	2020
SUM EIENDELER		12 812 000 000	12 806 000 000
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Share capital	18	1 674 000 000	1 674 000 000
Sum innskutt egenkapital		1 674 000 000	1 674 000 000
Opptjent egenkapital			
Other equity		821 000 000	650 000 000
Sum opptjent egenkapital		821 000 000	650 000 000
Minoritetsinteresser	27	99 000 000	109 000 000
Sum egenkapital		2 594 000 000	2 433 000 000
Gjeld			
Langsiktig gjeld			
Annen langsiktig gjeld			
Lease liabilities	13,19	196 000 000	272 000 000
Other non-current liabilities	6,9,22	38 000 000	59 000 000
Sum annen langsiktig gjeld		234 000 000	331 000 000
Sum langsiktig gjeld		234 000 000	331 000 000
Kortsiktig gjeld			
Current portion of debt	19	9 104 000 000	9 258 000 000
Leverandørgjeld	20	496 000 000	385 000 000
Other current liabilities	9,21,2 2,25	384 000 000	399 000 000
Sum kortsiktig gjeld		9 984 000 000	10 042 000 000
Sum gjeld		10 218 000 000	10 373 000 000
SUM EGENKAPITAL OG GJELD		12 812 000 000	12 806 000 000



Skattedirektoratet

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

DOF SUBSEA ASA
Thormøhlens gate 53 C
5006 BERGEN

MOTTATT

17 JUN 2010

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

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

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

Bakgrunn

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

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

Skattedirektoratets vurdering og konklusjon

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

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

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

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skattedirektoratet@skatteetaten.no



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

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

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

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

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

Vennligst oppgi vår referanse ved henvendelser i anledning saken.

Med hilsen

Jan Hoelstad
seniorrådgiver
Rettsavdelingen, foretaksskatt
Skattedirektoratet

Torstein Kinden Helleland



To the General Meeting of DOF Subsea AS

Independent Auditor's Report

Report on the Audit of the Financial Statements

Opinion

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

- The financial statements of the parent company DOF Subsea AS (the Company), which comprise the statement of financial position as at 31 December 2021, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- The consolidated financial statements of DOF Subsea AS and its subsidiaries (the Group), which comprise the statement of financial position as at 31 December 2021, 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,
- 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, and
- the financial statements give a true and fair view of the financial position of the Group as at 31 December 2021, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company and the Group as required by 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

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Statsautoriserte revisorer, medlemmer av Den norske Revisorforening og autorisert regnskapsførerselskap



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accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

To the best of our knowledge and belief, no prohibited non-audit services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided.

We have been the auditor of the Company for 17 years from the election by a general meeting of the shareholders in 2005 for the accounting year 2005 with a renewed election on the 27.05.2021.

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 Group is dependent on a long-term solution with banks and bondholders 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 Note 30 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 Group will not reach an agreement with the lenders, and in such an event the Group 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

The Group's business activities are largely unchanged compared to last year. Impairment assessment of vessels and vessel related equipment involves similar complexity and risks as previous years and have been considered as key audit matters also for 2021.

Key Audit Matter	How our audit addressed the Key Audit Matter
<i>Impairment assessment of vessel and vessel related equipment</i> DOF Subsea AS Group has vessels and vessel related equipment with a carrying amount of NOK 7 226 million at 31 December 2021. In line with the Group's accounting policy for impairment of non-financial assets, the Board of Directors has assessed that there were impairment indicators present for the Group's vessels as of 31 December 2021. Consequently, they have carried out an impairment assessment. Based on the results of the	 We obtained management's impairment model and considered whether the model contained the elements and methodology IFRS require from such models. We found the model to be in accordance with our expectations. We challenged management's key assumptions such as the projected utilisation, charter hire rates, operating expenses and discount rates, and compared with historical performance, management's internal forecasts and long-term strategic plans that were approved by the Board of Directors. We also considered

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vessel impairment assessments, a net impairment charge of NOK 172 million including a reversal of impairment of NOK 30 million related to disposal of a vessel was recognised in 2021 resulting in the carrying amounts of certain vessels being written down to their recoverable amount. In addition, joint venture vessels have been impaired, whereas DOF Subsea AS 50% share represent NOK 98 million in 2021.

We focused on this area because vessels and vessel related equipment constitute a significant share of the total assets in the Group, and because the assessment of the recoverable amount is complex and involves significant management judgement.

Value-in-use ("VIU") for the vessels was estimated using discounted cash flows. Each individual vessel, together with associated contract, was assessed as a separate cash generating unit. Significant management judgement was related to key assumptions such as utilisation, charter hire rates, operating expenses and discount rates.

Fair value less costs to sell ("FVLCS"), was estimated by obtaining professional valuations for each vessel from two well-reputed and independent brokers, taken into account estimated sales commission.

The uncertainty related to valuation of the company's vessels and vessel related equipment are considered to be high due to the challenging market conditions.

We refer to Notes 3 and 31 for the Group's accounting policy for impairment of non-financial assets, and Note 11 where the Board of Directors explain their valuation process for the Group's tangible assets.

publicly available information about macroeconomic assumptions relevant to the industry and considered whether the assumptions were consistent with management assumptions and what we know about DOF's business. We found management's assumptions to be within a reasonable range.

To consider the reliability of management forecast, we compared previous year's estimates to actual historical performance. We considered whether deviations from the budget had reasonable explanations. We assessed the discount rate by comparing key components used with external market data, as well as comparing the overall level with discount rates used by other companies within the industry. We considered that the discount rates were within an appropriate range.

We evaluated the competence and objectivity of the external brokers used by the Group. The range of values derived from the two independent brokers were compared with the VIU estimates. We considered the appropriateness and reliability of the fair value estimates from the external brokers. We were able to conclude that the broker estimates were appropriate as audit evidence. However, for some of the vessel categories we have observed larger spread in the broker estimates recent years, which indicate higher uncertainty in the valuations. Therefore, management has found it necessary to substantiate the broker valuations with VIU calculations and tests of reasonableness. We found that none of the vessels, after impairment, had a carrying value that was materially higher than their VIU estimates.

We lastly evaluated the adequacy of the disclosures made on impairment of vessel and vessel related equipment, including those regarding key assumptions and sensitivities, and found that disclosures appropriately explained management's valuation process and the uncertainties inherent in some of management's key assumptions.

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 presented with the financial statements. The other information comprises information in the annual report, but does not include the financial

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statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report and the other information presented with 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 presented with the financial statements. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the other information presented with 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 presented with 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 and the other information presented with 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.

Our opinion on the Board of Director's report applies correspondingly for the statements on Corporate Governance and Corporate Social Responsibility.

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 the preparation and true and fair view of the consolidated financial statements of the Group in accordance with International Financial Reporting Standards as adopted by the EU, 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 and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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Independent Auditor's Report - DOF Subsea AS



Report on Other Legal and Regulatory Requirements

Report on compliance with Regulation on European Single Electronic Format (ESEF)

Opinion

We have performed an assurance engagement to obtain reasonable assurance that the financial statements with file name "DOF Subsea AS – ESEF Annual reporting 2021" have been prepared in accordance with Section 5-5 of the Norwegian Securities Trading Act (Verdipapirhandelloven) and the accompanying Regulation on European Single Electronic Format (ESEF).

In our opinion, the financial statements have been prepared, in all material respects, in accordance with the requirements of ESEF.

Management's Responsibilities

Management is responsible for preparing, tagging and publishing the financial statements in the single electronic reporting format required in ESEF. This responsibility comprises an adequate process and the internal control procedures which management determines is necessary for the preparation, tagging and publication of the financial statements.

Auditor's Responsibilities

For a description of the auditor's responsibilities when performing an assurance engagement of the ESEF reporting, see: <https://revisorforeningen.no/revisjonsberetninger>

Bergen, 6 April 2022

PricewaterhouseCoopers AS

Sturle Døsen

State Authorised Public Accountant

(This document is signed electronically)

(6)



 Securely signed with Brevio

Revisjonsberetning

Signers:

Name	Method	Date
Døsen, Sturle	BANKID	2022-04-06 22:26

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of the document.



2021

Integrated Annual Report

DOF Subsea







2021

DOF SUBSEA INTEGRATED ANNUAL REPORT





DOF Subsea

Sustainability

The DOF Group has reported in the areas of sustainability to the GRI standards measuring economic, environment, and social aspects since 2014. This, along with our participation in Carbon Disclosure Project over the last eleven years, has driven engagement with stakeholder groups and improved management and performance in these areas. DOF's financial position is however not sustainable and the Group is dependent a robust long-term financial solution.

Transparency

Our vision and strategic ambitions to create broad stakeholder value are set out in this integrated report. DOF is committed to the World Economic Forum's Pillars - People, Planet, Prosperity, and Principles. We follow the framework to bring together the measures of stakeholder value, aligning the non-financial reporting with financial reporting, to clearly communicate to all stakeholders sustainability initiatives, targets and measures for the next strategic period.

Environmental, Social, and Corporate Governance

The ESG (Environmental, Social, and Corporate Governance) factbook in the final section of this report contains extensive detail on our company wide performance in 2021 and includes future ambitions, organised around DOF values. This document can be found in digital format on our website: www.dof.com/sustainability.





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FINANCIAL PERFORMANCE

Financial performance

An overview of our 2021 financial performance

Key figures DOF Subsea Group

Amounts in NOK million

From the Profit or Loss	Management reporting		Financial reporting	
	2021	2020	2021	2020
Operating income	5 545	5 337	4 303	3 984
Operating expenses	-3 458	-3 150	-2 926	-2 323
Operating profit/(loss) before depreciation and write downs - EBITDA	2 087	2 187	1 378	1 661
Depreciation	-969	-680	-665	-449
Impairment	-270	-2 591	-172	-2 471
Operating profit/(loss) - EBIT	848	-1 084	541	-1 260
Net finance costs	-462	-910	-279	-632
Unrealised currency gain/(loss)	-36	250	11	244
Net changes in gain/loss on derivatives	-150	-482	-145	-465
Net financial items	-648	-1 142	-413	-852
Profit/(loss) before taxes	201	-2 226	128	-2 112
Tax income (expenses)	-119	-11	-46	-126
Profit/(loss) for the year	82	-2 237	82	-2 238
Non-controlling interests	-10	-50	-10	-50

From the Balance sheet

Vessels and other non-current assets	13 609	14 021	10 151	10 342
Current assets	3 263	2 978	2 661	2 464
Total assets	16 873	16 999	12 812	12 806
Interest free debt	1 455	1 346	1 119	1 139
Net financing of the entity	15 418	15 653	11 693	11 667
Interest bearing debt	12 824	13 220	9 100	9 234
Equity	2 594	2 433	2 594	2 433

Key Figures

Current ratio	1)	0.30	0.28	0.27	0.25
Equity ratio	2)	0.15	0.14	0.20	0.19
Capex	3)	722	246	472	174
Operating margin	4)	38%	41%	32%	42%
Return on equity ratio	5)	3%	-92%	3%	-92%
Earnings per share (NOK)	6)	0.55	-13.07	0.55	-13.07
Diluted earnings per share (NOK)	7)	0.55	-13.07	0.55	-13.07
Average number of shares in the period		167 352 762	167 352 762	167 352 762	167 352 762
Number of shares incl mandatorily convertible shares		167 352 762	167 352 762	167 352 762	167 352 762
Outstanding number of shares		167 352 762	167 352 762	167 352 762	167 352 762

1) Current assets/Current liabilities

2) Equity/Total assets

3) Capex, see note 1.1

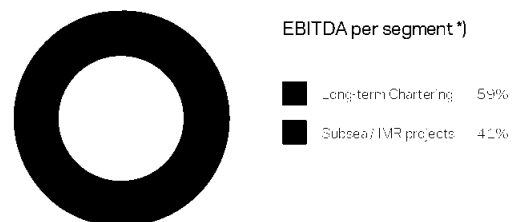
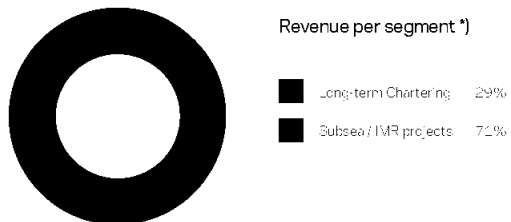
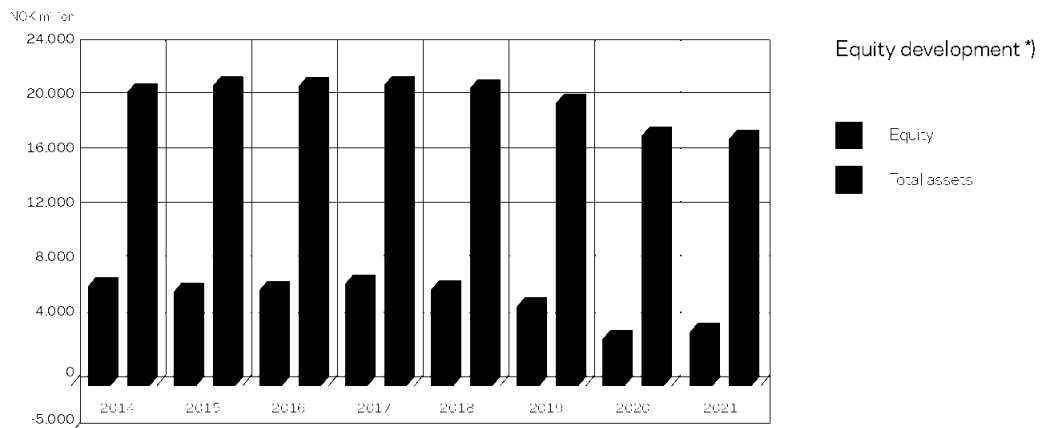
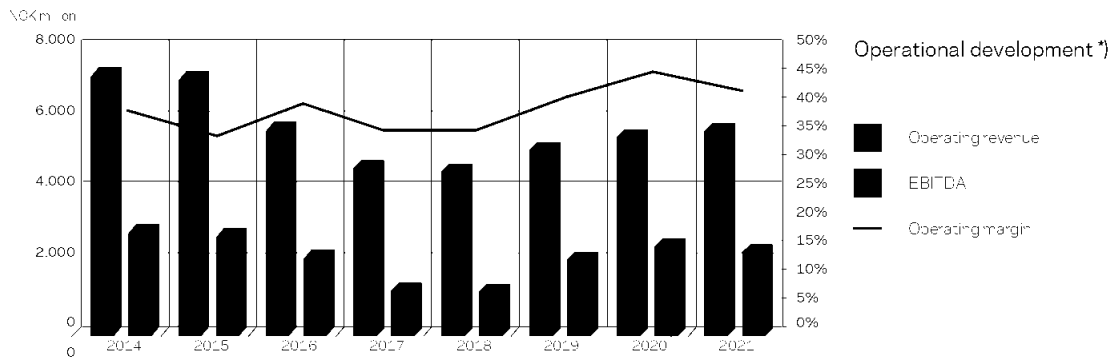
4) Operating result before depreciation and impairment loss/Operating income

5) Profit for the year/Booked equity

6) Majority share of profit for the year/Average number of shares. See note 10

7) Majority share of profit for the year/Potential average number of shares. See note 10

FINANCIAL PERFORMANCE



*) Based on management reporting.



MANAGEMENT LETTER



Delivering our strategic priorities

From the CEO

As we publish this report, the global community is witnessing the invasion of Ukraine. Our team, through a fundraising drive, will provide financial support to the Red Cross and their actions to aid the humanitarian crisis of Ukrainian refugees. Commercially, 2022 will undoubtedly be a year that requires strong global governance and effective risk management efforts. We have not identified any potential exposure to assets or operations in Eastern Europe, specifically Ukraine and Russia. We will draw on our own, deeply ingrained pillars of corporate governance and ethical behaviour to navigate the complexity of geopolitical challenges that may unfold in the coming year.

The discussions with the lenders regarding a debt restructuring of the Group has been ongoing through the year and it has been challenging to operate in an environment with short-term standstill periods. The discussions with the creditors have been constructive, but at the date of this report a final refinancing solution is not yet in place which we strongly regret. The Group is short-term dependent on extension of the standstill periods and long-term on a comprehensive refinancing solution to continue as going concern.

Looking back at 2021, new variants of COVID-19 and the resulting challenges continued to prove the resolve of our organisation and people. I am proud to say, again that we overcome the challenges together and, although there have been significant operational interruptions, the organisation has shown its ability to quickly adapt and deliver to or above the high expectations of our clients. As always, our values and the professionalism of our team have been the foundation for maintaining operations safely.

We first reported environmental, social, and economic performance, our objectives, and our results together in the 2020 annual report, and we continued to do so on a quarterly basis in 2021. Despite challenging market conditions, DOF continued to meet stakeholder expectations and strengthened our efforts and focus on sustainability in 2021 and beyond.

Financial highlights

The Group achieved an EBITDA of NOK 2,087 million in 2021 (management reporting) which is a satisfactory operational result as COVID-19 continued to impact the operations throughout the year. The largest contribution is from the long-term chartering segment, including the joint venture with TechnipFMC. The portion of the operational results from the Subsea/IMR projects segment is however increasing due to higher activity from Q2 onwards and one vessel transferring into the segment. The Group EBIT was NOK 848 million and was less impacted by impairments.

Operational highlights

The markets continued to be challenging at the start of the year, but the overall activity started to increase towards the end of the 2nd quarter, especially in the Atlantic and the Asia Pacific regions, resulting in good performance from these regions the remainder of the year. The Brazil and US regions followed up, and with several new tenders towards the end of the year in Brazil.

In total, the Group achieved a utilisation rate of 85% in 2021. COVID-19 has unfortunately impacted the costs and has also resulted in off-hire for parts of the fleet, especially in Brazil. The organisation has successfully managed to protect the employees and kept the operations close to normal. The PLSV fleet continued to operate on firm contracts through the year and achieved a utilisation rate of 90%.

The Group has agreed the sale of three non-strategic vessels in 2021. One delivered to its new owner in Q2 2021, one delivered in January 2022 and one that will be delivered after its current contractual obligations.

The subsea fleet has slightly increased its exposure to the renewable markets where the North Sea has been the main market. The Hywind Tampen project in the North Sea is the most important project and is expected to highly impact the activity for the Atlantic region in 2022.

The Group has, through the year, secured several new contracts with a value of NOK 4 billion, and some of them are worth highlighting:

- Two 3-year contracts with Petrobras for the PLSVs, Skandi Vitoria & Skandi Niteroi
- Subsea project contracts with Beach Energy and Esso Australia in the Asia Pacific regions
- Multiple extensions of existing contracts in both the Atlantic region and in Brazil

The total backlog by year-end was NOK 10.4 billion. Due to high tender activity, we expect the backlog to increase during the 1st half of 2022.

Safeguarding our People

Wherever we operate, safety is our priority, and we aim to be an incident-free organisation.

COVID-19 led to multiple and rapidly changing travel restrictions, resulting in different patterns of personnel deployment and some loss of the deep awareness in safety culture across the fleet.

In the last quarter of 2021 we saw a significant increase in injuries, however they were of minor risk level. The root causes are connected to lack of awareness and fatigue in connect to the Omicron variant. Our efforts to ensure we create a safe working environment are a continuous undertaking.



Safety means protecting and empowering our employees to stop unsafe or inappropriate actions. In 2021, one case of sexual harassment was reported through the DOF ethics helpline. This case was immediately investigated and concluded, resulting in removal. Protocols failed and we have implemented the improvements learned from these cases. We do not tolerate harassment of any kind in our global organisation where diversity is a key strength in our industry.

Sustainable Environment

Our actions to reduce greenhouse gas emissions and manage environmental impacts are ongoing. We use a combination of technical solutions, such as shore power and battery packs, and an organisational approach through environmental management systems and strategy. Our 2021 CDP score of B maintains DOF among leaders in our industry and we strive to return to CDP's A-list in 2022. In May, DOF was named among Europe's Climate Leaders 2021 by the Financial Times of London.

The Kongsberg Maritime and DOF R&D project "Intelligent Efficiency" was delivered in Q4 with promising results. The project now moves to the implementation phase, to be deployed on 4 or 5 vessels in Q3 2022. This predictive, intelligent, and dynamic guidance tool will act as the foundation for the Group to simplify operational complexity with objective measurement, enabling optimal utilisation and a more sustainable fleet management. Conservative calculations estimate a reduction in CO2 emissions of 5-10%, depending on vessel type and operational pattern.

Employees

The key to DOF Subsea's success remains unchanged – our people. The market in which we operate has continued to be challenging, but we have seen a headcount growth of 24% in 2021 as we have adapted the workforce with current market demands. At the end of 2021 there were 1,463 people in the Company.

UN Sustainable Development Goals, Human Rights and Business

DOF's practices are consistent with the UN Guiding Principles on Human Rights and Business. The organisation operates in compliance with fundamental labour standards. It is gratifying that Amnesty International has for the second year in a row acknowledged DOF as one of the top-five global companies based in the

Nordics with the best score related to human rights and employer responsibility.

Continuous improvement of our operations

Improvement projects have been carried out through the Group's value chain, focusing on standardisation and improved efficiency. We will continue this effort to be competitive. Defining and measuring environmental sustainability aspects and risks associated with our business activities is important, and investment in systems and equipment have been made to record, understand, and improve our environmental performance, and secure a sustainable future.

Outlook

We cautiously expect the markets to improve in 2022 as we see higher bidding activity and already have a strong starting point with our backlog. Encouragingly in 2022, we have already seen increased activity. I strongly believe that our global presence and our business model strengthens our position. Our focus will be to keep our people safe, win and execute contracts, and secure repeat business with our clients.

Thank you for your support

I extend thanks our clients and partners for trusting us with their operations in a year of high uncertainty. We strive to be the preferred and responsible offshore partner, and we will continue to do our best to meet, and even beat expectations.

Finally, I want to express my gratitude to every employee and contractor for their extra effort during these difficult times. Thank you. The teamwork exhibited by the organisation is inspiring and has helped to both make sure that we can operate close to normal levels, and, most importantly, keep everybody safe.

Bergen, April 6th 2022

Mons S. Aase
Chief Executive Officer



COMPANY OVERVIEW

This is DOF Subsea

Company overview

No matter where DOF operates in the world, safety is held as the highest priority.

A global workforce of 1,463 people and a fleet comprising 25 vessels.

Company overview

DOF Subsea is a leading provider of integrated Subsea solutions to the global offshore energy industry. Parent Company, DOF ASA was established in Austevoll in 1981 and DOF Subsea has continued in the proud tradition of delivering safe and quality services to our customers, since 2005.

DOF Subsea offers customers a single project interface to the resources, marine assets and multi-discipline services for seamless end-to-end project delivery. Our global footprint, excellent customer relations, combined with our expertise, high-quality vessels, and strong safety culture are central to future success in an evolving market. Over the last decade the Company has invested in key regions such as the Atlantic, South America, North America, and Asia-Pacific.

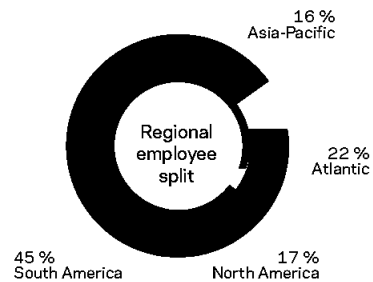
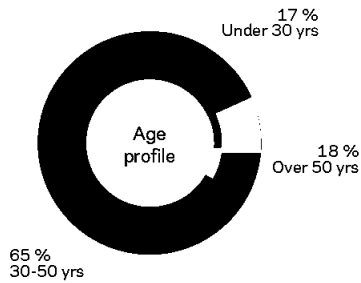
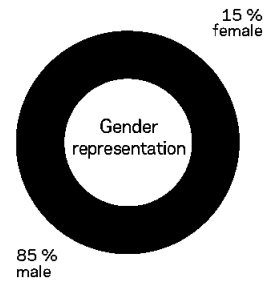
Uniquely positioned in two business segments Subsea/IMR Projects and Long-term Chartering – the organisation can access more market opportunities and revenue streams.

The Subsea/IMR Projects segment provides integrates subsea services from the regions, including planning, project management and engineering.

The Long-term Chartering segment provides state of the art subsea vessels and marine management services to leading players. The vessels in the Long-term chartering segment have historically been on long-term contracts to solid counterparties.

As of 31st of December 2021, DOF Subsea has a global workforce of 1,463 people and a fleet comprising 25 vessels, two of which are chartered in.

Key employee takeaways *

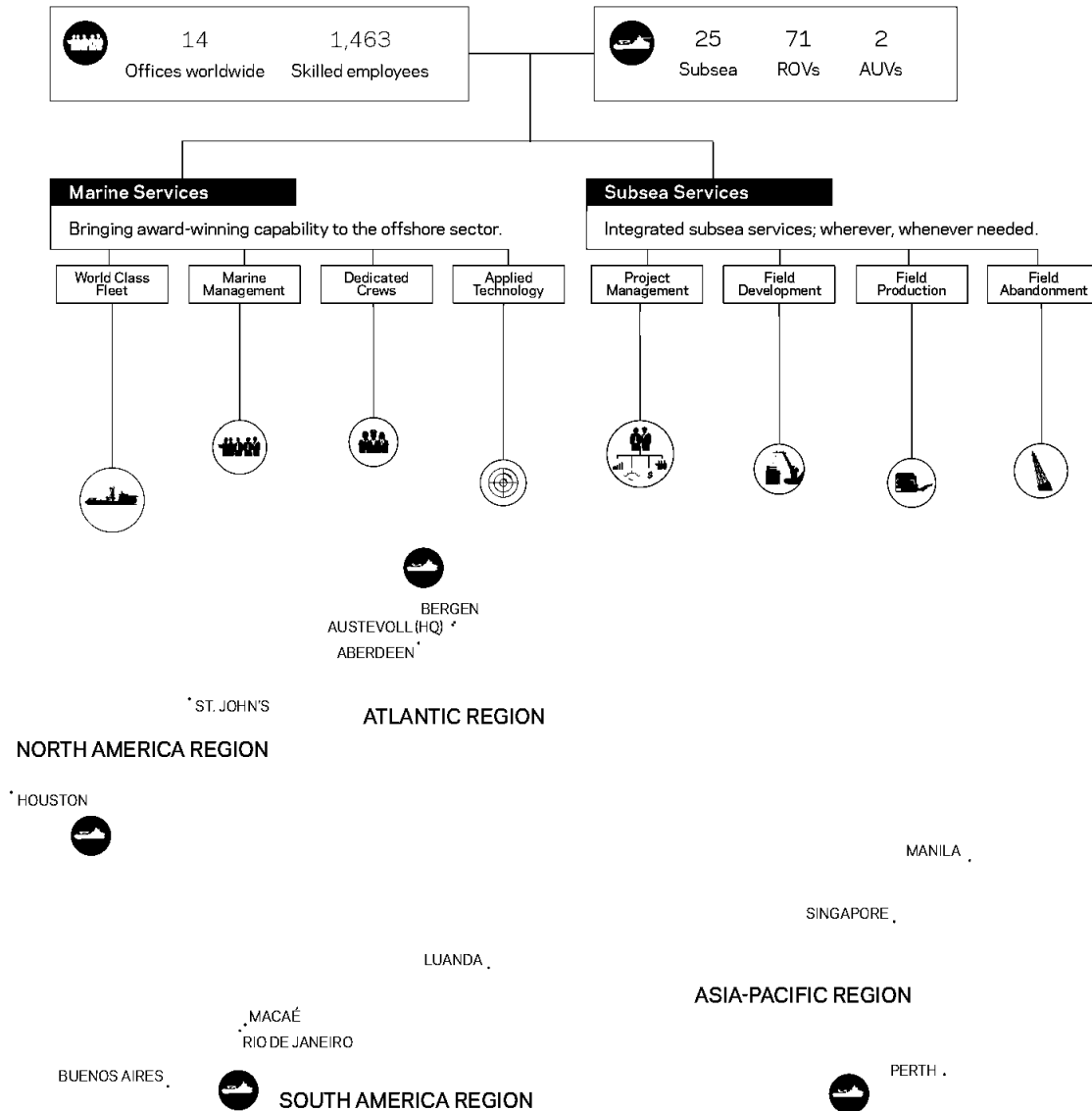


* All totals as of year-end 2021



COMPANY OVERVIEW

A trusted partner for offshore operations





Operations

Operational highlights in 2021

General comments to the 2021

The challenging markets continued into 2021, however during 2nd quarter the Group experienced increased demand within the subsea project markets. Operations have been highly impacted by COVID-19 throughout the year especially in Brazil and has resulted in high costs and off-hire for this part of the fleet.

Through the year, the Group secured new contracts with a value of NOK 4 billion. The backlog by year-end was NOK 10.4 billion.

The discussions with the lenders on a debt restructuring of the Group has continued through the year. By the date of this report a refinancing solution is not in place.

Key takeaways *

5.5 Billion

Total revenue
(management reporting)

85%

Average fleet utilisation
for 2021

10.4 Billion

Contract backlog
excluding options



Q1 2021

GENERAL COMMENTS

Low activity in Asia-Pacific and North America regions and increased activity in Atlantic. Average utilisation of the fleet 72% (76%).

MAIN CONTRACT AWARDS & EVENTS

Skandi Constructor awarded 160 days for offshore wind with Siemens Gamesa.

CAPITAL STRUCTURE

Discussions with the lenders continued and standstill agreements with the secured lenders and bondholders were extended until 30th of April 2021.

Q2 2021

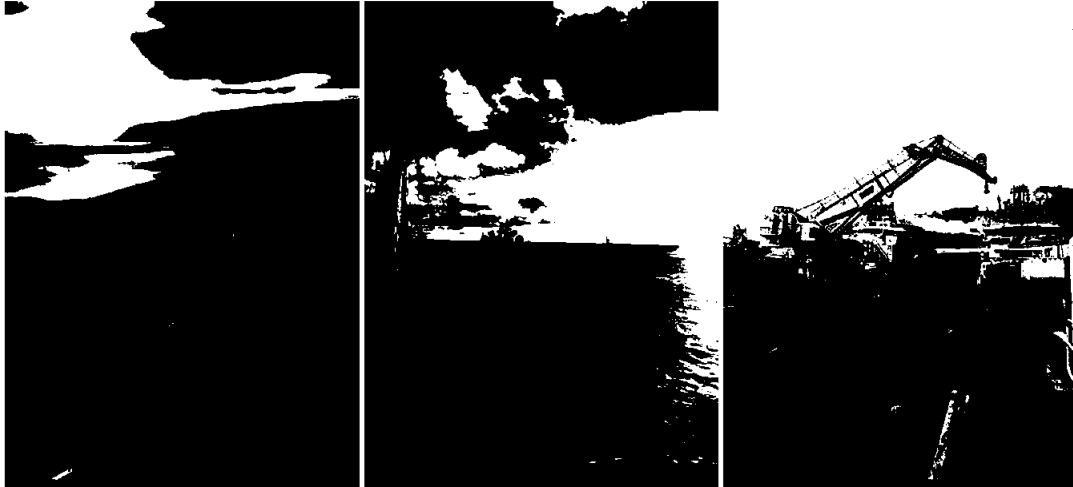
GENERAL COMMENTS

Higher activity in the Subsea/IMR Projects segment. Average utilisation of the fleet 83% (74%).

MAIN CONTRACT AWARDS & EVENTS

Geograph (built 2007) sold.
Awarded multiple contracts for Skandi Acergy, Skandi Skansen and a third-party vessel including project management, engineering, procurement and logistics for a key renewable client.

* All totals as of year-end 2021 and all figures in NOK.



Q2 2021 CONTINUED

Awarded multiple vessels and ROV contracts in Brazil on seismic and subsea projects Awards & Events.

CAPITAL STRUCTURE

Discussions with the lenders continued and standstill agreements with the secured lenders and bondholders were extended until 30th of September 2021.

Q3 2021

GENERAL COMMENTS

Higher activity in the Subsea/IMR Projects segment, especially in the Atlantic and Brazil region. Average utilisation of the fleet 90% (83%).

MAIN CONTRACT AWARDS & EVENTS

The KDS JV AS, (a DOF Subsea and Aker Solutions JV), awarded subsea decommissioning contract with DNO, including engineering, preparation, removal & disposal work (EPRD) of associated subsea hardware, utilising Skandi Acergy.

Skandi Seven awarded a 6-month contract extension in Africa, including FSV services, project management, engineering, procurement and logistical services.

Asia Pacific region awarded multiple contracts with minimum 8 months vessel utilisation and project scopes.

PLSVs, Skandi Vitoria & Skandi Niteroi, awarded 3-year contracts with Petrobras

Q3 2021 CONTINUED

Skandi Achiever awarded a 1-year contract extension with Petrobras.

Skandi Neptune agreed sold to international buy with delivery in 2022.

CAPITAL STRUCTURE

Discussions with the lenders continued and standstill agreements with the secured lenders and bondholders were extended until 31st of October 2021. The Group prepaid a loan facility of USD 47 million at a significant discount.

Q4 2021

GENERAL COMMENTS

A good performance and high activity in all regions. Average utilisation of the fleet 90 % (78%).

MAIN CONTRACT AWARDS & EVENTS

Geosund (built 2001) was agreed sold with delivery 2022.

Beach Energy's Otway Offshore Phase 5 awarded in APAC. Scope includes Project Management, Engineering, Fabrication, Transportation, and Installation Services expected to be completed in Q1 2023 utilising Skandi Acergy.

CAPITAL STRUCTURE

Discussions with the lenders continued and standstill agreements with the secured lenders and bondholders were extended until 31st of January 2022.

2022

MAIN CONTRACT AWARDS & EVENTS

DOF Subsea Atlantic region awarded contract with a key renewable's client utilising Skandi Acergy in the North Sea and Skandi Constructor in Trinidad and Tobago.

DOF Subsea Asia-Pacific region awarded 3-year contract + 2x1-year options with Esso Australia Pty Ltd. to provide a Multi-Purpose Supply Vessel.

The Jones Act compliant vessel Chloe Candies chartered in for a firm period of one year.

DOF Subsea Australia awarded Woodside Energy Limited's Enfield XT Retrieval and Offshore Support Services contract utilising Skandi Hercules.

DOF Subsea USA awarded SURF project for Skandi Constructor from Valco Energy at the Etame field, offshore Gabon.

DOF Subsea awarded new contracts with Renewables and Oil & Gas utilising Skandi Acergy, Skandi Constructor, Skandi Hera and selected third-party vessels for 185 vessel days

The current charterer of Geosea, owned by DOF Subsea Rederi AS, has exercised its purchase option, with delivery during 2nd or 3rd quarter 2022.

CAPITAL STRUCTURE

Discussions with the lenders have continued and standstill agreements with the secured lenders and bondholders were extended until 30th of April 2022.



Shaping DOF for the future

The DOF Group’s updated vision reflects changing conditions and responds to stakeholder expectations. We aim to be a trusted and leading partner delivering services globally for a sustainable utilisation of offshore energy and other subsea resources. Our strategy for sustainable value growth will be achieved via our strategic ambition in three key areas:

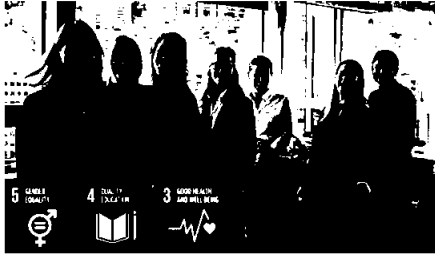
Finance	Markets	Organisation
A debt structure, business model and portfolio for sustainable revenue and competitive return on capital, makes our business attractive to future investors and financiers, and enables DOF to invest in assets and competence for the future.	DOF Group provides the technical capability, experience, and assets globally to deliver dedicated subsea and marine services for our clients in an evolving subsea and offshore energy sector.	Our 'One DOF' initiative allows us to be an ever-flexible, fast adapting organisation. This ensures we are well-positioned for new and existing markets and leading new segments creating optimal value for our customers and other stakeholders.

Using our values and our strategic ambition we’ve brought together our Group ‘s environmental, social and governance (ESG) commitments across four value-based, measurable categories. People, Planet, Prosperity, and Principles affirm our commitment to the United Nations SDGs and give all our stakeholders a way of measuring and understanding our purpose and achievements.

	People	Planet	Prosperity	Principles
Value Drivers	People Occupational health and safety	Environmental performance	Financial performance Marine & Subsea service delivery	Governance
Outputs	Enabling a strong health and safety culture and systems in values-based environment Fostering a diverse and inclusive workforce Motivating engaged and enabled colleagues	Successfully developing technology & digital solutions for greater operational efficiency Managing the environmental and societal impacts of our business	Providing predictable revenue streams by securing contract backlog Maximising revenues through cost control Securing sustainable capital structure Providing accessible services to support a changing market Building strong relationships with our clients	Risk and opportunity management Stakeholder Engagement/ materiality Responsible business
Value Created	Ensuring strong health and safety systems and culture is our highest priority. It's a right that benefits all employees, their families, our whole supply chain, and investors. It is a requirement for business. Companies are their People. Working for a sustainable company, offering fair work, with career prospects creates an engaged workforce which benefits customers, investors, and suppliers. Training and careers programs benefit local communities creating career paths and long-term benefits.	We care about the environment in which we live. Improved performance benefits all stakeholders. There are also efficiency and innovation gains to be realised by responding to these critical issues.	Sustainable returns make DOF's business attractive to future investors enabling DOF to invest in people and relevant assets for the future. Generating wealth and opportunity by engaging local businesses and suppliers and ensuring integrity along the supply chain by auditing for human rights. Subsea and Marine services are the core value generating work of our business. Building strong relationships and ensuring we have the right assets and capability to support our customers in the evolving subsea and offshore energy sector is key to our future and therefore benefits all stakeholders.	Upholding good governance and standards ensures decent work, generates wealth for employees, local communities, and along our supply chain, as well as wider society by generating taxes. To produce lasting value for stakeholders, and a long-term competitive return on the investment the BOD and Corporate Management employ ERM to evaluate risk and opportunity and potential to realise vision and strategic direction. Enabling integrity along the supply chain with supplier social screening.



SHAPING DOF FOR THE FUTURE



People

A SAFE, INCLUSIVE,
INSPIRING WORKPLACE:

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Planet

TRANSPARENCY,
ENVIRONMENTAL STEWARDSHIP, &
SUSTAINABLE SOLUTIONS TO
REDUCE OUR IMPACT

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Emission & energy reduction	22
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THE

DOF

GROUP

Environmental, Social, and Governance commitments

DOF is a values-driven company operating in the offshore energy sector, where energy production is transitioning to cleaner solutions and renewables. To be a sustainable, investible company our business platform must reflect stakeholders' expectations, future market demand for the skills and potential of our people and our assets.



Prosperity

GOOD CORPORATE CITIZENS,
EFFICIENT OPERATIONS,
POSITIVE IMPACTS

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Principles

SAFE, LEGAL, ETHICAL
DECISION-MAKING,
EVERYWHERE WE DO BUSINESS

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Our People

A SAFE, INCLUSIVE,
INSPIRING WORKPLACE

*"It is of great importance that we
inspire women to lead in DOF"*

- Marianne Møgster

The key to our success has always been our people. The challenges ahead are different in nature; however, the importance of our people-factor never changes.

Technology, connectivity, and remote working revolutionised the way we work. These newly established routines facilitate collaboration, flexibility, and efficiency across the organisation. Promoting a culture of diversity, equality, and continuous development, in a safe, inclusive workplace is central to employee health and wellbeing, which benefits all stakeholders.



Companies are their People. Working for a sustainable company, offering fair work, with career prospects creates an engaged, skilled workforce which, in turn, benefits customers, investors, and suppliers.

Ensuring integrity along the supply chain by auditing for human rights enables wealth generation and creates opportunity by engaging local business and suppliers.



People

1 Confirmed harassment cases <small>recorded in 2021</small>	1,463 Headcount <small>headcount per 31.12.2021</small>
0 GDPR breaches <small>recorded in 2021</small>	0.79% Absence <small>absence due to sickness in 2021</small>



SHAPING DOF FOR THE FUTURE



Captain Débora Paula Ferreira



Captain Erica Mesquita

Improving diversity, equality, and inclusion

in line with UN SDG 5, Gender Equality

Our commitment: DOF will increase the number of female leaders. The global goal is to reach 25% female representation in the seasoned professionals and management group by 2025.

The connection between gender diversity and corporate performance is well documented. A more diverse corporate culture can lead to more innovation, creativity, and critical thinking, as well as higher productivity. *We use recognised programmes and pathways to deliver this goal.*

FiftyFifty programme: Seven managers have been enrolled in the international initiative to learn and share best practices for women leaders. We plan to expand with similar leadership training in our regions in 2022.

Career pathways for female offshore leaders: DOF is proud of a strong track record creating career pathways and promoting diversity and

gender equality in our offshore leadership. Today we have six female engineers, and 50 female officers including three female captains.

You can't be what you can't see: Celebrating International Women's Day 2021. DOF's master class 'Women's leadership and how to develop it' webinar for women employees in the Brazil region was attended by 61 onshore and offshore women.



Captain Tereza Santos

Find more info at: www.dof.com/code

Read more at: page 30



16 ambassadors from company-wide disciplines and locations participated in the 2021 professional development programme.



Skills for the future: a culture of continuous learning

in line with UN SDG 4, Quality Education

Our strategy: To align the people in DOF ASA and the Group, maintaining the diversified strengths and our unique position with both marine and offshore subsea services, our global footprint and established local networks.

The Group's commitment to professional development and a leadership development agenda are integral to achieving our strategic ambition and shaping DOF for the future. In a positive move forward, programmes postponed in 2020 due to COVID-19 pandemic were staged in 2021 with more planned for 2022. Where we were unable to travel freely, we engaged participants and delivered programmes virtually.

DOF Ambassadors Programme: 16 ambassadors from company-wide disciplines and locations participated in this professional development programme for our next generation leaders.

two days to share key organisational initiatives and learnings from the pandemic.

The DOF Workbook leadership training 2022: Global onshore and offshore leaders will participate in leadership training to support leaders in their role, and maintain high standards of excellence.

CEO's global virtual Town hall meetings: Using Microsoft Teams, meetings were split into two sessions, hosted twice on the same day, to cover all regions and as many people as possible.

Officer's Conference: Leaders from the vessels gathered at the annual officer's conference over


Annual Leaders Seminar Brazil: 450 onshore and offshore employees participated in this virtual event, to interpret and discuss the three pillars of the *Shaping DOF for the future* strategy.

DOF respects human rights

and believes them central to all UN SDGs

Our commitment: We avoid causing or contributing to adverse human rights impacts through our activities and we seek to prevent adverse human rights that are directly linked to activities through our business relationships.

Amnesty International again ranked DOF in the top-five global companies based in the Nordics with the best score related to human rights and responsible employment practices. Our approach is well established.



Top-5
scoring in the Nordics

Amnesty International's acknowledgment in June 2020 placed DOF in the top-5 global companies based in the Nordics with the best score related to human rights and responsible employers.

Find more information at: <https://amnesty.no/>

Policies and standards: International Law and Labour Organisation conventions ensure our operations do not breach international standards, conventions, and UN guidelines.

Freedom from slavery: DOF operates in compliance with all applicable laws prohibiting modern slavery or any use of forced or child labour in our operations or supply chains.

Ethical business along our supply-chain: Vendor evaluation is mandatory for all suppliers. It is designed to ensure UN Global Compact principles for Human Rights, Labour, Environment and Anti-Corruption are upheld along our supply chain.

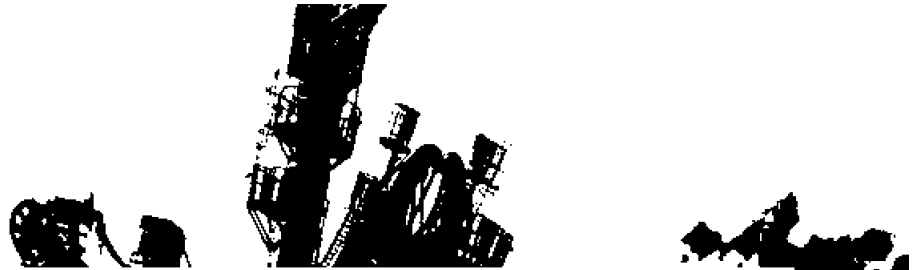
Employees' rights: DOF recognises and respects employees rights to freely associate, organise and collectively bargain, and complies with requirements in local laws.

The Code of Business Conduct: supports our organisation and partners to comply with UN's Guiding Principles on Human Rights and Business.

Ethics helpline: a strong 'feedback loop' is essential. DOF introduced the 'ethics helpline' in 2018 giving stakeholders a 24/7 accessible tool to report serious concerns with anonymity.

Find more info at: www.dof.com/code

Read more at: page 30



Employee health & wellbeing

in line with UN SDG 3, Good Health and Wellbeing

Our commitment: DOF strives to be the leader in the fields of health, safety, environment, and quality (HSEQ) and systematically promotes these areas in the execution of all activities and operations.

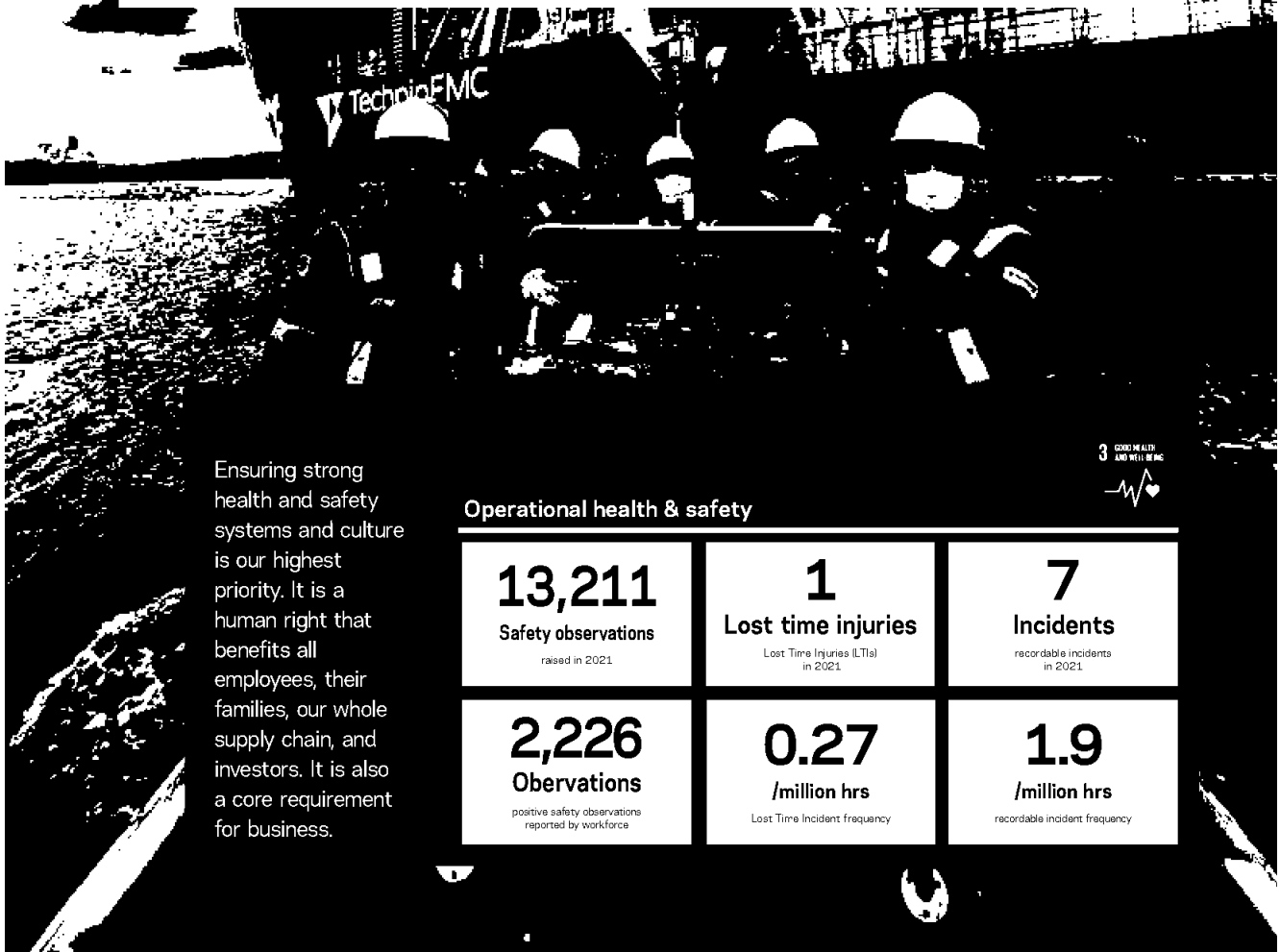
Health and safety in a global pandemic we face similar operating conditions in 2022. Our proven ability to adapt and maintain operations safely is core to our value creation for all stakeholders and future high-standard service delivery.

Safe the RITE way: Structured systems and a strong safety culture underpinned our response to the COVID-19 pandemic. Strict protocols to protect our employees and their local communities are still deployed to maintain safe operations.

A Global Employee Assistance Programme (EAP): Mental health and wellbeing concerns within our industry increased during the pandemic. DOF will launch a uniform EAP assistance solution to support all employees in 2022.

Flexible work: Employees are in favour of a hybrid workplace. The global Working from Home survey gave us crucial insights into important aspects of employees work and personal lives. Employees reported improved work-life-balance, reclaimed time, greater flexibility, with improved physical and mental health levels, and feelings of overall wellbeing.

The DOF Workbook 2nd edition: Updated with the Group's rolling strategy, new vision, and enterprise risk management, this is a core training resource for all employees.



Ensuring strong health and safety systems and culture is our highest priority. It is a human right that benefits all employees, their families, our whole supply chain, and investors. It is also a core requirement for business.



Operational health & safety

13,211 Safety observations <small>raised in 2021</small>	1 Lost time injuries <small>Lost Time Injuries (LTIs) in 2021</small>	7 Incidents <small>recordable incidents in 2021</small>
2,226 Observations <small>positive safety observations reported by workforce</small>	0.27 /million hrs <small>Lost Time Incident frequency</small>	1.9 /million hrs <small>recordable incident frequency</small>



Our Planet

TRANSPARENCY,
ENVIRONMENTAL STEWARDSHIP,
& SUSTAINABLE SOLUTIONS TO REDUCE OUR IMPACT

Climate action is important to all our stakeholders and has far wider implications as a shared responsibility in the world. As a company harnessing our values, it is fundamental that we act to protect the environment. It is also integral to our strategy as DOF's customers transition energy production to cleaner solutions and increase renewables in the energy mix.



We care about the environment in which we live and work. Improved performance in this area benefits all stakeholders. There are also innovation, efficiency gains and new opportunities to be realised by responding to these critical issues.

Environmental performance



-6.6%
CO₂ emissions

parent company total emissions
in 2021 compared to 2020

B
CDP score

for 2021

0

Unrecovered

no spills unrecovered over 50 litres



SHAPING DOF FOR THE FUTURE



DOF named in Financial Times Europe's Climate Leaders 2021

Meeting our stakeholders' expectations

in line with UN SDG 13, Climate Action

Our strategy: Maintain our position within top five for ESG sustainability in our industry.

DOF is a leader in Environmental, Social, and Governance (ESG) reporting. Transparent, industry comparable reporting is an important tool in driving change. The Governance Group (TGG) conducted an independent review of DOF's sustainability reporting activity in 2020. DOF received a stand-out score of 3.09 (A-) within the Industrial Transport Sector group using the ESG 100 method, scoring maximum points in both GRI reporting and UN SDG integration and above the sector average of 2.33.

The Group has established programmes to reduce its climate impact, including the major R&D project Intelligent Efficiency, Ship Energy Efficiency Plans (SEEMP), installation of shore power capability, and of battery packs on vessels. The performance of these programmes, and other ESG metrics, are publicly reported in a structured way so they are transparent, measurable, and understandable to stakeholders.

Carbon Disclosure Project (CDP) for transparent environmental reporting: DOF has reported to the CDP framework since 2010 and recorded B in 2021. CDP constantly evolves the disclosure and scoring system in response to market needs and the rising urgency of the environmental challenges. Today, CDP's climate change questionnaire contains over 25 TCFD-aligned questions in the Governance, Risks and Opportunities, Strategy, Targets and Emissions modules of CDP's questionnaire and include specific methodologies for high impact sectors.

Global Reporting Initiative standards (GRI): DOF has reported to GRI since 2014 ensuring vital drivers of sustainable operations are factored into decision making and to provide stakeholders with a view of all aspects of organisational performance.

UN Sustainable Development Goals (SDGs): Working principally with offshore vessels and subsea engineering, the Group aligns with the SDGs where we have the greatest impact and can make an important contribution as part of our operations.



Since

2014

using Global Reporting Initiative (GRI) Standards: Recognised industry leader



Sustainable Development

17 GOALS

DOF strives to positively impact the world by aligning with relevant UN Sustainable Development Goals (SDGs)



THE GOVERNANCE GROUP

A-

ESG 100 score



Independent assurance report Sustainability & Greenhouse Gasses (GHG) verification



2021 B

11-year participation

Top 30% for Environmental Stewardship

Find more information at: <https://www.cdp.net>

SHAPING DOF FOR THE FUTURE

Emissions and energy reduction

The IMO's goal is to cut GHG emissions by 50% by 2050, while pursuing efforts towards phasing it out. DOF is on target to meet the IMO goal but is committed to, compared to 2008 levels, a 40% reduction in CO₂ emissions by 2030. We are adapting to a zero-emission mindset, and work in collaboration with vendors to achieve a responsible supply chain.

Continuous reduction in fleet-wide energy use and GHG emissions is a significant focus for the Group. Innovation, technology, and digitalisation are the drivers for resilience in DOF's product range. Find detail of specific actions in Prosperity.

Developing Science-Based Targets: Establishing Science Based Targets (SBTs) for GHG emissions reduction provides a clear pathway to becoming a net-zero company. In 2022, we plan to work with the TERRAVERA Foundation to build a model that is suitable for scope 1, 2, and 3 emissions and set SBTs. In addition, DOF has formed a strategic alliance with Kongsberg Maritime Group to align efforts in reaching SBTs on an executive level, for scope 1, 2, and 3 emissions.

Circular Economy Approach: Inspired by the MacArthur Foundation's Circular Framework, understanding, and optimising the data behind DOF's assets over its life-cycle is the most

effective method of achieving a circular economy. Each phase of the life-cycle, newbuild; expected operational life; extended life of asset; presents unique opportunities to apply circular economy principles. More detail is given in Prosperity.

'Green Shipping Programme': As a member of the Norwegian partnership led by DNV, and including a wide range of maritime sector companies, DOF, VARD, DNV, and other stakeholders studied the opportunities in converting offshore vessels to new markets, such as Offshore Wind. The study concluded the case for conversion presented economically and environmental benefits compared to newbuild alternatives. Basing calculations for the newbuild on current technologies, the conversion study found emissions were reduced by 30%, and a conversion including a retrofit/battery package reduced emissions by 15%. Adding emissions from the production of the newbuild, total emissions for the converted vessel would be lower than the newbuild for around 10 years.

Activities and programs to reduce climate impact

Design

Improved fuel efficiency through design

Vessel bow shape is optimised for eco-drive in all weather conditions and designed to minimise free-running fuel consumption in three sea state regimes.

- Reduced flare in upper part of the bow for cutting through large waves and minimising added resistance.
- Optimised intermediate bow section crushing small waves.
- Flared notch above bulb to suppress small/medium waves.
- Optimised under water lines including bulb for calm water. Bulb designed to reduce running resistance of the vessel, and to resist pitching in waves.

← Hull resistance →

Power innovations

LNG

LNG bunkering is already a recommended practice in 15 countries worldwide, vessels like the Skandi Gamma dual powered LNG MPSV provide major environmental, HSE and commercial advantages.

Project Savings Reduced consumption with LNG ~ 30%, with no reduction in cargo capacity.

Environment Optimised hull lines. LNG driven – low emissions. Reduced emissions NOx ~ 85%. Reduced CO₂ emissions ~ 25-30%

HSE Crew comfort. Reduced Noise levels due to configuration.

Battery storage

Energy storage through batteries leads to reduction of carbon footprint and reduced maintenance cost.

Route optimisation

DOF has the expertise in-house to chart routes in order to minimise fuel consumption and reduce ship motions for passenger comfort.

Model tests are undertaken to optimise longitudinal trim monitoring for minimum resistance and an ongoing program of correlation of vessel performance against met/ocean conditions are part of our fuel efficiency initiative.



Shore power connection



Shore power connection delivers cost and emission savings. DOF made history with Skandi Vega, the first vessel to connect to the harbour facility via shore power.

Carbon Disclosure Plan The Shore Connection plant allowed Skandi Vega to achieve an Environmental Ship Index score of over 50 i.e., estimated reduced energy cost (Diesel vs. Shore power supply) and a significant saving of CO₂ p/a



Environmental stewardship

in line with UN SDG 14 Life Below Water

Our commitment: We avoid causing or contributing to adverse environmental impacts through our activities and along our supply chain.

Maintaining best practice management, DOF is undertaking a review of governing documents connected to biodiversity and marine pollution guided by IMCA recommended code of practice on environmental sustainability. Programmes for continuous improvement are focused in risk evaluation and a reduction in the parameters for investigation and reporting biofouling or spills.

An education programme is planned in 2022 to increase understanding in the area of biofouling, marine plastics, and hydrocarbon management.

Waste Management: a plan has been implemented for DOF to phase out single-use plastics generated by our employees through our operations by 2022.

As a component of Circular Economy development, waste management will become an audit criterion in Global HSEQ Audits.

Environmental Stewardship: Caring for environment in which we live and work, DOF will partner with an NGO to contribute beyond our operational footprint to support industry experts.

Biodiversity and Marine Pollution: DOF has strict procedures and routines to manage impacts associated with the introduction of invasive marine species through vessel operations and unplanned discharge of hazardous materials through loss of secondary containment and publicly reports our performance in this area.

DOF employee, Hele, with a shark



Our Prosperity

GOOD CORPORATE CITIZENS,
EFFICIENT OPERATIONS,
POSITIVE IMPACTS

We operate in an evolving market. New and different demands from our stakeholders and the changes in the energy market are key drivers for our future organisation. DOF has over 40 years' operational experience in complex markets and a history of adapting to deliver competitive services, globally. We have an ambitious programme to develop new technology and digital solutions for energy management, GHG emissions reduction, efficiency, and to grow new market segments.



We are successfully developing technology and digital solutions for greater operational efficiency and managing the environmental and societal impacts of our business.

Decent employment, training, and career programmes benefit local communities creating prosperity and wider long-term benefits.

Financial performance



85%
Utilisation

of the fleet in 2021

80%
Utilisation

of Subsea project fleet in 2021

10.4
BILLION

group backlog per 31.12.2021



Stakeholder and wider wealth generation

in line with UN SDG 8, Decent Work & Economic Growth

Our Strategy: To build a debt structure, business model, and portfolio that provides for sustainable revenue and competitive return on capital, making DOF's business attractive to future investors and financiers, and enabling DOF to invest in competence and assets for the future.

The Group continues to implement new technology to create sustainable value and respond to the ongoing shift within the energy markets. Additionally, DOF creates wider stakeholder value and prosperity for individuals, their families, governments, and society by creating jobs, assisting in enterprise development, and technology transfer to local communities. In addition to Decent Work, our wider societal benefits are based on training, career pathways for local communities, engaging local businesses, and supporting early-life education, cultural and sporting programs.

The immediate and short-term focus on debt structure: co-exists with our focus on building a robust and sustainable business model for the longer term. We continued optimising organisational structure to support a highly agile organisation, this will be realised in three stages: focusing on review and reporting structures; using technology and centralisation for efficiency gains; and by focusing on competency, succession planning, and work culture to ensure a competitive level of access to market opportunities. Aligning people in DOF ASA and DOF Subsea also continues, always maintaining the diversified strengths and our unique position with both marine and offshore subsea services, global footprint, and strong local networks. These are key to shaping DOF for the future.

Decent Work: DOF employs 3,280 and in 2021 created 694 full-time equivalent positions.

Training and career pathways in our local communities: We train and maintain a dedicated core crew on all our vessels. This creates value by retaining operational and vessel knowledge between charter or project crew changes, and leads to a higher level of safety, efficiency, and quality of services, benefiting all stakeholders.

Global maritime cadetship programme: This long running program gives cadets a structured path to gain qualifications in maritime careers and a long-term livelihood. Seafarers are trained through the Norwegian Training Centre – Manila, Philippines (NTC) and the AEPM in Brazil, to the highest standard of safety and quality and promote excellence in maritime operations worldwide.

Developing highly qualified officers to operate our fleet, training and qualifications support career progression from the cadet programme onwards. Courses offered completely cover vessel operations.

Promoting education, culture, and sports: DOF supports specialist organisations' structured programmes, primarily in Brazil and Philippines, to give underprivileged children a chance for a better future. DOF Sponsors the Renacer foster institute (Brazil): An organisation which cares for children from one to five years old, presenting them new life perspectives through sports, art, and music, providing them with a home, food, and shelter. The community of Comatin (Phillipines): DOF and our partner in the Philippines, OSM, rebuilt the elementary school after a typhoon in 2013 and have maintained support since.

Investor surveys suggest that a structured, methodical evaluation of non-financial disclosures is the new norm in investment decision making.

Find more info at: www.dof.com/code

Read more at: Page 30



SHAPING DOF FOR THE FUTURE

Innovating technologies & core services

in line with UN SDG 9, Industry, Innovation and Infrastructure

Our Strategy: To provide the technical capability, experience, and assets globally to deliver dedicated subsea and marine services for our clients in an evolving subsea and offshore energy sector.

Our strategic ambition is anchored in the diversified strengths and expertise from marine and subsea organisation, matching existing assets and the unique skills, and potential of our people to future market demand. Cross company, multi-disciplinary, technical steering committees manage major projects to progress our strategic priorities in innovation, technology, digitalisation, and new market segments.

Emissions reduction and energy management

Yxney's Maress cloud-based software was deployed on the whole fleet in Q1 2021. Maress analytics allow decision makers onshore and on the bridge to make more informed decisions on how to reduce emissions. In addition to the direct emissions savings, the system also underpins the portfolio of DOF's other GHG-reducing initiatives.

Intelligent Efficiency: The research project partnership with Kongsberg Maritime, SINTEF Ocean and NORCE, the product has been under development concept, define and create phases since 2018. The next exciting phase plans to extend the solution to three or four vessels, pending final project evidence of energy and emissions savings.

Circular Economy (CE) approach: A new policy will be adopted in 2022, supported by a 3-year programme applying *The MacArthur Foundation's Circular Framework* across our Value Chain. A

Life Cycle Management model will maximise the use-cycles of assets and reduce consumption and GHG emissions. The most effective method of implementing CE solutions is understanding and optimising the data behind DOF's vessels over a 3-phase life-cycle. Each phase presents unique CE opportunities. With no newbuilds underway, our focus is expected operational life and extended life of assets through maintenance protocols, reducing material inputs, and system enhancements. Modernisation opportunities are expected to extend life of assets before recycling.

New zero or low-emission fuels: feasibility studies investigating alternatives to traditional fuels and battery combinations are underway.

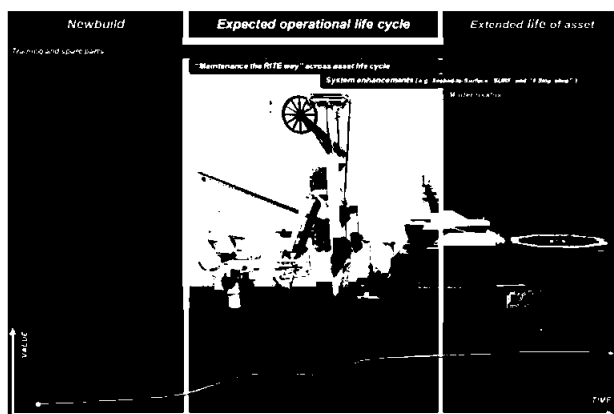
Other efficiencies and emissions reduction: Delivered by increasing shore power capability and installation of large batteries onboard vessels.

Core services

Remote operations uses technology to allow offshore personnel to perform their duties without being physically present on board a vessel. "Survey in The Cloud - Remote Operations" developed over 2020/2021 will be implemented on four vessels in 2022. Progress testing is underway for Remote Digital Class services with some surveys undertaken onshore with support from crew.

Subsea robotics: A project investigating future ROV operations and subsea vehicles with robotic features, such as the classic work class ROV, AUV, and newer types of subsea vehicles designed for data acquisition and intervention.

Business continuity is critical. Increased focus on cyber security to avoid operational disruption, financial risks, and reduce threats to business continuity and sustainability is ongoing.



Circular Economy (CE) approach

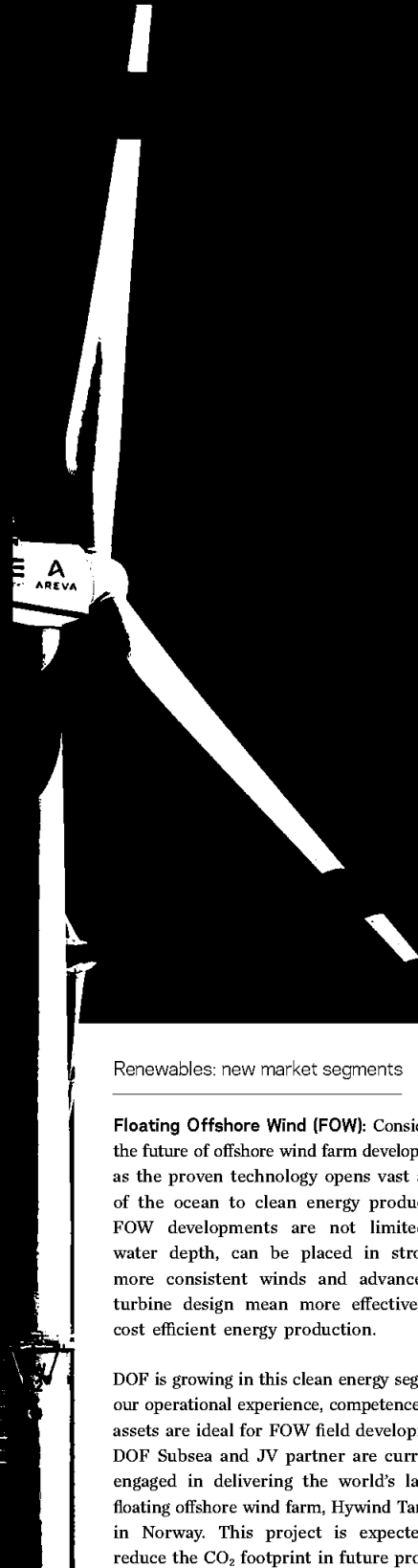


Subsea and Marine services are the core value-generating work of our business. Building strong relationships and ensuring we have the right assets and capability to support our customers in the evolving subsea and offshore energy sector, is key to our future and therefore benefits all stakeholders.

The Floating Offshore Wind segment creates jobs, revitalises ports, and domestic manufacturing supply chains.



Marine and Subsea service delivery



Renewables: new market segments

Floating Offshore Wind (FOW): Considered the future of offshore wind farm development as the proven technology opens vast areas of the ocean to clean energy production. FOW developments are not limited by water depth, can be placed in stronger, more consistent winds and advances in turbine design mean more effective and cost efficient energy production.

DOF is growing in this clean energy segment, our operational experience, competence, and assets are ideal for FOW field development. DOF Subsea and JV partner are currently engaged in delivering the world's largest floating offshore wind farm, Hywind Tampen, in Norway. This project is expected to reduce the CO₂ footprint in future projects.



Our Principles

SAFE, LEGAL,
ETHICAL DECISION-MAKING,
EVERYWHERE WE DO BUSINESS

We have the pillars in place to uphold a culture of legal and regulatory compliance: the foundation for honest, ethical business. We believe strong institutions operate to universal principles and give stakeholders the resources to uphold standards.

VENTO
IDELANCAS
OWN HALL

Upholding good governance and standards ensures decent work, generates wealth for employees, local communities, and along our supply chain, as well as for the wider society by generating taxes.

The Board and Corporate Management team evaluate risk and opportunity and potential to realise our vision and strategic direction for a long-term competitive return-on-investment and to produce lasting value for stakeholders.

We ensure integrity along the supply chain with supplier social screening.

16
SAFE, JUST
AND STRONG
INSTITUTIONS

Principles

0

Fines

or non-monetary sanctions
due to non-compliance

0

Corruption

cases in 2021

172

NCRs

raised in 2021

36

Audits & Inspections

completed in 2021



Annual Leaders Seminar

Governance

in line with UN SDG 16, Peace, Justice and Strong Institutions

Our commitment: Strong governance is a core tenet for our business. Our corporate governance policy outlines the measures which are continuously implemented to secure efficient management and control of the activities of the Company.

Find more info at: www.dof.com/CorporateGovernance

Governance principles: Good corporate governance and trustworthiness are a prerequisite for value creation, and for access to capital. Strong and sustainable corporate governance is the foundation of the Group's integrity and assurance through healthy business practices, reliable financial reporting, and an environment of compliance with legislation and regulations across the Group. For further information please visit DOF ASA's website www.dof.com.

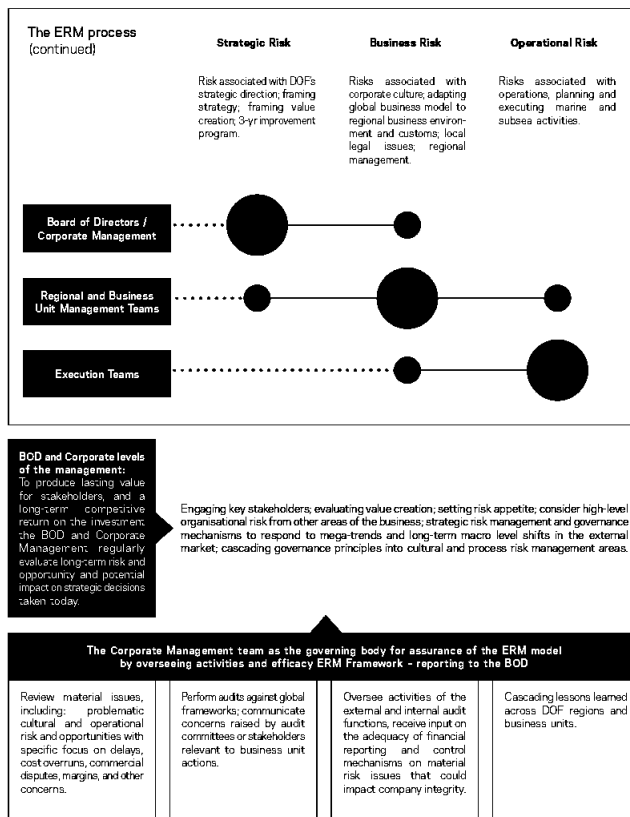
Our Board: Meet the Board Directors responsible for all governance, strategy, and sustainable development within the DOF Group on page 32.

Double materiality stakeholder engagement: Stakeholder engagement is a continuous and ongoing process as we factor stakeholder expectations and broader challenges into strategy and decision making. DOF established a materiality process in 2015. Increasing the focus on risk and opportunity, the Group evolved to a more contemporary double-materiality approach in 2021. See page 176.

Integrating risk and opportunity into business process: The Group's risk management and internal controls are based on the principles in the Norwegian Code of Practise for Corporate Governance. The Board and Corporate Management Team evaluate risk and opportunity and potential to realise vision and strategic direction for long-term competitive return on the investment and to produce lasting value for stakeholders. See page 178.

New regulatory requirements in ESG reporting: The Norwegian Transparency Act requires DOF to work systematically with human rights in the value chain, and report accordingly. The new EU

Taxonomy classification system establishes a list of environmentally sustainable economic activities. Companies will need to report the proportion of their revenue, capex and opex classified as eligible according to this Taxonomy.



Integrating risk and opportunity into business process



Ethical behaviour

DOF has measures in place to assist with ethical behaviour throughout the Group.

Our Code of Business Conduct (COBC) is aligned to the UN Global Compact and is our blueprint for conducting business fairly and responsibly. It was relaunched in 2018 and structured around our five values: Respect, Integrity, Teamwork, Excellence, and above all we are SAFE. The COBC is supported by extensive awareness training for complex issues like Anti-Bribery and Corruption.

Anti-corruption: DOF requires employees to train annually in key ESG topics like anti-corruption, SCM, environment, and Human Rights. During 2022, DOF will make IMCA's anti-corruption e-learn available for the organisation, and it will be mandatory for selected employees in the Group.

The DOF Watertight Integrity Test: DOF's Code of Business Conduct aims to help everyone understand and meet the Group's expectations for professional standards and how to comply with all legal and regulatory obligations, worldwide. The "DOF Watertight Integrity Test" is a simple tool to support decision making in any situation. Read more in our Code of Business Conduct: www.dof.com/TheCode.

Ethics helpline: A strong 'feedback loop' is essential. The Group introduced the 'DOF ethics helpline' in 2018 to give stakeholders anonymity and a 24/7 accessible tool to report serious concerns.

Fully audited ISO certification for a business platform in line with future market demand. In Q4 2021, DOF received renewed ISO certificates (ISO 9001:2015, ISO 14001:2015, and ISO 45001:2018). This was a milestone for the Group aligning systems, while supporting strategic development.



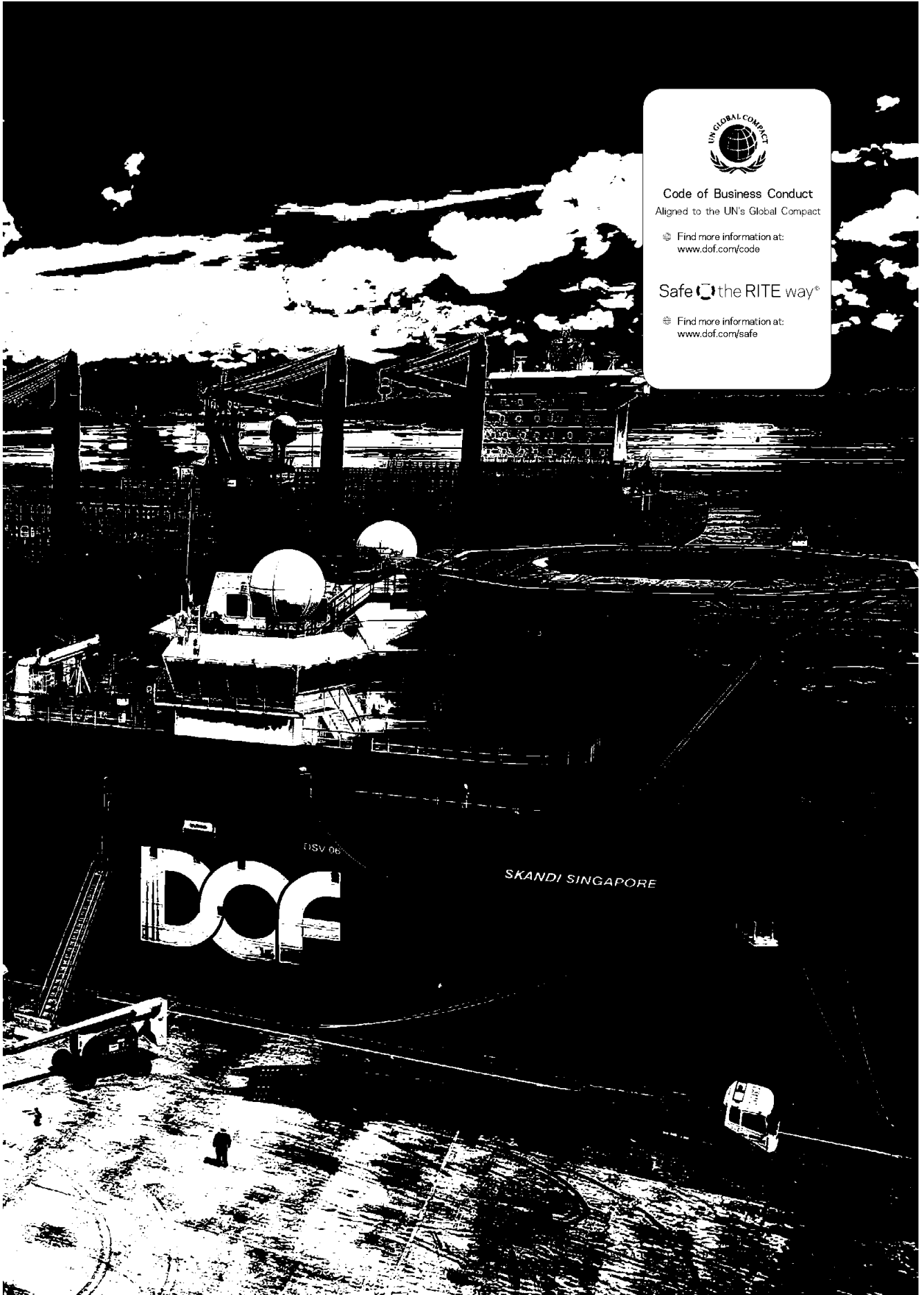
Code of Business Conduct



The DOF watertight integrity test

Think the RITE way. Does the statement make sense? Yes/No/Not sure

- IS IT SAFE?
Does the statement reflect safety?
- IS IT LEGAL?
Does the statement reflect legal requirements?
- DOES IT REFLECT DOF VALUES?
Does the statement reflect DOF values?
- AM I SETTING A GOOD EXAMPLE?
Does the statement reflect good example?
- WOULD I BE COMFORTABLE TALKING ABOUT IT?
Does the statement reflect what I would be comfortable talking about?



Code of Business Conduct
Aligned to the UN's Global Compact

Find more information at:
www.dof.com/code

Safe the RITE way®

Find more information at:
www.dof.com/safe



Board of Directors of DOF ASA

**Hans Olav
Lindal**

Chairman



Born in 1962. Hans Olav Lindal was appointed to the Board in 2019. He is a Norwegian qualified corporate lawyer, admitted to the Supreme Court of Norway and partner of the law firm Advokatfirmaet Thommessen AS since 1993. He was President of the Norwegian Shipowners' Association and board member of International Chamber of Shipping (ICS) until 2018, and chairs and serves on the board of directors of several companies in the maritime industry, including Viken Shipping, Wallem, Gearbulk and G2Ocean. Mr. Lindal is a Norwegian citizen and resides in Norway.

**Helge
Singelstad**

Director



Born in 1963. Helge Singelstad was appointed to the Board in 2008. He has extensive experience from various types of business such as oil and gas, ship equipment and the seafood sector. Mr. Singelstad chairs and serves on numerous boards of directors, including being the chairman of the Board of Directors in Austevoll Seafood ASA, Lerøy Seafood Group ASA, and Pelagia Holding AS, and is CEO in Laco AS. He holds a degree in computer engineering from Bergen Engineering College, a degree in Business Administration from the Norwegian School of Economics and Administration (NHH), and he has a first year degree from the law school at the University of Bergen (UiB). Mr. Singelstad is a Norwegian citizen and resides in Norway.



BOARD OF DIRECTORS OF DOF ASA

Marianne Møgster

Director



Born in 1974. Marianne Møgster was appointed to the Board in 2016. She currently serves as Senior Vice President of Finance in DOF Subsea AS, and has experience from several other positions in DOF, Equinor, and Norsk Hydro. Ms. Møgster has experience as a board member both with the DOF Group and other listed companies such as Lerøy Seafood Group ASA and holds the position as a board member in the Norwegian Hull Club (NHC), Belships ASA and The Norwegian Shipowners' Association. She holds a degree in Economics and Business Administration from the Norwegian School of Economics and Administration (NHH). Ms. Møgster is a Norwegian citizen and resides in Norway.

Kathryn Moore Baker

Director



Born in 1964. Kathryn Moore Baker was appointed to the Board in 2016. She is chairwoman of Genetic Analysis AS, Pensionera AB and Terra Mater Renewable Investments AB. Ms. Baker is also a board member of Akastor ASA, MPC Energy Solutions NV, Gaming Innovation Group PLC and Labrida AS. Ms. Baker was previously a member of the Executive Board of the Central Bank of Norway, a partner at the Norwegian private equity firm Reiten & Co and has held positions with Morgan Stanley and McKinsey & Co. She holds a bachelor's degree in economics from Wellesley College and an MBA from the Tuck school of Business at Dartmouth. Ms. Baker is a United States citizen and resides in Norway.

Harald Thorstein

Director



Born in 1979. Harald Thorstein was appointed as Director of the Board in 2020. He holds a MSc in Industrial Economics and Technology Management from Norwegian University of Science and Technology (NTNU), with specialisation in Finance and Optimisation. He is the founder and owner of the London based advisory company Arkwright London Ltd. and has previously held positions in Seatankers Management and DNB Markets. Mr. Thorstein is currently Chairman of the Board of B2 Holding ASA, Chairman of Altus Intervention and Director of Odjell Drilling. Previous board experience includes Aktiv Kapital, Axactor, SFL Corp, Seadrill, Frontline 2012, Golden Ocean, Deep Sea Supply and Solstad Offshore.

Mons Svendal Aase

CEO



Born in 1966. Mons Svendal Aase has been a part of the Management team since 1998. He served as CFO and Deputy Managing Director before he became CEO of the Company in 2005, and in 2009, he also became CEO of DOF Subsea AS. Mr. Aase has various experience from finance and shipbroking industries and chairs, as well as serves, on numerous boards of directors. He holds a MSc from the Norwegian Institute of Technology and a Cand. Merc. from the Norwegian School of Economics and Business Administration (NHH). Mr. Aase is a Norwegian citizen and resides in Norway.



Report of the Board of Directors

Key notes

In summary 2021 has continued to be a challenging year with respect to COVID-19, but the O&G markets have improved in addition to an increased demand for vessels within the renewable market. The DOF Subsea Group (“the Group”) achieved an average utilisation of its fleet of 85% through the year, and higher rate levels compared to the previous year. It is however too early to conclude on a market recovery within O&G, and how the current geopolitical instability might impact the markets is uncertain. During the year the Group has succeeded in maintaining its strong position within environmental and social sustainability.

The Group has since 2nd quarter 2020 entered into rolling short-term standstill agreements (including deferral of interest payments and instalments) with the majority of its secured and unsecured lenders. The discussions with the creditors have continued in 2021, and the Company regrets that a refinancing solution is not yet in place. 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.

The Group’s revenue (management reporting) was NOK 5,545 million (NOK 5,337 million) and the EBITDA was NOK 2,087 million (NOK 2,187 million). The EBIT was NOK 848 million (NOK -1,084 million) whereof the EBIT in 2020 was impacted by high impairments. The net result was NOK 82 million (NOK -2,237 million). Of which the negative financial result in 2020 was highly impacted by unrealized currency loss due a strengthened USD towards NOK. The Group’s operational cash flow was NOK 1,565 million (NOK 1,705 million) and net cash flow after finance and investment activities was NOK -161 million (NOK 961 million).

Business Overview & Strategy

The DOF Subsea Group provide essential offshore and subsea services to the global offshore industry, and own and operate a fleet of Subsea vessels. The Group is organised into two business segments, Subsea/IMR Projects and Long-term Chartering. Included in the Subsea/IMR Projects segment are engineering companies that are providing services within the subsea project market. The Group’s fleet is a combination of vessels on term contracts and vessels utilised for subsea project activities. The subsea vessels on term contracts are serving the IMR (Inspection, Maintenance & Repair) market and the SURF (Subsea, Umbilicals, Risers & Flowlines) market. The Group’s subsea projects include survey, diving services, ROV operations, construction and IMR among others. In 2021 the Group has been engaged in several offshore wind projects of which the Hywind Tampen project in the North Sea is considered the most important contract and is currently the largest floating offshore wind project in Europe.

As part of the DOF 3-year Rolling Business & Strategy Plan and with the goal to shape a healthy, One DOF, the Vision and Mission statements have been amended as follows:

Vision:

“The DOF Group is a trusted and leading partner delivering services globally for a sustainable utilisation of offshore energy and other subsea resources”

Mission:

“The DOF Group provide the technical capability, experience and assets globally to deliver dedicated subsea and marine services for our clients in an evolving subsea and offshore energy sector”.

The Group will continue its strategy to be engaged in long-term and industrial offshore relationships and operate within a mix of project contracts and time charter contracts for its vessel and ROV fleet. The Group’s backlog was by year-end 2021 NOK 10.4 billion, of which NOK

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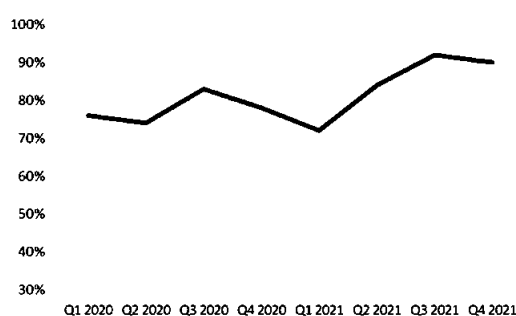
5.4 billion is DOF Subsea's share of the backlog in the Joint Venture with TechnipFMC. This represents a high backlog among peers.

The Group, including DOFCON JV, owns a diversified and advanced fleet of 23 offshore vessels with a value-adjusted average age of approximately 7.5 years, and a fleet of 73 ROVs including 2 AUVs. As of 31st of December 2021, the Group also had two vessels chartered in from external owners.

The Group has offices on five continents and during the last decade the Group has invested in key regions such as the Atlantic (Europe, West-Africa and the Mediterranean), Brazil, North America and Asia-Pacific regions.

Asset overview and segment result (management reporting)

Average utilisation of the fleet



Subsea 25 ROV 71 AUV 2

Amounts in NOK million	Subsea/IMR Projects		Long-term Chartering		Total	
	2021	2020	2021	2020	2021	2020
Operating revenue	3 943	3 282	1 602	2 055	5 545	5 337
Operating result before depreciation and impairment - EBITDA	816	602	1 192	1 585	2 087	2 187
EBITDA margin	21%	18%	74%	77%	38%	41%

The Group has its headquarter in Bergen, Norway, and has offices located in Perth, Singapore, Manila, Jakarta, Oslo, Aberdeen, Luanda, Rio de Janeiro, Macaé, Houston and St. Johns. The Group is also represented in Malaysia, Ghana, Nigeria and Guyana.

Operating segments

The challenging markets continued into 2021, however during 2nd quarter the Group experienced increased demand for its assets and services and the activity in all subsea regions have increased throughout the year. During 2021, the operations have been highly impacted by COVID-19, especially in Brazil. This has resulted in higher costs and off-hire for this part of the fleet.

The Group has through the year secured new contracts with a value of NOK 4.0 billion of which the main portion was awarded during 2nd half of 2021.

The utilisation of the Group's fleet was 85% in 2021

compared to 78% in 2020. The increase in utilisation has been mainly within the Subsea/IMR Projects segment, but we also see an increase in the Long-term chartering segment. The Group has agreed the sale of three non-strategic vessels in 2021. One delivered to its new owner in Q2 2021, one delivered in January 2022 and one that will be delivered after its current contractual obligations.

Long-Term Chartering segment

The Long-term Chartering fleet was by year-end eight vessels whereof seven vessels are PLSVs and six vessels are owned via the Joint Venture DOFCON, (50/50 owned by DOF Subsea and TechnipFMC). The Long-term Chartering fleet has achieved a utilisation rate of 95% in 2021 (91%) and had no vessels in lay-up. The main operational area for the fleet has been Brazil, but one vessel has operated on firm contract in Argentina and one vessel on firm contract with world-wide operations. By year-end the backlog for the Long-term Chartering segment was NOK 6.1 billion (NOK 7.6 billion), of which NOK 5.4 billion in the Joint Venture with TechnipFMC.



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The Joint Venture with TechnipFMC in Brazil is an important contributor to the Long-term Chartering segment. All six vessels in the Joint Venture with TechnipFMC achieved a utilisation above 90% through the year. Four of the vessels are committed on long-term contracts with Petrobras with a remaining duration of 2-5 years. The two remaining JV vessels have been on bareboat contracts with TechnipFMC throughout the year, these vessels were awarded 3-year PLSV contracts with Petrobras and will commence on the contracts in 2022.

Subsea/IMR Projects segment

By year-end, the Group operated 17 subsea vessels in the Subsea/IMR Projects segment, of which 2 vessels was hired in from external owners. By year-end, 1,465 employees were engaged in this part of the business which is an increase of 25% since 2020. The Subsea/IMR Projects represented 71% of the Group's total revenue in 2021 (management reporting). The Subsea/IMR Project activities have been performed from four regions; the Asia-Pacific region, the Atlantic region, the Brazil region, and the North America region. The overall utilisation of the Subsea/IMR Project fleet during 2021 was 80% (71%). Total backlog for the Subsea/IMR Projects segment is NOK 5 billion (NOK 3.7 billion).

In the Asia-Pacific region various IMR frame agreements were the core activities, in addition to several mooring installations and some diving projects. Two vessels have continued to operate on firm contracts, one in the Philippines and one outside Australia. The remaining fleet has operated in the project market mainly on short-term contracts and with variable clients.

The Atlantic region includes operations in the North Sea, Mediterranean and West Africa where the activities in 2021 have mainly been within the IMR segment on existing infrastructure, FPSO installations, decommissioning and mooring projects for clients mainly within O&G markets, but also within renewables markets (offshore wind). The region has performed better than last year due to an increased demand from clients. Towards end of the year the region experienced higher activity related to the Hywind Tampen, which include installation of 11 floating wind turbines with the capacity of 88MW, and where DOF Subsea is responsible for towing, hook-up and installation of the units.

The North America region includes operations in Canada, the US Gulf of Mexico and Trinidad and Tobago. The Group has mainly performed survey and positioning and various vessel services from this region, in addition to supporting the seismic industry. One vessel has operated on a firm contract in Canada and one vessel has been hired in to support the operations in the US Gulf of Mexico. During the year, several of the Group's vessels have commenced on IMR and construction projects for key clients in the Gulf of Mexico and in Trinidad and Tobago.

The Brazil region include vessels and ROVs on firm contracts. The operations in Brazil have been very challenging after the COVID-19 outbreak resulting in off-hire and increased costs. The region has, however, managed to fulfil its contracts obligations and successfully protected the employees. During 2021, the activity in Brazil has grown after award of multiple contracts, and several contracts have started during the year.

The market

The market outlook for 2022 has improved mainly based on new Covid variants have been 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 seen levels above USD 100/ bbl in the first 3 months, with a steep rise in March, 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.

Rig market conditions are improving with utilisation and day rates having now risen past start-20 levels. The outlooks are optimistic with positive sentiment that the utilisation and rate gain, seen in 2021, can be built upon in 2022. Rig demand is projected to rise by 9% this year to stand at 522 units at end-22 (85% utilisation). Mid-term demand is projected to rise by a further 8% in 2023, with utilisation reaching 89% towards end of 2023.

The overall offshore vessel market is expected to increase towards 2030. Overall offshore oil and gas is expected to slowly increase towards 2027, before declining towards the end of the decade. Regional growth markets that do not adhere to the curve are South America, Middle East and Africa that all deliver considerable growth. 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 Group. The successful balance between social, environmental and economic elements allows the Group to develop 'Sustainable Operations'. This ensures that the Group remains commercially feasible, socially acceptable and works within the capacity of the external environment.

During the entire year tremendous efforts and sacrifices have been made to protect our crew and employees towards COVID-19. Continuously changing regulations and demands from government and health authorities all over the world,



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have loyally been followed by our employees in a stoic and supporting way. Despite all of efforts and precautions, several employees ended in CRU units for months. However, all are now out of hospitals and supported by DOF and health professionals to get back to work.

The Group acts responsibly and ethically everywhere it operates, and the Group's operations and decisions are guided by the values – Respect, Integrity, Teamwork, Excellence – RITE – and above all we are Safe. This ensures honest, fair and equitable operations, protecting and building the Group's reputation.

'Safe the RITE way' is the guiding philosophy by which the Group safeguards its people, external environment, vessels and subsea assets. 'Safe the RITE way' is the umbrella for the safety program which brings together core values and connects them to strategic areas for sustainable operations.

The Group is guided by the articles of association, the Corporate Governance and Group policies, combined with the Group's Code of Business Conduct, ensuring that the Group's operations consider the interests of all stakeholders.

The Group promotes transparency and standard disclosure of information relating to key sustainability aspects. As part of this, the Group reports according to CDP and the Global Reporting Initiative. Detailed reporting on these matters is included in the sustainability section in the Annual Report.

As DOF's sustainability efforts evolve, expand, and become more comprehensive, so do also our stakeholders and their material interest in our activities. It is therefore of the utmost importance that DOF has effective mechanisms and reporting structures to communicate financial and non-financial information to these interested parties. This year, DOF has adopted the World Economic Forum's Stakeholder Capitalism Metrics of; People, Planet, Prosperity and Principles.

Not only does this framework compliment DOF's vision of creating broad stakeholder value, but it promotes a core set of non-financial metrics and disclosures for investors and stakeholders alike. DOF is committed to the pillars of People, Planet, Prosperity and Principles and believes this concept is integral to future sustainability initiatives and communication.

All the Group companies are certified to ISO 9001:2015, ISO 14001: 2015, and ISO 45001:2018. The certificates are issued at Group (DOF ASA) level, and valid until December 2023.

Employees

The market conditions required the organisation to adapt its capacity and posed a threat to the Group's human capital. At the end of 2021, the headcount in the Group was 1,463 people, of which approximately 15% were women.

887 men and 169 women are under full-time permanent contract. Further distribution is 33 men and 3 women on full-time temporary contract. 286 men and 29 women are self-employed workers. 5 men and 4 women have part-time

permanent contract. Finally, 7 men and 6 women are working under part-time temporary contracts.

The market is still challenging with regards to contract terms and rates, and the Board of Directors is continuously monitoring the need for the Group to adapt its capacity. The aim going forward will be to keep the capability to maintain the Group's flexible workforce and to retain core competencies.

Equal opportunities and anti-discrimination

The Group 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 Group's 'Equal Employment Opportunity' policy clearly states that the Group is committed to be an equal opportunity employer. This means that all business units within the Group will select and appoint the most suitable person for a position based on their attitude, skills and qualifications. The Group also has a zero-tolerance policy for workplace harassments. Despite all efforts we sadly have to report one sexual harassment case in 2021.

Our campaign to promote and secure retention of female managers and captains has been continued from 2020, with communication internally and externally. Several measures such as flexible work hours, and working from home, have been promoted to secure a balanced workforce and to create equal opportunities. This also includes dialogue with labour unions for flexible offshore rotation.

Human Rights and Labour standards

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

Health, safety, and the working environment

Throughout 2021, the Group has experienced several COVID-19 cases among employees. Some cases resulted in hospitalisation, but there have not been any fatalities. Cases have been handled by regional emergency response teams, in close dialogue with the corporate emergency response team and company doctors.

At the end of the year when the Group started to prepare for a normalisation, the new OMICRON variant hit the Group hard and hundreds of employees were infected. Nevertheless, due to high vaccination rate in DOF, the impact and symptoms of the infection was greatly reduced in most cases.



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The Group will in the future handle COVID-19 outbreak as an influenza-like infection and be guided by our medical protocols offshore and HR handbooks onshore and loyally follow advice directed by WHO and regional legislation.

The Group strives to improve safety and environmental performance across all worksites, globally. The Group experienced 1 Lost Time Incident (LTI) in 2021, which resulted in a Lost time injury frequency rate (LTIFR) of 0.27 LTIs per million man-hours. Combined with 3 Medical Treatment Cases and 3 Restricted Workday Cases, the Total recordable injuries rate (TRIR) was 1.90 recordable incidents per million man-hours.

DOF Subsea is subject to court proceedings for alleged offences against the Offshore Petroleum and Greenhouse Gas Storage Act 2006, in relation to a 2017 saturation dive campaign undertaken in Australian waters. The Matter has been before the Australian Courts with the proceedings being concluded end March 2022. The Court's determination is expected to be finalized by the end of the second half 2022.

The Group's ambition is to be an incident free organisation. Through the 'Safe the RITE way' program, the Group has been able to establish a unified safety culture, as well as a stronger safety cooperation with clients, industry partners and suppliers. A survey among our offshore employees early in the year concluded with a strong and unified safety culture build around our values and Safe the RITE way.

In 2021, absence due to illness has been 0.79 per cent, which is below the Group's target of 3 per cent. The working environment is monitored by various means of activities, including working environment surveys.

Business integrity and ethics

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

Anti-corruption and anti-bribery

The Group has a zero-tolerance policy for bribery and corruption. The Group'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 Group 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 2021.

Compliance with law

The Group acknowledges the importance for its internal and external stakeholders of being a reliable partner, compliance is therefore a key topic for the Group. Compliance with both international and local laws and regulations and industry standards is important for the Group. In 2021, there have been no significant fines or non-monetary sanctions for non-compliance with laws and/or regulations in the social and economic area.

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 2021, the focus on energy efficiency has increased by implementing Key Performance Indicators (KPIs) related to environmental performance, e.g. energy consumption and CO2 emissions. During the year, there have been no major spills to the external environment and no spills that resulted in fines or other non-monetary sanctions from local governments.

Climate change and emissions to the air

The Group has several processes to ensure that direct and indirect climate influencing activities are kept at a minimum and consistent with the Group's overall approach to climate change.

Defining and measuring environmental sustainability and risks associated with the Group's business activities are important. Investments in systems and equipment have been made to record, understand and improve environmental performance. This has been achieved through SEEMP, ISO 14001 and CDP, where the DOF Group achieved a score of B in 2021.

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

Continuous improvement of our operations

It is the view of the Board of Directors that continuous improvement helps to reduce risk, improve performance and align ways of working. Through the Group's improvement program, the Group has streamlined and systematised its improvement work. Based on thorough planning, improvement projects have been carried out through the Group's value chain, focusing on standardisation and improved efficiency. The improvement initiatives will continue in 2022.

Risk Management and Compliance

The global community is witnessing the invasion of Ukraine, and the Group see the repercussions of fractured tensions in international cooperation. However, the Group has not



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identified any potential exposure to assets or operations in Eastern Europe, specifically Ukraine and Russia. 2022 will undoubtedly be a year that requires strong global governance and effective risk management efforts. Crises prompt unexpected and unpredictable paths, as exposed by COVID-19. DOF will continue enforcing our Values as guiding principles of good corporate governance and behaviour. Having recognised reference points, like our company Values and Code of Business Conduct is essential to navigating DOF through the volatile, uncertain, complex, and ambiguous challenges we will see unfold in the coming year.

The Group's risk management and internal control are based on the principles in the Norwegian Code of Practice for Corporate Governance. The Board of Director's view is that continuous improvement of the Group's operations in a systematic manner is a necessity in order to manage risks and realise opportunities to ensure efficient operations in line with the stakeholder's expectations.

The Group has established routines for weekly, monthly and quarterly reporting regarding operations, liquidity, financing, investments, HSEQ, HR, taxes and legal performance. Five-year financial forecasts including information on market assumptions are prepared on a regular basis. The Group carries out annually detailed budget processes at all levels. Due to generally challenging markets and the Group's weak financial position, the focus on liquidity, profit or loss forecast control and financial compliance control has been high during the year.

The operational and financial processes are standardised, and the same reporting and control structures are in use for all companies in the Group. These processes are integrated in the Group's ERP system and supported by the Group's policies, guidelines and standards in the Business Management System (BMS).

The Group's due diligence processes have been strengthened in recent years and involve the global competence within legal, finance and ESG. The new vendor evaluation database allows management to assess the suppliers and subcontractors towards the Group's requirements for ESG. The process is built upon UN Global Compact guidelines and ISO standards. The new DOF Workbook is the foundation for all the training in the years to come. The modules have a holistic approach and will be the centre of compliance for all our activities as well as the Group stakeholders' expectations for DOF to be a leading company, aligning its activities with the UN's sustainability development goals.

Investment in modern communication tools has enabled global alignment to streamline the organisation, allowing further development of our human and organisational capital.

Alignment towards the Norwegian Transparency act
On July 1st 2022 the Norwegian Transparency Act will enter into force and DOF has been part of the official hearing process on the new law and given concrete proposal on practical means to obey the intension of Transparency Act based on our experience on how we deal with fundamental human rights and decent working conditions globally. The organisation is aligned and prepared for the new requirements.

Shareholders & the Board

The share capital of the Company by year-end 2021 was NOK 1,673,527,620, divided by 167,352,762 number of shares.

DOF ASA owns 100% of the shares in DOF Subsea AS.

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

Corporate Governance

The Group's Corporate Governance is based on principles established in the Norwegian Code of Practice for Corporate Governance, available at www.nues.no. The parent company DOF ASA prepare the Corporate Governance report for the Group. DOF Subsea is aligned and follow principles presented in DOF ASA's Corporate Governance report.

Financial performance

Group revenue in 2021 totalled NOK 4,303 million (NOK 3,984 million), with an operating profit before depreciation and finance (EBITDA) of NOK 1,378 million (NOK 1,661 million). The main reason for a lower margin in 2021 versus 2020 has been a higher activity from subsea projects where the margins are normally lower than from vessels on time charter contracts. The EBITDA in 2020 was further positively impacted by significantly strengthened USD to NOK and BRL during 1st half of the year and one-off termination fees due to cancelled contracts. The net result from the DOFCON JV was significantly better in 2020, mainly due to changes in deferred tax. A net gain of NOK 78 million (NOK 3 million) represent gain from sale of two vessels.

Consolidated profit or loss

Amounts in NOK million	2021	2020	Change
Operating revenue	4 303	3 984	8%
EBITDA	1 378	1 661	-17%
Depreciation	-665	-449	-33%
Impairment	-172	-2 471	93%
EBIT	541	-1 260	143%

Operating profit (EBIT) amounted to NOK 541 million (NOK -1,260 million) of which depreciation represent NOK 665 million (NOK 449 million) and impairment represent NOK 172 million (NOK 2,471 million). In addition, the impairments in the JV amount to NOK 98 million (NOK 121 million). The basis for the impairment is fair market values received from independent broker companies and value in use (VIU) calculations. There is still a risk for further impairment of the fleet and the booked vessel values are further exposed to volatility in FX rates.



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Net financial income/loss in 2021 totalled NOK -413 million (NOK -852 million), of which finance expenses represented NOK -618 million (NOK -690 million). Finance income amounts to NOK 339 million (NOK 58 million) and has been positively impacted by a gain of NOK 249 million after prepayment of a loan facility at a significant discount. The net currency loss and changes in fair value of financial instruments amounted to NOK -134 million (NOK -221 million).

Taxes amounted to NOK -46 million (NOK -126 million).

The Group reported a profit for 2021 of NOK 82 million (NOK -2,237 million) and adjusted for other comprehensive income the net result was NOK 161 million (NOK -2,259 million).

The consolidated balance sheet at year-end 2021 totalled NOK 12,812 million (NOK 12,806 million). Vessels and subsea equipment of NOK 7 226 million (NOK 7,696 million) and investments in associated companies and joint ventures of NOK 2,802 million (NOK 2,391 million), are included in non-current assets of NOK 10,151 million (NOK 10,342 million). Total non-current assets represent 79% of the Group's total assets.

The Group's cash reserve has dropped from NOK 1,330 million to NOK 1,183 million in 2021 even though standstill agreements have been applicable for the majority of the Group's debt. This is mainly due to instalments on debt, increased capital expenditure partly due to postponed class dockings from 2020 and higher activity in the subsea regions, which has impacted the working capital. Restricted cash by year-end was NOK 116 million (NOK 118 million). Parts of the Group's unrestricted cash is not immediately available partly due to the existing standstill agreements, see note 17 'Cash and cash equivalents' for further information.

Consolidated balance sheet

Amounts in NOK million	31.12.2021	31.12.2020	Change
Non-current assets	10 151	10 342	-2%
Cash and cash equivalents	1 183	1 330	-11%
Equity	2 594	2 433	7%
Net interest bearing debt	7 784	7 807	-0,3%

The Group's booked equity by year-end 2021 is NOK 2,594 million (NOK 2,433 million).

The Group reported net interest-bearing debt of NOK 7,784 million (NOK 7,807 million) as of 31st of December 2021. Current liabilities totals NOK 9,985 million (NOK 10,042 million), of which NOK 9,100 million (NOK 9,258 million) represent interest-bearing debt where standstill agreements have been applicable and negotiations with the lenders have been ongoing since 2nd quarter 2020. As a consequence of that a long-term refinancing solution is not yet in place, the relevant interest-bearing debt is classified as short-term based on that the standstill agreements with the secured lenders and bondholders are less than 12 months.

The Group's net cash flow from operating activities was NOK 704 million (NOK 881 million) of which NOK -89 million is paid interest and other finance cost. Due to the standstill agreements, NOK 421 million of interests has been capitalised on loans. The net cash flow from investments activities was NOK -152 million (NOK 112 million) of which NOK -436 million (NOK -119 million) represent main class renewals and conversions of vessels, and NOK 291 million (NOK 300 million) is mainly repayment of shareholders loan from the Joint Venture with TechnipFMC and NOK 95 million (NOK 3 million) are mainly contribution after sale of vessels. Cash flow from financing activities was NOK -715 million (NOK -205 million) of which NOK -722 million (NOK -435 million) represent instalments on debt. Net changes in cash and cash equivalents for the year was NOK -163 million (NOK 788 million).

Parent company financial statements

The parent company financial statements for 2021 show a revenue of NOK 91 million (NOK 99 million) and an operating profit of NOK 27 million (NOK -33 million). Net financial items are NOK 319 million (NOK -2,216 million) and are impacted by reversal of impairment on investments in subsidiaries and associates of NOK 652 million (NOK -1,531 million). Profit before taxes were NOK 345 million (NOK -2,250 million) and profits for the year were NOK 362 million (NOK -2,339 million).

The parent company's balance sheet as of 31st of December 2021 totals NOK 4,782 million (NOK 3,917 million), of which booked equity totalled NOK 776 million (NOK 415 million).

Financing and capital structure

The Group's interest-bearing debt by 31st of December 2021 comprise secured debt of NOK 5,562 million (NOK 5,987 million), unsecured bond loan of NOK 2,979 million (NOK 2,554 million) and unsecured other debt of NOK 285 million (NOK 339 million). The main portion of the debt is drawn in USD.

The majority of the Group's vessels built in Brazil are financed by BNDES (Brazilian Development Bank), with tenor on average of 18-20 years and a fixed interest rate for the full duration of the loans. The remainder of the secured debt represent funding from Export Credit institutions (Eksporthfinansiering Norge - Eksfin) and reputable European banks.

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

The restructuring of the Group's debt has been ongoing in 2021 and standstill agreements have been agreed until the 30th of April 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



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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 30th of April 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 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.

Risk

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 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 Group is exposed to financial and liquidity risk through its operations and periodical maintenance of existing vessels and the requirement for refinancing.

The Group has executed a substantial newbuilding programme in the period from 2010 to 2019 and has historically achieved satisfactory long-term financing of its new buildings. However, a sustained weak market since 2015 has increased the refinancing risk for the Group significantly, and the Group has since 2019 experienced that regular refinancing has been impossible.

Currency risk

The Group operates globally and is exposed to foreign exchange risk arising from various currency exposures, mainly with respect to USD towards NOK and BRL, but is also exposed to AUD, EUR, CAD and GBP. Foreign exchange risk arises from future commercial transactions, contractual obligations (assets), liabilities and investments

in foreign operations. The Group aims to achieve a natural hedge between cash inflows and cash outflows to secure the debt funding in equivalent currency as the committed earnings from the charter contracts, and further to manage the remaining foreign exchange risk arising from commercial transactions, through forward contracts and similar instruments as appropriate. However, due to the current financial position for the Group, new forward contracts have become more challenging. Hence, the Group's liquidity risk has increased if the currencies fluctuate.

Interest rate risk

The Group is exposed to changes in interest rates as parts of the Group's liabilities have a floating rate of interest. Financing via BNDES in Brazil is secured at a fixed rate of interest throughout the duration of the loan. Due to the current financial position of the Group, hedging of the interest risk has become more challenging. Hence, the Group's interest rate risk has increased.

Of the Group's total debt, approximately 52% has a fixed rate of interest. This includes financing via BNDES, GIEK/Export Credit Norway and one bond loan (DOFSUB08).

Credit risk

The Group's credit risk has historically been low as the Group's customers traditionally have had good financial capability to meet their obligations and have high credit ratings. The sustained challenging market situation has resulted in changes to the credit ratings for some of the Group's customers, and thereby increased the credit risk. Historically, the portion of receivables not being collectable has been low. Revenue from the 10 largest customers, large oil companies and service providers, represent approximately 62% of the Group's revenue, whereof Petrobras represent the largest customer.

Market and price risk

The Group is exposed to cost increases in general, including conversions and maintenance of vessels. The majority of the Group's conversions and main class renewals are done at fixed prices with the yards. The Group further 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 Group is exposed to market fluctuations which have resulted in lower utilisation and reduced earnings for the Group'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 the Group has several contracts up for renewal in 2022, hence both the price and utilisation risks are applicable.

Tax risk

The Group has a global organisation and operate vessels and subsea services in several different tax jurisdictions. The income and profit from these operations are subject to income taxes and judgment may be involved when determining the taxable results. Tax authorities in different jurisdictions may challenge the calculation of taxes payable from prior periods through tax audits. Several tax audits have been conducted over the last couple of years, where



REPORT OF THE BOARD OF DIRECTORS

some of the tax claims are disputed by the Group, ref note 3 'Accounting estimates and assessments'. In general, attention from tax authorities is increasing, and the trend is that each individual country has increased focus on protecting their tax base.

Going concern

The consolidated financial statements and the Parent Company's financial statement are prepared on the assumption of going concern. 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 30th of April 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 is dependent on continued standstill agreements with its creditors until a long-term financial solution is agreed to maintain as going concern.

Profit & loss allocation

The parent company financial statements have a profit for the year of NOK 362 (NOK -2,339 million). The Board of Directors proposes to allocate the profit to other equity.

The consolidated financial statements have a profit for the year of NOK 82 million (NOK -2,237 million), and total comprehensive profit of NOK 161 (NOK -2,259 million), of which NOK -10 million (NOK -50 million) is attributed to non-controlling interests and NOK 171 million (NOK -2,209 million) is allocated to other reserves.

Events after balance sheet date

New contracts

DOF Subsea has been awarded an extension of the current contract with a key renewable's client for Skandi Acergy in the North Sea and another project in Trinidad and Tobago for the vessel Skandi Constructor. The DOF Subsea Asia-Pacific region has further been awarded a 3-year contract plus 2 x 1- year options to provide a Multi-Purpose Supply Vessel (MPSV) to Esso Australia Pty Ltd. In Australia DOF Subsea has been awarded Woodside Energy Limited's Enfield XT Retrieval and Offshore Support Services contract, expected to be undertaken in Q3 and Q4 2022, utilising MPSV Skandi Hercules. DOF Subsea USA has been awarded the first SURF project for the Skandi Constructor from Vaalco Energy at the Etame field, offshore Gabon. Engineering and design work has commenced with subsea work forecasted to begin in July and expected to be completed by September 2022. In addition DOF Subsea won multiple new contracts with Renewables and Oil & Gas utilising Skandi Acergy, Skandi Constructor, Skandi Hera and selected third-party vessels for 185 vessel days. In GOM DOF Subsea has entered

into an agreement with Otto Candies for the charter of the Jones Act compliant vessel Chloe Candies for a firm period of one year from May.

Assets

The current charterer of Geosea, owned by DOF Subsea Rederi AS, has exercised its purchase option, with delivery during 2nd or 3rd quarter 2022.

Finance

On 31st of March 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 30th of April 2022. The ad hoc group of bondholders in DOF Subsea AS have agreed to further extend the standstill agreement until the 30th of April 2022, in accordance with the resolution in the bondholders' meeting held 28 February 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 as the Group has through 2021 operated in an environment with short-term standstill agreements (often monthly extensions). If a robust long-term refinancing solution is not achieved, the Group cannot continue as going concern. If the Group cannot be treated as going concern the valuation of the Group's assets will be further revised and will result in significant impairment of the Group's assets.

The annual report is prepared on the assumption of going concern and this assumption is based on agreed standstill agreements (applicable until 30th of April 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



REPORT OF THE BOARD OF DIRECTORS

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 is thankful for the effort from all employees through 2021.

Bergen, 6th of April 2022
The Board of Directors of DOF Subsea AS

Hans Olav Lindal
Chairman

Helge Singelstad
Director

Marianne Møgster
Director

Kathryn M. Baker
Director

Harald Thorstein
Director

Mons S. Aase
CEO



FINANCIAL STATEMENTS / DOF SUBSEA GROUP

Financial Statements DOF Subsea Group



FINANCIAL STATEMENTS / DOF SUBSEA GROUP

DOF Subsea Group

Amounts in NOK million

Consolidated statement of comprehensive income

	Note	2021	2020
Operating revenue	4, 5	4 303	3 984
Payroll expenses	6	-1 395	-1 371
Other operating expenses	7	-1 905	-1 529
Share of net income from joint ventures and associates	28	296	573
Profit from sale of non-current assets	11	78	3
Operating profit before depreciation and impairment (EBITDA)	4	1 378	1 661
Depreciation and impairment	11,13	-837	-2 921
Operating profit (EBIT)		541	-1 260
Financial income	8	339	58
Financial expenses	8	-618	-690
Realised net gain / loss on derivative instruments and currency position	8	-145	-465
Unrealised net gain / loss on derivative instruments and currency position	8	11	244
Net financial income / loss	8	-413	-852
Profit / loss before tax	4	128	-2 112
Income tax expense	9	-46	-126
Profit / loss for the year		82	-2 237
Other comprehensive income net of tax			
Items that may be subsequently reclassified to profit / loss			
Currency translation difference (CTA)		-36	25
Share of other comprehensive income of joint ventures and associates	28	115	-47
Items that will not be reclassified to profit / loss			
Other comprehensive income net of tax		79	-22
Total comprehensive income net of tax		161	-2 259
Profit / loss attributable to			
Non-controlling interests	27	-10	-50
Owners of the parent	27	92	-2 187
Total comprehensive income / loss attributable to			
Non-controlling interests	27	-10	-50
Owners of the parent	27	171	-2 209
Earnings per share			
Basic and diluted earnings per share (NOK)	10, 18	0.55	-13.07



FINANCIAL STATEMENTS / DOF SUBSEA GROUP

DOF Subsea Group

Amounts in NOK million

Consolidated statement of financial position

Assets	Note	31.12.2021	31.12.2020
Tangible assets	11, 13	7 226	7 696
Deferred tax asset	9	9	9
Investments in joint ventures and associates	28	2 802	2 391
Other non-current assets	12, 14, 22	114	246
Total non-current assets		10 151	10 342
Trade receivables	15	975	628
Other current receivables	16, 25	503	485
Current receivables		1 478	1 113
Restricted cash	17	116	118
Unrestricted cash and cash equivalents	17	1 067	1 212
Cash and cash equivalents		1 183	1 330
Asset held for sale		-	20
Total current assets included assets held for sale		2 661	2 464
Total assets		12 812	12 806



FINANCIAL STATEMENTS / DOF SUBSEA GROUP

DOF Subsea Group

Amounts in NOK million

Consolidated statement of financial position

Equity and liabilities	Note	31.12.2021	31.12.2020
Paid-in equity	18	1 674	1 674
Other equity		821	650
Non-controlling interests	27	99	109
Total equity		2 594	2 433
Bond loans	19	-	-
Debt to credit institutions	19	-	-
Lease liabilities	13, 19	196	272
Other non-current liabilities	6, 9, 22	38	59
Total non-current liabilities		234	331
Current portion of debt	19	9 104	9 258
Trade payables	20	496	385
Other current liabilities	9, 21, 22, 25	385	400
Total current liabilities		9 985	10 042
Total liabilities		10 219	10 373
Total equity and liabilities		12 812	12 806

Bergen, 6th of April 2022
The Board of Directors of DOF Subsea AS

Hans Olav Lindal
Chairman

Helge Singelstad
Director

Marianne Møgster
Director

Kathryn M. Baker
Director

Harald Thorstein
Director

Mons S. Aase
CEO



FINANCIAL STATEMENTS / DOF SUBSEA GROUP

DOF Subsea Group

Amounts in NOK million

Statement of changes in equity

Changes in equity	Share capital	Share premium	Other paid-in capital	Paid-in equity	Retained earnings	Currency translation differences	Other equity	Non-controlling interests	Total equity
Equity at 01.01.2021	1 674	-	-	1 674	561	88	650	109	2 433
Profit / loss for the year	-	-	-	-	92	-	92	-10	82
Other comprehensive income net of tax	-	-	-	-	115	-36	79	-	79
Total comprehensive income net of tax	-	-	-	-	207	-36	171	-10	161
Equity at 31.12.2021	1 674	-	-	1 674	768	52	821	99	2 594
Equity at 01.01.2020	1 674	540	540	2 753	1 715	63	1 779	165	4 697
Profit / loss for the year	-	-	-	-	-2 187	-	-2 187	-50	-2 237
Other comprehensive income net of tax	-	-	-	-	-47	25	-22	-	-22
Total comprehensive income net of tax	-	-	-	-	-2 234	25	-2 209	-50	-2 259
Re-allocation of paid-in capital	-	-540	-540	-1 080	1 080	-	1 080	-	-
Changes in non-controlling interests	-	-	-	-	-	-	-	-6	-6
Equity at 31.12.2020	1 674	-	-	1 674	561	88	650	109	2 433



FINANCIAL STATEMENTS / DOF SUBSEA GROUP

DOF Subsea Group

Amounts in NOK million

Consolidated statement of cash flows

	Note	2021	2020
Operating profit (EBIT)		541	-1 260
Depreciation and impairment	11	837	2 921
Profit from sale of non-current assets	11	-78	3
Share of net income of joint ventures and associates	28	-296	-573
Change in trade receivables		-347	-10
Change in trade payables		111	40
Changes in other working capital		37	62
Exchange rate effect on operating activities		9	30
Cash flow from operating activities		814	1 214
Interest received		36	35
Interest and other finance cost paid		-89	-290
Tax paid		-57	-77
Net cash flow from operating activities		704	881
Sale of tangible assets	11	95	3
Purchase of tangible assets	11	-436	-146
Purchase of intangible assets		-102	-45
Net cash flows from other non-current receivables		291	300
Cash flow from investing activities		-152	112
Proceeds of non-current debt	19	7	230
Installments on non-current debt	19	-722	-435
Cash flow from financing activities		-715	-205
Net change in cash and cash equivalents		-163	788
Cash and cash equivalents, included restricted cash, at 01.01	17	1 330	934
Exchange rate effect on cash and cash equivalents		16	-392
Cash and cash equivalents, included restricted cash, at 31.12	17	1 183	1 330

Restricted cash at 31.12.2021 is NOK 116 million (NOK 118 million) and is included in Cash and cash equivalents. Changes in restricted cash is reflected in the cash flow. For further information about restricted cash, please refer to note 17 'Cash and cash equivalents'.

Restricted cash of NOK 315 million (NOK 145 million) has been presented net of debt to credit institutions and are included in the installments of non-current debt. The Group has standstill agreements with majority of the lenders and no interest and installments have been paid during standstill period to these lenders. For further information, please see note 19 'Interest-bearing debt'.



FINANCIAL STATEMENTS / DOF SUBSEA GROUP

DOF Subsea Group

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Notes to the Consolidated Financial Statements

1. Corporate information and going concern

Corporate information

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

The Company is owned by DOF ASA as a sole shareholder with 100% ownership stake on 31st of December 2021.

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

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

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

Integrating project management capabilities with high end subsea vessels creates long-term client relationships, broader market opportunities and reduces overall risk. Subsea/IMR Projects segment and the vessels chartered to third-party companies in the Long-term Chartering segment, increases the Group's access to market opportunities and reduces risk. The vessels are divided into three categories: Multi-Purpose Support Vessels, Multi-Purpose Anchor Handler Vessels, and Construction Support Vessels. The Group also owns a fleet of ROV assets and other subsea equipments and has over 15 years' experience providing ROV and intervention services to the energy industry worldwide. The ROVs are available on DOF Subsea operated vessels or as supplementary support on any offshore vessel.

The financial report consist of the Group financial statements and the Parent Company financial statements.

Going concern

In accordance with IAS 1.25, the Board of Directors confirms that the financial statements have been prepared under the assumption of going concern.

The consolidated financial statements and the Parent Company's financial statement are prepared on the assumption of going concern. 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 30th of April 2022. The Group is on short-term dependent on an extension of the standstill period 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 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 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 Group's assets will be further revised and will result in significant impairment of the Group's assets.

2. Financial risk management

Financial risk factors

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

The Group has had a policy to partly hedge interest rate risk and foreign exchange risk, however the financial situation limits the Group in this respect. This will increase the interest risk and foreign exchange risk going forward.

Foreign exchange risk

The Group operates globally and is exposed to foreign exchange risk arising from various currency exposures, mainly with respect to USD, BRL, AUD, EUR and GBP. The Group's presentation currency is NOK. Foreign exchange risk arises when future commercial transactions, contractual obligations (assets), liabilities and investments are in different currencies than the presentation currency. The Group aims to achieve a natural hedge between cash inflows and cash outflows and manages remaining foreign exchange risk through forward contracts and similar instruments as appropriate. However, due to the current financial position of the Group, entering into new forward contracts have become more challenging. Hence, the Group's foreign exchange risk has increased.

Hedging of foreign exchange exposure is evaluated on a net basis.

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

	Amounts in NOK million					
	Appreciation			Depreciation		
	10%	20%	30%	10%	20%	30%
Liabilities in currency	582	1 164	1 746	-582	-1 164	-1 746
Investment in joint venture	-272	-545	-817	272	545	817
Net effect	310	619	929	-310	-619	-929

The Group has a significant amount of liabilities denominated in USD. In conducting the foreign exchange rate sensitivity analysis, a hypothetical change in exchange rates of 10%, 20% and 30% against NOK has been used. Included in 'Liabilities' below are USD debt to financial institutions and bondholders, and CAD debt to financial institutions. The Group has subsidiaries with USD debt, where the subsidiary's functional currency is BRL. The effect of changes in BRL to USD are included in the sensitivity analysis below. As the Group has a material investment in a joint venture company which has USD as functional currency, this is included in the sensitivity analysis. After the balance sheet date, NOK loans of 1,329 million has been converted to USD. The sensitivity analyses above will be affected by the conversion. Conversion of loan in NOK to loan in USD will better hedge the cash inflow and outflow for the Group.

Currency effects on other liabilities are not included in the above sensitivity analysis. A significant portion of the Group's operating income is denominated in USD. A depreciation of NOK against USD will over



DOF Subsea Group

Amounts in NOK million

a longer period have a positive impact on the Group's future earnings and cash in NOK. Current receivables and liabilities excluding loans to bond owners and credit institutions, are often in the same currency and are normally due within 30 - 60 days. Over the last years the Group has experienced that payment terms on some receivables have been extended.

Interest rates risk

The Group's debt arrangements are both at floating and fixed interest rates. Movements in interest rates will have effects on the Group's cash flow and financial condition. The Group's policy is to maintain parts of its debt at fixed interest rates.

In addition to fixed interest loans, the Group manages its interest risk by using floating-to-fixed interest rate swaps. Such interest swaps have the economic effect of conversion from floating interest rates to fixed interest rates. Through interest rate swaps, the Group agrees with other parties to exchange, at specified intervals the difference between fixed interest rates and floating interest rates calculated by reference to the agreed amounts. Due to the current financial position of the Group, entering into new interest rate swaps have become more challenging. Hence, the Group's interest rate risk has increased.

Debt related to financing of vessel built in Brazil is secured at fixed interest rates for the entire duration of the loan. The portion of debt secured with fixed rate of interest is 52% per year-end and this includes financing via BNDES and GIEK/Export Credit Norway.

The Group has an interest risk in the change in value for the interest rates swaps. In accordance with IFRS, the Group provides information about the potential risk with a sensitivity analysis. The table below shows the change in Mark-to-market (MTM) on interest rate swaps at year-end with an increase and decrease of 100bps in 2021.

Amounts in NOK million		
2021 figures	100bp decrease	100bp increase
NOK		
Interest rate swaps	8	-8

Price risk

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

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

- The costs of construction and maintenance of assets and replacements of assets are sensitive to changes in market prices.

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

The Group is exposed to market fluctuations which may result in lower utilisation and reduced earnings for the Group's vessels and services. Attempts are made to reduce this risk by entering into contracts that secure long-term charters for the main portion of the fleet.

The markets in 2021 have continued to be challenging which has negatively impacted the earnings and utilisation of the Group's fleet. There are signs of improved markets and the Group has several contracts up for renewal in 2022, hence the price risk is applicable.

Credit and Liquidity risk

Credit and liquidity risk arise from cash and cash equivalents, derivatives, financial instruments and deposit with banks as well as payment terms towards clients and suppliers. Liquidity risk management implies maintaining sufficient cash and marketable securities, and to maintain available funding through committed credit facilities. The Group has a policy of limiting the credit exposure to any single financial institution and bank, and actively manages its exposure in order to achieve this. To have available liquidity in all subsidiaries at all times might be challenging due to challenging market conditions.

The Group's counterparty credit risk has historically been low as the Group's customers traditionally have had good financial capability to meet their obligations and have had high credit ratings. The sustained challenging market situation has resulted in changes to the credit ratings for some of the Group's customers, and thereby increased the credit risk. Historically, the portion of receivables not being collectable has been low. Revenue from the 10 largest customers, large oil companies and service providers, represent approximately 62% of the Group's revenue, whereof Petrobras represent the largest customer.

Liquidity risk management implies maintaining sufficient cash, marketable securities, available funding through committed and uncommitted credit facilities and ability to close market positions. For further information about cash and cash management, see note 17 'Cash and cash equivalents'.

The standstill agreements and the short-term liquidity loan off NOK 100 million drawn in 2020, covers the Group's short-term liquidity needs. The Group is dependent on extension of the existing standstill agreements until a long-term refinancing solution has been agreed.

The Group has routines to report cash flow forecasts on a regular basis in order to monitor the Group's future cash position.

Capital structure and equity

The restructuring of the Group's debt has been ongoing in 2021 and standstill agreements have been agreed until the 30th of April 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 bondholders in DOFSUB07, DOFSUB08 and DOFSUB09 have accepted a standstill until the 30th of April 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 DOF Subsea AS's 50% guarantee of the DOFCON loan facilities have been waived.

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 has in accordance with IFRS, been classified as current debt as per 31st of December 2021. This classification is based on that standstill agreements for debt service with the banks and bondholders



DOF Subsea Group

Amounts in NOK million

are less than 12 months. The Group is dependent on a robust refinancing solution and 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 debt.

Under normal circumstances, the main objective when managing the Group's capital structure is to ensure that the Group is able to sustain an acceptable credit rating and thereby achieve favorable terms and conditions for long-term funding which is suitable for the Group's operation and growth. The Group manages its own capital structure and carries out all necessary amendments to the capital structure, based on continuous assessments of the economic conditions under which the operations take place and the short and medium to long-term outlook.

Amounts in NOK million	
2021 figures	
Interest-bearing debt	9 100
Interest-bearing assets non-current (sub-lease)	134
Restricted deposits	116
Cash	1 067
Net interest bearing debt	7 784
<hr/>	
Total equity	2 594
<hr/>	
Total equity and net debt	10 378
<hr/>	
Debt ratio	75%

During the standstill period, the Group's main financial covenants have been waived. For further information, see note 19 'Interest bearing debt'.

3. Accounting estimates and assessments

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

Debt to credit institutions and bondholders

Debt to credit institutions and bondholders have 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 and bondholders.

For further information about debt to credit institutions and bondholders, see note 19 'Interest-bearing debt'.

Vessels

The carrying amount of the Group's vessels represents 49% of the total consolidated statement of financial position. Consequently, policies and estimates linked to the vessel values have a significant impact on the Group'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 31 'Accounting policies' paragraph H, for information on tangible assets.

Useful life and climate risk

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.

The economic life of the vessels and the risk of stranded assets will depend on the Group's ability to reach the EU's climate and energy targets for 2030 and the objectives of the European green deal. A short or longer economic life will in turn affect the value of the Group's vessels and equipment as well as future depreciation.

The Group's vessel operations are the significant driver for the Group's climate footprint and the Group has for many years systematically worked to reduce the total climate footprint. The Group's overall goal is to reduce emissions per operational day by 3% each year towards the foreseeable future through various methods, using digital tools, deep learning, machine learning, data collection, and further increasing the competence and operational environmental awareness by the workforce. The Group is adapting to the zero-mindset emission philosophy and is on track to reach IMO requirements to reduce the Groups CO2 footprint by 40% within 2030 compared to the starting point in 2008.

There will always be a risk that a change in regulation and the market's requirements for sustainable operation may affect the economic life of the Groups vessels and in turn increase the risk of asset being stranded. The Group has therefore established various projects that continuously assess changes in climate risk and possible mitigating measures to manage the climate risk and the risk of stranded assets.



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Established strategies and the concrete plans are evaluated to be sufficient to mitigate the risk of stranded assets and to ensure economic life of 30 years.

For more information about the Group's projects and activities related to emissions and energy reduction, see the Group's Sustainability section.

Impairment of assets

Vessels

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

Fair value less cost to sell

For vessels, fair value less cost to sell is based on an average of brokers' estimates, taken into account sales commission. All vessels in the Group are assessed by obtaining independent broker estimates. The brokers' estimates are based on the principle of 'willing buyer and willing seller'. Broker estimates include mounted equipment and assume that the vessels are without any charter contracts (i.e. charter-free basis). The Group 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 Group 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 Group 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 Group has seen increased activity during 2021 and high tender activity into 2022. It is however, too early to conclude on a market recovery, hence, future earnings are difficult to forecast. The market is expected to be 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.

ROVs

The ROVs are defined as interchangeable with each other and are therefore identified as one CGU. Value in use calculation is performed for all ROVs as a group and impairment will be recognised if the recoverable amount from the value in use calculation for the whole group of ROVs is lower than carrying amount of the group of ROVs. Principles for calculation of future cash flows and WACC are the same as described for vessels.

Tax

Changes in tax regimes may adversely affect the Group's cash flows and financial condition. Certain companies in the Group are subject to special tax rules for ship owners in the Norwegian Taxation Act (§ 8-10 - § 8-20). The Norwegian tonnage tax scheme is approved as legal state aid under the EU guidelines for a 10-year period, from 1st of January 2018 until 31st of December 2027. These tax rules stipulate certain requirements which will have to be met. A failure to meet such requirements may have an adverse effect on the effective tax rate of the Group. The Group is also subject to transfer pricing regulations in various jurisdictions which might impose the tax risk for the Group.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements per IAS 12 'Income taxes'. Please refer to note 31 'Accounting policies', paragraph P.

Deferred tax asset is recognised in the consolidated 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 carried forward or deductible can be utilised. Continued challenging market situation, low utilisation on vessels, equipment and personnel has resulted in lower earnings and increased risk in some tax jurisdictions. In this context, there is an inherent uncertainty in forecasting the amount, timing of future taxable profits and the reversal of temporary differences. As a result of this, the Group has only to a limited extent recognised deferred tax assets.

For further information about deferred tax assets and tax loss carried forward please refer to note 9 'Tax'.

In general, attention and follow-up from tax authorities are increasing in all tax jurisdictions. This should be seen in relation to OECD and G20 countries implementation of the Base Erosion and Profit Shifting (BEPS) reporting requirements. The general trend is that each individual country has become more concerned about protecting their tax base, and in this context the Group experiences more tax audits in all countries where the Group operates. Present tax claims and disputes are at period end in an administrative or legal process with local tax authorities. Tax claims are disputed, and the Group considers the risk of negative outcomes of each individual tax claims to be lower than 50% and has therefore not recognised any provision for each individual tax claim.

In total the Group has exposures due to ongoing tax audit of approximately NOK 74 million at year-end 2021 compared to NOK 83 million in 2020.

The Group has operated in several new tax jurisdictions last couple of years. In combination with increased focus from the tax authorities, the total tax risk has increased. To mitigate the increased tax risk, the Group has recognised a general tax provision of NOK 40 million. See note 9 'Tax' for further information about tax.

In 2014, the Brazilian Federal Revenue issued a Tax Assessment Notice against DOF Subsea Brasil Ltda (the Company). Loans given by the Parent Company to DOF Subsea Brasil Ltda were deemed to be taxable revenue for the Company. The Tax Assessment Notice was disputed,



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but on 7th of February, 2019, the court of first instance in Macae ruled against the Company. Estimated amount of the claim is approximately BRL 29.5 million (NOK 47 million) plus interest and charges. On February 13, 2019, the Company filed a clarification appeal before the same court. The Company intends to defend its position and considered it to be more likely than not that the final verdict will conclude that the loans received by the Company will not be reclassified as taxable revenue. No provision related to the dispute is included in DOF Subsea Group's accounts as of 31st of December 2021. However, DOF Subsea has provided security for the tax claim and the amount is included in restricted cash. Outcome of such processes are uncertain and changes in assumptions, interpretations and circumstances might result in future cash outflow for the Group.

4. Segment information and Management Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-makers, as defined in note 31 'Accounting policies', paragraph C. The chief operating decision-makers are responsible for allocating resources and assessing performance of two operating segments: Subsea/IMR Projects and Long-term Chartering.

The segment reporting below is presented according to internal management reporting, based on the proportionate consolidation method of accounting for joint ventures. The bridge between the management reporting and the figures reported in the financial statements is presented below. Please refer to note 28 'Investment in joint ventures and associates' for further information on investments.

The Subsea/IMR Projects segment is the Group's largest segment, accounting for 71% of the Group's total revenues for the period ended 31st of December 2021 (61% in 2020). From 1st of January 2021, Skandi Acergy was transferred to the Subsea/IMR segment. By year-end, the Group operated 17 subsea vessels in the Subsea/IMR Projects segment, of which 2 vessels was hired in from an external party. Within the segment, the Group has been awarded several long-term contracts over the last years, among others, the 7-year contract with Shell Philippines, the 5-year contract with Shell Australia, the 3-year MSPV contract with Esso in Australia, the 10-year contract with Husky Energy in Canada, the 3-year diving contract with Petrobras, the 3-year MSPV contract for Petrobras, and the 15-month PIDF project in Brazil.

Typical clients of the Group's Long-term Chartering services are major oil companies and subsea entrepreneurs.

In management reporting for 2021 DOF Subsea Group's share of impairment of vessel in the joint venture, NOK 98 million (NOK 121 million in 2020) has been recognised. In the joint venture company DOFCON Navegacao Ltda, a hedging position in Brazilian Real that was closed in 2017 in relation to conversion to functional currency USD, implying a profit or loss effect (unrealised financial cost) of negative NOK 30 million in 2021 (NOK 56 million in 2020). The correction does not affect the company's cash- or equity position.

The impairment and the hedging correction give a total negative effect on the Group's "Share of net income of joint ventures and associates" with NOK 128 million (NOK 177 million in 2020). The negative effect on NOK 128 million (NOK 177 million in 2020) is included in the bridge between the management reporting and the financial statements.

Adjusted for these two effects, "Share of net income of joint ventures and associates" in the consolidated statement of comprehensive income had increased from NOK 296 million to NOK 424 (NOK 573 million to NOK 750 million for 2020).



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	Management reporting			Financial Statements	
	Subsea/IMR Projects	Long-term Chartering	Total	Reconciliation to equity method	Total
2021					
Operating revenue	3 943	1 602	5 545	-1 241	4 303
Operating profit before depreciation and impairment (EBITDA)	816	1 192	2 087	-709	1 378
Depreciation and impairment			-1 236	402	-837
Operating profit (EBIT)			848	-307	541
Net financial income / loss excl. unrealised net gain / loss on derivative instruments and currency position			-611	187	-424
Unrealised net gain / loss on derivative instruments and currency position			-36	47	11
Profit / loss before tax			201	-73	128
Tangible assets	5 059	2 177	7 226	-	7 226
Tangible assets jointly controlled companies	-	5 853	5 853	-5 853	-
Total tangible assets	5 049	8 030	13 079	-5 853	7 226

	Subsea/IMR Projects	Long-term Chartering	Total	Reconciliation to equity method	Total
	2020				
Operating revenue	3 282	2 055	5 337	-1 352	3 984
Operating profit before depreciation and impairment (EBITDA)	602	1 585	2 187	-526	1 661
Depreciation and impairment			-3 271	350	-2 921
Operating profit (EBIT)			-1 084	-176	-1 260
Net financial income / loss excl. unrealised net gain / loss on derivative instruments and currency position			-1 392	296	-1 096
Unrealised net gain / loss on derivative instruments and currency position			250	-6	244
Profit / loss before tax			-2 226	115	-2 112
Tangible assets	4 770	2 926	7 696	-	7 696
Tangible assets jointly controlled companies	-	5 813	5 813	-5 813	-
Total tangible assets	4 770	8 739	13 509	-5 813	7 696

Consolidated statement of cash flows	31.12.2021 Consistent with management reporting		31.12.2021	31.12.2020 Consistent with management reporting		31.12.2020
	Reconciliation to equity method			Reconciliation to equity method		
Net cash flow from operating activities	1 565	-861	704	1 705	-824	881
Cash flow from investing activities	-615	463	-152	-194	306	112
Cash flow from financing activities	-1 111	396	-715	-549	344	-205
Net change in cash and cash equivalents	-161	-2	-163	961	-173	788
Cash and cash equivalents at the beginning of the period	1 782	-452	1 330	1 238	-304	934
Exchange rate effect on cash and cash equivalents	30	-14	16	-417	25	-392
Cash and cash equivalents at the end of the period	1 651	-468	1 183	1 782	-452	1 330



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5. Operating revenue

The Group's revenue from contracts with customers has been disaggregated and presented in the tables below:

Operating revenue	Note	2021	2020
Lump sum contracts		117	337
Day rate contracts		4 187	3 647
Total operating revenue		4 303	3 984

Geographical distribution of operating revenue 2021	Angola	Norway	Great Britain	Brazil	Australia	Canada	USA	Other	Total
Operating revenue	385	416	619	1 169	844	204	231	437	4 303

Geographical distribution of operating revenue 2020	Angola	Norway	Great Britain	Brazil	Australia	Canada	USA	Other	Total
Operating revenue	148	729	951	559	382	297	264	653	3 984

Geographical distribution of revenue from contracts with customers is based on the location of clients. In 2021, one client accounted for more than 10 % of the Group's revenue.

In 2020 the Group received NOK 110 million in compensation for two cancelled contracts. The cancellation fee is included in total operating revenue above.

The lease portion of revenue contracts are included in revenue from contracts with customers presented above. The right to use the vessel will normally be within the range 30-80% of the total contract value. Please refer to note 3 'Accounting estimates and assessments' and note 31 'Accounting policies', paragraph O, for information on revenue recognition.

6. Payroll expenses

Payroll expenses	Note	2021	2020
Salary	26	-682	-627
Contract labor on vessels		-528	-495
Employer's contributions		-111	-99
Pension costs		-32	-32
Other personnel costs		-42	-117
Total payroll expenses		-1 395	-1 371
Full-time employees (at period end)		1 366	1 150

Pension costs above include defined benefit and defined contribution pension plans. The main part of the pension cost is related to the defined contribution pension plan. Please refer to note 31 'Accounting policies', paragraph Q, for information on employee benefits.

As of 31st of December 2020, the Group's defined benefit pension plan covered a total of 49 employees and 6 people in retirement. From 01.01.2021 the Defined benefit pension scheme for offshore employees have been phased out.



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7. Other operating expenses

Other operating expenses	2021	2020
Short-term lease of vessels including crew expenses	-189	-181
Technical costs	-124	-123
Hired personnel	-361	-224
Equipment cost	-524	-394
Bunkers	-155	-110
Administration cost	-169	-172
Amortisation of contract cost	-65	-27
Other operating expenses	-318	-299
Total other operating expenses	-1 905	-1 529

8. Financial income and expenses

Financial income and expenses	Note	2021	2020
Interest income	25	17	25
Guarantee income from Joint Ventures	28	23	24
Interest income from sub-lease	11, 31.X	3	6
Gain on settlement of loan facility	19	249	-
Government support - debt forgiveness*		37	-
Other financial income		10	3
Financial income		339	58
Interest expenses		-556	-525
Interest expenses on lease liability (right of use debt)	13	-15	-18
Interest expenses payable to DOF ASA companies	25	-7	-13
Other financial expenses		-40	-133
Financial expenses		-618	-690
Realised foreign currency net gain / loss on non-current debt and current debt		-164	-19
Realised foreign currency net gain / loss on current receivables / liabilities		-1	-345
Realised net gain / loss on foreign exchange derivatives		20	-101
Realised net gain / loss on derivative instruments and currency position		-145	-465
Unrealised foreign currency net gain / loss on non-current debt and current debt		-10	351
Unrealised foreign currency net gain / loss on current receivables / liabilities		-7	-72
Net change in unrealised gain / loss on foreign exchange derivatives		-	12
Net change in unrealised gain / loss on interest rate derivatives		28	-47
Unrealised net gain / loss on derivative instruments and currency position		11	244
Net financial income / loss		-413	-852

* The Group's operations in the United States have qualified for loans granted as part of United States response and support in connection with COVID-19. Total loan forgiven in 2021 is USD 4.3 million, equivalent to NOK 37 million. The effect of the debt forgiveness is presented as financial income in 2021.



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9. Tax

Income tax expense	2021	2020
Current tax on profits for the year	-67	-51
Change in deferred tax	21	-52
Payable tax in Norway*	-	-22
Income tax expense	-46	-126

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

Reconciliation of nominal and effective tax rate	2021	2020
Profit / loss before tax	128	-2 112
Tax estimated by use of domestic tax rates applicable to profits in the respective countries*	5	277
Tax effect of:		
Income/expenses not deductible for tax purposes	-6	7
Tax effect of write down of financial assets	-	-11
Unrecognised tax losses and temporary differences	-47	-495
Adjustments in respect to prior years	-4	3
Withholding taxes and effect of different tax regimes	-59	-40
Joint ventures and associates results reported net of tax	65	133
Income tax expense	-46	-126

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

Tax effect other comprehensive income	2021		
	Before tax	Income tax	After tax
Currency translation differences	-37	1	-36
Share of other comprehensive income of joint ventures and associates	115	-	115
Other comprehensive income	78	1	79

Tax effect other comprehensive income	2020		
	Before tax	Income tax	After tax
Currency translation differences	25	-	25
Share of other comprehensive income of joint ventures and associates	-47	-	-47
Other comprehensive income	22	-	22

The gross movement on the deferred tax in the statement of financial position	2021	2020
At 01.01	48	-4
Tax related to comprehensive income	21	-52
Tax related to components of other comprehensive income	1	-
At 31.12	26	48



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Deferred tax

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

Basis for deferred tax	2021	2020
Non-current assets	80	-46
Current assets	28	-103
Liabilities	-704	-807
Tax position related to sold assets	2	19
Other differences	13	7
Total temporary differences	-582	-930
Temporary differences not included as deferred tax (+)	713	1 162
Total temporary differences included as deferred tax	131	231
Tax loss carried forward*	-4 934	-4 736
Tax loss not included as deferred tax asset	4 934	4 736
Tax loss included as deferred tax assets (-)	-	-
Basis for calculating deferred tax / tax asset (-)	131	231
Deferred tax / tax asset (-) calculated at domestic tax rates (17-35%)	26	48
Deferred tax (included in other non-current liabilities)	35	57
Deferred tax asset	-9	-9
Total deferred tax / tax asset (-) recognised in the statement of financial position	26	48

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

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

2021				
Country	Tax-loss carried forward	Temporary differences	Tax rate	Deferred tax asset
Norway	-	161	22%	35
Australia	-	-30	30%	-9
Total	-	131		26
2020				
Country	Tax-loss carried forward	Temporary differences	Tax rate	Deferred tax / Deferred tax asset(-)
Norway	-	260	22%	57
Australia	-	-29	30%	-8
Total	-	231		48

For information on current and deferred tax, please refer to note 31 'Accounting policies', paragraph P.



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10. Earnings per share

Basis for calculating earnings per share	2021	2020
Profit / loss attributable to shareholders of the parent company	92	-2 187
Weighted average number of outstanding shares	167 352 762	167 352 762
Weighted average number of outstanding shares, diluted	167 352 762	167 352 762
Basic and diluted earnings per share (NOK)	0.55	-13.07

11. Tangible assets

2021	Vessels	Periodic maintenance	ROVs	Operating equipments	Right-of-use property	Total
Cost at 01.01	12 720	1 111	1 750	806	320	16 707
Additions	73	273	101	23	1	472
Disposals	-644	-68	-4	-	-	-715
Reallocation	-9	-	4	7	-	2
Currency translation differences	-7	-4	1	-1	-	-11
Cost at 31.12	12 133	1 313	1 853	836	321	16 456
Depreciation at 01.01	-1 949	-848	-1 219	-527	-77	-4 620
Depreciation for the year	-334	-128	-126	-42	-34	-665
Depreciation eliminated on disposals	84	59	2	-	-	145
Reallocation	-	-	-	-	-	-
Currency translation differences	-5	3	-1	1	1	-2
Depreciation at 31.12	-2 204	-915	-1 344	-568	-111	-5 142
Impairment at 01.01	-4 294	-	-13	-57	-26	-4 390
Impairment for the year	-202	-	-	-	-	-202
Reversal of impairment	30	-	-	-	-	30
Impairment eliminated on disposals	476	-	-	-	-	476
Currency translation differences	-	-	-	-	-	1
Impairment at 31.12	-3 990	-	-13	-57	-26	-4 086
Book value at 31.12	5 940	398	495	209	185	7 226
Lease assets included in book value			228	52	185	465
Asset lifetime (years)	30	2,5-5	12	5-15	5-30	
Depreciation schedule	Linear	Linear	Linear	Linear	Linear	



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2020	Vessels	Periodic maintenance	ROVs	Operating equipments	Right-of-use property	Total
Cost at 01.01	12 879	1 031	1 740	977	294	16 920
Additions	8	111	11	15	28	174
Disposals	-	-	-	-2	-3	-6
Reallocation	-34	-	14	-155	-	-175
Currency translation differences	-133	-30	-16	-29	1	-206
Cost at 31.12	12 720	1 111	1 750	806	320	16 707
Depreciation at 01.01	-1 894	-743	-1 077	-615	-42	-4 371
Depreciation for the year	-90	-127	-157	-39	-36	-449
Depreciation eliminated on disposals	-	-	-	1	1	2
Reallocation	14	-	1	103	-	117
Currency translation differences	21	21	14	23	1	80
Depreciation at 31.12	-1 949	-848	-1 219	-527	-77	-4 620
Impairment at 01.01	-1 923	-	-14	-44	-26	-2 007
Impairment for the year	-2 371	-	-	-15	-	-2 385
Impairment eliminated on disposals	-	-	-	1	-	1
Currency translation differences	-	-	-	-	-	1
Impairment at 31.12	-4 294	-	-13	-57	-26	-4 391
Book value at 31.12	6 478	263	517	221	217	7 696
Lease assets included in book value			232	59	217	509
Asset lifetime (years)	20	2.5-5	12	5-15	5-30	
Depreciation schedule	†) Linear	Linear	Linear	Linear	Linear	

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

Useful life and residual value

The Group has reassessed useful life of vessels from 20 years to 30 years with effect from 01.01.2021. The residual value has been set to zero after 30 years. In 2020, the residual value was determined based on estimated fair value after 20 years. The change in useful life and residual value have in total increased annually depreciations.

Disposal

The vessel Geosund has been delivered to new owners in January 2022. The vessel is per Q3 derecognised from tangible asset and classified as financial lease. In addition Geograph was sold in the 2nd quarter 2021. Total gain on sale of tangible assets in 2021 amounts to NOK 78 million.

Finance leases of tangible assets

The Group's assets held under finance leases include several ROVs. For further information on these, please refer to note 13 'Leases' and note 31 'Accounting policies', paragraph H and I.



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Impairment

Impairments in 2021 with NOK 172 million includes reversal of earlier impairments with NOK 30 million related to Skandi Neptune. The Group has signed a sales agreement for delivery of the vessel in Q3 2022.

The drop in fair market values has stabilised for the majority of the fleet in 2021. The market conditions are expected to remain challenging, and the timing of market recovery remains uncertain. A continuing weak market and high volatility in currencies may increase the risk for further impairment of the Group's assets going forward.

There are signs of improved markets in several regions and increased demand for offshore vessels within the offshore wind segment. It is however still too early to conclude on a market recovery. Hence, future earnings and asset values are difficult to forecast. A continuing weak market will further increase the risk of lower earnings for the Group and put more pressure on the Group's liquidity position. If a robust long-term refinancing solution is not achieved and the Group cannot be treated as a going concern, the valuation of the Group's assets may be further revised and will result in significantly impairments of the Group's assets.

Vessel	Impairment	Basis for recoverable amount	Segment	Measurement level
Geoholm	-5	Fair value less cost of disposal	Subsea / IMR Projects	3
Geosund	-16	Fair value less cost of disposal	Subsea / IMR Projects	3
Skandi Carla	-17	Fair value less cost of disposal	Subsea / IMR Projects	3
Skandi Neptune	30	Fair value less cost of disposal	Subsea / IMR Projects	3
Skandi Patagonia	-65	Fair value less cost of disposal	Long-term Chartering	3
Skandi Hawk	-21	Value in use	Subsea / IMR Projects	3
Skandi Constructor	-16	Value in use	Subsea / IMR Projects	3
Skandi Africa	-63	Fair value less cost of disposal	Long-term Chartering	3
Total impairment	-172			
Total book value of impaired vessels	2 967			

2020

Vessel	Impairment	Basis for recoverable amount	Segment	Measurement level
Geograph	-45	Fair value less cost of disposal	Subsea / IMR Projects	3
Geoholm	-109	Value in use	Subsea / IMR Projects	3
Geosund	-49	Value in use	Subsea / IMR Projects	3
Skandi Acergy	-273	Value in use	Long-term Chartering	3
Skandi Achiever	-249	Value in use	Subsea / IMR Projects	3
Skandi Carla	-78	Value in use	Subsea / IMR Projects	3
Skandi Hercules	-158	Value in use	Subsea / IMR Projects	3
Skandi Neptune	-168	Value in use	Subsea / IMR Projects	3
Skandi Patagonia	-97	Value in use	Long-term Chartering	3
Skandi Seven	-187	Value in use	Subsea / IMR Projects	3
Skandi Singapore	-256	Value in use	Subsea / IMR Projects	3
Skandi Skansen	-170	Value in use	Subsea / IMR Projects	3
Skandi Hawk	-144	Value in use	Subsea / IMR Projects	3
Skandi Constructor	-259	Value in use	Subsea / IMR Projects	3
Skandi Africa	-127	Value in use	Long-term Chartering	3
Skandi Vinland	-3	Value in use	Subsea / IMR Projects	3
Total impairment to Vessels	-2 371			
Total book value of impaired vessels	6 328			

Depreciation and impairment	Note	2021	2020
Depreciation tangible asset		-665	-449
Impairment tangible asset		-202	-2 385
Reversal of impairment		30	-
Impairment Goodwill		-	-85
Depreciation and impairment		-837	-2 921



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Sensitivity analysis of impairment

Impairment tests are highly USD sensitive and a drop in USD/NOK of NOK 0.5 will result in an additional impairment of NOK 91 million, given no change in other assumptions. While testing the reasonableness of the broker estimates the Group has applied a nominal WACC after tax of 9.3 %. An increase in WACC by 50 basis points will result in an additional impairment of the vessels of NOK 13 million. Negative effect on net future cash flows with 20% will result in an additional impairment of the vessels with NOK 682 million. Sensitivity analyses for vessels owned by the joint venture DOFCON Brasil are discussed in note 28 'Investment in joint ventures and associates'.

The Group has a new fleet of vessels and as a result, the future cash flows for the vessels are long. The key assumptions in a discounted cash flow calculation for vessels are utilisation and charter rates. Changes in these assumptions could have considerable effects on the value of the vessels.

12. Contract cost

31.12.2021	2021	2020
Net booked value 01.01	51	-
Additions	102	45
Reclassification from tangible assets	-4	35
Amortisation	-65	-27
Currency translation differences	-	-2
Net booked value 31.12	84	51

The Group has presented and recognised contract cost as intangible asset in accordance with policies described in note 31 'Accounting policies', paragraph O. The main part of the contract costs is related to mobilisation of vessels, equipment and offshore personnel.

Amortisation of contract costs are recognised over the contract period of the related contract as other operating expenses.

13. Leases

Operating lease income - the Group as lessor

DOF Subsea Group acts as a lessor in connection to operating leases. The leases relates to the time charter and bareboat contracts on vessels and equipment in the Long-term Chartering segment. For time charter contracts both the lease component and service component are included in the overview of future minimum lease revenue. Vessels on operating lease are recognised as tangible assets, see note 11 'Tangible assets'. Lease payments received are recognised in the statement of comprehensive income. Future minimum operating lease income arising from contracts on vessels at period end is shown in overview below. All contracts in foreign currency are converted to NOK using the exchange rate at 31st of December 2021.

Overview of future minimum lease revenue	Within 1 year	2-5 years	After 5 years	Total
Minimum operating lease income amounts falling due in the periods	301	385	-	685
Minimum operating lease income amounts falling due in the periods including joint ventures	1 814	4 488	32	6 334

Total future minimum operating lease income from contracts is NOK 685 million (NOK 1,007 million).

Total future minimum operating lease income including joint ventures from contracts is NOK 6,334 million (NOK 7,901 million).

Please refer to note 31 'Accounting policies', paragraph I, for further information on operating leases.



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Leases of tangible assets - the Group as lessee

The Group leases mainly vessels ROVs, warehouses and office buildings. The bareboat contract of Skandi Darwin is classified and presented as a sub-lease. In addition, the vessel Geosund has been agreed sold and is derecognised as tangible asset and classified and presented as a sub-lease in 2021.

Amounts recognised in the statement of financial position;

	2021	2020
Tangible assets - ROVs and operating equipment	280	291
Tangible assets - right-of-use property	185	217
Total tangible assets	465	509
Non-current receivables sub-lease	7	52
Current receivable sub-lease	128	-
Total assets	599	561
Non-current debt to credit institution for lease of ROVs	-	-
Current debt to credit institution for lease of ROVs	132	161
Non-current lease - right of use property	196	272
Current lease - right of use property	78	83
Total liabilities	406	515

On long-term contracts for lease of ROVs with low residual value, the Group has assumed an expectation of purchase of the asset. Other contracts are presented as right-of-use assets and is mainly related to lease of property. Please refer to note 11 'Tangible assets' for further information of the effect on tangible assets. The lease debt for ROVs, where the Group assume to purchase the assets, is presented as part of debt to credit institution. Debt related to right-of-use assets and sub-lease is presented as lease debt. Please refer to note 19 'Interest-bearing debt' for further information on lease debt.

Amounts recognised in statement of comprehensive income;

	2021	2020
Short-term lease expenses of vessels including crew related cost	-189	-181
Depreciation ROVs and operating equipment	-38	-51
Depreciation right of use property	-34	-36
Total depreciation and impairment	-71	-87
Interest income	3	6
Interest expenses	-15	-18
Net financial income / loss	-12	-13
Total expenses in statement of comprehensive income	-272	-281
Financial lease	2021	2020
Cost at 01.01.	761	974
Additions	63	30
Disposals	-58	-243
Currency translation differences	-	1
Cost at 31.12.	766	761
Depreciation at 01.01.	-223	-255
Depreciation for the year	-71	-87
Depreciation disposals	22	119
Currency translation differences	1	-
Depreciation at 31.12.	-272	-222
Impairment 01.01.	-30	-30
Impairment for the year	-	-
Impairment 31.12	-30	-30
Book value at 31.12	465	509

Leased assets that are purchased from the Group after the end of the lease period are included in disposals.



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14. Non-current assets

Non-current assets	Note	2021	2020
Non-current receivables from DOF ASA companies	25	45	70
Non-current receivables from joint ventures and associated companies	25	-	107
Derivative financial instruments	22	-	-
Contract cost	12	84	51
Other non-current receivables		24	36
Non-current receivables sub-lease	13	7	52
Provision for bad non-current receivables	25	-45	-70
Total non-current assets at 31.12		114	246

For further information about lease liability, see note 19 'Interest-bearing debt'. A provision of NOK 45 million is related to non-current receivable from DOF ASA companies.

15. Trade receivables

Trade receivables	2021	2020
Trade receivables at nominal value	593	509
Contract assets	388	151
Allowance for expected credit losses	-6	-32
Total trade receivables	975	628

Currency specification at 31.12.2021	AUD	USD	BRL	NOK	CAD	Other	Total
Trade receivables	116	497	230	27	74	32	975
Aging profile and credit risk at 31.12.2021	Total	Not matured	< 30 d		30-60 d	60-90 d	>90 d
Trade receivables at nominal value	593	516	32		7	13	25
Expected credit loss rate		0.2%	2.5%		3.0%	7.0%	12.0%
Loss allowance trade receivables	6	1	1		-	1	3
Loss allowance specific contract	-						
Contract asset		388					
Expected credit loss rate		0.2%					
Loss allowance contract asset	-	1					
Total expected loss allowance	6						

Currency specification at 31.12.2020	AUD	USD	BRL	NOK	GBP	Other	Total
Trade receivables	225	160	94	74	55	20	628
Aging profile and credit risk at 31.12.2020	Total	Not matured	< 30 d		30-60 d	60-90 d	>90 d
Trade receivables at nominal value	509	386	39		37	1	46
Expected credit loss rate		0.2%	2.5%		3.0%	7.0%	12.0%
Loss allowance trade receivables	4	1	1		1	-	2
Loss allowance specific contract	28						28
Contract asset		151					
Expected credit loss rate		0.2%					
Loss allowance contract asset	-	-					
Total expected loss allowance	32						

The majority of the Group's trade receivables are to major international energy companies and subsea entrepreneurs. Historically the Group has had insignificant losses on trade receivables. Within the Subsea/IMR Projects segment, payment milestones in the contracts and variation orders impact the cash collection for the Group and potentially lead to short-term fluctuations in trade receivables. An impairment analysis is performed at each reporting period to measure expected credit losses. The contract asset and trade receivables have substantially the same risk characteristics and the same loss rates has been used for calculation of loss allowance. General allowance for expected credit losses 31st of December 2021 and 31st of December 2020 has been based on historical losses and updated view on general risk in the Group's industry.



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For further information about credit risk see note 2 'Financial risk management'. For further information on trade receivables, please see note 31 'Accounting policies', paragraph G.

16. Other current assets

Other current assets	Note	2021	2020
Receivables from DOF ASA companies	25	128	71
Receivables from joint ventures	25	126	222
Government taxes receivable (VAT)		-1	39
Prepaid expenses		67	47
Insurance claims		2	5
Fuel reserves and other inventory		56	49
Sub lease asset		128	45
Other current assets		-1	6
Total other current receivables at 31.12		503	485

17. Cash and cash equivalents

Cash and cash equivalents	2021	2020
Total restricted cash	578	264
Restricted cash serving as security for loans	-462	-145
Restricted cash net	116	118
Unrestricted cash and cash equivalents	1 067	1 212
Total cash and cash equivalents at 31.12	1 183	1 330

Restricted cash consists of cash only available for specific purposes. A portion of this cash serves as security for outstanding debt following enforcements of account pledges. The balance of these accounts sums up to NOK 462 million. Some lenders have exercised their right to set off such cash balances toward the outstanding loans. The Group has therefore chosen to present all restricted cash serving as security for loans, net of debt to credit institutions.

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

Surplus cash transferred to the Group's cash pool will be available at all times to meet the Group's financial obligations at any time. Some subsidiaries are not part of the cash pool. Surplus cash in these companies is not immediately available for the rest of the Group. The main part of this is the DOF Installer ASA unrestricted cash balance of NOK 563 million.

For further information about market-, credit- and liquidity risk see note 2 'Financial risk management'.

Group cash pool	2021		2020	
	Amount in currency	Book value	Amount in currency	Book value
NOK	38	38	133	133
USD	11	95	5	43
GBP	3	31	-	1
EUR	-	2	1	12
CAD	1	5	4	24
AUD	2	13	-	-
Net Group cash pool		184		212



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18. Share capital and share information

Share capital

The share capital in DOF Subsea AS was NOK 1 674 million comprising 167 352 762 shares, each with a nominal value of NOK 10.00.

Shareholder overview

Shareholders at 31.12.2021	No. of shares	Proportion of ownership	Share capital
DOF ASA	167 352 762	100%	100%

Board of Directors	Title
Hans Olav Lindal	Chairman
Helge Singelstad	Director
Kathryn M. Baker	Director
Marianne Møgster	Director
Harald Lauritz Thorstein	Director

Executives	Title
Mons S. Aase	CEO
Martin Lundberg	CFO

The Company is a part of DOF ASA. Please refer to the DOF ASA annual report for shares held in DOF ASA by the management and the Board of Directors. The annual report is published at www.dof.no.

19. Interest-bearing debt

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

The restructuring of the Group's debt has been ongoing in 2021 and standstill agreements have been agreed until the 30th of April 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 bondholders in DOFSUB07, DOFSUB08 and DOFSUB09 have accepted a standstill until the 30th of April 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 Group will continue the dialogue with its creditors to secure a long-term financial solution for the Group. Various debt restructuring proposals have been discussed and the proposals include comprehensive restructuring of the Group's balance sheet, including conversion of debt.

The Group's secured- and unsecured debt are, in accordance with IFRS, classified as current debt at the 31st of December 2021. This classification is based on the Group's financial situation and standstill agreements of debt service with the banks and bondholders.

Restructuring costs related to advisory and legal fees amounts to NOK 45 million in 2021 and are included in the financial costs in the result.

For further information on interest-bearing debt and potential effect on going concern assumption, please refer to note 30 'Events occurring after period end' and note 1 'Corporate information and going concern'.



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	2021	2020
Non-current interest-bearing debt		
Bond loans	-	-
Debt to credit institutions	-	-
Lease liabilities	196	272
Total non-current interest-bearing debt	196	272
Current interest-bearing debt		
Bond loans	2 979	2 554
Debt to credit institutions	5 847	6 326
Lease liabilities	78	83
Total current interest-bearing debt	8 904	8 963
Total non-current and current interest-bearing debt	9 100	9 234
Net interest-bearing debt		
Cash and cash equivalent	1 183	1 330
Other interest-bearing assets	134	97
Total net interest-bearing debt	7 784	7 807

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

Cash and non-cash changes in total borrowings

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

2021	Cash changes			Non-cash changes					
	Balance 31.12.20	Netting of restricted cash	Cash flows	Debt forgiveness	Capitalisation of interest and other changes	Proceed lease debt	Amortised loan expense	Currency adjustment	Balance 31.12.21
Interest bearing debt									
Bond loans	2 554	-	-	-	379	-	5	41	2 979
Debt to credit institutions	6 326	-315	-323	-249	237	35	6	131	5 847
Lease liabilities	354	-	-78	-	-	1	-	-3	274
Total interest bearing debt	9 234	-315	-400	-249	616	36	11	169	9 100
2020									
Interest bearing debt									
Bond loans	2 590	-	-	-	-	-	1	-36	2 554
Debt to credit institutions	6 673	-146	21	-	137	-	6	-363	6 326
Lease liabilities	404	-	-80	-	-	28	-	2	354
Total interest bearing debt	9 667	-146	-59	-	137	28	7	-397	9 234



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Lease debt

The table below summarises the repayment profile of leases;

Lease debt	2022	2023	2024	2025	2026	Subsequent	Total
Lease liabilities - related to ROV equipment	132						132
Lease liabilities - right-of-use asset and sub-lease	78	36	30	30	28	71	274
Total	210	36	30	30	28	71	406

Lease repayment profile for the lease debt above is excluded interest payments. Interest on lease liabilities in table above is measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate. The weighted average lessee's incremental borrowing rate applied to the lease liabilities presented are in the range of 4%-6%.

Liabilities secured by mortgage	2021	2020
Liabilities to credit institutions, incl. leases	5 562	5 987
Book value of assets pledged as security*	6 852	7 393
Average rate of interest	6.37%	5.51%

*) for some of the vessels receivables are pledged as security

Currency distribution current and non-current liabilities	31.12.2021			31.12.2020		
	Currency	NOK	Ratio	Currency	NOK	Ratio
USD	610	5 382	59%	650	5 548	60%
NOK	3 278	3 278	36%	2 965	3 298	36%
CAD	60	413	5%	58	388	4%
GBP	2	27	0%			0%
Total		9 100	100%		9 234	100%

Debt to credit institutions in USD, CAD and GBP are revaluated to NOK using exchange rate at period end. After the balance sheet date, NOK loans of 1,329 million and the CAD loan amounted to NOK 413 million are converted to USD.

The estimated fair values of the Group's bond loans at period end, based on last transactions registered, were as follows:

Loan	31.12.2021			31.12.2020				
	Due date*)	Coupon rate	Price **)	Outstanding amount***)	Initial value	Price **)	Outstanding amount***)	Initial value
DOFSUB07	31.03.2021	7.52%	20.25	467	1 300	20.25	467	1 300
DOFSUB08	14.03.2022	9.50%	20.25	1 297	1 539	20.25	1 255	1 489
DOFSUB09	27.11.2023	8.81%	25.00	840	900	25.00	840	900
Capitalised interest				379				
Amortisation cost				-4			-9	
Total				2 979	3 739		2 554	3 689

Fair values of bonds are based on last transaction done and registered at Oslo Børs.

*) DOFSUB07 and DOFSUB08 due date has been extended to end of the standstill period.

**) Price at par price is the latest turnover done in 2020, due to the ongoing refinancing no turnover is recognised in 2021.

***) The outstanding amount on each bonds are lower than initial amount, due to own bonds.

The fair value of the bond loans are estimated to NOK 644 million. The amounts include fair value on capitalised interest based on the latest turnover done on the loans.

The trustee on behalf of the bondholders is Nordic Trustee ASA. Interest rates are both floating and fixed. No particular security has been provided for the loans, and the Group is free to acquire its own bonds.

Financial covenants

As part of the current standstill agreements the following covenants have been waived (based on the proportionate consolidation method of



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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 times
- 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

In addition to the above-mentioned financial covenants, the loan agreements are also subject to the following conditions:

- The Group's assets shall be fully insured
- There shall not be any change of classification, flag, management or ownership of the vessels without the prior written approval of the lenders
- DOF ASA shall be the principal shareholder in DOF Subsea AS, and own a minimum of 50.1% of the shares
- DOF Subsea AS shall not merge, demerge or divest activities without the prior written approval of the lenders
- DOF Subsea AS shall report financial information to the lenders and Oslo Stock Exchange on a regular basis
- The Group's vessels shall be operated in accordance with applicable laws and regulations

The Group 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 Group will be in breach of its covenants.

20. Trade payables

Currency specification at 31.12.2021	NOK	AUD	BRL	GBP	USD	Other	Total
Trade payables	139	63	89	47	132	26	496

Currency specification at 31.12.2020	NOK	AUD	BRL	GBP	USD	Other	Total
Trade payables	64	24	43	48	164	41	385

21. Other current liabilities

Other current liabilities	Note	2021	2020
Current liabilities to DOF ASA companies	25	170	128
Tax payables	9	68	80
Public duties payables		31	20
Prepayment from customers		2	3
Financial current derivatives	22	6	35
Other current liabilities		109	134
Total other current liabilities at 31.12		385	400

22. Hedging activities

The following table displays the fair value of financial derivatives as of 31st of December:

Non-current and current portion	Measurement level	2021		2020	
		Assets	Liabilities	Assets	Liabilities
Interest rate swaps	2	-	6	-	35
Foreign exchange contracts	2	-	-	-	-
Total non-current and current portion		-	6	-	35
Non-current portion					
Interest rate swaps	2	-	-	-	-
Foreign exchange contracts	2	-	-	-	-
Total non-current portion		-	-	-	-
Total current portion		-	6	-	35



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For further information on derivative financial instruments, please see note 31 'Accounting policies', paragraph S.

For those financial and tangible assets and liabilities, which have been recognised at fair value in the Consolidated 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 Group'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 any excess values in the firm existing contracts.

As of 31.12 the Group held the following interest rate derivatives, not qualified for hedge accounting:

Instruments	Fixed rate	Floating rate	Notional amount	Effective from	Maturity date
31.12.2021					
Interest rate swaps - NOK	1.68%-1.92%	NIBOR 3m	1 000	2018	2023
31.12.2020					
Interest rate swaps - NOK	0.85%-1.92%	NIBOR 3-6m	1 750	2016-2018	2021-2023

23. Financial assets and liabilities: information on the balance sheet

The tables below give an overview of the carrying value of the Group's financial instruments and the accounting treatment of these instruments. The table is the basis for further information regarding the Group's financial risk.

31.12.2021	Note	Financial instruments at fair value through profit and loss	Financial instruments measured at amortised cost	Total	Of which included net in interest bearing debt
Assets					
Non-current derivatives	22	-	-	-	-
Other non-current receivables	14,19	-	31	31	7
Trade receivables and other current assets	15,16,19	-	1 355	1 355	128
Current derivatives	22	-	-	-	-
Restricted deposits	17,19	-	116	116	116
Unrestricted cash	17,19	-	1 067	1 067	1 067
Total financial assets		-	2 568	2 568	1 317
Liabilities					
Derivatives non-current	22	-	-	-	-
Interest-bearing non-current liabilities	19	-	196	196	196
Current portion of debt	19	-	9 104	9 104	8 904
Other non-current liabilities		-	2	2	-
Current derivatives	22	6	-	6	-
Trade payables and other current liabilities	20,21	-	774	774	-
Total financial liabilities		6	10 076	10 083	9 101



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31.12.2020	Note	Financial instruments at fair value through profit and loss	Financial instruments measured at amortised cost	Total	Of which included in net interest bearing debt
Assets					
Non-current derivatives	22	-	-	-	-
Other non-current receivables	14, 19	-	195	195	52
Trade receivables and other current assets	15, 16, 19	-	972	972	45
Current derivatives	22	-	-	-	-
Restricted deposits	17, 19	-	118	118	118
Unrestricted cash	17, 19	-	1 212	1 212	1 212
Total financial assets		-	2 497	2 497	1 427
Liabilities					
Derivatives non-current	22	-	-	-	-
Interest-bearing non-current liabilities	19	-	272	272	272
Current portion of debt	19	-	9 258	9 258	8 963
Other non-current liabilities		-	2	2	-
Current derivatives	22	35	-	35	-
Trade payables and other current liabilities	20, 21	-	647	647	-
Total financial liabilities		35	10 178	10 213	9 234

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

The carrying amount of cash and cash equivalents and overdraft facilities is approximately equal to fair value since these instruments have a short term to maturity. Similarly, the carrying amount of trade receivables, trade payables and other working capital items are approximately equal to fair value since they are entered into at standard terms and conditions. The fair value of the interest-bearing debt is not possible to estimate due to the ongoing refinancing in the Group. In 2021 DOF Subsea Group has repaid one debt facility with a discount of 64%.

The fair value of the bond loans are estimated to NOK 644 million, based on the latest turnover which was in 2020. Due to the ongoing refinancing process it is not recognised any turnover in 2021. For further information on financial instruments, please refer to note 31 'Accounting policies', paragraph 5 and note 19 'Interest-bearing debt'.

24. Guarantees

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

The Group has guarantee commitments on behalf of DOFCON Brasil Group in favor of credit institutions of USD 345 million as per 31.12.2021.

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

25. Related parties

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

DOF ASA is the sole shareholder in DOF Subsea AS with a 100% holding on 31st of December 2021.

DOF ASA controls companies which hire vessels and deliver goods and services to companies in the Group. Furthermore, the Group has contracts covering leasing of assets and delivering of services to DOF ASA companies. All related parties transactions and contracts are subject to standard terms and Group policies.



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	2021	2020
Operating revenue from DOF ASA companies		
Vessel hire	231	147
Hire of ROV equipment and services	92	89
Other revenue	78	66
Total	400	302
Operating expenses to DOF ASA companies		
Vessel hire	61	25
Crew and other personnel hire	373	325
Vessel technical costs	19	22
Management fee vessels	70	69
Other management services and IT costs	47	53
Total	570	494

Vessel hire

The Group hires vessels from and to DOF ASA companies based on the demand in the market and available tonnage.

Skandi Iceman was hired from DOF ASA companies during the year.

Hire of ROV equipment and services

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

Crew and other personnel hire

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

Vessel technical costs

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

Management fee vessels

The Group purchases management services from DOF Management AS, DOF Management Pte Ltd and Norskan Offshore Ltda. for its entire fleet of owned vessels. The management fee during the year varied from NOK 800 thousands till NOK 5 million (NOK 800 thousands till NOK 5 million 2020) per vessel.

Other management services and IT costs

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

Other financial expenses between DOF ASA and the Group

The Group has in June 2010 entered into a guarantee agreement with DOF ASA. DOF ASA has provided a parent company guarantee for obligations of DOF Subsea Brasil Serviços Ltda. and DOFCON Navegação Ltda. The basis for guarantee fee to DOF ASA amounts to USD 111 million at year-end (USD 119 million as of 31st of December 2020).

The refinancing process is a common process for the Group and DOF ASA. Costs related to the refinancing process are allocated to different companies in the groups based on agreements with the parties. All refinancing costs are classified and presented as external expenses.

		2021	2020
Financial income and expenses from/to DOF ASA companies			
Interest income		1	3
Impairment of non-current receivables		3	-48
Guarantee fees expenses		4	10
Balances arising from sales / purchases of goods / services and loans related to DOF ASA companies	Note	2021	2020
Current receivables	16	128	71
Current liabilities	21	170	128
Loans to DOF ASA companies	Note	2021	2020
Non-current receivables	14	45	70
Impairment of non-current receivables	14	-45	-70

For further information related to DOF ASA, see financial statements for DOF ASA.



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DOF Subsea Group

Amounts in NOK million

Financial income and expenses from/to joint ventures	Note	2021	2020
Interest income	8	6	16
Guarantee income	8	23	24
Loans to joint ventures	Note	2021	2020
Other non-current receivables from joint ventures	14	-	107
Other current receivables from joint ventures	16	126	222

DOF Subsea AS has provided parent company guarantees for 50% of the loan obligations for the vessels owned in the joint venture. For further information see note 24 'Guarantees' and note 28 'Investment in joint venture and associates'.

26. Remuneration to Board of Directors, Executives and Auditor

	2021		2020	
	CEO	CFO	CEO	EVP
Remuneration to Executives				
Salaries	-	1.9	-	6.4
Management fee	3.5	-	4.9	-
Payment from DOF Subsea	3.5	1.9	4.9	6.4

CEO = Mons Aase, EVP = Jan Nore, CFO = Martin Lundberg

Cost related to board fee to member of the board amounts to NOK 75,000.

In addition, the chairman Hans Olav Lindal has invoiced for hour spend in total NOK 864,675 is expensed in 2021.

Salaries include pension, bonuses and "other compensations" from the Group.

For additional information on employee benefits, please refer to note 31 "accounting policies", paragraph Q.

A severance settlement for the agreed termination of the former CFO/EVP in 2020 has been paid upon completion of the notice period in the end of May 2021. Total compensation to the former CFO/EVP was NOK 9.06 million. The company loan to CFO/EVP was settled at the same time. Martin Lundberg has held the position as CFO from 01.01. 2021.

A loan of NOK 2.5 million has been given to both the CEO and EVP in 2016. The loan to EVP was settled in 2021. The loan to the CEO is to be settled in 2022. The annual interest on the loans are 2%. There is sufficient security related to the loan. No other loans have been given to or any security provided for the members of the Board of Directors, members of the Group management or other employees or close relatives of the same Group.

Specification of Auditor's fee (excl. VAT)	2021	2020
Fee for audit of financial statements	6.6	6.3
Fee for other attestation services	0.1	-
Fee for other tax consultancy	0.1	0.4
Fee for other services	0.5	-
Total	7.3	6.7

The Board has drawn up the following statement

The Board of Directors prepares annually a separate statement regarding the remuneration of executives in accordance with the Norwegian Public Limited Companies Act, Allmennaksjeloven § 6-16a. The following guideline is presented at the annual General Meeting.

Responsibilities and duties of the Compensation Committee

The Board of Directors has established a Compensation Committee. See statement on guidelines for defining salaries and other payments for the CEO and other senior executives of the Group below:

The following functions shall be the common recurring activities of the Committee in carrying out its responsibilities for establishing and reviewing the overall compensation philosophy of the Group. These functions should serve as a guide with the understanding that the Committee may carry out additional functions and adopt additional policies and procedures as may be appropriate in light of changing business, legislative, regulatory or other conditions. The Committee shall also carry out any other responsibilities and duties delegated to it by the Board of Directors from time to time related to the purposes of the Committee.



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DOF Subsea Group

Amounts in NOK million

The Committee, in discharging its oversight role, is empowered to study or investigate any matter of interest or concern that the Committee deems appropriate and shall have the sole authority to retain outside counsel or other experts for this purpose, including the authority to approve the fees payable to such counsel or experts and any other terms of retention.

The main principles guiding the Group's executive remuneration policy is that senior executives shall be offered terms which are competitive in terms of salary, benefits in kind, bonus and pension plan taken as a whole. The Company offers a salary level which reflects a comparable level in equivalent companies and businesses, taking into account the Company's need for well qualified staff in all parts of the business.

When it comes to setting salaries and other payments for senior executives, this must be in line with the principles outlined above at all times. Payments to senior executives over and above the basic salary shall be restricted to bonuses. Any bonus to the CEO and other senior executives is set by the Compensation Committee. Bonuses to other executives are set by the CEO in conjunction with the Chairman of the Board. DOF Subsea AS does not have any schemes for granting options to purchase shares in the Company or in other companies within the Group. Senior executives are members of the Group's pension plan, which provides pension benefits not exceeding 12 G (G = national insurance basic amount) per year. Senior executives may have agreements concerning Company cars and phones, but do not receive any other benefits in kind.

27. Companies within the Group

Subsidiary	Owner	Registered office	Proportion of ownership and votes
DOF Installer ASA	DOF Subsea AS	Austevoll, Norway	84.90%
DOF Subsea Chartering AS	DOF Subsea AS	Bergen, Norway	100%
DOF Subsea Congo S.A.	DOF Subsea AS	Pointe-Noire, Republique du Congo	55%
DOF Subsea Norway AS	DOF Subsea Atlantic AS	Bergen, Norway	100%
DOF Subsea Norway Offshore AS	DOF Subsea Atlantic AS	Bergen, Norway	100%
DOF Subsea Atlantic AS	DOF Subsea AS	Bergen, Norway	100%
DOF Subsea Rederi AS	DOF Subsea AS	Bergen, Norway	100%
DOF Subsea Rederi III AS	DOF Subsea AS	Bergen, Norway	100%
DOF Subsea ROV AS	DOF Subsea AS	Bergen, Norway	100%
DOF Subsea Angola Lda	DOF Subsea AS	Luanda, Angola	100%
DOF Subsea Asia Pacific Pte Ltd	DOF Subsea AS	Singapore	100%
DOF Subsea Asia Pacific Pte Ltd Philippine Branch	DOF Subsea Asia Pacific Pte Ltd	Muntinlupa City, Philippines	100%
DOF Subsea Brasil Serviços Ltda	DOF Subsea AS	Macaé, Brazil	100%
DOF Subsea UK Ltd	DOF Subsea Atlantic AS	Aberdeen, UK	100%
DOF Subsea Ghana Ltd	DOF Subsea Ghana Investments Ltd	Accra, Ghana	49%
DOF Subsea USA Inc	DOF Subsea AS	Houston, USA	100%
PT DOF Subsea Indonesia	DOF Subsea Asia Pacific Pte Ltd	Jakarta, Indonesia	95%
DOF Subsea Labuan Bhd	DOF Subsea Asia Pacific Pte Ltd	Labuan, Malaysia	100%
DOF Subsea Australia PTY	DOF Subsea Asia Pacific Pte Ltd	Perth, Australia	100%
DOF Subsea Malaysia Sdn Bhd	DOF Subsea Asia Pacific Pte Ltd	Kuala Lumpur, Malaysia	100%
DOF Subsea Offshore Services Pte Ltd	DOF Subsea Asia Pacific Pte Ltd	Singapore	100%
Mashhor DOF Subsea Sdn	DOF Subsea Australia Pty Ltd	Negara Brunei Darussalam	50%
DOF Subsea Ghana Investments Ltd	DOF Subsea UK Ltd	Accra, Ghana	100%
DOF Subsea Canada Corp.	DOF Subsea US Inc	St. Johns, Canada	100%

A significant part of non-controlling interest in the Group is related to DOF Installer ASA. DOF Installer ASA owns and operate three vessels that mainly are working for other companies in the Group. All vessels in DOF Installer ASA are financed with external debt and equity. Other non-controlling interests in the Group are insignificant.

Non-controllings share of DOF Installer ASA's key financial positions and earnings:

Non-controlling share of key financial positions and earnings	2021	2020
EBITDA	17	20
Profit (loss) for the year	-9	-49
Tangible assets	222	225
Unrestricted cash and cash equivalents	85	76
Total equity	100	109
Current portion of debt	214	208

The preliminary financial statements of DOF Installer ASA are not audited at the DOF Subsea Group reporting date.

For further information, please refer to note 31 'Accounting policies', paragraph B for information on subsidiaries and to note 31 'Accounting policies', paragraph N for information on transactions with non-controlling interests.



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DOF Subsea Group

Amounts in NOK million

28. Investments in joint ventures and associates

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

Name of entity	Place of business/ country of incorporation	Industry	% of ownership interest	Nature of relationship	Measurement method
DOFCON Brasil Group	Norway	Subsea Chartering	50%	Joint Venture	Equity
KDS JV AS	Norway	Subsea Operations	50%	Joint Venture	Equity
DOF Management Group	Norway	Vessel management and operation	34%	Associate	Equity
Marin IT AS	Norway	IT	35%	Associate	Equity
Semar AS	Norway	Engineering	42%	Associate	Equity

Reconciliation of the aggregate carrying amounts of the investments

2021	DOFCON Brasil Group	KDS JV AS	Associated companies	Total
Book value of investment 01.01	2 328	-	63	2 391
Profit/loss for the period	281	-	15	296
Other comprehensive income	115	-	-	115
Repayment of capital	-	-	-1	-1
Book value of investment 31.12	2 724	-	77	2 802

2020	DOFCON Brasil Group		Associated companies	Total
Book value of investments 01.01	1 773	-	87	1 859
Reclassification from subsidiaries	-	-	6	6
Profit / loss for the period	603	-	-30	573
Other comprehensive income	-47	-	-	-47
Book value of investments 31.12	2 328	-	63	2 391

Please refer to note 31 'Accounting policies', paragraph B, for information about joint arrangements and associates.

Information about the joint ventures

The Group has two joint ventures; DOFCON Brasil AS and KDS JV AS both owned 50 % by DOF Subsea Group. KDS JV AS is owned 50 % by Kværner AS.

KDS JV has entered into a subcontract with Kværner AS to perform marine operations for the Hywind Tampen project for Equinor. The company has minor effect to the result of the Group in 2021.

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

TechDOF Brasil AS owns and operates two vessels, Skandi Açú and Skandi Buzios. Both vessels operates at long-terms contracts in Brazil with Petrobras.

DOFCON Navegação Ltda owns and operates Skandi Niterói, Skandi Vitória, Skandi Recife and Skandi Olinda. Skandi Recife and Skandi Olinda are on long-term contracts in Brazil with Petrobras. Skandi Vitoria and Skandi Niteroi have during the year operated on contracts with TechnipFMC.

DOFCON Navegação Ltda applied from 2013 hedge accounting related to foreign exchange risk on the portion of the company's highly probable revenue in USD hedging the company's debt in USD. As of January 2017 DOFCON Navegação Ltda, changed its functional currency from BRL to USD. The change in the functional currency eliminated the foreign exchange risk that, consequently, resulted in the prospective discontinuation of the cash flow hedge accounting. The accumulated hedge reserves held in other comprehensive income NOK -333 million was converted by use of exchange rate as of 1st of January 2017. The recycling of the accumulated hedge reserve to the consolidated statements of comprehensive income in 2021 is NOK 30 million (NOK 56 million). The Group's share of other comprehensive income related to hedging was NOK 132 million per 31.12.2021. The cost is included in the Share of net income from joint ventures and associates. The negative effect of the recycling has no cash effect, nor effect on the Group's equity.

In 2021 an impairment on Skandi Vitoria of NOK 98 million has been recognised (Skandi Vitoria and Skandi Niteroi NOK 241 million in 2020). The impairment is included in the profit/loss for the period.

DOF Subsea AS has guaranteed for 50% of the obligations related to loans on the vessels in the joint venture, see also note 25 'Related parties' and 24 'Guarantees'.



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Sensitivity analysis of investment in joint ventures

Negative effect on net future cash flows with 20% will result in an additional impairment of the vessels with NOK 875 million (DOF Subsea share: NOK 437 million). This will affect five of the DOFCON Brasil Group's vessels and might result in additional impairment in DOFCON Brasil Group, which in turn might affect the book value of the Group's investment in DOFCON Brasil Group.

Associates

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

Marin IT AS delivers IT services. DOF Subsea Group is a customer of Marin IT AS. The remaining shares in Marin IT AS are owned by DOF ASA and Austevoll Seafood ASA.

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

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

			2021	2020
	DOFCON Brasil Group	KDS JV AS	Total	DOFCON Brasil Group
Statement of comprehensive income				
Operating revenue	2 473	21	2 494	2 711
Operating expenses	-493	-21	-514	-453
Operating profit before depreciation (EBITDA)	1 980	-	1 980	2 258
Depreciation and impairment	-803	-	-803	-701
Operating profit (EBIT)	1 177	-	1 177	1 557
Net financial income / loss	-469	-	-469	-581
Profit / loss before tax	707	-	707	976
Income tax expenses	-145	-	-145	229
Profit / loss for the year	562	-	562	1 206
Other comprehensive income / loss, net of tax	230	-	230	-95
Total comprehensive income / loss for the year, net of tax	792	-	792	1 112
DOF Subsea Group's share of profit for the year	396	-	396	555
Statement of financial position			2021	2020
Assets				
Deferred tax asset	660	-	660	696
Tangible assets	11 705	-	11 705	11 627
Non-current assets	12 365	-	12 365	12 323
Total receivables	498	3	502	560
Cash and cash equivalents	884	53	937	904
Current assets	1 382	57	1 439	1 464
Total assets	13 747	57	13 804	13 787
Equity and liabilities				
Total equity	5 449	-	5 449	4 657
Non-current liabilities	6 678	-	6 678	7 520
Current liabilities	1 620	56	1 677	1 610
Total liabilities	8 298	56	8 355	9 130
Total equity and liabilities	13 747	57	13 804	13 787
DOF Subsea Group's carrying amount of the investment	2 724	-	2 724	2 328

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



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Summarised financial information for associates

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

2021

Associated companies	Assets at 31.12	Liabilities at 31.12	Equity at 31.12.	Profit / loss for the year
DOF Management Group	122	60	62	11
Marin IT AS	25	16	9	3.5
Semar AS	11	5	6	0
Master & Commander IS	-	-	-	1
Group's carrying amount of investments	-	-	77	-

2020

Associated companies	Assets at 31.12	Liabilities at 31.12	Equity at 31.12	Profit / loss for the year
DOF Management Group	125	74	51	-
Marin IT	24	18	6	-
Semar AS	9	3	6	-
Master & Commander	-	-	-	-30
Group's carrying amount of the investment	-	-	63	-



29. Contingencies

DOF Subsea is subject to court proceedings for alleged offences against the Offshore Petroleum and Greenhouse Gas Storage Act 2006, in relation to a 2017 saturation dive campaign undertaken in Australian waters. The Matter has been before the Australian Courts with the proceedings being concluded end March 2022. The Court's determination is expected to be finalized by the end of the second half 2022.

Based on facts and circumstances it is the Group's view that it is more likely than not that there will be no future cash outflow related to the dive campaign in 2017. No provision related to the dive campaign is included in DOF Subsea Group's accounts as of 31st of December 2021.

There is always a risk that changes in interpretations of facts and circumstances will be interpreted to the detriment of the Group. Such changes might result in future cash outflow for the Group. The Group is not involved in any other legal disputes or on-going legal matters involving potential losses, except for the tax related claims, disputes mentioned in note 3 'Accounting estimates and assessments' and what is mentioned above. Please refer to note 31 'Accounting policies', paragraph L, for discussion on contingent liabilities.

30. Events occurring after period end

New contracts

DOF Subsea has been awarded an extension of the current contract with a key renewable's client for Skandi Acergy in the North Sea and another project in Trinidad and Tobago for the vessel Skandi Constructor. The DOF Subsea Asia-Pacific region has further been awarded a 3-year contract plus 2 x 1- year options to provide a Multi- Purpose Supply Vessel (MPSV) to Esso Australia Pty Ltd. In Australia DOF Subsea has been awarded Woodside Energy Limited's Enfield XT Retrieval and Offshore Support Services contract, expected to be undertaken in Q3 and Q4 2022, utilising MPSV Skandi Hercules. DOF Subsea USA has been awarded the first SURF project for the Skandi Constructor from Vaalco Energy at the Etame field, offshore Gabon. Engineering and design work has commenced with subsea work forecasted to begin in July and expected to be completed by September 2022. In addition DOF Subsea won multiple new contracts with Renewables and Oil & Gas utilising Skandi Acergy, Skandi Constructor, Skandi Hera and selected third-party vessels for 185 vessel days. In GOM DOF Subsea has entered into an agreement with Otto Candies for the charter of the Jones Act compliant vessel Chloe Candies for a firm period of one year from May.

Assets

The current charterer of Geosea (RSV, built in 2002) owned by DOF Subsea Rederi AS, has exercised its purchase option, with delivery during 2nd or 3rd quarter 2022.

Finance

On 31st of March 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 30th of April 2022. The ad hoc group of bondholders in DOF Subsea AS have agreed to further extend the standstill agreement until the 30th of April 2022, in accordance with the resolution in the bondholders' meeting held 28 February 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.

Invasion of Ukraine

The global community is witnessing the invasion of Ukraine, and the Group see the repercussions of fractured tensions in international cooperation. However, the Group has not identified any potential exposure to assets or operations in Eastern Europe, specifically Ukraine and Russia.

Minority interest in DOF Installer ASA

In 2022 DOF Subsea AS has sent an offer to the minority shareholders in DOF Installer ASA to buy the remaining 15.08 % of the company at a price of 4.35 per share.

31. Accounting policies

A. Summary of significant accounting principles

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU.

B. Group

Consolidation

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

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform to the Group's accounting policies.

DOF ASA companies

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

Joint arrangements and associates

Investments in jointly controlled companies are classified as either joint operations or joint ventures depending on the contractual rights and obligations for each investor. DOF Subsea Group has assessed the nature of its jointly controlled companies and determined them to be joint ventures. Joint ventures are accounted for by using the equity method of accounting.

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

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

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



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

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

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

C. Segment reporting

Members of the Board of Directors are the Group's chief operating decision-makers. The Group has determined operating segments based on the information given to the Group's operating decision-makers for the purposes of allocating resources and assessing performance. These reports are defined as Management reporting.

Segments are reported to the chief operating decision-makers on a regular basis. Corporate expenses and similar are allocated to the segments proportionately based on estimated split of services delivered to each segment.

The segment reporting is presented according to Management reporting, based on the proportionate consolidation method of accounting for joint ventures. The bridge between the Management reporting and the figures reported in the financial statements is presented in the segment note. Please refer to note 28 'Investment in joint ventures and associates' for further information on investments.

The Subsea/IMR Projects segment covers operations in four regions; the Asia-Pacific region, the Atlantic region, the North America region and the Brazil region. In the Subsea/IMR Projects segment, the vessels and the equipment allocated to the segment are utilised on a global basis.

The Group has gradually built the Subsea/IMR Projects segment to become a global provider of subsea services with a core focus on IMR. In addition to the IMR market, the Subsea/IMR Projects segment has focused on mooring, light construction, survey work and offshore wind utilising the Group's core competences and assets.

The Long-term Chartering segment covers letting of vessels to third-party charterers and is managed through the Group's associated company DOF Management AS, DOF Management Pte Ltd and Norskan Offshore Ltda. The Long-term Chartering segment is built on DOF Subsea's long standing as an internationally recognised vessel owner and operator of high-end subsea vessels.

D. Conversion of foreign currency

Foreign currency

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

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 period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised as unrealised currency gain/loss.

Group companies

Group companies that have a functional currency which differs from the presentation currency (NOK) are converted into the presentation currency as follows:

- assets and liabilities presented at consolidation are converted to presentation currency using the foreign exchange rate at the end of the reporting period,
- income and expenses are converted using the average rate of exchange, and
- all exchange differences are recognised in other comprehensive income and specified separately in the consolidated statement of changes in equity.



E. 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.

F. Cash and cash equivalents

Cash and cash equivalents include cash in hand and deposits held on call with banks. Restricted deposits are classified separately from unrestricted bank deposits under cash and cash equivalents. Restricted deposits include deposits with restrictions exceeding twelve months.

G. Trade receivables

Trade receivables are amounts due from customers for services performed in the ordinary course of business. Contract assets are presented together with trade receivables. A contract asset is the right to consideration in exchange for services transferred to the customer. If the Group 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.

H. Tangible assets and contract costs

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. Depreciable amount equals historical cost less residual value.

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

When tangible assets are sold or retired, their cost and accumulated depreciation and accumulated impairment loss are derecognised and any gain or loss resulting from their disposal is included in profit or loss.

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

Assets under construction

Assets under construction are capitalised as tangible assets during construction as instalments are incurred. Building costs include contractual costs and costs related to monitoring the project during the construction period. Borrowing costs are added to the cost of those assets. The capitalisation of borrowing costs ceases when the asset is substantially ready for its intended use. Assets under construction are not depreciated before the tangible asset is ready for its intended use.

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 useful life of an asset. The expenditure is capitalised when it is probable that the Group will derive future financial benefits from upgrading the asset. Periodic maintenance of a vessel 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.

Contract costs

Cost of obtaining a contract with customer and costs related to mobilisation of vessel, equipment and personnel are capitalised and amortised (presented as operational expenses) in line with the satisfaction of the performance obligation. These costs are defined as contract costs. 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. Contract costs are classified and presented as other non-current assets. For further information about contract cost, refer to Q. 'Revenue recognition'.

I. Leases

Where assets are financed through finance leases, under which substantially all the risks and rewards of ownership are transferred to the Group, the assets are treated as if they had been purchased outright. The amount included in the cost of tangible assets represents the aggregate of the capital elements payable during the lease. The corresponding obligation, reduced by the appropriate proportion of lease or hire purchase payments made, is included in borrowings. The amount included in the cost of property, plant and equipment is depreciated on the basis described in the preceding paragraphs and the interest element of lease payments made is included in interest expense in the statement of comprehensive income.

Operational lease requires recognition of an asset (the right to use the leased item) and a financial liability representing its obligation to make lease payments. The Group has elected not to recognise right-of-use assets and lease liabilities for:

- short-term leases that have a lease term of 12 months or less
- leases of low-value assets
- intangible assets



Non-lease components within lease contracts will be accounted for separately for all underlying classes of assets and reflected in the relevant expense category as incurred.

Lease income from operating leases where the Group is a lessor is recognised as operating revenue on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognised as expense over the lease term on the same basis as lease income. The respective leased assets are included in the balance sheet based on their nature.

J. 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 drawn, 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.

K. Provisions

Provisions are recognised when, and only when, the Group 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.

For onerous contracts, provisions are made when unavoidable cost of meeting the obligations under the contract exceed the economic benefit to be received under the contract. The unavoidable costs under the contract are the lower of the cost of fulfilling the contract and any compensation or penalties arising from failure to fulfil the contract. From 01.01.2022 the Group will adopt changes in IFRS and increase the cost base by including both direct cost and indirect cost in the calculation of "unavoidable cost". Provisions are reviewed at the end of each reporting period and adjusted to the best estimate. When timing is significant for the amount of the obligation, it is measured at its present value. Subsequent increases in the amount of the obligation due to interest are reported as interest costs.

L. Contingent assets and liabilities

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

Contingent liabilities are defined as:

- possible liabilities resulting from past events, but where their existence relies on future events;
- liabilities which are not reported in the financial statements because it is improbable that the commitment will result in an outflow of resources;
- liabilities which cannot be measured with a sufficient degree of reliability.

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

M. Equity

Ordinary shares are classified as equity.

Transaction costs related to equity transactions, including tax effects of transaction costs, are recognised directly in equity.

N. Transactions with non-controlling interests

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

O. Revenue recognition

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

Day rate contracts

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

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

The right to use the vessel 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 determines the amount of revenue to recognise, and is assessed based on an input or output method. The method applied is the one that most faithfully depicts the Group's progress towards complete satisfaction of the performance obligation. Progress is usually measured based on output methods such as days.

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

Lump sum contracts

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

For lump sum projects, contract revenue and expenses are recognised over time in accordance with the stage of completion of a contract. The



stage of completion is calculated by dividing contract costs incurred to date by total estimated contract costs. Revenue is recognised in line with the stage of completion.

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

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

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

Contract costs

Costs incurred relating to future performance obligations are deferred and recognised as assets in the consolidated statement of financial position. The nature of the asset is incremental costs of obtaining a contract, that would not have incurred if the contract had not been obtained, and will be recovered by the revenue over the contract period. Costs related to contracts and future performance obligation longer than 12 months are classified and presented as Other non-current assets. All other costs for future performance are presented as other current assets. Contract costs incurred will be expensed and presented as Operational expenses in line with the satisfaction of the performance obligation.

Variation orders

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

Mobilisation

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

Dividend income

Dividend income is recognised when the right to receive payment is established.

Interest income

Interest income is recognised using the effective interest method.

P. 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 consolidated statement of financial position date in the countries where the Company's subsidiaries and associated companies operate and generate taxable income. Permanent establishment of the operation will be dependent on the Group's vessels' operations in the period. Tax is calculated in accordance with the legal framework in those countries in which the Group's subsidiaries, associated companies or vessels with permanent establishment operate and generate taxable income.

The Group periodically evaluates tax positions where applicable tax regulation is subject to interpretation. Provisions are recognised 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 and their carrying amounts in the consolidated financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the consolidated statement of financial position date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. For further information on deferred tax see note 3 'Accounting estimates and assessments' and note 9 'Tax'.

Both tax payable and deferred tax are recognised directly in the consolidated statement of changes in equity, to the extent they relate to items recognised directly in the consolidated statement of changes in equity. Similarly, any tax related to items reported as other comprehensive income is presented together with the underlying item.

Companies under the shipping tonnage tax regime

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

Q. Employee benefits

The Group operates defined contribution pension plans.

Defined contribution plans

For defined contribution plans, the Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

The contributions are recognised as an employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

R. Financial assets

The Group classifies its financial assets in the following categories: fair value through other comprehensive income (FVOCI), fair value through profit or loss (FVTPL), or amortised cost. The classification of financial assets under IFRS 9 is generally based on the business model in which a financial instrument is managed and its contractual cash flow characteristics. Classification of financial assets is determined at initial recognition, and is not reclassified subsequently unless the Group changes its business model for managing financial assets.

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

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

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

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



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All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets (see note 23 'Financial assets and liabilities: information on the balance sheet'). On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets

Financial assets at FVTPL

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

Financial assets at amortised cost

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

Equity investments at FVOCI

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

Derecognition

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

Impairment

The Group assesses at the end of each reporting period the expected credit losses for a financial asset or a group of financial assets. See paragraph H regarding trade receivables.

Financial assets at fair value through comprehensive income

Financial assets at fair value through comprehensive income are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of profiting from short-term price fluctuations. Derivatives are also categorised as held for trading unless they are designated for hedge accounting.

Loans and receivables

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

Regular purchases and sales of financial assets are recognised on the trade date, that is the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through comprehensive income. Financial assets carried at fair value through comprehensive income are initially recognised at fair value and transaction costs are expensed in the consolidated statement of comprehensive income. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through comprehensive income are subsequently carried at fair value.

Gains or losses arising from changes in the fair value of the "financial assets at fair value through comprehensive income" category, including interest income and dividends, are presented in the consolidated statement of comprehensive income as financial income or expenses in the period in which they arise. Dividend income from financial assets at fair value through comprehensive income is recognised in the consolidated statement of comprehensive income as part of financial income when the Group's right to receive payment is established. The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Group establishes fair value by using valuation techniques.

The Group assesses at each consolidated statement of financial position date whether there is objective evidence that a financial asset or a group of financial assets are impaired. For further information about trade receivables, see H. 'Trade receivables'.



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S. Derivative financial instruments and hedging activities

The Group 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 derivatives are utilised to manage interest rate risk by converting from floating to fixed interest rates. Derivatives 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 Group has currently not applied hedge accounting for any hedging activities.

The fair values of various derivative instruments used for hedging purposes are disclosed in note 22 '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.

T. 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 Group's financial position, but which have a significant impact on future periods, are disclosed in the notes.

U. Use of estimates

The preparation of financial statements in conformity with IFRS, requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving 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.

V. Consolidated statement of cash flows

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

W. New standards, amendments and interpretations adopted by the Group

No new standards, amendments or interpretations have been adopted by the Group in 2021.

X. New standards, amendments and interpretations not yet adopted

IAS 37 Provisions Contingent Liabilities and Contingent Assets did not specify which costs to include in estimating the cost of fulfilling a contract for the purpose of assessing whether that contract is onerous.

The International Accounting Standards Board developed amendments to IAS 37 to clarify that for the purpose of assessing whether a contract is onerous, the cost of fulfilling the contract includes both the incremental costs of fulfilling that contract and an allocation of other costs that relate directly to fulfilling contracts.

From 01.01.2022 the Group will adopt changes in IFRS and increase the cost base by including both incremental costs and an allocation of other costs that relate directly to fulfilling contracts. The accounting policy for 2021 has been to only include incremental costs.

Other new standards and amendments mandatory for annual reporting periods after 31st of December 2021 is expected to not be significant for the Group.



32. Performance measurement definitions

Alternative performance measurements

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

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



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DOF Subsea AS

Amounts in NOK million

Statement of comprehensive income

	Note	2021	2020
Operating revenue	17	91	99
Payroll expenses	4, 18	-47	-59
Other operating expenses	18	-14	-70
Operating profit before depreciation and impairment (EBITDA)		31	-30
Depreciation and impairment	7	-4	-3
Operating profit (EBIT)		27	-33
Income/loss from investments		1	-
Financial income	5	149	196
Financial expenses	5, 8, 19, 20	184	-2 211
Realised net gain / loss on derivative instruments and currency position	5	-37	-269
Unrealised net gain / loss on derivative instruments and currency position	5	22	67
Net financial income / loss	5	319	-2 216
Profit / loss before tax		345	-2 250
Income tax expense	6	16	-89
Profit / loss for the year		362	-2 339
Other comprehensive income net of tax			
Items that will not be subsequently reclassified to profit / loss			
Defined benefit plan actuarial gains / losses		-	-
Other comprehensive income / loss net of tax		-	-
Total comprehensive income / loss for the year net of tax		362	-2 339



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Amounts in NOK million

Statement of financial position

	Note	31.12.2021	31.12.2020
Assets			
Tangible assets	7	17	13
Deferred tax asset	6	16	-
Investments in subsidiaries	19	3 258	2 607
Investments in joint ventures and associates	20	615	615
Non-current receivables from Group companies and joint ventures	5, 8, 16	11	123
Other non-current receivables	15, 16	3	5
Total non-current assets		3 920	3 364
<hr/>			
Current receivables from Group companies and joint ventures	5, 8, 16	658	312
Other current receivables	9, 15, 16	6	3
Current receivables		663	315
<hr/>			
Restricted cash	10, 16	15	31
Unrestricted cash and cash equivalents	10, 16	183	208
Cash and cash equivalents		199	239
<hr/>			
Total current assets		862	554
<hr/>			
Total assets		4 782	3 917



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Amounts in NOK million

Statement of financial position

	Note	31.12.2021	31.12.2020
Equity and liabilities			
Paid-in equity	24	1 674	1 674
Other equity		-897	-1 259
Total equity		776	415
<hr/>			
Bond loans	11, 16	-	-
Debt to credit institutions	11, 16	-	-
Lease liabilities	11, 16	8	16
Other non-current liabilities	4, 15, 16	-	-
Total non-current liabilities		8	16
<hr/>			
Current portion of debt	11, 16	3 220	3 050
Trade payables	12, 16	5	17
Current liabilities to Group companies	16	586	411
Other current liabilities	13, 15, 16	186	9
Total current liabilities		3 998	3 487
<hr/>			
Total liabilities		4 006	3 503
<hr/>			
Total equity and liabilities		4 782	3 917

Bergen, 6th of April 2022
The Board of Directors of DOF Subsea AS

Hans Olav Lindal
Chairman

Helge Singelstad
Director

Marianne Møgster
Director

Kathryn M. Baker
Director

Harald Thorstein
Director

Mons S. Aase
CEO



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Amounts in NOK million

Statement of changes in equity

Changes in equity	Share capital	Share premium	Other paid-in capital	Paid-in equity	Other equity	Total equity
Equity at 01.01.2021	1 674	-	-	1 674	- 1259	415
Profit / loss for the year	-	-	-	-	362	362
Other comprehensive income for the year	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	362	362
Re-allocation of paid-in capital	-	-	-	-	-	-
Equity at 31.12.2021	1 674	-	-	1 674	-897	776
Equity at 01.01.2020	1 674	540	540	2 753	-	2 753
Profit / loss for the year	-	-	-	-	-2 339	-2 339
Other comprehensive income for the year	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	-2 339	-2 339
Re-allocation of paid-in capital	-	-540	-540	-1 080	1 080	-
Equity at 31.12.2020	1 674	-	-	1 674	-1259	415



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Amounts in NOK million

Statement of cash flows

	Note	2021	2020
Operating profit (EBIT)		27	-33
Depreciation and impairment	7	4	3
Change in trade payables	12	-12	-
Changes in other working capital		-142	-49
Exchange rate effect on operating activities		1	-16
Cash flow from operating activities		-122	-95
Interest received	5	145	163
Interest and other financial cost paid	5, 11	-32	-161
Tax paid		-	-4
Net cash flow from operating activities		-8	-98
Purchase of tangible assets	7	-8	-5
Dividends / Group Contributions received		1	-
Payments on current receivables from Group companies and joint ventures		152	245
Cash flow from investing activities		145	240
Proceeds of debt to credit institutions	11	-	230
Installments on interest-bearing debt	11	-174	-201
Cash flow from financing activities		-174	30
Net change in cash and cash equivalents		-37	172
Cash and cash equivalents, included restricted cash, at 01.01	10	239	335
Exchange rate effect on cash and cash equivalents	5	-3	-269
Cash and cash equivalents, included restricted cash, at 31.12	10	199	239

Restricted cash at 31.12. 2021 is NOK 15 million (NOK 31 million) and is included in Cash and cash equivalents. Changes in restricted cash is reflected in the cash flow. For further information about restricted cash, please refer to note 10 'Cash and cash equivalents'.



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Notes to the Financial Statements

1 Corporate information and going concern

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

The Company is owned by DOF ASA as a sole shareholder with 100% ownership stake on 31st of December 2021.

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

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

Integrating project management capabilities with high end subsea vessels creates long-term client relationships, broader market opportunities and reduces overall risk. The Group's two segments: vessels and personnel working in the Subsea/IMR Projects segment and the vessels chartered to third-party companies in the Long-term Chartering segment, increases the Group's access to market opportunities and reduces risk. The vessels are divided into three categories: Multi-Purpose Support Vessels, Multi-Purpose Anchor Handler Vessels, and Construction Support Vessels. The Group also owns a fleet of ROV's and other subsea equipments and has over 15 years' experience providing ROV and intervention services to the energy industry worldwide. The ROVs are available on DOF Subsea operated vessels or as supplementary support on any offshore vessel.

This section of the financial statements covers the parent company accounts. The financial statements of the Company have been prepared in accordance with the Norwegian accounting act § 3-9 and Finance Ministry's prescribed regulations on simplified IFRS. For further information see note 26 'Accounting policies'.

Going concern

In accordance with IAS 1.25, the Board of Directors confirms that the financial statements have been prepared under the assumption of going concern.

The Company'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 Company's lenders have been in place since 2nd quarter 2020 and the current standstill agreements are applicable until 30th of April 2022. The Company is on short-term dependent on an extension of the standstill period 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.

Without continued standstill agreements or a long-term financing solution in place, the Company can no longer present financial statements on the assumption of going concern. If the Company 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 business operations: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. The Company's governing risk management strategy focuses on minimising the potential negative effects on the Company's results. The primary risks managed using derivative instruments are foreign currency risk and interest rate risk. Please see note 31 'Accounting policies', paragraph 5, in the consolidated financial statements, for information on derivative financial instruments and hedging activities. See also note 15 'Financial instruments and hedging activities'.

The Company has had a policy to partly hedge interest rate risk and foreign exchange risk, however the financial situation limits the Company in this respect. This will increase the interest risk and foreign exchange risk going forward.

Financial derivatives

The Company is exposed to currency risk and interest rate risk. The Company uses to some extent financial derivatives to reduce these risks. However, the Company does not use financial derivatives linked to ordinary activities such as trade receivables, trade payables or similar.

Foreign exchange risk

The Company's reporting currency is NOK. Foreign exchange risk arises when future commercial transactions, contractual obligations and liabilities are denominated in a currency that is not the functional currency. The Company aims to achieve a natural hedge between cash inflows and cash outflows and manages remaining foreign exchange risk arising from commercial transactions, assets and liabilities by foreign exchange contracts and similar instrument as appropriate.

Interest risk

The Company's existing debt arrangements are debt 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.

Credit risk

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

Credit exposures to non-current and current receivables are mainly to subsidiaries and joint ventures. The Company is well informed about credit risks related to these positions. The current challenging market conditions have increased these risks. The Company has recognised a total impairment of loans and receivables of NOK 1,306 million in 2021. Of which NOK 132 million is recognised as loss in 2021.

The derivative contracts and bank deposits are entered into with the main banks of the Company. The value of trade receivables recognised in the statement of financial position is considered to reflect the credit risk.



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Credit and Liquidity risk

Credit and liquidity risk arise from cash and cash equivalents, derivatives, financial instruments and deposit with banks as well as payment terms towards clients and suppliers. Liquidity risk management implies maintaining sufficient cash and marketable securities, and to maintain available funding through committed credit facilities. The Group has a policy of limiting the credit exposure to any single financial institution and bank, and actively manages its exposure in order to achieve this. To have available liquidity in all subsidiaries is challenging due to the current market conditions.

The Group's counterparty credit risk has historically been low as the Group's customers traditionally have had good financial capability to meet their obligations and have had high credit ratings. The sustained challenging market situation has resulted in changes to the credit ratings for some of the Group's customers, and thereby increased the credit risk. Historically, the portion of receivables not being collectable has been low. Revenue from the 10 largest customers, large oil companies and operators, represent approximately 62% of the Group's revenue, whereof Petrobras represent the largest customer.

Liquidity risk management implies maintaining sufficient cash, marketable securities, available funding through committed and uncommitted credit facilities and ability to close market positions. For further information about cash and cash management, see note 10 'Cash and cash equivalents'.

The standstill agreements and the short-term liquidity loan of NOK 100 million drawn in 2020, covers the Group's short-term liquidity needs. The Group is dependent on extension of the existing standstill agreements until a long-term refinancing solution has been agreed.

The Group has routines to report cash flow forecasts on a regular basis in order to monitor the Group's future cash position.

Fair values

Fair value of forward exchange contracts is calculated based on the midpoint of the relevant yield curve. Fair value of interest rate contracts is calculated as the present value of the estimated futures cash flows based on observables yield curves.

Capital structure and equity

The restructuring of the Company and the Group's debt have been ongoing in 2021 and standstill agreements have been agreed until the 30th of April 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 ad hoc group of bondholders in DOFSUB07, DOFSUB08 and DOFSUB09 have accepted to extend the standstill until the 30 April 2022 in accordance with the resolutions of the bondholders' meeting held 28 February 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 Company's 50% guarantee of the DOFCON loan facilities have been waived.

The Company's and 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 has in accordance with IFRS, been classified as current debt as per 31st of December 2021. This classification is based on that standstill agreements for debt service with the banks and bondholders are less than 12 months. The Group is dependent on a robust refinancing solution and 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 debt.

Under normal circumstances, the main objective when managing the Company's capital structure is to ensure that the Company is able to sustain an acceptable credit rating and thereby achieve favorable terms and conditions for long-term funding which is suitable for the Company's operation and growth. The Company manages its own capital structure and carries out all necessary amendments to the capital structure, based on continuous assessments of the economic conditions under which the operations take place and the short and medium to long-term outlook.

During the standstill period, the Company's and the Group's main financial covenants have been waived. For further information, see note 11 'Interest bearing debt'.



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Amounts in NOK million

3 Accounting estimates and assessments

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

Debt to credit institutions and bondholders

Due to the ongoing debt restructuring of the Group the bond loans have in accordance with IFRS, been classified as current debt as per 31st of December 2021.

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

For further information about debt to credit institutions and bondholders, see note 11 'Interest-bearing debt'.

Financial assets

All financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognised in the statement of comprehensive income. The recoverable amount is the higher of an asset's net selling price and value in use. Due to the challenging market situation and the refinancing process the Company has recognised significant impairments of financial assets. However, improved market conditions in 2021 have resulted in reversal of some of the impairments from 2020. Changes in the market situation and in the refinancing process, will have significant effect on the value of financial assets in the Company.

Deferred tax assets

Deferred tax assets are recognised in the statement of financial position on the basis of tax losses carried forward or deductible temporary differences, to the extent that it is probable there will be sufficient future earnings available against which the loss or deductible can be utilised. The Groups refinancing process has increased the risk of not being able to give group contribution within the Group to reduce payable tax to Norway. The assumption is that elimination of taxable profit occurring in Norwegian companies from 2022 cannot be effected. Deferred tax assets related to these future transactions are therefore not booked. Purpose of giving group contribution between companies in the Group is to offset taxable profit in subsidiaries towards taxable loss carry forward in the Company. Deferred tax asset of NOK 16 million is based on the assumption that group contribution calculated on taxable result for 2021 can be given.

For further information, reference is made to the consolidated financial statements and note 6 'Tax'.



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Amounts in NOK million

4 Payroll expenses

Payroll expenses	Note	2021	2020
Salary	18	-47	-41
Employer's contributions		-6	-5
Pension costs		-2	-2
Other personnel costs		9	-11
Total payroll expenses		-47	-59
Full time employees (at period end)		27	22

5 Financial income and expenses

Financial income and expenses	Note	2021	2020
Gain / loss from sale of shares / liquidation		1	-
Income / loss from investments		1	-
Interest income from Group companies and joint ventures		67	98
Interest income		2	18
Guarantee income from Group companies and joint ventures		80	81
Financial income		149	196
Impairment of investments	19, 20	652	-1 531
Impairment of loans to Group companies	8	-132	-363
Interest expenses payable to Group companies		-2	-3
Interest expenses payable to DOF ASA companies*		-4	-10
Interest expenses		-299	-280
Other financial expenses		-30	-23
Financial expenses		184	-2 211
Realised foreign currency net gain / loss on loans		-33	19
Realised foreign currency net gain / loss on current receivables / liabilities		-4	-268
Realised net gain / loss on financial derivatives		-	-20
Realised net gain / loss on derivative instruments and currency position		-37	-269
Unrealised foreign currency net gain / loss on loans		22	74
Net change in unrealised gain / loss on financial derivatives		-	-8
Unrealised net gain / loss on derivative instruments and currency position		22	67
Net financial income / loss		319	-2 216



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6 Tax

Income tax expense	2021	2020
Change in deferred tax	16	-89
Total income tax expense	16	-89

Reconciliation of nominal and effective tax rate

Profit before tax	345	-2 250
Tax calculated at domestic tax rate 22% (22%)	-76	495
Tax effect of:		
Impairment of financial assets	114	-417
Unrecognised tax losses	-22	-167
Total income tax expense	16	-89

The gross movement on the deferred tax in the statement of financial position	2021	2020
Deferred tax at 01.01	-	89
Impact on change in tax rate on deferred tax	-	-
Tax related to comprehensive income	16	-89
Deferred tax 31.12	16	-

Deferred tax

The table below specifies the temporary differences between accounting and tax values, and calculation of deferred tax / tax asset at year-end. The Company's deferred tax asset is reviewed for impairment.

For further information about the risk and assessments done related to deferred tax, see note 3 'Accounting estimates and assessments'

Basis for deferred tax	2021	2020
Non-current assets	-22	-26
Current assets	-28	-
Liabilities	8	15
Temporary differences not included in deferred tax	41	11
Total temporary differences	-	-
Tax loss carryforward	-1 680	-1 650
Tax loss not included as deferred tax asset	1 608	1 650
Basis for calculating deferred tax / tax asset (-)	73	-
Total deferred tax / tax asset (-) recognised in the statement of financial position	16	-



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7 Tangible assets

Tangible assets	2021	2020
Cost at 31.12	149	144
Cost 01.01	149	144
Additions	8	5
Cost at 31.12	156	149
Depreciation at 01.01	-135	-132
Depreciation for the year	-4	-3
Depreciation at 31.12	-140	-135
Book value at 31.12	17	13
Asset lifetime (years)	5-10	5-10
Depreciation schedule	Linear	Linear

The right of use asset in DOF Subsea AS per 31.12.2021 was NOK 4 million (NOK 6 million in 2020), with a depreciation of NOK 2 million (NOK 2 million).

8 Receivables from Group companies and joint ventures

Non-current receivables from Group companies and joint ventures	Note	2021	2020
Non-current receivables from joint ventures	17	-	107
Non-current receivables from Group companies - basis		635	347
Non-current receivables from Group companies - impairment	5	-623	-330
Total non-current receivables from Group companies and joint ventures at 31.12		11	123

Current receivables from Group companies and joint ventures	Note	2021	2020
Current receivables from joint ventures		126	222
Current receivables from Group companies - basis		1 214	1 138
Current receivables from Group companies - impairment	5	-682	-1 049
Total current receivables from Group companies and joint ventures at 31.12		658	312

Due to the challenging market situation and the refinancing process the Company has recognised significant impairments of receivables to subsidiaries in the Group. However, improved market conditions in 2021 have resulted in reversal of NOK 73 million of the impairments from 2020.



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9 Other current receivables

Other current receivables	2021	2020
Government tax receivables	3	3
Prepaid expenses	3	-
Total other current receivables at 31.12	6	3

10 Cash and cash equivalents

Cash and cash equivalents	2021	2020
Restricted cash	15	31
Unrestricted cash and cash equivalents	183	208
Total cash and cash equivalents at 31.12	199	239

Restricted cash consists of cash only available for specific purposes. A portion of this cash serves as security for outstanding debt following enforcements of account pledges. The balance of these accounts sums up to NOK 265 million. Some lenders have exercised their right to set off such cash balances toward the outstanding loans. The Group has therefore chosen to present all restricted cash serving as security for loans, net of debt to credit institutions. The balance of NOK 15 million at year-end 2021 relates to Guarantees.

The Company has an administrative cash pooling arrangement whereby cash surpluses and overdrafts residing in the Group Companies bank accounts are pooled together to create a net surplus. Liquidity is made available through the cash pooling for the Companies in the Group to meet their obligations. The bank accounts in the cash pool consists of accounts in various currencies. The total cash pool can never be in net overdraft. The cash pool is presented as unrestricted cash and cash equivalents. For further information about market-, credit- and liquidity risk see note 2 'Financial risk management'.

See DOF Subsea Group note 17 'Cash and cash equivalents' for further information about cash pool arrangements.

11 Interest-bearing debt

The Board and Management have, since the second quarter of 2019, been working on a long-term refinancing solution for the Company and Group which includes discussions with secured lenders and the bondholders. DOF Subsea AS is the guarantor for all subsidiaries with mortgage secured debt.

The restructuring of the Group's debt has been ongoing in 2021 and standstill agreements have been agreed until the 30th of April 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 bondholders in DOFSUB07, DOFSUB08 and DOFSUB09 have accepted a standstill until the 30th of April 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 Group will continue the dialogue with its creditors to secure a long-term financial solution for the Group. Various debt restructuring proposals have been discussed and the proposals include comprehensive restructuring of the Group's balance sheet, including conversion of debt. The Group's secured- and unsecured debt are, in accordance with IFRS, classified as current debt at the 31st of December 2021. This classification is based on the Group's financial situation and standstill agreements of debt service with the banks and bondholders.

Restructuring costs related to advisory and legal fees amounts to NOK 45 million in 2021 and are included in the financial costs in the result.

Debt

DOF Subsea AS had as per period end three bond loans, which mature in 2020, 2022 and 2023. The trustee on behalf of the bondholders is



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Nordic Trustee ASA. Interest rates are both floating and fixed. No particular security has been provided for the loans, and DOF Subsea AS is free to acquire its own bonds. The Company has been in discussion with the bondholder in order to obtain a long-term financial solution for the Company and the Group.

	2021	2020
Non-current interest-bearing debt		
Bond loans	-	-
Debt to credit institutions	-	-
Leasing debt	8	16
Total non-current interest-bearing debt	8	16
Current interest-bearing debt		
Bond loans	2 979	2 554
Debt to credit institutions	130	282
Leasing debt	8	8
Current debt to Group companies	555	369
Total current interest-bearing debt	3 672	3 212
Total non-current and current interest-bearing debt	3 681	3 228
Net interest-bearing debt		
Cash and cash equivalent	199	239
Interest bearing assets from Group companies	11	37
Total net interest-bearing debt	3 471	2 952

Current portion of debt in the statement of financial position includes accrued interest expenses. Accrued interest expenses are excluded in the figures above. The company's cash pooling system is included in the net interest-bearing debt.

Cash and non-cash changes in total borrowings

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

2021	Cash changes		Non-cash changes			Balance 31.12.21
	Balance 31.12.20	Cash flows	Capitalisation of interest and other changes	Amortised loan expense	Currency adjustment	
Interest bearing debt						
Bond loans	2 554	-	379	4	42	2 979
Debt to credit institutions	282	-174	16	-	6	130
Debt to Group companies	369	185	-	-	-	555
Lease liabilities	23	-7	-	-	-	16
Total interest bearing debt	3 228	4	395	4	48	3 681

2020	Cash changes		Non-cash changes			Balance 31.12.20
	Balance 31.12.19	Cash flows	Capitalisation of interest and other changes	Amortised loan expense	Currency adjustment	
Interest bearing debt						
Bond loans	2 589	-	-	1	-36	2 554
Debt to credit institutions	302	37	-	-	-57	282
Debt to Group companies	308	61	-	-	-	369
Lease liabilities	30	-7	-	-	-	23
Total interest-bearing debt	3 230	91	-	1	-93	3 228

	2021	2020
Liabilities secured by pledge		
Liabilities to credit institutions	-	150



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Book value of assets pledged as security	-	320
Average rate of interest	9.99%	8.63%

Average interest rate is excluded interests on lease liabilities, which in 2021 yielded an average in the range of 4%-6%.

Currency distribution non-current liabilities incl first year repayment	NOK	USD	Total
Bond loans	1 497	1 482	2 979
Debt to credit institutions	130	-	130
Total	1 627	1 482	3 110

Debt to credit institution in USD are revaluated to NOK using exchange rate as per 31st of December 2021.

The estimated fair values of the Company's bond loans at period end, based on last transactions registered, were as follows:

Loan	31.12.2021				31.12.2020			
	Due date ^{*)}	Coupon rate	Price ^{**)}	Outstanding amount ^{***)}	Initial value	Price ^{**))}	Outstanding amount ^{***)}	Initial value
DOFSUB07	31.03.2021	7.52%	20.25	467	1 300	20.25	467	1 300
DOFSUB08	14.03.2022	9.50%	20.25	1 297	1 539	20.25	1 255	1 489
DOFSUB09	27.11.2023	8.81%	25	840	900	25	840	900
Capitalised interest				379				
Amortisation cost				-4			-9	
Total				2 979	3 739		2 553	3 689

Fair values of bonds are based on last transaction done and registered at Oslo Børs.

^{*)} DOFSUB07 and DOFSUB08 due date has been extended to end of the standstill period.

^{**)} Price at par price is the latest turnover done in 2020, due to the ongoing refinancing no turnover is recognised in 2021.

^{***)} The outstanding amount on each bonds are lower than initial amount, due to own bonds.

The fair value of the bond loans are estimated to NOK 644 million. The amounts include fair value on capitalised interest based on the latest turnover done on the loans.

The trustee on behalf of the bondholders is Nordic Trustee ASA. Interest rates are both floating and fixed. No particular security has been provided for the loans, and the Group is free to acquire its own bonds.

Financial covenants

As part of the current standstill agreements the following covenants have been waived (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 (based on the proportionate consolidation method of accounting for joint ventures)
- 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 times
- 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

In addition to the above-mentioned financial covenants, the loan agreements are also subject to the following conditions:

- The Group's assets shall be fully insured
- There shall not be any change of classification, flag, management or ownership of the vessels without the prior written approval of the lenders
- DOF ASA shall be the principal shareholder in DOF Subsea AS, and own a minimum of 50.1% of the shares
- DOF Subsea AS shall not merge, demerge or divest activities without the prior written approval of the lenders
- DOF Subsea AS shall report financial information to the lenders and Oslo Stock Exchange on a regular basis
- The Group's vessels shall be operated in accordance with applicable laws and regulations

The Group 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.



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12 Trade payables

Trade payables	2021	2020
Trade payables at nominal value	4	-2
Accrued expenses	1	19
Total trade payables at 31.12	5	17

13 Other current liabilities

Other current liabilities	Note	2021	2020
Provision foreign tax		1	1
Public duties payables		3	4
Other current liabilities		3	4
Accrued guarantee expenses for subsidiaries	22	179	-
Total other current liabilities at 31.12		186	9

14 Fair value estimation

For those financial and tangible assets and liabilities, which have been recognised 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).

15 Financial instruments and hedging activities

The Company has had a policy to partly hedge interest rate risk and foreign exchange risk, however the financial situation limits the Company in this respect. This will increase the interest risk and foreign exchange risk going forward.

As of 31st of December 2020 and 2021 the Company had no foreign exchange derivatives to hedge future sales to customers on behalf of subsidiaries. Foreign exchange derivatives were utilised to hedge foreign exchange risk related to projected future sales. Interest rate swaps were utilised to manage interest rate risk by converting from floating to fixed interest rates.

16 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.



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31.12.2021	Note	Financial instruments at fair value through profit and loss	Financial instruments measured at amortised cost	Total	Of which included net in interest bearing debt
Assets					
Other non-current receivables	8	-	14	14	11
Other current receivables	8	-	658	658	-
Restricted cash	10	-	15	15	15
Unrestricted cash	10	-	183	183	183
Total financial assets		-	870	870	210
Liabilities					
Interest-bearing non-current liabilities	11	-	8	8	8
Current portion of debt	11	-	3 220	3 220	3 118
Current derivatives	15	-	-	-	-
Trade payables and other current liabilities	12, 13	-	774	774	555
Total financial liabilities		-	4 002	4 002	3 681
31.12.2020					
Assets					
Other non-current receivables	8	-	128	128	17
Other current receivables	8, 9, 15	-	312	312	20
Restricted cash	10	-	31	31	31
Unrestricted cash	10	-	208	208	208
Total financial assets		-	679	679	276
Liabilities					
Interest-bearing non-current liabilities	11	-	16	16	16
Current portion of debt	11	-	3 050	3 050	2 843
Current derivatives	15	-	-	-	-
Trade payables and other current liabilities	12, 13	-	431	431	369
Total financial liabilities		-	3 497	3 497	3 228

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

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

17 Related parties

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

The Company is owned by DOF ASA as a sole shareholder with 100% ownership stake on 31st of December 2021. All sales transactions are carried out in accordance with DOF Subsea policy.

Rental of office space

Part of the office space located at Thormøhlensgate 53 C, 5006 Bergen, rented by DOF Subsea AS, is used by DOF Management AS, DOF ASA, DOF Subsea Norway AS and Marin IT AS. The rental fee charged to DOF Management AS, DOF ASA, DOF Subsea Norway AS and Marin IT AS is determined at NOK 8 million per year.

Management services on behalf of subsidiaries and sales transactions

Management services and other deliveries on behalf of subsidiaries, see note 19 'Investment in subsidiaries', comprise NOK 65 million in 2021 (NOK 78 million 2020). Revenues, including reimbursables, related to DOF ASA Group comprises NOK 21 million in 2021 (NOK 23 million), of which NOK 3 million in 2021 (NOK 2 million) relates to management services.



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Guarantee agreement between subsidiaries and the Company

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

Guarantee agreement between DOF ASA and the Company

The Company has in June 2010 entered into a guarantee agreement with DOF ASA. DOF ASA has provided a parent company guarantee for obligations of DOF Subsea Brasil Serviços Ltda. and DOFCON Navegação Ltda. The basis for guarantee fee to DOF ASA amounts to USD 111 million at year-end (USD 119 million as of 31st of December 2020).

DOF Subsea AS has guaranteed for 50% of the obligations related to loans on the vessels in the joint venture. The Company has guarantee commitments on behalf of DOFCON Brasil Group in favor of credit institutions of USD 345 million as per 31.12.2021, see also note 5 'Financial income and expenses'.

Non-current receivables against joint ventures

For information on non-current receivables against joint ventures, please see note 8 'Receivables from Group Companies and joint ventures'. Please also see note 20 'Investments in joint ventures and associates' in the consolidated financial statements.

18 Remuneration to Board of Directors, Executives and Auditor

Remuneration to Executives	2021		2020	
	CEO	CFO	CEO	EVP
Salaries	-	1.9	-	6.4
Management fee	3.5	-	4.9	-
Payment from DOF Subsea	3.5	1.9	4.9	6.4

CEO=Mons Aase, EVP=Jan Nore, CFO Martin Lundberg

Cost related to board fee to member of the board amounts to NOK 75,000.

In addition, the chairman Hans Olav Lindal has Invoiced for hour spend , in total NOK 864,675 is expensed in 2021.

Salaries include pension, bonuses and "other compensations" from the Group.

For additional information on employee benefits, please refer to note 31 "accounting policies", paragraph Q.

A severance settlement for the agreed termination of the former CFO/EVP in 2020 have been paid upon completion of notice period in the end of May 2021. Total compensation to the former CFO/EVP was NOK 9.06 million. The company loan to CFO/EVP was settled at the same time. Martin Lundberg has held the position as CFO from 01.01. 2021.

A loan of NOK 2.5 million has been given to both the CEO and EVP in 2016. The loan to EVP was settled in 2021. The loan to the CEO is to be settled in 2022. The annual interest on the loans are 2%. There is sufficient security related to the loan. No other loans have been given to or any security provided for the members of the Board of Directors, members of the Group management or other employees or close relatives of the same Group.

Specification of Auditor's fee	2021	2020
Fee for audit of financial statements	2.21	1.40
Fee for other attestation	-	-
Fee for other services	0.04	0.05
Total	2.25	1.45



FINANCIAL STATEMENTS / DOF SUBSEA AS

DOF Subsea AS

Amounts in NOK million

19 Investments in subsidiaries

Subsidiary	Registered office	Proportion of ownership and votes	Cost price	Accumulated impairment	Booked value
DOF Installer ASA	Austevoll, Norway	85%	859	-163	696
DOF Subsea Angola Lda	Luanda, Angola	100%	-	-	-
DOF Subsea Asia Pacific Pte Ltd	Singapore	100%	678	-497	181
DOF Subsea Atlantic AS	Bergen, Norway	100%	129	-129	-
DOF Subsea Brasil Serviços Ltda	Macaé, Brasil	100%	706	-295	411
DOF Subsea Chartering AS	Bergen, Norway	100%	89	-	89
DOF Subsea Congo S.A.	Pointe-Noire, Republique du Congo	55%	-	-	-
DOF Subsea Rederi AS	Bergen, Norway	100%	2 465	-914	1 552
DOF Subsea Rederi III AS	Bergen, Norway	100%	486	-486	-
DOF Subsea ROV AS	Bergen, Norway	100%	330	-	330
DOF Subsea US Inc.	Houston, US	100%	423	-423	-
Total			6 164	-2 906	3 258

For 2021 a reversal of impairment in subsidiaries of NOK 652 million was recognised (2020 impairment loss of NOK 1,501 million) and is included in the statement of comprehensive income as financial expenses. Please refer to note 5 'Financial income and expenses'.

20 Investments in joint ventures and associates

For further information on joint ventures and associates, please see note 28 'Investments in joint ventures and associates' in the consolidated financial statements.

Name of entity	Place of business/ country of incorporation	% ownership interest	Booked value 01.01.2021	Impairment	Booked value 31.12.2021
DOFCON Brasil AS	Norway	50%	594	-	594
DOF Management AS	Norway	34%	16	-	16
Marin IT AS	Norway	35%	6	-	6
Master and Commander AS	Norway	20%	-	-	-
Total at 31.12.2021			615	-	615

21 Contingencies

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

22 Guarantees

Guarantees	2021	2020
Parent company guarantees	7 946	8 420
Total	7 946	8 420

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

In addition, the guarantees are given in relation to financing of vessels. In 2021, the Company has recognised a liability of NOK 179 million relating to vessel guarantees and financing of subsidiaries.

The Company has a tax deduction guarantee of NOK 3 million. Furthermore, guarantees to suppliers are given for fulfilment of payments for deliveries of goods and services including vessels.



FINANCIAL STATEMENTS / DOF SUBSEA AS

DOF Subsea AS

Amounts in NOK million

DOF Subsea AS has guaranteed for 50% of the obligations related to loans on the vessels in the joint venture. The Company has guarantee commitments on behalf of DOFCON Brasil Group in favor of credit institutions of USD 345 million as per 31.12.2021, see also note 5 'Financial income and expenses'.

23 Earnings per share

Basis for calculating earnings per share	2021	2020
Profit / loss attributable to shareholders of the Company	362	-2 339
Weighted average number of outstanding shares 31.12	1 673 352 762	1 673 352 762
Weighted average number of outstanding shares 31.12, diluted	1 673 352 762	1 673 352 762
Basic and diluted earnings per share (NOK)	2.16	-13.98

24 Share capital and share information

Share capital

The share capital in DOF Subsea AS at 31.12.2021 was NOK 1,674 million comprising 167,352,762 shares, each with a nominal value of NOK 10.00.

Shareholder overview

Shareholders at 31.12.2021	No. of shares	Proportion of ownership	Share capital
DOF ASA		100%	100%
Total		100%	100%

Board of Directors

	Title
Hans Olav Lindal	Chairman
Helge Singelstad	Director
Marianne Møgster	Director
Harald Lauritz Thorstein	Director
Kathryn Moore Baker	Director

Executives

	Title
Mons S Aase	CEO
Marin Lundberg	CFO

The Company is a part of DOF ASA Group. Please refer to the DOF ASA annual report for shares held in DOF ASA by the management and the Board of Directors. The annual report is published at www.dof.com.

25 Events occurring after period end

Finance

On 31st of March 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 DOF Subsea AS group (excluding DOF Subsea Brasil Servicos Ltda.) until the 30th of April 2022. The bondholders in DOF Subsea have further in a meeting on 31st of March 2022 approved extension of the standstill agreement until 30th of April 2022. The extensions of the standstill periods will facilitate the Group's continued dialogue with its secured lenders and the bondholders under the Company's bonds regarding a long-term financial restructuring of the Group and Company.

Invasion of Ukraine

The global community is witnessing the escalating invasion in Ukraine, and the Company see the repercussions of fractured tensions in international cooperation. However, the Company has not identified any potential exposure to assets or operations in Eastern Europe, specifically Ukraine and Russia.



FINANCIAL STATEMENTS / DOF SUBSEA AS

DOF Subsea AS

Amounts in NOK million

Minority interest in DOF Installer ASA

In 2022 DOF Subsea AS has sent an offer to the minority shareholders in DOF Installer ASA to buy the remaining 15.08 % of the company at a price of 4.35 per share.

26 Accounting policies

Summary of significant accounting principles

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

Operating revenue

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

Investment in subsidiaries, joint ventures and associated companies

Investments in shares are based on the cost method.

Dividends

Dividends and Group contributions are accounted for according to IFRS. Dividends and Group contributions are recognised when approved by the General Assembly.

For further information, reference is made to the consolidated financial statements.



FINANCIAL STATEMENTS / DOF SUBSEA AS



FINANCIAL STATEMENTS / DOF SUBSEA AS

Confirmation from the Board of Directors and CEO

We confirm, to the best of our knowledge, that the financial statements for the period from 1st of January to 31st of December 2021 have been prepared in accordance with approved accounting standards, and give a true and fair view of the Group's and the Company's assets, liabilities, financial position and result of operations and that the report of the Board of Directors provides a true and fair view of the development and performance of the business and the position of the Group and the Company together with a description of the key risks and uncertainty factors that the Group and the Company are facing.

Bergen, 6th of April 2022
The Board of Directors of DOF Subsea AS

Hans Olav Lindal
Chairman

Helge Singelstad
Director

Marianne Møgster
Director

Kathryn M. Baker
Director

Harald Thorstein
Director

Mons S. Aase
CEO



To the General Meeting of DOF Subsea AS

Independent Auditor's Report

Report on the Audit of the Financial Statements

Opinion

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

- The financial statements of the parent company DOF Subsea AS (the Company), which comprise the statement of financial position as at 31 December 2021, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- The consolidated financial statements of DOF Subsea AS and its subsidiaries (the Group), which comprise the statement of financial position as at 31 December 2021, 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,
- 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, and
- the financial statements give a true and fair view of the financial position of the Group as at 31 December 2021, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company and the Group as required by 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

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T: 02316, org. no.: 987 009 713 MVA, www.pwc.no
Statsautoriserte revisorer, medlemmer av Den norske Revisorforening og autorisert regnskapsførerselskap*

Independent Auditor's Report - DOF Subsea AS



accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

To the best of our knowledge and belief, no prohibited non-audit services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided.

We have been the auditor of the Company for 17 years from the election by a general meeting of the shareholders in 2005 for the accounting year 2005 with a renewed election on the 27.05.2021.

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 Group is dependent on a long-term solution with banks and bondholders 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 Note 30 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 Group will not reach an agreement with the lenders, and in such an event the Group 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

The Group's business activities are largely unchanged compared to last year. Impairment assessment of vessels and vessel related equipment involves similar complexity and risks as previous years and have been considered as key audit matters also for 2021.

Key Audit Matter	How our audit addressed the Key Audit Matter
<p><i>Impairment assessment of vessel and vessel related equipment</i></p> <p>DOF Subsea AS Group has vessels and vessel related equipment with a carrying amount of NOK 7 226 million at 31 December 2021. In line with the Group's accounting policy for impairment of non-financial assets, the Board of Directors has assessed that there were impairment indicators present for the Group's vessels as of 31 December 2021. Consequently, they have carried out an impairment assessment. Based on the results of the</p>	<p>We obtained management's impairment model and considered whether the model contained the elements and methodology IFRS require from such models. We found the model to be in accordance with our expectations.</p> <p>We challenged management's key assumptions such as the projected utilisation, charter hire rates, operating expenses and discount rates, and compared with historical performance, management's internal forecasts and long-term strategic plans that were approved by the Board of Directors. We also considered</p>

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Independent Auditor's Report - DOF Subsea AS



vessel impairment assessments, a net impairment charge of NOK 172 million including a reversal of impairment of NOK 30 million related to disposal of a vessel was recognised in 2021 resulting in the carrying amounts of certain vessels being written down to their recoverable amount. In addition, joint venture vessels have been impaired, whereas DOF Subsea AS 50% share represent NOK 98 million in 2021.

We focused on this area because vessels and vessel related equipment constitute a significant share of the total assets in the Group, and because the assessment of the recoverable amount is complex and involves significant management judgement.

Value-in-use ("VIU") for the vessels was estimated using discounted cash flows. Each individual vessel, together with associated contract, was assessed as a separate cash generating unit. Significant management judgement was related to key assumptions such as utilisation, charter hire rates, operating expenses and discount rates.

Fair value less costs to sell ("FVLCS"), was estimated by obtaining professional valuations for each vessel from two well-reputed and independent brokers, taken into account estimated sales commission.

The uncertainty related to valuation of the company's vessels and vessel related equipment are considered to be high due to the challenging market conditions.

We refer to Notes 3 and 31 for the Group's accounting policy for impairment of non-financial assets, and Note 11 where the Board of Directors explain their valuation process for the Group's tangible assets.

publicly available information about macroeconomic assumptions relevant to the industry and considered whether the assumptions were consistent with management assumptions and what we know about DOF's business. We found management's assumptions to be within a reasonable range.

To consider the reliability of management forecast, we compared previous year's estimates to actual historical performance. We considered whether deviations from the budget had reasonable explanations. We assessed the discount rate by comparing key components used with external market data, as well as comparing the overall level with discount rates used by other companies within the industry. We considered that the discount rates were within an appropriate range.

We evaluated the competence and objectivity of the external brokers used by the Group. The range of values derived from the two independent brokers were compared with the VIU estimates. We considered the appropriateness and reliability of the fair value estimates from the external brokers. We were able to conclude that the broker estimates were appropriate as audit evidence. However, for some of the vessel categories we have observed larger spread in the broker estimates recent years, which indicate higher uncertainty in the valuations. Therefore, management has found it necessary to substantiate the broker valuations with VIU calculations and tests of reasonableness. We found that none of the vessels, after impairment, had a carrying value that was materially higher than their VIU estimates.

We lastly evaluated the adequacy of the disclosures made on impairment of vessel and vessel related equipment, including those regarding key assumptions and sensitivities, and found that disclosures appropriately explained management's valuation process and the uncertainties inherent in some of management's key assumptions.

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 presented with the financial statements. The other information comprises information in the annual report, but does not include the financial

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Independent Auditor's Report - DOF Subsea AS



statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report and the other information presented with 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 presented with the financial statements. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the other information presented with 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 presented with 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 and the other information presented with 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.

Our opinion on the Board of Director's report applies correspondingly for the statements on Corporate Governance and Corporate Social Responsibility.

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 the preparation and true and fair view of the consolidated financial statements of the Group in accordance with International Financial Reporting Standards as adopted by the EU, 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 and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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Independent Auditor's Report - DOF Subsea AS



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

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

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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Independent Auditor's Report - DOF Subsea AS



Report on Other Legal and Regulatory Requirements

Report on compliance with Regulation on European Single Electronic Format (ESEF)

Opinion

We have performed an assurance engagement to obtain reasonable assurance that the financial statements with file name "DOF Subsea AS – ESEF Annual reporting 2021" have been prepared in accordance with Section 5-5 of the Norwegian Securities Trading Act (Verdipapirhandelloven) and the accompanying Regulation on European Single Electronic Format (ESEF).

In our opinion, the financial statements have been prepared, in all material respects, in accordance with the requirements of ESEF.

Management's Responsibilities

Management is responsible for preparing, tagging and publishing the financial statements in the single electronic reporting format required in ESEF. This responsibility comprises an adequate process and the internal control procedures which management determines is necessary for the preparation, tagging and publication of the financial statements.

Auditor's Responsibilities

For a description of the auditor's responsibilities when performing an assurance engagement of the ESEF reporting, see: <https://revisorforeningen.no/revisjonsberetninger>

Bergen, 6 April 2022
PricewaterhouseCoopers AS

Sturle Døsen
State Authorised Public Accountant

(This document is signed electronically)

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ESG FACTBOOK INTRODUCTION



People

A SAFE, INCLUSIVE, INSPIRING WORKPLACE:

- GRI-401 Employment
- GRI-402 Labour/management relations
- GRI-403 Occupational health and safety
- GRI-404 Training and education
- GRI-405 Diversity and equal opportunity
- GRI-406 Non-discrimination
- GRI-415 Public policy



Planet

TRANSPARENCY, ENVIRONMENTAL STEWARDSHIP & SUSTAINABLE SOLUTIONS TO REDUCE OUR IMPACT

- GRI-302 Energy
- GRI-305 Emissions
- GRI-306 Waste
- GRI-308 Supplier environmental assessment

THE DOF GROUP

Environmental, Social and Governance commitments

DOF is a values-driven company operating in the offshore energy sector, where energy production is transitioning to cleaner solutions and renewables. To be a sustainable, investible company our business platform must reflect stakeholders' expectations, future market demand for the skills and potential of our people and our assets.



Prosperity

GOOD CORPORATE CITIZENS, EFFICIENT OPERATIONS, POSITIVE IMPACTS

- GRI-202 Market Presence
- GRI-207 Tax
- GRI-413 Local communities
- DOF-1 Customer feedback
- DOF-2 Product reliability
- DOF-3 Risk balancing



Principles

SAFE, LEGAL, ETHICAL DECISION-MAKING, EVERYWHERE WE DO BUSINESS

- GRI-201 Economic Performance
- GRI-204 Procurement practices
- GRI-205 Anti-corruption
- GRI-206 Anti-competitive behaviour
- GRI-407 Freedom of association and collective bargaining
- GRI-409 Forced or compulsory labour
- GRI-411 Rights of indigenous peoples
- GRI-414 Supplier social assessment



2021

DOF ESG FACTBOOK *



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* The results in this section of the DOF Subsea annual report are aggregated from the parent company level and include both DOF Subsea and other DOF ASA subsidiaries.



Welcome to our 2021 ESG factbook

Providing detailed non-financial performance data on key ESG indicators

The content contained in this factbook is organised around the World Economic Forum's framework: People, Planet, Prosperity, Principles. Within each area, it is also described how the DOF values relate to the area. The ESG factbook supports the statements and ambitions stated in the DOF Integrated Annual Report 2021.

As DOF's sustainability efforts evolve, expand, and become more comprehensive, so too do our stakeholders and their material interest in our activities. It is therefore of the utmost importance that DOF has effective mechanisms and reporting structures to communicate financial and non-financial information to these interested parties.

The content contained in this factbook is organised around the World Economic Forum's framework: People, Planet, Prosperity, Principles. Within each area, it is also described how the DOF values relate to the area. The ESG factbook supports the statements and ambitions stated in the DOF Integrated Annual Report 2021.

This year, DOF has adopted the World Economic Forum's Stakeholder Capitalism Metrics of: People, Planet, Prosperity and Principles.

Not only does this framework compliment DOF's vision of creating broad stakeholder value, but it promotes a core set of non-financial metrics and disclosures for investors and stakeholders alike. DOF is committed to the pillars of People, Planet, Prosperity and Principles and believes this concept is integral to future sustainability initiatives and communication.

The following ESG Factbook supports the DOF Integrated Annual Report 2021 by providing verifiable and where possible, quantifiable data points, assuring the legitimacy of our statements and ambitions.

DOF has reported in the areas of sustainability to the GRI standards measuring Economic, Environment, and Social aspects for eight years. This, along with our participation in Carbon Disclosure Project over the last eleven years, has driven engagement with stakeholder groups and improved both management and performance in these areas.

In 2021, we made further progress in transparency and integrated reporting as DOF adopts the World Economic Forum's 4-pillar approach, bringing all the measures of stakeholder value together, aligning the non-financial reporting with financial reporting. Our vision and strategic ambitions are set out in this integrated report. This report format aims to communicate to all stakeholders, underpin change, and outline targets and measures for the next strategic period.

This document can be found in digital format on our website: www.dof.com/sustainability.



SAFE THE RITE WAY

Safe the RITE way

Safe the RITE way[®]

Safeguarding our people, the environment, and communities where we operate is our highest priority.

Applying our values to define significance, guide our approach, assess our results and set the ambitions into our future.

DOF is a values-driven organisation with world-class social, environmental, ethical and governance standards. Our actions and decisions are always guided by and grounded in our values. Our ability to engage with stakeholders, identify material issues and manage material risk is key to the sustainability of the organisation. Our values underpin our approach to Sustainability, from identifying material issues – the issues that impact the business and are important to stakeholders – to setting the ambitions for our future.

Safety is at the centre of business and the icon. This illustrates how our values interact to keep us safe. How the Team embraces the values and holding them together is symbolised by people holding hands around the values.

Why are we a "values-driven" organisation? In business 'the only constant is change'.

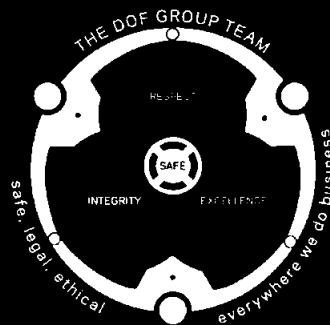
The advantage of having a solid set of beliefs and values is that the organisation can adapt rapidly to situational or commercial change, but always with an anchor of beliefs and values.

This is the essence of a sustainable organisation; where our values guide our actions to respond to relevant economic, environmental and social factors. We meet stakeholder expectations and navigate daily challenges, large and small, by having a deep understanding of our values, clear priorities and reporting mechanisms. "What we do is as important as the way in which we do it."

Safe the RITE way

Respect, Integrity, Teamwork, Excellence.
Above all we are Safe.

Safety is at the centre of business and the icon. This illustrates how our values interact to keep us safe. How the Team embraces the values and holding them together is symbolised by people holding hands around the values.



CREATING VALUE

Creating value for all of our stakeholders

This table shows how DOF connects material aspects to key stakeholders and our company values:

Safe, Respect, Integrity, Teamwork, & Excellence.

Gauging ripple effects from COVID-19

We have experienced first-hand the fallout of COVID-19 and all the economic and social consequences that come with it.

Like many other World Economic Forum Global Risk Perception Survey respondents, DOF's activities are subject to disparities in COVID-19 political responses and divergent economic recovery rates. The economic, geopolitical, public health and societal fractures that the pandemic risk has accelerated are reported as something likely to delay the business communities' response to other global challenges such as climate response, the greening of energy systems, addressing digital vulnerabilities, and social degradation. Whilst the WEF reports these as 'Global Challenges', our internal workshops translate these topics as material issues to DOF.

Read more about DOF's materiality approach on page 182 of the appendices.

* Material issues identification is aligned with the GRI Standards

- ▲ High importance to DOF
- △ Medium importance to DOF

People

COMPANY VALUES

SAFE

Above all we are SAFE

TEAMWORK

Respect for people: our colleagues, our customers, our business partners and our environment.

TEAMWORK

We build diverse and global teams and strive for free exchange of ideas, experience and knowledge, worldwide.

MATERIAL ISSUES (DOF*)

- △ Business Ethics
- ▲ Employee HSE
- ▲ Labour Practices

MATERIAL TOPICS (GRI)

- ▲ GRI-401 Employment
- ▲ GRI-402 Labour/management relations
- ▲ GRI-403 Occupational health and safety
- ▲ GRI-404 Training and education
- ▲ GRI-405 Diversity and equal opportunity
- ▲ GRI-406 Non-discrimination
- △ GRI-415 Public policy

OUTSIDE THE ORGANISATION

Global: Employees, shareholders, customers, local communities, NGOs, policy makers, shareholders, suppliers

WITHIN THE ORGANISATION

Whole organisation: DOF's ambition is to be an incident-free organisation. We are highly committed to our core values - Safe the RITE way - and we work pro-actively to achieving them.

Safe is significant to DOF and is paramount to our ongoing success and sustainability, we work to ensure we are safe and our team returns safely, everywhere we do business.

UN SDG



Safeguarding our people is the overall objective in everything we do. Through the Safe the RITE way framework, DOF has ambition to ensure the good health and well-being of all employees. Measurable key performance indicators are used as part of this work, to monitor the effect of the activities performed within the area.

The DOF Workbook includes a module on Physical, Social and Mental well-being, which puts the different aspects of health together in a holistic approach.

Our continuous efforts on simplification of our safety system and procedures aim to turn the focus from the industry's inbuilt bureaucracy, back to enhanced safe work practices.



Planet



Prosperity



Principles



COMPANY VALUES

RESPECT

Respect for people: our colleagues, our customers, our business partners, and our environment.

EXCELLENCE

Excellence in everything we do. We are resourceful and responsive to our customers' needs: innovative in the solutions we apply to everyday problems.

INTEGRITY

Integrity is the very corner stone of our business. We behave ethically - always.

MATERIAL ISSUES (DOF')

- ▲ Energy Management
- ▲ GHG Emissions
- ▲ Supply Chain Management
- △ Waste & HAZMAT Management

- ▲ Business Model Resilience
- △ Human rights & Community Relations
- △ Product Design and Life Cycle

- △ Business Ethics
- ▲ Business Model Resilience
- △ Human rights & Community Relations
- ▲ Supply Chain Management

MATERIAL TOPICS (GRI)

- ▲ GRI-302 Energy
- ▲ GRI-305 Emissions
- △ GRI-306 Waste
- ▲ GRI-308 Supplier environmental assessment

- ▲ GRI-202 Market Presence;
- ▲ GRI-207 Tax;
- △ GRI-413 Local communities;
- △ DOF-1 Customer feedback;
- △ DOF-2 Product reliability;
- ▲ DOF-3 Risk balancing

- ▲ GRI-201 Economic Performance;
- ▲ GRI-204 Procurement practices;
- △ GRI-205 Anti-corruption;
- △ GRI-206 Anti-competitive behaviour;
- ▲ GRI-407 Freedom of association and collective bargaining;
- ▲ GRI-409 Forced or compulsory labour;
- △ GRI-411 Rights of indigenous peoples;
- ▲ GRI-414 Supplier social assessment

OUTSIDE THE ORGANISATION

Global: Customers, civil society, policy makers, local communities, NGOs, shareholders

Global: Customers, civil society, shareholders, suppliers, policy makers, civil society

Global: Employees, shareholders, customers, local communities, NGOs, policy makers, shareholders, suppliers

WITHIN THE ORGANISATION

Whole organisation: Defining and measuring environmental sustainability risks associated with our business activities is an important activity for the Group. DOF is actively working with its partners on finding energy efficient and CO2 reducing solutions as part of their own efforts to reduce carbon footprint.

Whole organisation: For DOF, business integrity and ethics policy are of high priority and DOF expects their companies and employees to follow and adopt behaviours to protect and build the DOF's reputation, in all situations.

Whole organisation: DOF understands that acting in accordance with its Code of Business Conduct towards their partners and employees is decisive in achieving the highest standards by which DOF conducts their business activities every day.

For DOF to be in compliance to law and to industry standards is of strategic priority. In all of the regions where DOF operates, it strictly follows all rules and regulations addressed by the national governments.

DOF acknowledges the importance for our customers of a reliable partner and that is why we are always seeking to obtain the highest industry standard certifications before accredited bodies.

UN SDG



The main source of DOF's climate impact is the fuel used by its vessels. DOF has various activities and programs to reduce its climate impact, including: Ship Energy Efficiency Plans (SEEMP), goal of 3% annual reduction (intensity target) in fuel consumption, installation of shore power capability, installation of battery packs on vessels, and participation in the CDP for transparent environmental reporting.

Through an R&D project with Kongsberg, we aim to use digital solutions to reduce energy usage on our vessels, through Intelligent Efficiency. There is potential for 15%-30% reduction in fuel consumption, ultimately leading to significant reduction in emissions.

DOF also has other internal activities such as preparedness for acute pollution from vessels, using environmentally friendly products (for example non-hazardous hydraulic oil in ROVs) and environmental management plans.



By employing local content, DOF contributes to economic growth in the various areas of operation. DOF is also committed to operating responsibly and respecting local laws and regulations. Through its Tax Strategy, DOF ensures that tax is paid fairly to the countries where it operates.

DOF acts ethically and lawfully to protect our reputation and comply with applicable laws and regulations, wherever we do business.

Our Code of Business Conduct gives us clear rules and provides guidance for decision-making in ethical dilemmas. This is particularly important when operating in areas with high risk related to Anti-Bribery and Corruption. DOF has established an Ethics Helpline where both employees and any other stakeholders can report by a phone available 24/7, or through an online form. Reports can be made anonymously.

DOF's focus towards Integrity is not limited to ourselves, we strive to ensure that our partners and suppliers operates according to the same standards, for example by assessing all suppliers towards the principles of the UN Global Compact.



DOF operates in many different areas around the world, and some of these areas lack a strong public education system. Either by direct contribution to employees or partnerships with other members of the industry, DOF contributes to quality education of children in challenging areas.

The DOF Workbook gives the foundation for training in the years to come. By delivering training modules on all aspects of how we work, we have established a unique way to engage training and development of our people.

DOF strives to promote a workplace where all are treated fairly, accepted equally, without any exclusion - in a harassment-free workplace. As a Group, we benefit from the different talents, experiences and perspectives equality and diversity brings to the workplace and the individual contribution employees make. Our guiding principle is that everyone should be treated with dignity and respect at work.



People

Company values that are directly connected to people:
SAFE, RESPECT, TEAMWORK

Within People, we apply our values **Safe** **the RITE way**® to define significance, guide our approach, assess our results, and set the ambitions into our future.

Safeguarding people is our highest priority. The Group has built on the Safe the RITE way program, strengthening our global safety culture. We work continuously to improve safety systems and our safety performance. DOF core values act together to create a strong safety culture and deliver our highest priority: “Above all we are Safe”. We work to ensure we are safe, and our team return home safely, everywhere we do business. Protecting the health and safety of our people and our environment is a fundamental requirement of business as it is paramount to DOF’s on-going success and sustainability. It is a material issue and a right that all employees, their families, our whole supply chains, clients, investors and regulators expect to be sustained. It is essential to winning business and attracting recruiting and retaining talented employees. We work to ensure we are safe, and our team return home safely, everywhere we do business. Cyber security, securing our Information Technology (IT), and Operation Technology (OT) infrastructure and preventing cyber-attacks, is also an important aspect of our business and sits within our definition of SAFE.

“Respect underpins everything we do and every interaction we have. Respect for people: our colleagues, our customers, and our business partners. As global citizens we are socially responsible, we respect the individual, the local customs and cultures of our various markets. Acting with care and consideration is central to our wellbeing and safety and ensures we minimise our environmental impact.” The Group aims to create an environment of empathy, mutual respect and understanding amongst all stakeholders. DOF is an equal opportunity employer and does not tolerate any form of harassment or discrimination within the workplace or local communities where we operate. We operate in an evolving market. It is vital for DOF to develop in the energy sector, together with our key partners, in line with the targets articulated in UN’s Sustainable Development Goals. As a responsible organisation and through Respect we aim to maintain our equal opportunity employer performance: we will not tolerate any form of harassment or discrimination within the workplace.

According to the DOF values: “Everything we achieve is as a result of teamwork. Each of us is responsible and open in our professional relationships, co-operative and collaborative, treating one another with dignity and respect. We do not blame; we find and share solutions and we learn from mistakes. From this platform we build diverse and global teams and strive for free exchange of ideas, experience and knowledge, worldwide.” Companies are their People. Collaboration between team members is a key success factor for DOF. Teams, at every level of the organisation, have built the professional and respected company we are today. In turn, working for a values-driven company, offering fair work, with career development and team environment creates an engaged workforce which benefits customers, investors, and suppliers. Training and careers programs benefit local communities. DOF is committed to building strong and capable teams, through training and developing of key employees, either as part of important teams, or as potential leaders.



PEOPLE / ACTIVITIES IN 2021

2021 activities within People

COVID recovery

During the entire year tremendous efforts and sacrifices have been done to protect our crew and employees towards COVID-19. Continuously and changing regulations and demands from government and health authorities all over the world, has loyally been followed by our employees in a stoic and understandable way. Despite all of efforts and precautions, several employees ended in CRU units for months. However, all are now out of hospitals and are now supported by Company and health professionals to get back at work. The biggest challenges have been to support and facilitate protocols and follow up of our employees in Brazil.

At the end of the year when the Company started to prepare for a normalisation, the newOMICRON variant hit us hard with hundreds of employees infected. Nevertheless, due to high vaccinations rate in DOF, the impact and symptoms of the infection was greatly reduced in most cases.

DOF will in future handle COVID-19 outbreak as an influenza like infection and be guided by our medical protocols offshore and HR handbooks onshore and loyal follow advice directed by WHO and regional legislation.

Social

DOF's strong standards within the social dimension of business aligns with UN's Global Compact and Sustainable Development Goals. This ensures decent work, generates wealth for employees, local communities, and along our supply chain as well as wider society by generating taxes.

Health, Safety, and Security

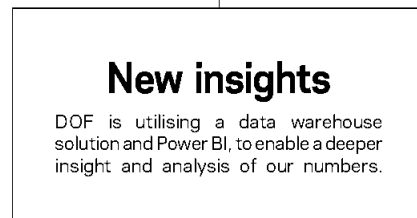
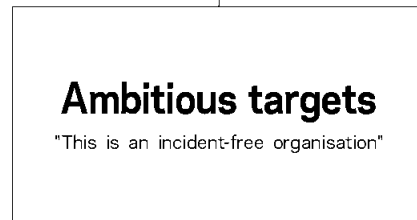
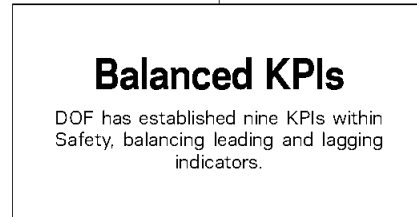
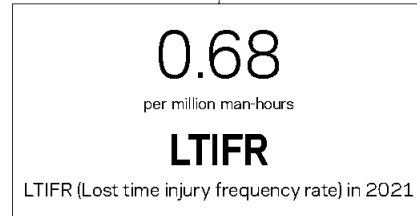
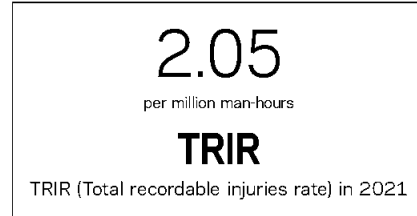
Protecting the health and safety of our people and our environment is a fundamental requirement of business as it is paramount to DOF's on-going success and sustainability. It is a material issue and a right that all employees, their families, our whole supply chains, clients, investors and regulators expect to be sustained. It is essential to winning business and attracting recruiting and retaining talented employees. We work to ensure we are safe, and our team return home safely, everywhere we do business.

DOF's approach to Health, Safety and Security from a sustainability perspective aligns closely with how this is managed operationally.

Labour and Human Rights

DOF follows the Norwegian Shipowners Association's approach to Labour and Human Rights in our industry:

The main concern is possible non-compliance with general labour and human rights standards, particularly related to the use of short-term contracts and temporary employment through manning agencies, which may weaken worker's rights. Several cases of modern slavery have been uncovered in the value chain in recent years, particularly involving migrant workers at yards.



PEOPLE / ACTIVITIES IN 2021

The Norwegian parliament has adopted the Transparency Act, obliging large and mid-size companies to conduct human rights and decent work due diligence not only for its own operations and supply chain, but throughout all business relationships in the value chain. Under this Act, citizens will be entitled to request information from companies, and the Norwegian consumer authority may issue injunctions and fines for non-compliance. Reporting should cover how the company approaches labour and human rights for its own employees, as well as in the value chain, particularly related to contracted workers and yard workers for newbuilds and ship recycling. DOF will in 2022 ensure that relevant governing documents and processes are aligned with the Transparency Act requirements.

DOF will in 2022 support roll-out of Amnesty's eLearning course on Business and Human Rights. The course will be mandatory for positions in DOF that are exposed to issues related to Human Rights.

Human Rights Due Diligence

DOF currently has a template for "Company Analysis and Due Diligence Report". This template will be reviewed to ensure the parts covering Labour and Human Rights are aligned with new requirements.

Diversity

Over the last few years, the Group have identified increasingly stricter requirements for reporting on various aspects of workplace diversity. In 2022, systematic work will be initiated to get an overview of these changes and develop a guideline on how to measure various aspects of diversity. This could include (but not limited to) wages, training, career paths and management positions. The work will be basis for a more structured approach to this area in the future.

As part of the DOF Ambassador program, one of the work-groups have been assigned a strategic project related to diversity in DOF.

Occupational Health & Safety management

DOF is committed to ensuring the provision of a healthy and safe working environment throughout company operations, through interaction and consultation with stakeholders.

The Occupational Health & Safety management is verified by DNV according to requirements in the ISO 45001 standard and the ISM code and forms a part of the Business Management System (available on www.dof.com).

- The Occupational Health and Safety Manual (OH&S) is in line with international standards such as ISO 45001 and the ISM code.
- DOF has established procedures to ensure that hazards are identified, the likelihood and consequence of occurrence is assessed and, as necessary, suitable control measures are introduced along ALARP principals.
- Personnel are trained in the use of appropriate risk assessment and management techniques.

Hazard identification, risk assessment, and incident investigation

DOF implements a hazard and risk management process in order to identify hazards and risks associated company activities - aligned with ISO 31000 Risk Management - Principles and Guidelines:

- Risk assessment processes are audited by internal and external parties such as DNV;
- All employees must undertake basic training in risk identification and assessment;
- All employees have the Stop Work Authority;
- Incident investigation depends on the level of severity of the incident and is published in the DOF Workbook;
- All investigations conclude with recommendations in the occupational health and safety management system.

Occupational health services

DOF has an agreement with an internationally recognised, accredited occupational health service provider. Services can be accessed directly or through positions such as a vessel's nurse.

Worker participation, consultation, and communication on occupational health and safety

- DOF's OH&S management system IT application allows for feedback directly on specific documents, or to make general improvement suggestions.
- Safety Delegate & Protection and Environment Committee (PEC) committees at vessels and onshore worksites guarantee worker involvement. These committees may vary depending on local legislation.

NORMA Cyber

The Norwegian Maritime Cyber Resilience Centre - NORMA Cyber is a joint effort between Den Norske Krigsforsikring for Skib (DNK) and the Norwegian Shipowners' Association and started operations from the 1st of January 2021.

The centre delivers centralised cyber security services to Norwegian shipowners and other entities within the Norwegian maritime sector. NORMA Cyber aims to be the leading hub for operational cyber security efforts within the Norwegian maritime sector.



PEOPLE / ACTIVITIES IN 2021

Worker training on occupational health and safety

All workers are required to perform mandatory e-learning related to Risk Assessment and the Permit to Work system, which are fundamental to safeguarding our people.

Promotion of worker health

DOF aims to ensure that all employees have access to non-occupational medical and healthcare services. This is normally achieved through agreements with local health insurance companies. The coverage of these insurances will be adapted to circumstances such as availability of universal health care and statutory requirements. Overall, DOF follows an industry benchmark for its health insurance coverage.

In some regions, programs have been established for voluntary health promotion services such as annual health check-up.

Prevention and mitigation of occupational health and safety impacts directly linked by business relationships.

DOF's offshore operations are where our people have the highest exposure to health and safety risks. The Permit to Work system identifies high risk operations. The system ensures a thorough process before work may commence and includes risk assessment for the specific work to be done.

Workers covered by an occupational health and safety management system

All employees at DOF vessels and worksites are covered by the Occupational Health and Safety management system. This includes both employees and workers who are not employees. By 31.12.2021 the headcount of DOF staff was 3,820 people. An exact number of workers who are not employees is not available.

In addition to regular internal audits, the OH&S Management system is verified by DNV according to requirements in the ISO 45001 standard and the ISM code.

Cyber security

Cyber security is our practice of defending computers, servers, mobile devices, electronic systems, networks, and data from malicious attacks. Our defence of the Group IT and OT infrastructure is guided by our global Cyber Risk Management standard, built around but not limited to:

- Network security by online monitoring securing DOF's computer network from intruders, whether targeted attackers or opportunistic malware.
- Application security by design is focused on keeping software and devices free of threats.
- Information security protects the integrity and privacy of data, both in storage and in transit.
- Operational security processes are in place for handling and protecting data assets in a best possible way.
- Disaster recovery and business continuity plans are in place to dictate how the business restore any loss of operations or data and to return to the same operating capacity as before an attack.
- End-user education is in place to teach our employees to detect secure suspicious e-mails and behave like data security officers on behalf of our Company.
- DOF is part of NORMA Cyber including services like intelligence, security operations and crisis response. Regular ERT exercises are executed to be prepared and respond to attacks.

Respect for each other and cultural diversity

Respecting cultural diversity while working towards the same goals is a key success factor for DOF. All DOF employees undertake mandatory and regular values-based training. The Code of Business Conduct (COBC) is in place to guide behaviour and support sound judgement and common sense and DOF's values are embedded in many other business and discipline related training materials.

Robust, respectful and healthy communication between our people in the Group, across geographical borders and "top-down – bottom-up" is valued.

Labour rights & relations (employee satisfaction)

DOF is committed to encourage and support all employees and ensure all employees align with DOF's vision and values. DOF aims to perform working environment surveys every second year, followed by improvement process until the next survey. A survey is planned for 2022.

DOF follows a practice which conforms to international standards for human rights, and Group operations are managed in accordance with fundamental labour standards. Our guidelines and standards are based on the ILO Convention that prohibits all use of forced labour or child labour. DOF recognises and respects the employees' right of association, organisation and collective bargaining, and the company guidelines conform to the labour regulations stipulated by all local authorities.

Labour / Management Relations

DOF is part of an industry known to be cyclical and in downturns redundancy and down-sizing are an unfortunate part of the cycle. DOF ensures continuous dialogue with employees' representative and trade unions. It is inevitable that workforce numbers will change according to demand, however DOF will do its utmost to assist employees affected by down-sizing and have a robust program to support those employees with career and financial counselling.

Training and Education

The DOF training framework is based on nine key strategies:

- Cultivate Core Values, Safe the RITE way;
- Partner with different business units to establish core competencies;
- Leverage Intellectual Capital;
- Invest in Strategic Learning;
- Align Strategies with Corporate Objectives;
- Broaden Learning Activities;
- Focus on Performance Solutions;
- Speed up knowledge transfer and knowledge retention;
- Build our employee branding.

In addition to training for DOF employees, all third-party personnel onboard our vessels must complete a vessel induction process, with vessel familiarisation, DOF's operational standards and Code of Business Conduct, and mandatory e-learning modules covering Permit to Work, Management of Change, and Risk Assessment.



PEOPLE / RESULTS IN 2021

2021 results within People

Through entire 2021, DOF has strived to protect our people onboard and in our offices from the COVID-19 virus. Despite hundreds of employees infected throughout the year, everyone has recovered. The continuously changing requirements and recommendations from governments and health organisations has been exhausting. Nevertheless, we have been able to maintain our guidelines and regional protocols aligned with current requirements by tremendous effort by the onshore organisation. However, the greatest burden has been on our people offshore who have experienced quarantine periods, extended and changed shifts, travel restrictions and less time at home.

Based on experience through the pandemic, Medical Service and Employee Benefit Program has been strengthened to ensure they provide support for mental well-being and health issues.

DOF went into 2021 with many ambitious HSE projects and a clear objective to improve the results from the previous year. The HSE results are better than in 2020, but still far away from our ambitions. The trend throughout the year was very positive, but in Q4 we experienced a number of incidents connected to lack of awareness and inexperience. We find it likely that a major contributing factor was the wave of the Omicron variant taking the focus, demotivating an already fatigued organisation, and imposing new restrictions requiring use of personnel not familiar with the DOF safety culture.

Modern communication

The substantial efforts started in 2020 to modernise the communication channels in DOF continued throughout 2021. Our communication strategy changed during 2021, with increased focus on promoting and empowering our people. This will continue as a key communication strategy going forward.

A new initiative with global, digital town hall meetings led by the CEO started in Q3, and this will continue as a quarterly session. The town hall meetings consist of the CEO giving a general "state of the union" update, and a part of the session where a specific topic is presented by a subject matter expert.

In 2021, the organisation in Brazil arranged Annual Leaders Seminar 2021. Due to the COVID-19 pandemic, the event was held in virtual format. The theme of the event was "Shaping DOF for the future" - the strategic plan of DOF Group going forward. More than 450 employees from both onshore and offshore were engaged during the event through the chat, sending questions and interacting through the platform.

The Modern Workforce Communication project made significant progress and approximately half of our offshore employees had received their DOF email account by end of 2021.

Other improvement activities delivered in 2021:

- Maintained ISO 45001:2018 certification status for the DOF Group.
- Global survey among our offshore crew that gave valued input and advices on how to improve efforts within Occupational health and Safety

- Update to Cyber Risk Management standard
- Improved coordination, dialogue and regular meetings in the global HSEQ organisation
- Regular issues of monthly Safety Theme reflecting current challenges at the time

Work-related injuries 403-9

All HSE incidents are reported through a common system for DOF, "Docmap". The system is available in the office and on all DOF vessels. Among the data captured for each incident is Type of injury, injured body part, Gender, Age and Injury classification.

HSE reporting aligns with the reporting principles of IMCA.

The man-hours used to calculate frequencies are based on exposure hours and include hours for all personnel on our vessels. This provides the most accurate indicators regarding the overall safety performance.

Significant metrics are outlined in Figure 6 and Figure 7 on page 142 shows the Occupational Health and Safety Indicators.

For 2021 the objective was to be below 0.3 LTIs per million man-hours. At the end of the year, we reported 0.68 LTIs per million man-hours for DOF as a whole.

The total recordable injuries rate (TRIR) for DOF was 2.05 in 2021. The TRIR is an indicator of the total number of LTIs, restricted workday cases and medical treatment cases per million man-hours. The IMCA TRIR for 2020 was 1.09.

Number of first aid cases has for 2021 been 6.26 per million man-hours.

The main types of injury are lacerations and impact injuries (sprains / fractures).

Being a global company operating within multiple cultures, openness is a key approach. Our result in reporting safety observations, both positive and negative, reaches the impressive figure of 711 reports per 200,000 man-hours.

In 2021, there were six lost time injury cases recorded.

One incident resulted in partial amputation of a finger when finger was hit by a high-speed object due to unexpected release of pressure.

Two of the incidents did not result in long-term absence or permanent disability.

Three of the incidents occurred towards the end of the year and the injured persons had not returned to work by 31.12.2021. It is expected that the injured persons will fully recover within 6 months.

In most locations where DOF operates, trade union agreements contain provisions that address the health and safety of our employees. All our offshore workers are covered by the MLC 2006.



PEOPLE / RESULTS IN 2021

Emergency management

Emergency Management protocols and systems are well developed within DOF; however, this is an area where training and readiness are crucial to the effective management of any emergency situation or crisis. Regular scenario training, conducted by third party organisations specialising in Crisis management, is provided for personnel in the Emergency Response Teams (ERT). Scenario Training is supported by electronic system exercises to ensure individuals remain familiar with the system.

Emergency response training exercises range from a variety of offshore scenarios to more universal themes of business continuity in order for DOF to 'Stress Test' and improve where necessary. Organisational compliance is monitored by Key Performance Indicators.

During the year, there were 58 mobilisations in the Crisis Management system. 30 were actual incidents; 28 were exercises. The high number of actual incidents can be attributed to the system being used to handle actual or suspected COVID cases onboard vessels.

Cyber security

There have not been any major cyber security incidents in 2021.

FiftyFifty

Since 2017 the FiftyFifty programme has educated women from both Norwegian and international companies. The programme is presented by AFF and is based on the UN Sustainable Development Goal 5 "Gender Equality". FiftyFifty has, since its origin in 2017, brought women together from both Norwegian and international companies to learn and share best practices.

In 2021, seven women in DOF joined the program together with women from many other industries.

DOF's global goal is to reach 25 percent female representation in the seasoned professionals and management group by 2025.

DOF Ambassador Program

The DOF Ambassador programme is a platform for employee career development. The programme offers potential leaders and executives a structured professional development programme, which is scheduled over the coming years. The programme was intended to start in 2020, but was suspended due to COVID-19 restrictions as it required the cohort to travel to Norway. In 2021, the program was started with digital sessions connecting participants from all DOF regions.

Hybrid working arrangement

Hybrid working arrangement introduced to DOF in 2021 as a permanent arrangement. This is regarded by World Economic Forum as a very important measure to stimulate female career path when taking care of children. A global survey performed in 2021 gave clear feedback that a hybrid working arrangement contribute to better work-life balance, without compromising people's work performance.

Maritime Trainee

DOF is proud to participate in the Maritime Trainee program delivered by the Norwegian Shipowners Association (Norges Rederiforbund). The program was established in 2005 and has delivered 250 trainees and is one of the leading management trainee programs in Norway. The Maritime Trainee program provides solid contribution to the promotion of the Maritime Industry and all its future opportunities.

The program has a duration of 18 months and combine working in a leading maritime company with an academic program. The academic schedule focus on gaining maritime knowledge across international ocean industries, digitalisation and new technology development, maritime law, sustainability and corporate governance.

In 2021, DOF had two participants of the Maritime Trainee program.

Our Employees

DOF aims to provide all employees with a safe working environment where they can advance their careers, develop their expertise and have a flexible working day. The focus on DOF's fundamental values – respect, integrity, teamwork, excellence and safety – has resulted in an improvement in individual efficiency and productive attitudes among our employees. DOF has a long-term plan for training and development of its employees.

Diversity and inclusion have always been of high importance to DOF. The Equal employment Opportunities policy ensures a fair recruitment process. Candidates are treated fairly, professionally and with respect. DOF employs the most competent person for a position based on their skills, knowledge and experience.

Our workforce is comprised of 73% full-time employees and more than 2,500 employees are covered by collective bargaining agreements (87%).

Diversity of governance bodies and employees 405-1

The Board of Directors in DOF ASA is comprised of 50% men and 50% women. 25% 30-50 years old and 75% are over 50 years old. Overview of employee diversity can be found on page 124 - Diversity of employees.

Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation 401-2

Standard benefits to employees can vary depending on the country's legislation where DOF operates. The key regions for the marine and subsea operations are the Atlantic encompassing companies located in the UK, Norway; South America in Brazil and Argentina; North America in USA and Canada; Asia-Pacific in Australia, Singapore. In general, the same benefits apply to full-time and temporary or part-time employees, with minor variations in the coverage depending on the region / country where they are located. A detailed overview can be found on page 172 in Appendix B.

PEOPLE / RESULTS IN 2021

Minimum notice periods regarding operational changes, including whether these are specified in collective agreements 402-1

The minimum notice periods may vary, depending on collective bargaining agreements, individual agreements and statutory requirements. A summary of the practices in the different regions where DOF operates is given below.

Asia-Pacific - In Australia, number of weeks not specified within Modern Awards or Fair Work Act. Regulatory documents state "...as soon as practicable..." and therefore the employer must check to ensure it complies with each award of the effected employees at the time. In most cases one month notice applies. In Singapore, the notice duration should be in accordance with the contractual terms mutually agreed upon, which for DOF is one (1) months' notice. In Indonesia, the notice period is one month. In Philippines the minimum notice period is one month.

Atlantic - In UK there is a minimum of one months' notice provided for major operational changes affecting employees and for statutory requirements, notice will be in accordance with valid regulations.

In Norway, the minimum number of notice period defined in the relevant national working legislations or in the employment agreement varies from 4 to 12 weeks. This is defined in the relevant national working legislations, collective bargaining agreements or in the employment contract. If the employee is on probation period, a period of notice of 14 days will be applicable.

South America - In Brazil, the period varies depending on the years of work. In case of contract rescission, the employer must give one-month notice + 3 days for every year worked in the company.

North America - In the USA, there is no defined minimum notice period, however there are limited circumstances which trigger statutory requirements. In Canada, the minimum period of notice in terms of changes in employment is based on a number of factors, including the circumstances of the change. Notice that may affect employment status is given based on years of service.

Average hours of training per year per employee 404-1

The average hours per person budgeted is 16 hours per person for training, with an additional 8 hours for global information meetings per annum.

The budget for each person is USD 1000 for training, per annum.

Programs for upgrading employee skills and transition assistance programs 404-2

DOF have training matrices covering both basic and advanced training for its workforce. The DOF workbook is the basic and introductory training covering the most relevant topics. More advanced training is provided by a various training providers including Universities and Maritime University college.

Our transition assistance programs come in force when employees are moved from offshore to onshore or when there is need for recruitment or new competence. Various programs are tailored for the transition from one part of the company to another.

The Manila Accounting Support Hub (MASH) was established in May 2019. The MASH team is providing accounting services to DOF entities in several regions. This new services relief the DOF accounting from repetitive and manual work into more advance accounting tasks that are supported by internal or external training.

There are various severance programs in place and adjusted to national programs. These programs allow a smooth transfer to full retirement. This is done as part of Company succession planning as well.

In case of termination of employment, DOF will seek to provide guidance to facilitate continued employability outside DOF.

There are arrangements in place to stimulate employees to higher education combined with employment balancing time for study and present at work. These programs allow to plan for skills that help the organisation to meet strategic goals in a changing working environment.

Percentage of employees receiving regular performance and career development reviews 404-3

DOF seeks to conduct annually career development reviews / appraisal for all eligible employees (depending on operational area / type of position) together with their managers.

An overview of performance reviews is given on page 171 (Figure 19)

Non-discrimination 406-1

In 2021, there were three confirmed incidents of harassment. Two incidents resulted in dismissals, and one resulted in other disciplinary action.

2022 focus within People

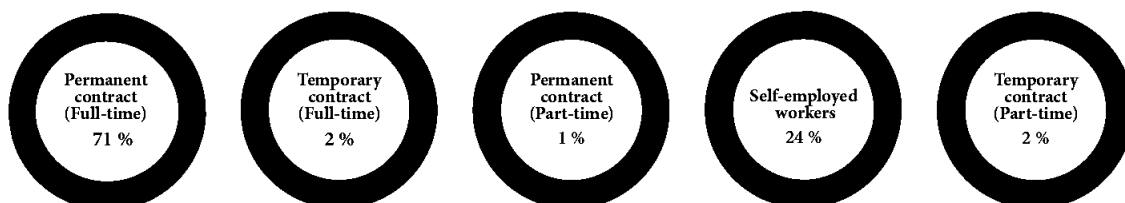
The overarching focus in 2022 will be on our safety culture, through the principle of "safety starts with you" and leadership engagement.

DOF has for many years had its "10 Life Saving Rules". In 2022, we will adopt the IOGP Life Saving Rules, which are similar, but will align us with other companies in our industry.

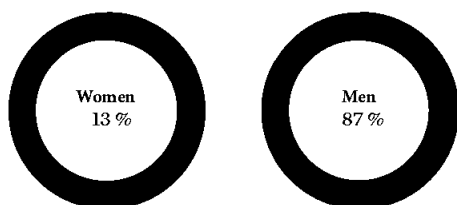
A framework will be established for using digital tools to perform management visits, audits, inspections etc. This will allow more frequent interaction between onshore and offshore personnel and will be used in combination with physical vessel visits.

PEOPLE / FOCUS FOR 2022

Employment type - Figure 1



Demographics - Figure 3



Diversity of employees - Figure 2

BY GENDER	UNDER 30 YEARS	BETWEEN 30 AND 50 YEARS	OVER 50 YEARS
Female	22.0 %	12.5 %	8.6 %
Male	78.0 %	87.5 %	91.4 %
Total	15.0 %	61.5 %	23.5 %

BY GENDER	STAFF	MANAGERS	SENIOR MANAGERS
Female	14.8 %	10.3 %	2.5 %
Male	85.2 %	89.7 %	97.5 %
Total	77.8 %	11.8 %	10.4 %



PEOPLE / FOCUS FOR 2022

Work will continue with modernising the way operational HSE activities are performed. The main method to achieve this will be to digitalise the processes related to vessel specific checklists, Permit to Work and Risk Assessments, Management of Change and Toolbox Talks.

The DOF Workbook will be rolled out with training sessions globally. Different methods of delivering training will be available: Classroom training, digital training sessions, and self-study with video presentations.

In connection with upgrade to new version of the Business Management System, we will use the opportunity to simplify the system. Our industry is known to be bureaucratic, and in this context, we must strive to ensure we are not adding additional bureaucracy by self-imposed requirements.

During the year further work will be focused on the implementation of the measures in the Cyber Risk Management Standard, including ship specific risk assessments, raising awareness and further enhancing the Cyber Risk Management within DOF. This work will be coordinated by the new Cyber Security Task Force, supported by executive management.

DOF is an equal opportunity employer and has zero tolerance against any form of harassment within the workplace or local communities.

In 2022, DOF will continue to take full advantage of modern platforms for communication and collaboration which proved vital to business continuity the last years and in light of the pandemic. This includes an Enterprise Social Network solution to improve workforce communication by making it easier to communicate and allowing interactive communication. New tools for collaboration will allow for more efficient collaboration across all DOF entities and regions. A project is underway to improve the way information is made available to offshore personnel, by providing company e-mail address and access to company portal for all offshore employees.

In addition to this, a new talent management platform will be rolled out for all employees, supporting regular follow-up and goals throughout the year.

DOF joined the SHE Index in 2021 and will continue the efforts to balance the teams with regards to and other relevant parameters. DOF aims to strengthen our capability to measure and act on diversity and inclusion in leadership and workforce. As part of this, several activities will be done, such as global analysis of gender pay gap, and gender distribution in different employee categories.

Leadership development

“In the space of business and organisations, leadership is about getting the employees to work towards a common goal through motivation, commitment and well-being” – the quote is taken directly from the DOF Workbook. During the year a series of leadership training sessions will be held globally. The one-day training courses will be focused around the DOF values, leadership theory and practice, project management, communication and financial understanding. Another important part is to focus on leadership in Occupational Health and Safety.

Continue fifty-fifty

The fifty-fifty program has been a success so far and will continue in the coming years. Variants of the concept will be rolled out globally allowing female talents to strengthen their self-esteem towards their career, in trustful surroundings in close dialogue with executive female leaders and academia. This is an important activity for DOF to reach the organisation’s ambitious targets within diversity between male and female.

Continue ambassador program (next phase / new ambassadors)

The ambassador program will continue with new talented employees and adjusted according to our learning and experience from the first group. The program has shown to be an important supplement to our retention program and good arena for DOF’s executive team to meet the new generations of leaders.

Smarter and inclusive communication

DOF will change the communication profile focusing more on people and feel-good articles on our intranet and various social media platforms. Recognising the challenges the industry has

DOF's leadership principles

- Inspire & motivate
- Show integrity
- Solve problems
- Drive for result
- Communicate



PEOPLE / FOCUS FOR 2022

been through during the two years of pandemic we need an active approach to stimulate optimism in the organisation. The fact that the Company is now in a dynamic growth recruiting new employees and turning strategy towards the renewable market calls for a smarter and more inclusive communication. Various means of communication will be tested out. Podcast that will enhance employees understanding of areas like offshore wind and Circular economy are some examples. New and smarter ways of presenting PowerPoint presentations on safety meetings utilising videos and with artificial avatars presenters to secure consistency in the message. Finally, DOF will utilise the potential to reach out in social media. DOF have over 160 thousand followers at LinkedIn. This figure will be used as inspiration to get higher utilisation of Yammer internally.

Ethics Helpline

During 2022 various initiatives will be made to enhance respect in normal interaction in the Company. The analysis of situations and reports from our Ethics Helpline is not acceptable and in breach with our Code of Conduct. This will be addressed in training and campaigns. Some initiatives will be organised from corporate and others regionally.

New Code of Conduct - strengthen respect

The Code of Conduct will be strengthened with some new chapters like circular economy, life below water and biodiversity. Examples in the dilemmas will be on relevant situations like use of plastic and other examples as dilemma when client ask us to do high speed on a boat to reach shore when no one is expecting us. This results in extra tons of diesel burned without good purpose and consequently unnecessary GHG emissions. The common theme across the UN SDGs is human rights; this is addressed in the current Code of Conduct and will be even clearer in the new version of the Code.

to the Company, our values, and risk assessment approach, to more advanced modules like project management.

To build on the strengths of teams so the efforts of one team can be quickly replicated or adapted in another region is a key concept. The ability to harness the creative talents from a region, by incorporating their solution into a potential business opportunity in another region, will enable DOF to respond to clients with timely, proven solutions and resulting in a cost-effective outcome for DOF and its clients.

DOF will increase the use of Subject Matter Experts selected from appropriate regions to provide support to corporate and project related teams. The implementation of the 'modern toolbox' will support this effort.

Various initiatives in the Human Resourcing areas of resourcing, attraction, privacy compliance, retention and development of employees will be executed. We remain committed to sourcing talent and developing employees and to adapt to market changes. In addition, enterprise social media platforms, both internal and external, have been implemented to improve communication with our workforce and external stakeholders.

Future goals within People

Safety awareness is a never-ending process, and our goal is to be recognised as the safest provider of subsea and vessel services to our growing international and global client base. The Watertight Integrity Test, launched in our code of conduct, starts with a simple question; "Is it Safe?" If the answer is no, action must be taken.

As personnel join the Group, we ground them in our values-driven approach and provide them with the necessary practical, and theoretical training to appreciate the importance of acting in line with the values and principles.

We continue to enhance safety culture onboard our vessels.

DOF issued the first HSEQ Workbook in 2012. A new Workbook was introduced in 2020 and expanded beyond HSEQ, to cover all aspects of the company and published on DOF's website.

The DOF workbook is the backbone of training within the Group for the next 5-6 years. Through a holistic approach, employees will be exposed to training ranging from induction



Planet

Our company value that is directly connected to planet:
RESPECT

Within Planet, we apply our values Safe  the RITE way® to define significance, guide our approach, assess our results, and set the ambitions into our future.

“Respect underpins everything we do and every interaction we have. Respect for people: our colleagues, our customers, and our business partners. As global citizens we are socially responsible, we respect the individual, the local customs and cultures of our various markets. Acting with care and consideration is central to our wellbeing and safety and ensures we minimise our environmental impact.”

The Group aims to create an environment of empathy, mutual respect and understanding amongst all stakeholders. DOF is an equal opportunity employer and does not tolerate any form of harassment or discrimination within the workplace or local communities where we operate.

We operate in an evolving market. It is vital for DOF to develop in the energy sector, together with our key partners, in line with the targets articulated in UN’s Sustainable Development Goals.

A key to meeting stakeholders’ expectations is the implementation of new technology and digital solutions to reduce GHG emissions and become more efficient. An objective for the next 3-year strategic period and a driver for value creation. As a responsible organisation and through Respect we aim to:

- Maintain our equal opportunity employer performance: we will not tolerate any form of harassment or discrimination within the workplace;
- Operate responsibly at sea, with minimal impact upon the environment;
- Reduce our environmental impacts by delivering energy efficiency and the well-established zero-mindset to any discharges of harmful material into the sea, making DOF an attractive business partner;
- Adapt to the global communities’ changing expectations to climate change and pollution.



PLANET / ACTIVITIES IN 2021

2021 activities within Planet

Environmental Performance

Also, an aspect of respect, Environmental Performance, is governed by the DOF Environmental Impact Policy. It reflects corporate intentions, principles of actions and aspirations to improve environmental performance. Responsibility for ensuring that DOF is committed to minimising its environmental impacts in line with the 'Polluters Pays Principle', 'Precautionary Principle' and 'Duty of Care', Energy Efficiency and Climate Impact lies with the Board of Directors.

Since 2010, DOF has reported key environmental performance through CDP and the reporting has directly influenced the development of our Business Management System and the programs established to manage our environmental performance.

Our Environmental Management System (EMS) ensures that DOF effectively manages our operations and strives for continual improvement of our environmental performance.

Using technology to reduce fuel consumption

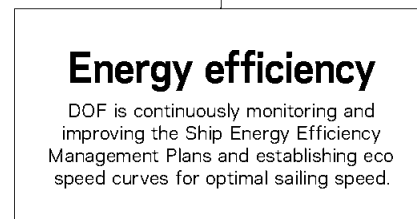
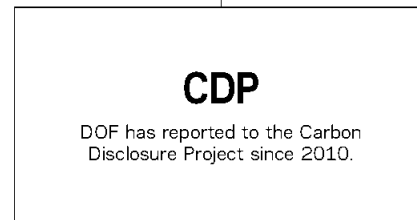
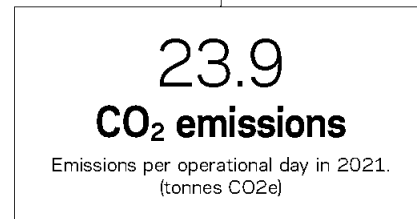
DOF has well established systems and new initiatives operating in parallel to deliver fuel efficiency and reduced GHG emissions.

Implemented in 2012, the Ship Energy Efficiency Management Plan (SEEMP) is vital to our EMS. The SEEMP was developed in partnership with DNV and aligned to the guidelines set out by the IMO marine environmental protection committee. SEEMPs are applied across the whole fleet to plan, implement and monitor the measures required to maximise vessel efficiency.

All DOF's vessels operate with Marine Gas Oil (MGO). DOF complies with the regulations in the industry, especially with IMO and MARPOL Annex IV, Regulation 14, regarding strict measures addressed to ship owners to control the emissions of NOx and SOx from their ships, in Emission Control Areas (ECA) where ultra-low sulphur fuel is required.

Several vessels are fitted with technology reducing fuel consumption and emissions.

- DOF has for more than 15 years focused on reducing NOx emission to air: the main contributor is the instalment of Selective Catalytic Reductions (SCR) systems which can reduce NOx emissions up to 90%. SCR is a means of converting NOx with the aid of catalyst urea into N2 and Water.
- The diesel electric hybrid propulsion system allows greater operational flexibility and reduces energy consumption, CO2 emissions and maintenance costs. This propulsion system is ideal for DOF's combined anchor handlers and offshore construction vessels.
- Improvements, particularly on hull design, have been made through close industrial cooperation with main suppliers. This experience transfer ensures continuing enhancement of technology into the future.



- DOF deployed cloud-based analytics software system successfully on all vessels in 2021. Maress analytics allows decision makers on shore and on the bridge to make more informed decisions on how to reduce emissions. Maress allows DOF to fully understand the emissions from individual vessels, and for the fleet as a whole. Due to the smart re-use of existing data the system can be rolled out quickly and was operational on the whole fleet in Q1 2021.
- The research project partnership with Kongsberg Maritime, SINTEF Ocean and NORCE to develop of a new generation Decision Support System (DSS) for offshore vessel operations were finalised in 2021 and is now undergoing final adjustment to be rolled in the fleet.
- Developing shore-side electricity connections for port stays has delivered considerable environmental benefits by utilising renewable energy reducing carbon dioxide, sulphur dioxide and nitrogen oxide emissions to a minimum. Modifying vessels for this technology is continuously evaluated based on the availability of shore-side connections where our vessels operate.

Spill avoidance is captured by KPIs and as a 'bearing element' in the ISO 14001 certification is audited regularly. DOF's maintenance regime incorporates spill avoidance objectives in order to reduce the risk of environmental impact from incidents.

All vessels have a Shipboard Marine Pollution Emergency Plan (SOPEP/SMPEP) which provides guidance to the Master and officers on board the vessel as to the steps to be taken when a pollution incident has occurred or is likely to occur. The plan is reviewed annually, and a regular drill held.

DOF's internal procedures for bunker and fuel testing ensure control of fuel supplies to its vessels. The main objective is to ensure good quality and uncontaminated fuel supplies to offshore installations, in accordance with Charterer requirements. All contracts between DOF Marine and charterers specify the quality of the fuel as per ISO 8217, Bunker Fuel Standard.

Innovation & climate resilience

DOF conducts operations in compliance with best practice techniques and principles, worldwide. As such, DOF standardises its global approach to meet the highest requirements of legislation and the expectations of external parties both locally and internationally.

Risk Identification and Assessment analysis of where we are most likely to deviate from these commitments and what the risks are should this happen, is undertaken. Control measures can be identified to ensure that our levels of exposure are acceptable for all stakeholders.

2021 results within Planet

Respect underpins the flexibility we have in our organisation. We can call on specialist individuals who because of the common respect for each other, have a commitment to meet shared goals. Without mutual respect, the high level of coordination and cooperation required to address corporate or operational challenges is more difficult. DOF has a proven record of adapting assets quickly and developing operational solutions to meet difficult and time sensitive challenges from their clients that delivers successful project execution outcomes. The following reporting concerns all DOF vessels and all environmental initiatives in the Group.

Energy Consumption within the Organisation and outside the Organisation 302-1 | 302-2

The majority of DOF's energy consumption comes from non-renewable sources, which is attributed to fuel consumption on our vessels. The energy consumed in our offices comes from both renewable and non-renewable sources, depending on the energy infrastructure in the area where the office is located.

Figure 10 in Appendix B.4 indicates the organisation's energy consumption in joules. Electricity consumption per country is detailed in Figure 11, also available in Appendix B.4.

302-3 Energy intensity

In 2021, the energy intensity for fuel consumed (Scope 1 vessels) was 332.5 GJ per operational day.

Managing Fuel Consumption and Emissions to Air (Carbon Dioxide Emissions)

305-1 | 305-2 | 305-3 | 305-4 | 305-5

The Environmental Impact Policy sets out clear aspirations to ensure that our operations have minimal impact on the environment. This requires DOF to calculate and anticipate potential challenges before activities take place through risk identification processes, to ensure that the environmental impacts are understood and reflected in our activities.

From reporting year 2021, DOF uses CEMAsys.com for carbon footprint management. The system enables gathering and management of data connected DOF's climate change impact, according to the international Greenhouse Gas Protocol.

The system allows DOF to report its carbon footprint with a new degree of accuracy and integrates current conversion factors for emissions and energy consumption. In addition, the reporting of Scope 1 and Scope 3 emissions for vessels is now more accurate.



PLANET / RESULTS IN 2021

For vessels owned by Joint Venture, DOF will report emissions equivalent to % ownership in the JVs as agreed with JV partner. This is to avoid that both companies report 100% emissions on these vessels, which in consolidated reporting would lead to inaccurate figures.

For the activity-based metric, tons CO₂ per operational day, the figure has been recalculated with the assumptions for the 2021 reporting, to provide comparability year by year. The historical figures for 2020 and earlier will consequently vary slightly from what has been reported in previous years.

Data regarding Scope 1 concerns vessel fuel consumption for DOF vessels (including third party vessels) where DOF is in operational control. The resulting CO₂ emissions are detailed in Figure 12. During 2021, the total Scope 1 emissions were reduced by 6.6% (26,012t CO₂e) compared to 2020. However, the emission per operational day (intensity target) increased by 2.1% compared to 2020. This is mainly attributed to many vessel movements between regions, as vessels needed to be reallocated due to COVID-19 effects on operations.

Scope 2 data relates to electricity and heat consumption in buildings where DOF has offices or warehouses, and electricity for vessels with shore power connection capability. Scope 2 accounts for 1% of DOF's total CO₂ emissions. DOF has decided to use "The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)" to calculate the CO₂ emissions originating from onshore electricity consumption (Appendix B.4, Figure 12). From 2021 going forward, Scope 2 emissions will be reported market-based.

Data regarding Scope 3 concerns fuel vessel consumption for DOF vessels (including third party vessels) where the end client is in operational control. Scope 3 also includes business travel and incinerated waste onboard vessels. During 2021, the total Scope 3 emissions were reduced by 12.9% (14,449t CO₂e) compared to 2020.

Total number and volume of significant spills

DOF considers any loss of secondary containment over 50 litres to be a significant spill. This is in line with the definition from IMCA SEL-010. The target is to have zero significant spills to external environment.

In 2021, there were no loss of secondary containment spills that exceeded the 50-litre threshold to environment.

One incident of loss of primary containment was recorded where approximately 600 litres of fuel spilled on deck during bunkering operation. However, loss of secondary containment was prevented by the mitigative actions taken by crew on board, prevent release to the external environment.

During the year, 36 environmental incidents were reported. This results in 4.10 incidents per million man-hours. This is slightly above the KPI of less than four spills per million man-hours. The majority of spills are very small spills related to ROV operations.

DOF experiences variance in the quantity of spills due the broad nature of our activities. Within marine operations, we tend to see larger spills that are contained on deck to prevent loss of secondary containment. In subsea operations, there is generally very small quantities of substances released. However, these releases often stem from subsea equipment in operation which make it more likely to be released directly into the environment and become defined as loss of secondary containment.

It is challenging to record the exact volume of liquid spill as most spills are contained before being released (secondary containment) by marine spill kits and protocols. Measuring the volume is based upon individual's best judgement at the time of the incident, often in rough weather and darkness. The total volume of all spills during 2021 was 1,009 litres, whereby 82 litres was considered loss of secondary containment. The KPI for the area set to be zero, but the result is 9.34 litres with loss of secondary containment per million man-hours.

Compliance 307-1

In 2021, DOF has not been subject to any significant fines or non-monetary sanctions for non-compliance with environmental laws and/or regulations.

Waste generation and significant waste-related impacts 306-1

DOF generates both hazardous and non-hazardous waste as part of routine vessel operations. Generation of waste (i.e. non-hazardous), is the by-product of a number of activities listed in the table including and further classified in two different categories (see tables below and on following page).

Various activities

- Accommodating crew members on board vessels
- Recovered materials subsea as part of contracted scopes of work or marine duties
- Maintaining vessel equipment
- Packaging from goods received via supply chain
- Replacing or refurbishing end-of-life products

Waste categorisation part I

- Plastics
- Operational waste
- Food wastes
- Animal Carcass(es)
- Cooking oil
- Fishing gear
- Electronic waste (E-waste)
- Domestic wastes (e.g., paper products, rags, glass, metal, bottles, crockery, etc.)

Part II is applicable to those DOF vessels carrying bulk cargo, as required by contracted SOW

- Solid bulk cargo shall be classified per criteria in appendix I of MARPOL Annex V, and shipper shall declare whether cargo residues are harmful to the marine environment.
- Cargo residues which are not harmful to the marine environment (non-HME) have less strict discharge requirements than cargo residues which are harmful (HME).

The frequency of one-off, acute waste related incidents causing significant environmental damage is deemed low by the nature of our core activities.

Management of significant waste-related impacts 306-2

Vessel operations are governed by MARPOL Annex V, whereby receptacles are to be made available to segregate vessel generated waste.

MARPOL Annex V vessel segregation

- Paper / Board
- Glass
- Wood
- Plastic
- Metal
- Organic food waste
- E-waste, Hazardous waste, batteries, aerosol, bulbs, printer cartridges
- Health Service & Other Possible Infectious Waste
- Mixed, Contaminated or generally
- Non-recyclable Waste

Each vessel operates according to a Garbage Management Plan outlining specific segregation requirement. Garbage Management Plan also outlines the use of vessel waste management equipment to ensure that waste impacts are mitigated, this also includes operational procedures.

Segregation requirement

- Food grinder in the scullery
- Garbage compactor
- Glass crusher
- Incinerator
- Replacing or refurbishing end-of-life products

Waste-related data is logged in the vessel's Garbage Record Book in accordance with MARPOL Annex V and the data is available for monitoring by the onshore support organisation.

All vessels also have a dedicated spill prevention management plan. This outline controls such as use of spill kits, scupper plugs and key roles during a loss of primary containment on deck or secondary containment overboard.

Whilst the garbage management plan controls 'routine' waste generated offshore, DOF also has measures to control Project specific hazardous waste generation. This

type of waste is generated on a project-to-project basis and managed through project management and HSEQ functions. Types of waste generated, include recovery or handling of products/substances that have the following contaminants.

Project specific waste generation

- NORM
- BTEX
- VOC
- Mercury
- Hydrocarbons

Waste-related data is logged in the vessel's Garbage Record Book in accordance with MARPOL Annex V and the data is available for monitoring by the onshore support organisation.

Contaminants of this nature require specialist planning of deck arrangements, including double bundled containment, spill emergency response arrangements and personnel monitoring and protective equipment. Where project of this kind take place, it is likely that DOF operates under Field Environmental Plans approved by both the operator and/or state governing authority.

Key administrative controls are also in place to manage project generated hazardous products, including but not limited to; Identification of significant environmental aspects;

- Risk Assessment of potential environmental impacts through HAZID/HIRA processes;
- Task plans to control work activities and minimise likelihood of loss of primary/secondary containment;
- Client, government and specialist approvals/agreements or reviews as part of project authorisations.

Future goals within Planet

Emissions and Energy Reduction

DOF'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 DOF's ability of to meet changing stakeholder expectations associated with Greenhouse Gas emission from ships, including Nitrogen Oxides (NOX), Sulphur Oxides (SOX) and Particulate Matter (PM) in harbour areas.

Active management and continual reduction of fleet-wide energy inputs and GHG emissions is a significant material concern. Technology and Digitalisation is seen as a key enabler of managing this material issue.



PLANET / RESULTS IN 2021

Energy Management

Energy Management is considered in DOF as the process of identifying and bring forward initiatives, actions and opportunities, monitoring, and measuring the quantifiable benefits to the DOF Group's strategy of reducing emissions and reducing energy consumption.

Extended life of assets is a vital part in a transition period where there is a huge uncertainty of which green energy carrier will be sufficiently available. Consequently, the most important work in a wider energy management perspective, is the daily maintenance our good crew perform.

DOF Group will continue and increase capabilities and technology available to measure and gain insights into energy consumption and emissions. New digital technologies and products will deliver new insights into how and where we use energy. These insights will enable us to identify areas for improvement in 2022:

The "Intelligent Efficiency" product has been under development since 2018. This is planned to be rolled out on three to four vessels in 2022, pending final project evidence of saving. Important bi-product delivery of "Intelligent Efficiency" is the installation of "digital fuel measurement and reporting" software solution which avoids the requirement for manual registration of fuel consumption by workers offshore. Furthermore, a vessel performance shore portal /dashboard will follow the roll out of the "Intelligent Efficiency" solution.

DOF will specify the company requirements for possible implementation of hydrogen fuel cells combined with batteries on selected vessels. We will also investigate use of ammonia as a new zero/low-emission alternative to traditional fuels.

It is also planned to install battery / energy storage system on 2 vessels in 2022.

Science-based Targets

DOF recognises the importance of aligning our emission reduction targets to Paris Agreement goals. This approach is known as "Science-Based".

A project will be initiated together with TERRAVERA Foundation to model a structure to DOF's approach to gather scope one, two and three emissions. This will provide DOF with a clearly defined pathway to reduce GHG emissions and align with Stakeholder expectations.

DOF will work close with students from the technical university, NTNU and the business university NHH. The students will be guided by various professor within the area in close cooperation with DOF and TERRAVERA. The objective of the project is to build a model that is suitable for scope 1, 2 and 3 emissions.

DOF has formed a strategic alliance with Kongsberg Maritime Group to align efforts in reaching science-based targets on executive level, for scope 1, 2 and 3 emissions. In this perspective, DOF scope 1 is scope 3 for Kongsberg Maritime Group, and vice versa.

Establishing Science-Based Targets shall provide a clear pathway towards Net-Zero. During first half year a proposal will be presented to Board of Directors to publicly announce DOF as a Net-Zero emission company by 2050.

Single-use Plastic

As a steward of the environment, DOF recognises that it is no longer acceptable to utilise single-use plastic products. This too is reflected as a Material Issue for the organisation. Unfortunately, to date, we still see unacceptable quantities of single-use plastics being procured, used offshore and subsequently disposed. This linear flow of materials seen within the industry is contributing towards what the UN Environmental Program describes as a 'Global Pollution Crisis'.

In 2022, DOF will be playing our part in addressing this industry-wide environmental challenge with a series of systematic measures to phase out employee generated single-use plastic from our day-to day offshore operations.

In addressing this material concern, DOF shall take inspiration from our hierarchy of control by first seeking to eliminate the need to procure single-use plastic products or finding reusable alternatives. Where use of single-use products is unavoidable, we shall then endeavour to substitute plastic with non-plastic alternatives. The last resort is then to recycle any plastics we do use to ensure material value is maintained.

In our 2022 campaign, DOF shall form a strategic alliance within and outside of the industry to help expedite and scale-up our efforts to phase-out single use plastics. This shall be supported by a robust Group Charter outlining management measures, in addition to quantifiable inventories to track progress. These measures shall be verified as part of ongoing audit criteria throughout the group.

Biodiversity and Marine Pollution

Biodiversity is the variety of life on Earth and the natural patterns it forms. For DOF, what we see in our oceans is the result of 4.5 billion years of evolution and increasingly human influence. Ecosystem services such as food, fresh water, air, and climate regulation are commodities people and businesses rely on but depend on biodiversity conservation. Anthropogenic changes to ecological systems, whether planned or unplanned, are damaging not only for natural capital but also adversely affect social and economic development.

In 2021, when DOF mapped out revised material topics, 'Ecological Impacts / Biodiversity' was identified as a



PLANET / FUTURE GOALS

risk for 'Life Below Water'. The main areas of concern relate to DOF's ability to prevent the introduction of invasive species through multinational vessel operations and minimising the likelihood and severity of unplanned discharges of hazardous materials.

While national and international regulatory frameworks exist for these topics, DOF wants to go beyond compliance by establishing further improvement initiatives. This year's improvement measures are related to generating greater company awareness of the biological interactions of our activities and reinforcing existing operational controls through increased governance mechanisms.

To ensure greater awareness, DOF shall establish 'Life Below Water' educational materials for operational personnel. This will correlate known biodiversity challenges, such as biofouling, spill prevention and marine plastic production to DOF operations and what we are doing to address these interactions. Communication mechanisms shall include Safety Themes of the Month and formal training media.

Bolstering the governance and assurance, DOF shall deploy more stringent reviews on marine pollution and biofouling controls. This will involve scrutinising key documents such as Biofouling and Garbage Management Plans with increased frequency and rigour through inspections and audits. DOF has also expanded the criteria for our most comprehensive investigations, ensuring that biodiversity or marine pollution incidents are thoroughly examined, lessons are extracted, and we can prevent future re-occurrence.

DOF believes the cornerstones of Awareness and Governance are critical to improving our already industry-leading practices for Life Below Water.

Circular Economy

The concept of Circular Economy is relatively new to the Industry and DOF, but it is a game-changer. As DOF

creates a more sustainable Value Chain, we need to adopt a 'Circular Economy' mindset in which we keep resources in use for as long as possible to extract the maximum value from them whilst in use. The principle of recovering and regenerating materials is then utilised to ensure we can extract the most value from whatever resources we have when it reaches the end of life. In doing so, DOF reduces the need for raw materials mitigating its company carbon intensity and footprint.

DOF understands that it needs to decouple its economic activity from material and energy consumption by employing circularity principles throughout its Value Chain and existing processes.

A 3-year Circular Economy program shall be established by DOF that takes inspiration from best practices and frameworks such as the MacArthur Foundation. The 3-year Program shall map circular opportunities throughout the value chain, establish a policy strategy, develop a circular transformation route and areas of collaboration and outline a mechanism to review progress.

Ship Life Cycle Management

Understanding and optimising the data behind DOF's assets over its Life-cycle is the most effective and meaningful way of achieving circularity. This entails creating an inventory analysis of material inputs and outputs over the lifespan of our most significant product, vessels.

The process and outcome of understanding material flow for a vessel will present unique opportunities to DOF across the vessel phases of new-build, expected operational life and extended life of the asset. Grasping these opportunities is essential to DOF in building resilience against an evolving industry landscape of decarbonisation, growing global fleets, regulatory changes and global sustainability transition. The illustration below visualises some the Value Propositions associated with an increased understanding of DOF Vessel Life Cycles.

Intelligent Efficiency - Industrialise

The "Intelligent Efficiency - Industrialise" product is expected to enable reduction in fuel consumption reduction of 5 - 10%, depending on vessels operational profile, by providing insights and real time guidance to vessel crew in how they can possibly improve operation of the vessel and deliver optimum fuel efficiency.



PLANET / FUTURE GOALS

Remote Operations

Remote Operations can be considered as the ability of workers to perform their duties without being physically present on board a vessel, reducing our environmental footprint.

The range of benefits must be considered holistically, and not limited to a traditional assumption that remote operations will automatically reduce personnel costs. Personnel remuneration and worker contractual considerations are out-with the scope of technical solution delivery.

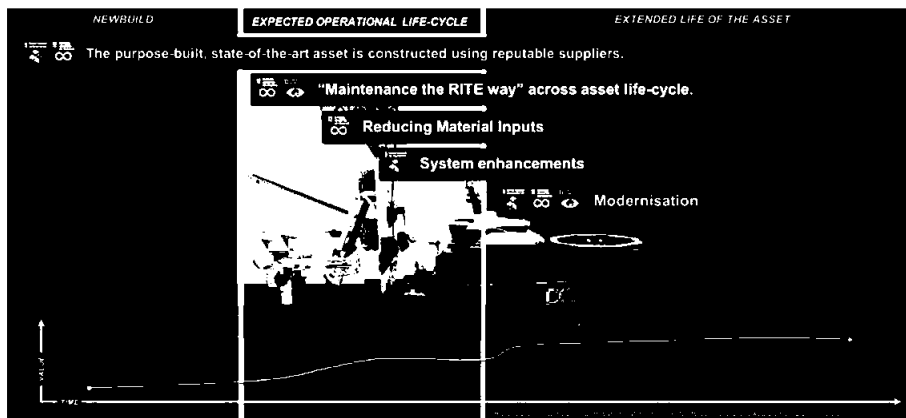
The benefits which can be realised from remote operations are operational in nature and primarily related to flexibility and optimisation of resource allocation. Examples include:

- One subject matter expert located onshore can provide live technical support and data services to multiple vessels.
- A vessel can switch from general FSV duties to ad-hoc subsea inspection mode, without the requirement to mobilise a team of inspectors.
- Reduction in travel and quarantine costs with associated health and safety benefits.
- Remove the requirement for specialist staff to be offshore for a longer period than necessary, e.g., a small inspection scope should not generate a long trip for a large team due to limited port calls.

DOF Subsea started using the “Survey in The Cloud” solution in mid-2020. This platform will be augmented to give real time access to onboard subsea project systems such as survey, inspection, voice communications and live video. The following activities will be done in 2022:

The “Survey in The Cloud – Remote Operations” is the evolution of “Survey In The Cloud” and will be implemented on four vessels in 2022. This will be done after successful pilot on a vessel and creation of appropriate governing support documents.


Progress testing of Remote Digital Class and DP services which will allow certain surveys required by Class to be done from shore with support from the crew.





Prosperity

Our company value that is directly connected to prosperity:
EXCELLENCE

Within Prosperity, we apply our values Safe  the RITE way® to define significance, guide our approach, assess our results, and set the ambitions into our future.

“Excellence in everything we do. We are resourceful and responsive to our customers’ needs; innovative in the solutions we apply to everyday problems. We safeguard our individuality and the qualities that set us apart from our competitors, protecting our reputation and the professional trust we have built, we do not walk away from our commitments.”

Subsea and Marine services are the core value generating work of our business. Building strong relationships and ensuring we have reliable assets, capability and technology to support our customers in the evolving subsea and offshore energy sector, is key to our future and therefore benefits all stakeholders. The ‘Shaping DOF for the future’ strategy focuses on reshaping the organisation to reflect the market outlook. Clearly, operational and technological excellence are strategically important to the organisation’s future value creation and closely aligned to the delivery of material issues Product Reliability and Customer Service.

Excellence is essential in our corporate governance and management activities and in the provision of a reliable, efficient assets base; professional workforce and high standard internal controls. The Group’s improvement program is important in continuing to successfully differentiate DOF from its competitors. DOF is committed to continuously improve the organisational performance in all aspects of its operations, including management of processes, knowledge, resources, and change.

Offering a "one stop shop" for offshore wind

The interaction and synergies between DOF’s different product offering need to continue. The focus on DOF as a "one stop shop" within offshore wind, offering a total life of field business, needs to be strengthened. Digitalisation & technology development will be a central force to utilise our unique fleet of vessels, technologies, and competence, where equipment will be utilised and adjusted within different segments like SURF and offshore wind. Survey is a key competence with strong interactions towards wind and mooring.



PROSPERITY / ACTIVITIES IN 2021

2021 activities within Prosperity

Continuous Improvement

DOF monitors operations so areas for immediate or future improvement programmes can be identified to provide our employees with the best possible tools and services to perform their roles.

Alliances and partnerships are alternative options that can provide DOF and its clients with specialised services or products currently unavailable.

Product reliability

For DOF, product reliability is providing the best service to our customers with no delays. DOF is committed to delivering quality products and services by working with our customers to understand the needs of their business and consistently meet their requirements.

Product reliability is achieved through the Integrated Management System (IMS) and Business Management System (BMS). DOF is now undertaking larger and more complex projects and contracts, as well as investing in newer and more advanced vessels.

Customer satisfaction

Customer satisfaction is measured through feedback surveys and managing long-term contracts and winning repeat business. It is best characterised by delivering services of the best quality, at the best cost, at the right time and to the required location.

Maintenance Management System

The Maintenance Management System is implemented on all DOF vessels and for subsea assets, as well as third party vessels on long term charter.

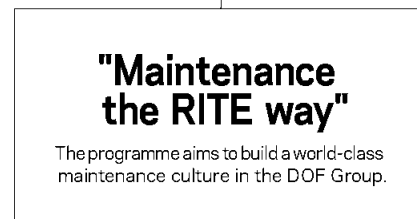
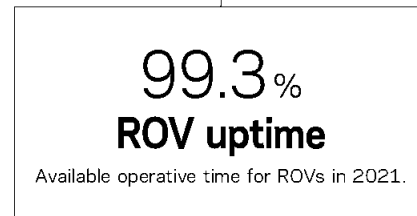
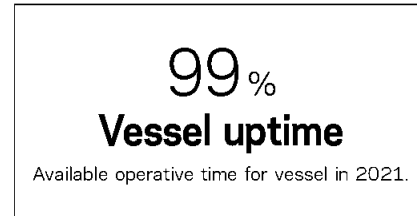
2021 results within Prosperity

Our industry is experiencing substantial change, disrupting the way it has traditionally worked. New expectations and requirements appear rapidly, and affect all areas of business, from external environment to operational performance and business ethics.

DOF must keep pace with these changes, work within our values and business strategies, and involve all interested parties. A Digital Transition Strategy was commissioned by the Chief Operating Officer, to outline the main roles and responsibilities that the executive team will need to embrace.

The merger of DOF Management and Norskan, as DOF Marine, has now settled and the new organisation is continuously reviewing its key business systems and processes to be in alignment with current best practice models.

The Subsea organisation has initiated several projects with the aim to improve our product deliveries significantly, with focus in three main areas: ROV operations, diving operations, and survey.





PROSPERITY / ACTIVITIES IN 2021

The ultimate proof of excellence is in our reliability figures. The vessel uptime figure for 2021 was 99%. The equivalent figure for ROV uptime was 99.3%.

Even though the pandemic has brought many practical challenges, there have been docking activities in 2021 as normal. There have been no major issues with dockings, and a key success factor has been the work that was done in 2019 to improve the processes related to docking activities.

During 2021, it has not been possible to continue with the "flying squad" due to travel restrictions. The concept has proven to be a success and will recommence when practicalities allows it. This team travels around the global fleet, assisting the vessel crew with performing periodical maintenance on-board instead of taking the vessel to shore. This leads to more availability for our clients.

Maintenance Management

A successful pilot program with Karsten Moholt and the skAIwatch system was performed in 2020. Throughout 2021 this system was implemented on the entire fleet. The system collects data on machinery onboard the vessel, and presents it in one common place, to quickly identify equipment that needs maintenance attention.

A focus area for Maintenance Management in 2021 has been quality control and planning, resulting in improved maintenance performance and cost efficiency. Maintenance the RITE way as a program will continue.

Product reliability results, Subsea ROV Operations 2021

Executive management visited Brazil in late 2019, for consultation and review of DOF Brasil ROV performance. The result of the review has been worked on throughout the last two years, and improvement activities have been identified for 2022 and part of the Group Improvement Program. A Senior VP for Remote Systems has been appointed and is now part of the Digitalisation and Technology function in DOF. In close of the team will work in close collaboration with Chief Operating Officer to improve all aspects with ROV operations.

Product reliability results, Vessel Operations 2021

The new Marine Operations manual was launched in 2018. During 2021, the manual has been subject for smaller adjustments. There have also been various activities to secure full implementation of the manual.

The structure for follow up of activities related to DP incidents has been strengthened, with appointment of a global DP authority, as well as a deputy in Brazil. Two DP incident reported and four event in 2021. One incident led to drive off from position but no damages. The other led to light contact to a fix installation. No personal injuries, no damage on the installation, some damage on the vessel that was repaired within a week. This incident still under investigation.

Operational uptime DOF1

See Figure 4, page 159.

Customer satisfaction DOF 2

DOF uses different means to monitor our customers' perception of whether their needs and expectation have been fulfilled. Systems are in place for obtaining, monitoring and reviewing this information.

The results are analysed and used as the basis for our yearly improvement plans as required. Our commitment is to deliver quality products and services, safely and DOF works with its customers to understand their needs and meet their requirements.

DOF's customer satisfaction forms are the main source for monitoring our customers' feedback and cover all phases of our operations.

There were no formal customer complaints registered during 2021. However, some responses in customer feedback have triggered internal non-conformity processes.

From 2020 to 2021 there were no major changes in the average ratings in the customer feedback.

We have continued to receive feedback from several clients expressing recognition of DOF's ability to maintain high standards of quality in deliveries despite the challenges with COVID-19. Even more importantly, clients have commended DOF's plans and measures implemented throughout mobilisation and on vessels to prevent infection and keep everyone safe.

Proportion of senior management hired from the local community 202-2

In DOF, the significant areas of operations are considered to be the four regions: Asia Pacific, Atlantic, South America and North America. Each region has a Senior Management Team that includes managers of the business units within the region and is led by regional EVP. In 2021, the proportion of senior management hired from the local community was as follows, where "local" is defined as the country of the business unit where the manager is employed:

- Asia Pacific: 87.5%
- Atlantic: 100 %
- North America: 100%
- South America: 100%

Operations with significant actual and potential negative impacts on local communities 413-2

DOF does not have indication that any of its operations has significant actual and potential negative impacts on local communities.



PROSPERITY / EXCELLENCE / RESULTS

Results (continued): EXCELLENCE

DOF 1 - Operational uptime - Figure 4

QUALITY INPUT/OUTPUTS	GLOBAL TARGETS 2021 METRICS	2021	2020	2019
Available operative time for VESSEL - Time in % when vessels are in an operating mode and under contract with a client = < 2 % Down time for client due to vessel availability.	> 98.0 %	99.0 %	99.7 %	99.4 %
Available operative time for ROV - Time in % when ROV are in an operating mode and under contract with a client = < 2 % Down time for client due to ROV availability.	> 98.0 %	99.3 %	99.0 %	98.9 %

DOF 2 - Customer Satisfaction - Figure 5

Average ratings DOF Subsea customer feedback (received during 2021) - ratings range from 1-5, where 5 is the highest rating.

	#1 - Mobilisation	#2 - Engineering (Project & Design)	#3 - Client's Objectives (Understood & Achieved)	#4 - Client Relationship	#5 - Schedule Management	#6 - HSE Management	#7 - Site Operations	#8 - Overall Project Management (including communications)	#9 - Overall Performance	#10 - De-Mobilisation	Overall Survey Rating
2021											
2020											

Average ratings DOF Management customer feedback (for 2021) - ratings range from 1-5, where 5 is the highest rating.

	HSE Management	Co-operation	Flexibility	Dialogue	Delivery of service	Cost	Results	Added value	Overall Survey Rating
2021									
2020									



PROSPERITY / FOCUS FOR 2022

2022 focus within Prosperity

Respecting development and support of the communities where we operate

A principle of our business model is to train and maintain a dedicated core crew on all our vessels. This creates value by retaining operational and vessel knowledge between charter or project crew changes and leads to a higher level of safety, efficiency and quality of services, benefiting the Group, our clients and our workforce. The program creates value for individuals, their families as well as local governments and society by creating jobs, assisting in enterprise development and technology transfer to local communities.

DOF's global maritime cadetship program combines the principles of a fair return for our local communities with building a skilled and sustainable workforce. This program gives cadets a structured path to gain qualifications and a long-term livelihood.

Involvement in the Norwegian Training Centre - Manila (NTC) cadet program has been part of DOF's strategy to provide highly qualified officers to our fleet. The courses extend across the complete area of vessel operations. The aim is to train seafarers to the highest standard of safety and quality and promote excellence in maritime operations worldwide.

DOF joined other Norwegian ship-owners who founded AEPM in Brazil to provide opportunities for young adults to start maritime careers via ordinary seamen courses.

Community support is focused on promoting education, culture and sports through a number of specialist organisation's structured programs, primarily in Brazil and Philippines, to give underprivileged children a chance for a better future.

For example, DOF provides Sponsorship to the Renascer foster institute (Brazil), an organisation which cares for children of one to five years old, presenting them new life perspectives through sports, art and music, providing them with a home, food and shelter.

We remain very close the community of Comatin (Philippines) since DOF and partner OSM rebuilt the Elementary School after a typhoon in 2013.

Tax

The DOF Group aims to achieve excellence in all its operations in every jurisdiction in which it operates. By providing a Tax Strategy, the DOF Group aims to ensure that all tax obligations are complied with in a timely, efficient and cost-effective manner, in all project locations.

The DOF Group is mindful of its responsibility and committed to paying the amounts of tax legally due in any country in which it operates, in compliance with applicable laws and conventions and in accordance with DOF's Code of Business Conduct.

The DOF Group Tax Strategy, available on the DOF website, provides further details concerning DOF's approach to tax.

Strengthened the pursuit of new lines of business

The changing and evolving of DOF line of business will have to continue through 2022 and build upon the various strategy business plans in close interaction with the DOF's DigiTech environment established in 2021.

The main focus in 2022 will be to follow the business strategy plan developed and continue investment in people and technology. DOF aim to be a wind - floating, one stop shop, supporting the total life of field: from pre-construction, construction, operations and maintenance and finally to decommissioning. This calls for strong cooperation and alignment with (among others) our global survey environment. Several new positions have been identified to strengthen the Business Development, as well as technical lead to be hired during the year. During the year a review will be done to investigate possibilities to document DOF's offshore wind capabilities by a certificate issued by DNV.

The Company will continue building track records within SURF and execute the market plans will be main focus for 2022. We will continue to build competence and capacity within the area by hiring new employees.

Within mooring and decommissioning we will continue building competence, and capacity globally will be achieved by recruiting new competence. This will also include building competence in Brazil to be prepared for new opportunities when the market would like to see turnkey suppliers. The development of Honey mooring will continue into 2022 both as R&D as well as partnering with stakeholders both within oil and gas and offshore wind.

During 2022, the Group will evaluate establishing a centre of excellence for Survey. The Centre of Excellence focus will be on the commercial and technical development of the survey market and continued implementation of One DOF for Inspection and Positioning. It will also explore further the market for Geophysical Survey and Geotechnical Survey services.

Future goals within Prosperity

The DOF has a zero mind-set towards customer complaints and downtime of our operations. Operating in a challenging market with pressure to deliver the same services for less money, DOF appreciates the importance of maintaining the quality of services. In a complex and demanding world, excellence is not simply having the best product or service.

DOF will work towards delivering ever-improving value to its customers, and other stakeholders involved in contributing to our overall organisational sustainability. The continuous improvement to the overall organisational effectiveness and capabilities will position DOF as a partner of choice to both regional clients and major international clients.

DOF will continue to evaluate and engage with strategic partners to strengthen existing capabilities and to develop new capabilities that will allow DOF to expand its range of



PROSPERITY / FUTURE GOALS

services and align with the needs of international clients.

Modern Information Technology

New possibilities are made available by introducing modern IT tools both to the onshore and offshore organisations, and in combination with each other. Implementation of these new products, supported by new company Standards, can ensure resilience against the growing wave of cyber threats, increase efficiency, and change how we can leverage new vessel connectivity. A modern IT platform is crucial for further implementing new digital tools and ways of working, as a part of the Maritime 4.0 initiatives.

Business continuity is key for sustainability of the company and the work force. Increased and proportionate focus on cyber security will directly contribute to business continuity and avoid operational disruption, financial risks, and reduce threats to business continuity and sustainability.

Leveraging modern systems offshore, with sight on remote operations and reducing the 'distance' between vessel and shore will increase quality and availability of communications to vessels. New connectivity to our vessels will result in tighter project integration with vessel sites, new availability of vessel and project data onshore, and increased usage of secure cloud systems to support operations and enable new possibilities. Stability and increased availability of vessel connectivity will be key targets.

Modern IT solution will enable new possibilities such as the Maritime 4.0 Platform for Performance Management.

Investment will be made on new standardised IT systems for installation on vessels. These will be tightly coupled with evaluation and installation of modern connectivity solutions. The following activities will be done in 2022:

The existing "Cyber Security Standard" will be reinforced, and IT equipment will be implemented on board vessels to reduce risk and gain increased awareness of risk.

The new "Vessel IT-C Platform" product will be created and implemented to modernise vessel IT systems and deliver the new ship-to-shore connectivity required by DOF Group. A total of 40 vessels are targeted for implementation in 2022 (pending on operational planning and vendors delivery capabilities).

Performance Management

Performance Management can be defined as the continuous process of maximising the benefits delivered to the business of the resources the company has at its disposal. In the context of digitalisation, this means the technical solutions we use today and wish to use tomorrow, for example, software and hardware, both from IT-systems and OT-systems. This is defined as Industry 4.0, or the fourth industrial revolution. In maritime terms, this are often referred to as Maritime 4.0.

If we manage performance of our equipment and resources, we can maximise the return on investment in these items. Benefits include reduced fuel consumption and operational

expenditure, new insights into the data we generate, reducing unplanned maintenance, and reduction of scheduled maintenance which may be unnecessary.

The "SkAIwatch" product gives insights to optimise critical equipment maintenance planning and decision making. This can remove the requirement for unnecessary scheduled maintenance.

Migration from perceived 'good performance' to measurable performance is key to performance management. We must gather data and extract value from this data. Analysis of data via software is an invaluable tool for performance management. Today's technology is moving into capabilities where e.g. Digital Twins, Machine Learning and Artificial Intelligence are becoming available to a moderate cost, enabling large improvement and insight to the company's operations.

We must continuously review the tools we use and maximise the functionality available in these tools in order to identify improvements possible in our performance in both short and long term. The following activities will be done in 2022:

Utilisation of the CRM solution we use will be reviewed and new ways of extracting value from the CRM database will be implemented via increased data input and automated reporting. The CRM solution will be placed into "life-cycle management" mode with focus on continuous improvement.

To deliver insights into vessel operational data, investigation will be done into new cloud-based solutions available from vendors. This is commonly known as "Maritime 4.0 Platform". These solutions are designed to provide maximum availability of our data and a range of analysis and reporting software is available to help us gain insights into vessel performance. DOF will investigate the vendor landscape and combine that with the strategy and future needs for DOF in order to choose future platform for these initiatives.

The existing "SkAIwatch" product was installed on the global fleet in 2021. In 2022 it will be enhanced to include aspects of machine learning to improve trend analysis in insights. This will be delivered via a new version of this important software solution.

Subsea Robotics

Subsea Robotics encompasses subsea vehicles with robotic features, such as the classic work class ROV, AUV, and newer types of subsea vehicles designed for data acquisition and intervention.

Subsea robotic vehicles have been used to perform task which divers and people cannot perform. Increasingly, with improvements in battery and subsea communications technologies, the capabilities are growing. New possibilities are appearing in relation to remote control, digital imaging, optical imaging, and other techniques. DOF need to have these capabilities to remain competitive and relevant.

In 2022, DOF will start preparation work for onshore possibility of remote operation of ROV / LARS, including proof of concept for DOF future ROV operations.



Principles

Our company value that is directly connected to principles:
INTEGRITY

Within Principles, we apply our values Safe the RITE way[®] to define significance, guide our approach, assess our results, and set the ambitions into our future.

“We are honest, fair and equitable in all our dealings. We are dedicated to good corporate governance. We strive to do the right thing not because someone is checking, or looking, but purely because it is the right thing to do.”

Stakeholders rightly expect good governance, integrity and ethical practices to be evidenced at all levels of DOF’s organisation and operations. Upholding standards aligns with UN’s Global Compact and Sustainable Development Goals, ensures decent work, generates wealth for employees, local communities, and along our supply chain as well as wider society by generating taxes.

Upholding our position within the top 5 for environmental and social sustainability in our industry is a strategic objective in the next 3-year strategic period and a driver for value creation. Through Integrity we aim to:

- Maintain DOF’s reputation as a responsible and competent partner, demonstrating the highest level of integrity in all our activities. Promote fair and honest relationships with all stakeholders through consultation and engagement.
- Continue to deliver value to all stakeholders and wider society by providing clients with subsea and marine solutions that meet client expectations and contractual obligations. Here, ‘repeat business’ is strong indicator of client confidence and helps us win future contracts.

Our global community is witnessing the escalating conflict in Ukraine, and we see the repercussions of fractured tensions in international cooperation. 2022 will undoubtedly be a year that requires strong global governance and effective risk management efforts. Crises prompt unexpected and unpredictable paths, as exposed by COVID-19. DOF will continue enforcing our Values as guiding principles of good corporate governance and behaviour. Having recognised reference points, like our company Values and Code of Business Conduct is essential to navigating DOF through the volatile, uncertain, complex, and ambiguous challenges we will see unfold in the coming year.



PRINCIPLES / ACTIVITIES IN 2021

2021 activities within Principles

Everyone shares the commitment to practise the highest standards of ethical business conduct and integrity in all decisions, and actions. Values-based training is mandatory, including our Code of Business Conduct e-learning module, compliance activities and the correct use of our management systems and tools.

To ensure external providers align with our values and policies, the Group has invested in a more efficient, digital platform to conduct vendor evaluation which is also designed to ensure principles are upheld along our supply chain. The vendor evaluation is mandatory for all suppliers and will produce a master supplier database in Unit 4 ERP.

Compliance to Law, Industry Standards, and local regulations

Operating globally DOF works to comply with regulations at both national and local levels.

Guided and inspired by international laws, DOF is in front to uphold the highest standards within integrity:

- US Dodd Frack Act
- California Supply Chain Transparency Act
- UK Modern Slavery Act
- France Duty of Vigilance Law
- Australian Modern Slavery Bill
- Netherland Child Labour Due Diligence Law
- Germany Supply Chain Due Diligence Law
- EU Conflict Mineral Regulation
- Norway Transparency Law –“Åpenhetsloven”
- DOF personnel and subcontractor compliance

All DOF personnel and subcontractors are required to comply with applicable legislation, regulations and standards as well as client's requirements. The legislation, standards, codes of practice and guidelines register provides a list of applicable requirements.

Each region has developed registers of applicable legislation, standards, codes of practice and guidelines. When DOF operates in areas where legal requirements are weak, all operations are to follow our policies and operational standards.

DOF's Management System is based upon ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018. The system is accredited by DNV.

All legislative requirements are listed in the regional Legislation and Other Requirements Compliance Register according to pre-identified areas for the compliance analysis.

The company subscribes to regular updates from legal databases, and register is being updated accordingly. Compliance with the requirements is verified during internal reviews, inspections, third party reviews, internal and external audits.

Anti-Bribery & Corruption

In 2021, DOF continued the practice of evaluating vendors to assess their suitability to meet DOF's requirements for a competent and reliable vendor. A key and mandatory element of the assessment process is the requirement for the vendor

0
Fines

There have been no significant fines or non-monetary sanctions due to non-compliance.

0
Corruption cases

There have been no corruption cases in 2021.

Compliance Awareness

A compliance awareness programme has been developed and available to the entire organisation.

UN Global Compact

DOF's supplier evaluation program is based on the ten principles in the UN Global Compact, covering the areas: Human Rights, Labour Conditions, External Environment, Anti-Corruption.

Ethics Helpline

DOF has a 24/7 Ethics Helpline, available for people inside and outside the organisation. Reports can be made anonymously, and the service is managed by a third-party provider.

to declare their commitment to abide by DOF's Anti-Bribery and Corruption guidelines. Failure to comply will automatically exclude the vendor.

Transparency - Traceability - Trust

DOF's anti-corruption and anti-bribery measures are regularly evaluated in order to ensure that sufficient measures are in place and oversight responsibility sits with the BoD.

Risk and opportunity management

Risk and opportunity management is imperative to all DOF business activities. The Risk Management Manual helps DOF to identify threats and opportunities associated with the DOF business and operational activities and establish efficient means of barriers and controls in all phases of the business life cycle. The Risk Management principles and techniques align with the following:

- ISO 31000: Risk management -- Principles and guidelines;
- ISO 31010: Risk management -- Risk assessment techniques;
- ISO 17776: Guidelines on tools and techniques for hazard identification and risk assessment;
- DNV RP-H101: DNV Recommended Practice – RISK management in marine operations.

Modern Slavery Act and Human Rights

The Vendor Evaluation and Recertification process incorporate requirements to ensure that all existing and future vendors to DOF agree to abide by the principles of the Act, and that they do not promote or carry out any unlawful human rights practices, as covered in the Modern Slavery Act 2015, and also ensure that all vendors do not engage in any type of human trafficking, child or forced labour practices, etc., whilst doing business with DOF. Suppliers will be required to provide DOF with a Transparency Statement stating their position with regards to the Act and associated Human Trafficking and related exploitation practices, or a declaration that they will abide by DOF's Code of Business Conduct. Failure to comply with this requirement will automatically exclude the vendor.

The new Norwegian Transparency Act will come into force during 2022. DOF's operations has been guided by its principles for years and it will be useful in motivation of our supply chain to intensify their efforts within this area.

Training

DOF has incorporated specific training such as Anti-Bribery & Corruption into its training programme. Also, where necessary, DOF is committed to training all stakeholders within its supply chain to understand the practical and legal aspects of DOF's Code of Business Conduct requirements, and the possible implications and the consequences to DOF and themselves of failing to comply with DOF's requirements and legislative obligations.

Through DOF IMCA membership we have access to training material that is tailored for our industry to fight corruption. The material is developed by Transparency International, the global coalition against corruption, and active used by our supply chain and legal function.

Supply Chain Management

The DOF CEO, supported by an executive management team is responsible for identifying, engaging and where necessary retaining all necessary financial, technological and organisational resources required to support the DOF Supply Chain Management (SCM) global operations.

DOF's overall SCM system is comprised of three core disciplines and two support disciplines, interacting with each other as shown in Figure 14 on page 164. All activities undertaken within the various supply chain functions meet the following criteria:

- The best interest of DOF and its partners - Add value to the supply chain system for the benefit of the Company and its partners.
- Fairness, Integrity and Transparency - To achieve the best value for money, whilst protecting the Company from unwanted and / or illegal practices such as: fraud, corruption, collusion and other unethical practices.
- Best value for money - Trade-off between price and performance that provides the greatest overall benefit under the specified selection criteria.
- Effective competition - Ensure where possible, that there is a sufficient number of independent prospective vendors, allow competition to supply between the vendors, non-discriminatory selection criteria.

Procurement is central to DOF's overall Supply Chain Management system. It ensures that all procurement activities conducted by DOF are performed in a standardised and controlled manner, consistent with DOF's policies and in accordance with contractual obligations and client requirements and expectations.

The procurement of goods and services is undertaken in a manner that reduces the level of risk and cost for DOF and our clients whilst maintain the highest level of quality, reliability and integrity possible. The process operates in conjunction with the Contract Management and Logistics management processes to achieve a seamless transition of information and knowledge that supports all DOF entities and projects.

In 2021 DOF's global supply chain, consisted of almost 3,250 suppliers and a significant amount of its procurement spending was comprised by bunkering, lay spread equipment, crew agency services, specialised equipment hire, employee travel, vessel hire among other services.

In 2021 the regional split for suppliers was as follows: Asia-Pacific 18%, Atlantic 48%, North America 12%, and South America 22%.

Risk and Opportunity Management

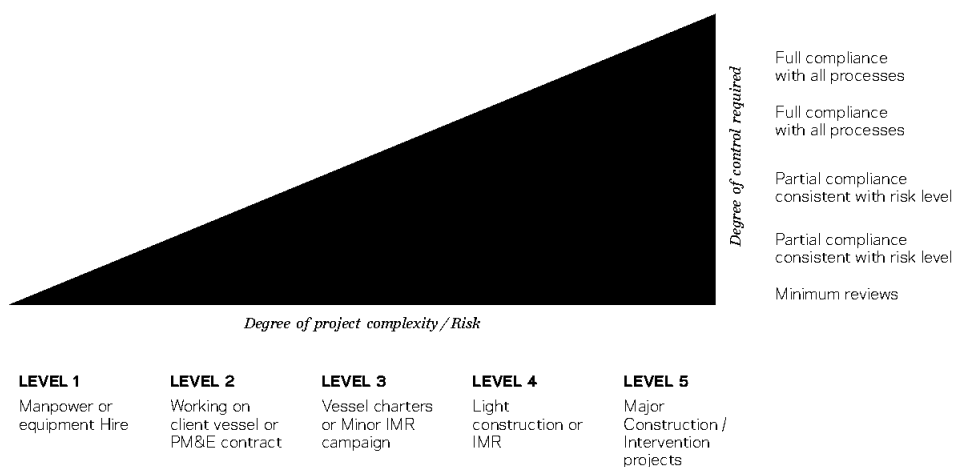
DOF has an active approach to future risk and opportunity management and strives to clarify its long-term potential, including strategy, value drivers and risk factors, to its main stakeholders.

To produce lasting value for its stakeholders, and a long-term competitive return on the investment of its shareholders, the Board of Directors and the Management regularly evaluate

PRINCIPLES / ACTIVITIES IN 2021

Degree of complexity / risk compared to degree of control required - Figure 6

Overall risk management process in DOF is the balance between complexity of risk and complexity in a project, and degree of controls. The figure above gives a visual view on how project levels are combined with what part of the business management system that need to apply.



long-term risk and opportunity and potential impact on strategic decisions taken today.

DOF's policy is to continue to invest in the local communities in which it operates. This includes investing in training, building the technical competencies of our employees and focusing on a local workforce.

DOF's operations are based on asset investments with a long-life span, of up to 30 years. DOF's policy is to have a modern, multi-purpose fleet, renewing and converting over time to implement new technology and maintain an attractive, energy efficient fleet to serve our customers and potential new markets.

To be a long-term marine and subsea supplier for offshore industries DOF maintains a cohort of asset, marine and subsea engineering competency, inhouse. There is potential for DOF to continue to build on these core capabilities to access opportunities in offshore renewable energy projects.

Balancing risk and opportunity is a key concept for DOF. Operations range from low risk areas, such as long-term vessel charter, balanced with more complex operations for subsea project delivery. DOF further diversifies its risk exposure in today's global offshore energy market by having established a global footprint, a presence in promising markets and excellent customer relations. DOF is committed to maintaining

a focus on diversifying its risk exposure and adapting to changing landscape of risk and opportunities.

Within DOF Subsea, the distribution of risk between Subsea and IMR projects and long-term charter has been quite stable over the last three years (ref. Figure 1 on page 159). Subsea and IMR projects are normally regarded to have a higher risk profile compared to long-term chartering of vessels. The distribution of project levels is outlined in Figure 1.

By using local suppliers and infrastructure, we support many companies and organisations that are outside the DOF core business, although vital to deliver successful operations to our clients. It is difficult to quantify the exact monetary value of this contribution; however, a conservative estimate is that one DOF employee creates one job position outside of the organisation. This estimate is based on various studies performed by the energy industry trade organisations.

The Board of Directors, in its assessment of the scope and volumes of dividend, emphasises security, predictability and stability, dividend capacity of the Company, the requirement for healthy and optimal equity as well as adequate financial resources to create a basis for future growth and investment, and considering the wish to minimise capital costs.

2021 results within Principles

During 2020, major activities have been initiated to strengthen the integrity of the Group.

Tax strategy: At the beginning of 2021, the DOF tax strategy was reaffirmed and approved by the Board of Directors. The tax strategy is available on www.dof.com.

Supplier evaluation: Continued implementation of the vendor evaluation database. Close to 600 suppliers were evaluated during 2021, resulting in a total of 1,100 since DOF started using the database.

Privacy and General Data Protection Regulation (GDPR): One privacy breach with limited impact was recorded in 2020. The incident was not subject to GDPR, and was reported to local authorities in the area.

DOF Tax Strategy

DOF aims to achieve excellence in all its operations across every jurisdiction in which it operates. By providing a Tax Strategy, DOF ensures that all tax obligations are complied with, in a timely, efficient and cost-effective manner, in all project locations.

DOF is mindful of its responsibility and is committed to paying the amounts of tax legally due in any country in which it operates, in compliance with applicable laws and conventions and in accordance with the Code of Business Conduct.

The strategy aims to demonstrate good corporate practice in the area of tax management and tax transparency, balancing the interests of the various stakeholders, including customers, shareholders, employees and society at large.

Governing Documents

Besides the Code of Business Conduct (COBC) further improvements were made to communicate DOF's ethical guidelines and business conduct with the release of an updated electronic training module made available to and mandatory for all employees. The COBC sets clear expectations on all employees, and provides examples of dilemmas that our people may encounter. The training is also publicly available at www.dof.com.

Additionally, executive and middle management receive regular training regarding anti-bribery and anti-corruption measures.

During 2021, the reporting mechanism for compliance incidents has been actively used on both local and Group level, and compliance incidents were handled and concluded in accordance with the requirements in the policy framework.

Legal compliance 205-3 / 206-1

In 2021, there were no confirmed incidents of corruption, and there was not any legal action pending or completed regarding anti-competitive behaviour, anti-trust or monopoly practices against DOF.

Operations assessed for risks related to corruption 205-1

In regions with a high risk for Bribery and Corruption, DOF has used the know-how of DOF Subsea UK, subjected to the ruling of the Bribery Act 2010, to frame the approach to Bribery and ethics.

Bribery Risk Assessments for the Group's operations (business units) are performed and recorded on a regular basis, given the risk potential.

However, risks identified out with the formal Risk Assessment on an ad hoc basis will be added and analysed as appropriate by Regional HSEQ Managers in all the locations where DOF operates.

In addition, assessment related to Business Integrity and Ethics is mandatory in all projects identified as level 3 and above. In 2021, out of 104 projects, 74% were within levels 3-5, and consequently assessed for risks related to corruption. There were no significant risks identified that had not already been treated by existing DOF standards and policies. Control and mitigation required is based upon project risk and complexity (Figure 1 on page 141).

Risk and Opportunities associated with business integrity, anti-bribery and corruption, were evaluated as part of the materiality workshop performed in 2021. Outcomes from the workshop showed that whilst these topics were a material concern to some of our stakeholders, they were not assessed as 'significant material topics' due to robust control measures being in place. Nevertheless, DOF considers the ongoing prevention of bribery and business ethics risks to be of the utmost importance across our value chain.

It should be noted that this level of control against business ethics and bribery risk is applicable to DOF level. At business unit and worksite levels of the organisation, it is necessary for measures to be implemented to manage compliance against local risks and requirements.

In the UK, DOF follows the ruling of the Anti-bribery act of 2010, and in other regions where DOF operates, a detailed process is followed according to guidelines for Business Acquisition in DOF, including Legal Contractual Risk Assessment, Commercial Risk Assessment, Technical Risk Assessment and Insurance Review.

Risks identified related to corruption may vary according to the activity the Company is engaged in. For example, during the tender selection key risks encompass facilitation payments, excessive hospitality and excessive promotional expenditure, to provide a client with excessively luxurious accommodation or transportation and offer of favourable prices in return for a personal gain.

Donations and sponsorships are organised in a transparent way and are regularly checked and audited by external bodies such as PwC and equals.

A typical donation can be to an athletic organisation where



DOF donates a fixed sum for sponsoring a sport arrangement. DOF has its name on posters or clothes and in return the company will receive an invoice from the athletic club. The invoice will refer to an agreement. Other sponsorships can be of named athletics with a half yearly payment. This is regulated in a joint agreement signed by both parties.

With respect to donations to support bereaved with education in case of the death of a DOF employee, a separate donation committee is organised by external lawyers. As a gesture, DOF will donate a given sum of money and this will be followed up by collection given by DOF employees.

In Brazil, DOF donates money to established and reputable organisations that run schools and educational programs. These donations are based upon written agreements and payments are based upon invoices referring to the agreements. The agreements are part of the annual audit scope performed by external auditors.

In general, all payments in DOF are regulated in the authorisation matrix. The "four sets of eyes" principle is built into this. The entire payment process is under strict control and in case of donations and sponsorship these rules will apply.

Projects on level 3 and above (ref. Figure 6 on page 159) are assessed regarding risk of bribery and corruption. However, regional Executive Vice Presidents may deviate from this requirement by a Management of Change process. Due to this possibility for deviation, it is currently not possible to obtain an exact number of projects where bribery and corruption risk assessment has been done. Going forward, DOF intends to update routines and processes to capture this information.

Communication and training on anti-corruption policies and procedures 205-2

DOF's Business Integrity and Ethics policy is approved by the Board of Directors. This policy is available on the public website, intranet, and posted at all work sites globally. In addition, the policy is communicated to both suppliers and clients through the business processes.

The policies are reviewed regularly in management review at regional and corporate level. Any changes proposed are given final approval by the Board of Directors.

Introduction training is provided to all employees in DOF, regardless of their role and position. Four e-learning modules are mandatory, including a module regarding Business Ethics and Code of Conduct, which covers many issues regarding anti-bribery and anti-corruption policies. In addition to completing the module at the start of employment, it must be completed again every two years. In 2021, approximately 1,500 employees completed the module.

One of the aims is to provide to the executive and middle management team regular training regarding anti-bribery and anti-corruption measures. Board members are informed on a quarterly basis of any cases, changes or results of audits in the area of Anti-Bribery and Corruption.

Business Integrity and Ethics is a mandatory part of the yearly appraisal between managers and employees. This is an important opportunity for monitoring awareness and consciousness of DOF's values.

Financial implications and other risks and opportunities for the organisation's activities due to climate change 201-2

In recognition of TCFD's recommendation, DOF has performed a Climate Risk Scenario Assessment and subsequent report. This builds upon the 2016 Climate Change Risk and Opportunity workshop, by providing in depth analysis of physical and transition risks associated with DOF's interaction with climate change.

The Climate Scenario Analysis identified multiple risks and opportunities associated with three IPCC climate scenarios. These risks and opportunities were categorised into the following areas;

- Physical Risks;
- Transition Risks;
- Policy and legal;
- Technology;
- Market;
- Reputation.

The above analysis evaluated both direct and indirect risks and opportunities to DOF's Value Chain associated with Climate Change Scenarios.

At this stage, DOF has recognised the a forementioned risks and opportunities using qualitative descriptors. Quantitative and financial implications have yet to be established, beyond theoretical descriptions outlined within the report.

Coverage of the organisation's defined benefit plan obligations 201-3

From 2021, there are no longer any defined benefit plans in DOF.

For defined contribution plans, DOF pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. DOF has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

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Financial assistance received from government 201-4

In 2021, DOF received tax relief / tax credits or subsidies in some of its areas of operation as part of governmental COVID-19 relief measures for businesses.

The government is not present in the shareholding structure.

Norway

- Tax credit in relation to R&D projects
 - » NOK 7 million received in support from Innovasjon Norge for Intelligent Efficiency project by end of 2021.
 - » NOK 85 thousand received in tax credit related to development of technique for remote survey operations.

Singapore

- Subsidies
 - » USD 40 222
 - » SGD 14 077

UK

- Other financial benefits
 - » GBP 3,000 Employment Allowance

Canada

- Other financial benefits
 - » CAD 6,000 Government of Newfoundland & Labrador Student Mentorship Agreement

USA

- Other financial benefits
 - » In 2020, the company received a Small Business Administration Payroll Protection Program loan of USD \$2,342,292. In 2021, the company received a second draw on this loan of \$2,000,000. Both of these amounts were confirmed to be 100% forgiven in 2021.

Commitments to external initiatives

DOF endeavours to comply with recognised industry standards and guidelines published by various organisations connected to the oil & gas industry, such as International Maritime Organisation (IMO), International Marine Contractor Association (IMCA), International Association of Oil & Gas Producers (IOGP), International Organisation for Standardisation (ISO), and class societies (DNV, Lloyd's etc.).

In the marine segment, a robust system is also in place to allow that vessels and offshore personnel comply with laws and regulations in the locals of operation.

DOF's Integrated Management System (IMS) is based on compliance with IMO regulations and audited and approved by DNV. A Document of Compliance certificate is issued. An annual audit is conducted to verify that the Company complies with the requirements of the International Management Code for the Safe Operation of ships and for Pollution prevention. The DOF internal audit program is annually updated to ensure updates on new regulations are implemented and adhered to in the Company.

All the vessels owned by DOF are audited regularly by DNV GL under the same IMO legislation, vessel-by-vessel. Additionally, vessels are audited under the internal audit program.

DOF Management utilises DNV Navigator, which provides regular updating of all IMO legislation and flag state requirements on vessel. Any changes in legislation as well any vessel re-certification is communicated daily to our managers.

In 2013, DOF Management successfully implemented the Marine Labour Convention (MLC) on all NIS / NOR, BAH, Cyprus and IOM flagged vessels. In addition, vessel managers ensure that all DOF vessels comply with the SOLAS regulations for Life Saving Appliances (LSA) and Fire Fighting Equipment on board and that masters and officers are given the required training to operate in safety.

Memberships of associations 2-28

In order to facilitate interaction and collaboration with different sectors of the offshore industry, DOF is an active member of many industry associations in the locations where it maintains operations. In addition, there is regular participation by DOF's representatives in projects or committees of those associations.

The International Marine Contractors Association (IMCA) is the international trade association representing companies and organisations engaged in delivering offshore, marine and underwater solutions. DOF has been an IMCA member for many years and has been an International Contractor member since 2015. DOF has representatives in vice chair positions in the Digitalisation Committee, and in the Environmental Sustainability Committee.

IMCA defines the International Contractor membership as follows; "International Contractor - ICO This category of membership has been developed for contractors who have an international presence -operating in 3 or 4 of the IMCA regions - as offshore oil and gas construction contractors. Such companies should be able to demonstrate their marine construction capability, set out their geographical presence and their commitment and involvement with IMCA."

DOF Subsea APAC

- APPEA (Australian Petroleum Production & Exploration Association)
- Subsea Underwater Technology (SUT)



PRINCIPLES / RESULTS IN 2021

- Subsea Energy Australia
- Industrial Foundation for Accident Prevention (IFAP)
- Offshore Project Safe - Steering Committee member (Region EVP)

DOF Subsea UK

- British Safety Council
- Subsea UK
- Oil and Gas UK

DOF Brasil

- Abespetro (O&G Association)
- Abeam (Shipowners / Vessel Operators Association)
- Syndarma (Shipowners Union)
- Abran (NSA - Norwegian Shipowners Association)
- NBCC (Norwegian-Brazil Chamber of Commerce)
- AEPM (Association for the Specialisation of the Seafarer)

DOF ASA

- Norwegian Shipowners Association
- Bergen Shipowners Association
- Norwegian Church Abroad - Global ERT membership
- The Bergen Chamber of Commerce and Industry

DOF North America

- American Society of Safety Engineers - ASSE
- International Organisation for Safety and Health - IOSH
- International Association of Drilling Contractors - IADC

Incidents of violations involving rights of indigenous peoples 411-1

DOF has not identified incidents of violations involving the rights of indigenous peoples in 2021.

Compliance 419-1

In 2021, there were no significant fines or non-monetary sanctions related to fraud, corruption or workplace discrimination under the jurisdictions where DOF operates.

Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk 407-1

DOF's Equal Employment Opportunity Policy recognises and respect employees' rights to freely associate, organise and bargain collectively in accordance with the laws of the country in which they are employed. It has not been identified that these rights may be at risk for employees in any of DOF's operations.

In the supply chain, 230 suppliers evaluated in 2021 stated that they source their products/services from at least one country that is rated 4 or higher on the ITUC Global Rights Index related to violation of workers rights.

Operations and suppliers at significant risk for incidents of child labour 408-1 | Operations and suppliers at significant risk for incidents of forced or compulsory labour 409-1

As stated in the DOF ASA Human Rights and Slavery statement, the Group follows a practice, which conforms to international standards for human rights, and Group operations are

managed in accordance with fundamental labour standards. Our guidelines and standards are based on the ILO Convention that prohibits all use of forced labour or child labour.

In the supply chain, 7 suppliers evaluated in 2021 stated that they consider high risk to UN Global Compact principles regarding working conditions in at least one country where they source products/services. Among these principles is principle 4: the elimination of all forms of forced and compulsory labour, and principle 5: the effective abolition of child labour.

Supplier screening 414-1 & 308-1

DOF vendor evaluation questionnaire is comprised of two parts. The first part concerns anti-bribery and corruption, and additional questions based on the UN Global Compact, which asks the supplier to rate their risk towards breaches of the principles. All vendors must complete the first part of the questionnaire. The second part is largely related to management systems (Occupational Health & Safety / Quality / Environmental). In 2021, 573 suppliers completed the questionnaire. This equals to 17.6% of suppliers used in 2021. Including questionnaires prior to 2021 this figure equals to 34.3% of suppliers.

204-1 Proportion of spending on local suppliers

DOF utilises a global supply chain with suppliers that have a global presence. In this context, to determine spend on local suppliers, a local supplier is defined as supplier located in the same country as the DOF entity that performed the transaction. In 2021, the proportion of spending on local suppliers (per DOF region) was as follow:

- Asia Pacific: 57%
- Atlantic: 57%
- North America: 83%
- South America: 78%

414-2 Negative social impacts in the supply chain and actions taken

DOF did not identify any actual negative social impacts in the supply chain in 2021. Regarding suppliers assessed for potential negative social impact, the supplier screening process also concerns risk for negative social impact (ref. 407-1, 408-1, 409-1, 414-1).

Political contributions 415-1

As per the Business Integrity and Ethics policy, DOF does not allow payments to political parties, organisations, or their representatives. There were no financial or in-kind political contributions made directly or indirectly by the organisation in 2021.

2022 focus within Principles

- Continue to apply the new ISO 37001 standard to structured governing documentation to achieve the highest standards



- within Anti-Bribery management system.
- All Whistleblowing incidents will be captured and demonstrated as resolved in line with Group policies and international standards.
- A new database will be introduced, for identifying, recording, assessing and controlling risks through all our activities to ensure visibility at all appropriate levels within the organisation.
- Continue to strengthen the global legal function in DOF combining legal, tax and insurance with a global perspective.
- New strategic objective: Maintain position within top 5 in social and environmental sustainability in our industry.
- Active promotion of Amnesty e-learn module inside as well outside DOF.
- Update and revise the Code of Conduct.

Anti-Corruption

The global industry is highly vulnerable to corruption and the demand of facilitation payments in certain operational areas. A vulnerability that increases with the widespread use of agents, brokers and intermediaries in the industry. DOF's governing documentation and reporting addresses how the company manages corruption risk and be transparent about challenges.

During 2022 DOF will make IMCA's anti-corruption e-learning course available for the organisation, and it will be mandatory for selected employees in the Group.

Norwegian Transparency Act

On July 1st 2022 the Norwegian Transparency Act will enter into force. As one of very few countries in the world, enterprises operating in Norway will have to prove that their supply chain follows fundamental human rights and decent working conditions. A lack of observation of the Act will be pursued by sanctions such as enforcement penalties and infringement penalties.

DOF has been part of the official hearing process on the new law and given concrete proposal on practical means to obey the intention of Transparency Act based on our experience on how we deal with fundamental human rights and decent working conditions.

Accountability and Transparency

The industry's supranational nature implies that it is sometimes challenging to select a level of public disclosures which satisfies all relevant audiences. However, and also recognising the Transparency Act, it is important to explain how the company's governance structure safeguards compliance with legal requirements, potential sanctions and industry standards, and how the company ensures accountability and transparency in its operations and partnerships. DOF will include this information in the Integrated Annual Report.

EU Taxonomy

Work will be initiated to prepare the Group to a future where taxonomy is an integrated part of finance and accounting.

Privacy

A global compliance review will be performed of privacy legislation in the countries where DOF have worksites (such as GDPR in Europe and LGPD in Brazil). Although DOF

applies GDPR globally, there may be local deviations, and it is also necessary to be aware of any ongoing changes to privacy legislation.

Future goals within Principles

During next year a full review of our Code of Business Conduct will be made. DOF will continue enforcing our Values as guiding principles of good corporate governance and behaviour. Having recognised reference points, like our company Values and Code of Business Conduct is essential to navigating DOF through the volatile, uncertain, complex, and ambiguous challenges we will see unfold in the coming year.

Industry Leader: to leverage global assets, knowledge and operational expertise, to strengthen the position and progress towards being recognised as an industry leader capable of delivering large scale projects that add benefit to all stakeholders.

Global Partner of Choice: working with global operators, as a committed and reliable organisation that can supply integrated services and work in partnership to develop optimum solutions for the benefit of both organisations, and other relevant stakeholders.

Equally important, is DOF's approach to forming strategic partnerships arrangements with its own supplier and contractors. The intention is to develop a more cost effective and efficient supply chain, regionally and globally, to benefit DOF and our clients.

United Nations Guiding Principles on Human Rights and Business

In late 2019, DOF was invited to participate in a project coordinated by the Rafto Foundation for Human Rights. This project has been named "Future Proof" and develops tools for businesses in the Bergen area to implement the United Nations Guiding Principles on Human Rights and Business, which will continue to develop throughout 2022. Through participation, we gained a new and deeper understanding of UN's Global Compact and SDGs which will guide us in further integrating Human Rights into our operations.

Amnesty International's recent acknowledgment placing DOF among the top 5 global companies based in the Nordics, not only demonstrates our commitment to the core principles of human rights, but that we are on the right track. Amnesty International has also invited DOF to participate in the development of an online learning tool to increase awareness and knowledge within Human Rights and Business. The training modules were finalised last year and will be made mandatory for DOF's employees within Supply chain and all managers. We will actively make the training available for our supplier.





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Appendix B

Appendix B.1 - GRI Content Index for 'In Accordance'

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.	VERIFICATION
			REQUIREMENTS OMITTED	REASON	EXPLANATION		
General disclosures							
	2-1 Organizational details	10-11					
	2-2 Entities included in the organization's sustainability reporting	192					Yes
		01 Jan. - 31 Dec. 2021 Annual					
	2-3 Reporting period, frequency and contact point	Stig Clementsen, CSO					Yes
	2-4 Restatements of information	None					Yes
	2-5 External assurance	194-195					Yes
	2-6 Activities, value chain and other business relationships	10-11	No				
	2-7 Employees	187	No				Yes
	2-8 Workers who are not employees	187	No				Yes
	2-9 Governance structure and composition	DOF ASA annual report	No				Yes
	2-10 Nomination and selection of the highest governance body	DOF ASA annual report	No				Yes
	2-11 Chair of the highest governance body	DOF ASA annual report	No				Yes
	2-12 Role of the highest governance body in overseeing the management of impacts	DOF ASA annual report	No				Yes
	2-13 Delegation of responsibility for managing impacts	DOF ASA annual report	No				Yes
	2-14 Role of the highest governance body in sustainability reporting	DOF ASA annual report	No				Yes
	2-15 Conflicts of interest	DOF ASA annual report	No				Yes
	2-16 Communication of critical concerns	34-45	No				Yes
GRI 2: General Disclosures 2021	2-17 Collective knowledge of the highest governance body	DOF ASA annual report	No				Yes
	2-18 Evaluation of the performance of the highest governance body	DOF ASA annual report	No				Yes
	2-19 Remuneration policies	DOF ASA annual report	No				Yes
	2-20 Process to determine remuneration	DOF ASA annual report	No				Yes
	2-21 Annual total compensation ratio	a) 8.40. b) 3.54 (decrease) Based on information on pages 70, 94.					Yes
	2-22 Statement on sustainable development strategy	8-9	No				Yes
	2-23 Policy commitments	Policies are available at http://www.dof.no/en-GB/HSEQ/Policies .	No				Yes
	2-24 Embedding policy commitments	BMS (Business Management System) manual available at http://www.dof.no/en-GB/HSEQ/HSEQ-Publications .	No				Yes
	2-25 Processes to remediate negative impacts	30	No				Yes
	2-26 Mechanisms for seeking advice and raising concerns	30	No				Yes
	2-27 Compliance with laws and regulations	146, 160, 163	No				Yes
	2-28 Membership associations	162	No				Yes
	2-29 Approach to stakeholder engagement	29, 176-177	No				Yes
	2-30 Collective bargaining agreements	137	No				Yes



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GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	REQUIREMENT(S) OMITTED	OMISSION		GRI SECTOR STANDARD REF. NO.	VERIFICATION
				REASON	EXPLANATION		
General disclosures							
GRI 3: Material Topics 2021	3-1 Process to determine material topics	130-131					Yes
	3-2 List of material topics	176-177	No				Yes
PEOPLE							
DOF Material Issue: Business Ethics							
Public policy							
GRI 3: Material Topics 2021	3-3 Management of material topics	29-30	No			11.22.1	Yes
GRI 415: Public Policy 2016	415-1 Political contributions	162	No			1.22.2	Yes
DOF Material Issue: Employee HSE							
Occupational health and safety							
GRI 3: Material Topics 2021	3-3 Management of material topics	134-135	No			11.9.1	Yes
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	136	No			11.9.2	Yes
	403-2 Hazard identification, risk assessment, and incident investigation	136	No			11.9.3	Yes
	403-3 Occupational health services	136	No			11.9.4	Yes
	403-4 Worker participation, consultation, and communication on occupational health and safety	136-137	No			11.9.5	Yes
	403-5 Worker training on occupational health and safety	135	No			11.9.6	Yes
	403-6 Promotion of worker health	1435	No			11.9.7	Yes
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	135	No			11.9.8	Yes
	403-8 Workers covered by an occupational health and safety management system	135	Yes	Information unavailable/incomplete	An exact number of workers who are not employees is not available.	11.9.9	Yes
	403-9 Work-related injuries	136	Yes	Information unavailable/incomplete	DOF does not have split between employees and works who are not employees, regarding injury statistics.	11.9.10	Yes
	403-10 Work-related ill health	N/A	Yes	Information unavailable/incomplete	DOF does not have sufficiently accurate data for work-related ill health for employees and workers who are not employees.	11.9.11	Yes



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Appendix B.1 (continued) - GRI Content Index for 'In Accordance'

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	REQUIRE- MENT(S) OMITTED	OMISSION		GRI SECTOR STANDARD REF. NO.	VERIFI- CATION
				REASON	EXPLANATION		
DOF Material Issue: Labour Practices							
Employment							
GRI 3: Material Topics 2021	3-3 Management of material topics	132-133	No			11.10.1, 11.11.1	Yes
	401-1 New employee hires and employee turnover	N/A	Yes	Information unavailable/incomplete	There is not sufficient information on rate of new employee hires and employee turnover.	11.10.2	Yes
GRI 401: Employment 2016	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	137	No			11.10.3	Yes
	401-3 Parental leave	N/A	Yes	Information unavailable/incomplete	There are not sufficient details available regarding parental leave.	11.10.4, 11.11.3	Yes
Employment							
GRI 3: Material Topics 2021	3-3 Management of material topics	132-133	No			11.7.1, 11.10.1	Yes
GRI 402: Labor/ Management Relations 2016	402-1 Minimum notice periods regarding operational changes	138	No			11.7.2, 11.10.5	Yes
Training and education							
GRI 3: Material Topics 2021	3-3 Management of material topics	132	No			11.7.1, 11.10.1, 11.11.1	Yes
	404-1 Average hours of training per year per employee	138	Yes	Information unavailable/incomplete	DOF does not have a detailed breakdown in gender and employee category for average hours of training.	11.10.6, 11.11.4	Yes
GRI 404: Training and Education 2016	404-2 Programs for upgrading employee skills and transition assistance programs	138-139	No			11.7.3, 11.10.7	Yes
	404-3 Percentage of employees receiving regular performance and career development reviews	138	No			NA	Yes
Diversity and equal opportunity							
GRI 3: Material Topics 2021	3-3 Management of material topics	132	No			11.11.1	Yes
	405-1 Diversity of governance bodies and employees	137	No			11.11.5	Yes
GRI 405: Diversity and Equal Opportunity 2016	405-2 Ratio of basic salary and remuneration of women to men	N/A	Yes	Information unavailable/incomplete	DOF does not currently have a global overview of ratio of basic salary and remuneration of women to men. This is intended to be in place for 2022 reporting.	11.11.6	Yes



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Appendix B.1 (continued) - GRI Content Index for 'In Accordance'

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	REQUIREMENT(S) OMITTED	OMISSION		GRI SECTOR STANDARD REF. NO.	VERIFICATION
				REASON	EXPLANATION		
Non-discrimination							
GRI 3: Material Topics 2021	3-3 Management of material topics	132	No			11.1.1.1	Yes
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	138	No			11.1.1.7	Yes
PLANET							
DOF Material Issue: Energy Management							
Energy							
GRI 3: Material Topics 2021	3-3 Management of material topics	142	No			11.1.1	Yes
GRI 302: Energy 2016	302-1 Energy consumption within the organization	146	No			11.1.2	Yes
	302-2 Energy consumption outside of the organization	146	No			11.1.3	Yes
	302-3 Energy intensity	146	No			11.1.4	Yes
	302-4 Reduction of energy consumption	N/A	Yes	Information unavailable/incomplete	DOF does not have sufficient data to connect reduction in energy consumption directly to energy reduction initiatives.	NA	Yes
	302-5 Reductions in energy requirements of products and services	N/A	Yes	Information unavailable/incomplete	DOF does not have information available regarding reduction in baseline energy requirements of its services.	NA	Yes
DOF Material Issue: GHG Emissions							
Emissions							
GRI 3: Material Topics 2021	3-3 Management of material topics	142-144	No			11.1.1, 11.2.1, 11.3.1	Yes
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	144-145	No			11.1.5	Yes
	305-2 Energy indirect (Scope 2) GHG emissions	144-145	No			11.1.6	Yes
	305-3 Other indirect (Scope 3) GHG emissions	144-145	No				Yes
	305-4 GHG emissions intensity	144-145	No				Yes
	305-5 Reduction of GHG emissions	144-145	Yes	Information unavailable/incomplete	While DOF reports reduction of GHG emissions, it cannot be directly linked to reduction initiatives.		Yes
	305-6 Emissions of ozone-depleting substances (ODS)	N/A	Yes	Information unavailable/incomplete	DOF does not produce or export ODS. It may be present in equipment/ machinery onboard. MARPOL Annex VI prohibits deliberate emissions of ozone depleting substances. However, DOF does not have documentation if there has been accidental release of minor amounts.		Yes
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	N/A	Yes	Information unavailable/incomplete			Yes



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GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	REQUIRE- MENT(S) OMITTED	OMISSION		GRI SECTOR STANDARD REF. NO.	VERIFI- CATION
				REASON	EXPLANATION		
DOF Material Issue: Supply Chain Management							
Supplier environmental assessment							
GRI 3: Material Topics 2021	3-3 Management of material topics	23, 158, 163	No			NA	Yes
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	163	No			NA	Yes
	308-2 Negative environmental impacts in the supply chain and actions taken	N/A	Yes	Information unavailable/incomplete	DOF does not have detailed information regarding negative environmental impacts in its supply chain.	NA	Yes
DOF Material Issue: Waste & HAZMAT Management							
Waste							
GRI 3: Material Topics 2021	3-3 Management of material topics	142-143	No			11.5.1, 11.8.1	Yes
	306-1 Waste generation and significant waste-related impacts	145-146	No			11.5.2	Yes
	306-2 Management of significant waste-related impacts	146	No			11.5.3	Yes
	306-3 Waste generated	N/A	Yes	Information unavailable/incomplete	DOF does not have accurate information of waste generated at all worksites.	11.5.4, 11.8.2	Yes
GRI 306: Waste 2020	306-4 Waste diverted from disposal	N/A	Yes	Information unavailable/incomplete	DOF does not have accurate information on the further handling of waste after it is delivered to waste handling facilities.	11.5.5	Yes
	306-5 Waste directed to disposal	N/A	Yes	Information unavailable/incomplete	DOF does not have accurate information on the further handling of waste after it is delivered to waste handling facilities.	11.5.6	Yes
PROSPERITY							
DOF Material Issue: Energy Management							
Market presence							
GRI 3: Material Topics 2021	3-3 Management of material topics	150-151				11.14.1	Yes
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	N/A	Yes	Information unavailable/incomplete	DOF does not have sufficient data on this for 2021 reporting. It is however expected to be available for 2022 reporting.	NA	Yes
	202-2 Proportion of senior management hired from the local community	158	No			11.14.3, 11.11.3	Yes



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Appendix B.1 (continued) - GRI Content Index for 'In Accordance'

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	REQUIREMENT(S) OMITTED	OMISSION		GRI SECTOR STANDARD REF. NO.	VERIFICATION
				REASON	EXPLANATION		
Tax							
GRI 3: Material Topics 2021	3-3 Management of material topics	154	No			11.21.1	Yes
	207-1 Approach to tax	154	No			11.21.4	Yes
	207-2 Tax governance, control, and risk management	154	No			11.21.5	Yes
GRI 207: Tax 2019	207-3 Stakeholder engagement and management of concerns related to tax	154	No			11.21.6	Yes
	207-4 Country-by-country reporting	N/A	Yes	Information unavailable/incomplete		11.21.7	Yes
Risk balancing							
DOF 3: Risk Balancing	Revenue per business segment and distribution of project levels	186	No				Yes
DOF Material Issue: Human Rights & Community Relations							
Local communities							
GRI 3: Material Topics 2021	3-3 Management of material topics	25				11.15.1	Yes
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	N/A	Yes	Information unavailable/incomplete	DOF does not have sufficient details regarding local community engagement, impact assessments, and development programs.	11.15.2	Yes
	413-2 Operations with significant actual and potential negative impacts on local communities	152	No			11.15.3	Yes
DOF Material Issue: Product Design and Life Cycle							
Customer Satisfaction							
DOF 1: Customer Satisfaction	Results of surveys measuring customer satisfaction	153	No				Yes
Operational uptime							
DOF 2: Operational Uptime	Operational uptime for vessels and ROVs	153	No				Yes
PRINCIPLES							
DOF Material Issue: Business Ethics							
Anti-corruption							
GRI 3: Material Topics 2021	3-3 Management of material topics	156-157	No			11.20.1	Yes
	205-1 Operations assessed for risks related to corruption	160-161	No			11.20.2	Yes
GRI 205: Anti-corruption 2016	205-2 Communication and training about anti-corruption policies and procedures	161	Yes	Information unavailable/incomplete	DOF does not have sufficient data to document communication and training about anti-corruption policies and procedures, particularly towards business partners.	11.20.3	Yes
	205-3 Confirmed incidents of corruption and actions taken	160	No			11.20.4	Yes



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Appendix B.1 (continued) - GRI Content Index for 'In Accordance'

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.	VERIFICATION
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION		
Anti-competitive behavior							
GRI 3: Material Topics 2021	3-3 Management of material topics	156-157				11.19.1	Yes
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	160				11.19.2	Yes
DOF Material Issue: Business Model Resilience							
Economic performance							
GRI 3: Material Topics 2021	3-3 Management of material topics	142-143	No			11.5.1, 11.8.1	Yes
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	48-101	No			11.14.2, 11.21.2	Yes
	201-2 Financial implications and other risks and opportunities due to climate change	161	Yes	Information unavailable/incomplete	Quantitative and financial implications have yet to be established.	11.2.2	Yes
	201-3 Defined benefit plan obligations and other retirement plans	161-162	No			NA	Yes
	201-4 Financial assistance received from government	162	No			11.21.3	Yes
DOF Material Issue: Human Rights & Community Relations							
Rights of indigenous peoples							
GRI 3: Material Topics 2021	3-3 Management of material topics	156-157	No			11.17.1	Yes
GRI 411: Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples	163	No			11.17.2	Yes
DOF Material Issue: Supply Chain Management							
Procurement practices							
GRI 3: Material Topics 2021	3-3 Management of material topics	156-157	No			11.14.1	Yes
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	163	No			11.14.6	Yes
Freedom of association and collective bargaining							
GRI 3: Material Topics 2021	3-3 Management of material topics	156-157	No			11.13.1	Yes
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	163	No			11.13.2	Yes



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Appendix B.1 (continued) - GRI Content Index for 'In Accordance'

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	REQUIRE- MENT(S) OMITTED	OMISSION		GRI SECTOR STANDARD REF. NO.	VERIFI- CATION
				REASON	EXPLANATION		
Child labor							
GRI 3: Material Topics 2021	3-3 Management of material topics	18, 158, 163	No			NA	Yes
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	163	No			NA	Yes
Forced or compulsory labor							
GRI 3: Material Topics 2021	3-3 Management of material topics	18, 158, 163	No			11.12.1	Yes
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	163	No			11.12.2	Yes
Supplier social assessment							
GRI 3: Material Topics 2021	3-3 Management of material topics	18, 158, 163	No			11.10.1, 11.12.1	Yes
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	163	No			11.10.8, 11.12.3	Yes
	414-2 Negative social impacts in the supply chain and actions taken	163	No			11.10.9	
MATERIAL TOPICS FROM SECTOR STANDARD CONSIDERED NOT MATERIAL ('NOT APPLICABLE')							
Indirect economic impacts							
GRI 3: Material Topics 2021	3-3 Management of material topics		Yes	Not applicable	DOFs involvement with infrastructure development as a tier 2 contractor is low and we are not involved with social impact studies in this area.	11.14.1	Yes
	203-1 Infrastructure investments and services supported		Yes	Not applicable	DOFs involvement with infrastructure development as a tier 2 contractor is low and we are not involved with social impact studies in this area.	11.14.4	Yes
GRI 203: Indirect Economic Impacts 2016	203-2 Significant indirect economic impacts		Yes	Not applicable	DOFs involvement with infrastructure development as a tier 2 contractor is low and we are not involved with social impact studies in this area.	11.14.5	Yes



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Appendix B.1 (continued) - GRI Content Index for 'In Accordance'

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	REQUIREMENT(S) OMITTED	OMISSION		GRI SECTOR STANDARD REF. NO.	VERIFICATION
				REASON	EXPLANATION		
Water and effluents							
GRI 3: Material Topics 2021	3-3 Management of material topics		Yes	Not applicable	DOF's main interaction with water is seawater and do not consume significant fresh water in production processes.	11.6.1	
	303-1 Interactions with water as a shared resource		Yes	Not applicable	DOF's main interaction with water is seawater and do not consume significant fresh water in production processes.	11.6.2	
	303-2 Management of water discharge-related impacts		Yes	Not applicable	DOF's main interaction with water is seawater and do not consume significant fresh water in production processes.	11.6.3	
	303-3 Water withdrawal		Yes	Not applicable	DOF's main interaction with water is seawater and do not consume significant fresh water in production processes.	11.6.4	
	303-4 Water discharge		Yes	Not applicable	DOF's main interaction with water is seawater and do not consume significant fresh water in production processes.	11.6.5	
GRI 303: Water and Effluents 2018	303-5 Water consumption		Yes	Not applicable	DOF's main interaction with water is seawater and do not consume significant fresh water in production processes.	11.6.6	
Biodiversity							
GRI 3: Material Topics 2021	3-3 Management of material topics		Yes	Not applicable	When DOF operates in protected areas for a limited time with vessel, it is under the client's governmental approved environmental protection plan.	11.4.1	
	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas		Yes	Not applicable	When DOF operates in protected areas for a limited time with vessel, it is under the client's governmental approved environmental protection plan.	11.4.2	
GRI 304: Biodiversity 2016	304-2 Significant impacts of activities, products and services on biodiversity		Yes	Not applicable	When DOF operates in protected areas for a limited time with vessel, it is under the client's governmental approved environmental protection plan.	11.4.3	
	304-3 Habitats protected or restored		Yes	Not applicable	When DOF operates in protected areas for a limited time with vessel, it is under the client's governmental approved environmental protection plan.	11.4.4	
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations		Yes	Not applicable	When DOF operates in protected areas for a limited time with vessel, it is under the client's governmental approved environmental protection plan.	11.4.5	



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Appendix B.1 (continued) - GRI Content Index for 'In Accordance'

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	REQUIRE- MENT(S) OMITTED	OMISSION		GRI SECTOR STANDARD REF. NO.	VERIFI- CATION
				REASON	EXPLANATION		
Security practices							
GRI 3: Material Topics 2021	3-3 Management of material topics		Yes	Not applicable	DOF may hire extra security personnel for vessels entering high-risk areas. This occurs rarely and is thus not considered a significant topic.	11.18.1	
	GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures	Yes	Not applicable	DOF may hire extra security personnel for vessels entering high-risk areas. This occurs rarely and is thus not considered a significant topic.	11.18.2	
Customer health and safety							
GRI 3: Material Topics 2021	3-3 Management of material topics		Yes	Not applicable	DOF operates in an industry with strict health and safety requirements in all operations. In the context of DOF's operations, our approach to health and safety impacts are embedded in our value chain to comply with requirements from international and national regulations, industry, and customers.	11.3.1	
	GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	Yes	Not applicable	DOF operates in an industry with strict health and safety requirements in all operations. In the context of DOF's operations, our approach to health and safety impacts are embedded in our value chain to comply with requirements from international and national regulations, industry, and customers.	11.3.3	
416-2 Incidents of non-compliance concerning the health and safety impacts of products and services		Yes	Not applicable	DOF operates in an industry with strict health and safety requirements in all operations. In the context of DOF's operations, our approach to health and safety impacts are embedded in our value chain to comply with requirements from international and national regulations, industry, and customers.	NA		











MATERIALITY

Appendix B.2 - Materiality (with People, Planet, Prosperity, Principles)

We have experienced first-hand the fallout of COVID-19 and all the economic and social consequences that come with it. Like many other World Economic Forum Global Risk Perception Survey respondents, DOF's activities are subject to disparities in COVID-19 political responses and divergent economic recovery rates. The economic, geopolitical, public health and societal fractures that the pandemic risk has accelerated are reported as something likely to delay the business communities' response to other global challenges such as climate response, the greening of energy systems, addressing digital vulnerabilities, and social degradation. Whilst the WEF reports these as 'Global Challenges', our internal workshops translate these topics as material issues to DOF.

A table showing how DOF connects material aspects to company People, Planet, Prosperity and Principles.

ASSESSMENT	CRITERIA	VALIDATION	WEF FRAMEWORK
<p>What ESG impacts do DOF have? This approach allows DOF to look at 'Social and Environmental Materiality' across our value chain.</p>	<p>Assessment criteria</p> <ul style="list-style-type: none"> - Likelihood of impact; - Severity of impact; - Opportunity or potential value creation; - Nature of threat; long, medium or short term. 	<p>Validation by executive management team</p>	 People
	<p>External strategic drivers</p> <ul style="list-style-type: none"> - Relevancy to Sustainable Development Goals; - Global Report Initiative topic; - Industry-specific drivers / Hard and soft law, - Sector materiality. 		 Planet
	<p>Internal strategic drivers</p> <ul style="list-style-type: none"> - Area of value chain interaction; - Existing DOF risk assessments/Significant environmental aspects; - DOF Business Management System Documentation. 		 Prosperity
	<p>Principles</p>  Principles		
<p>What ESG issues could impact DOF? This approach evaluates what ESG matters interact with DOF's ability to create long-term value for stakeholders. Otherwise known as, Financial Materiality.</p>	<p>Key interests, concerns and/or expectations of Stakeholders</p> <ul style="list-style-type: none"> - Employees; - Clients; - Investors; - Suppliers; - Local communities; - Regulatory authorities; - Non-Government organisations. 	<p>Validation by executive sponsors and the ELT</p>	 People
	<p>Strategic relevance to DOF</p> <ul style="list-style-type: none"> - Likelihood of impact; - Severity of impact; - Opportunity or potential value creation; - Nature of threat; long, medium or short term 		 Planet
	<p>Principles</p>  Prosperity		
	<p>Principles</p>  Principles		



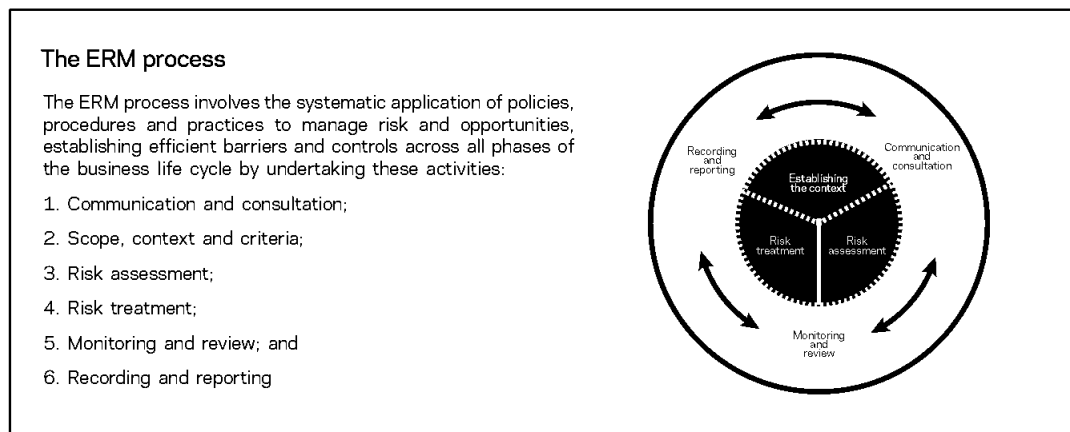
MATERIALITY

Appendix B.2 (continued) - Materiality (with People, Planet, Prosperity, Principles)

OUTPUT: TOP MATERIAL ISSUES	OUTPUT: OTHER SIGNIFICANT MATERIAL TOPICS
Employee Health Safety and Security: Managing critical risks across our value chain.	Shared Natural and Social Capital Data Security Human Rights and Community Relations Labour Practices
GHG Emissions: The main concern is GHG emissions and the ability to meet broad stakeholder expectations, and also concern over air pollution emission from ships offshore and in harbour limits.	Air Quality Management Energy Management Waste and Hazardous Materials Management Ecological Impacts/Biodiversity
Supply Chain Management: ensuring responsible practices throughout our supply chain.	Customer Privacy Business Model Resilience Product Design and Life-cycle Management
Labour Practices: Maintaining value chain and geographical compliance of standards and practices addressing human rights, working conditions, labour standards, and labour relations including freedom of association, collective bargaining, working hours, rest and minimum age.	Management of Legal and Regulatory Environment Business Ethics Competitive Behaviour Critical Incident and Risk Management
GHG Emissions/Impacts of Climate Change: Managing fleet and organisational preparedness to meet physical and transition risks and opportunities of Climate Change.	Shared Natural and Social Capital Data Security Human Rights and Community Relations Employee Health and Safety
Energy Management: Identifying DOF's role in meeting societal expectations around the energy transition. Business Model Resilience: Maintaining and creating value propositions that are aligned with the decarbonisation of the industry. Supply Chain Management: Our capacity to cascade DOF and wider sustainability principles within our supply chain.	Air Quality Management Energy Management Waste and Hazardous Materials Management Ecological Impacts/Biodiversity
	Customer Privacy Product Design and Life-cycle Management
	Management of Legal and Regulatory Environment Business Ethics Competitive Behaviour Critical Incident and Risk Management

Appendix B.3 - Enterprise Risk Management (ERM)

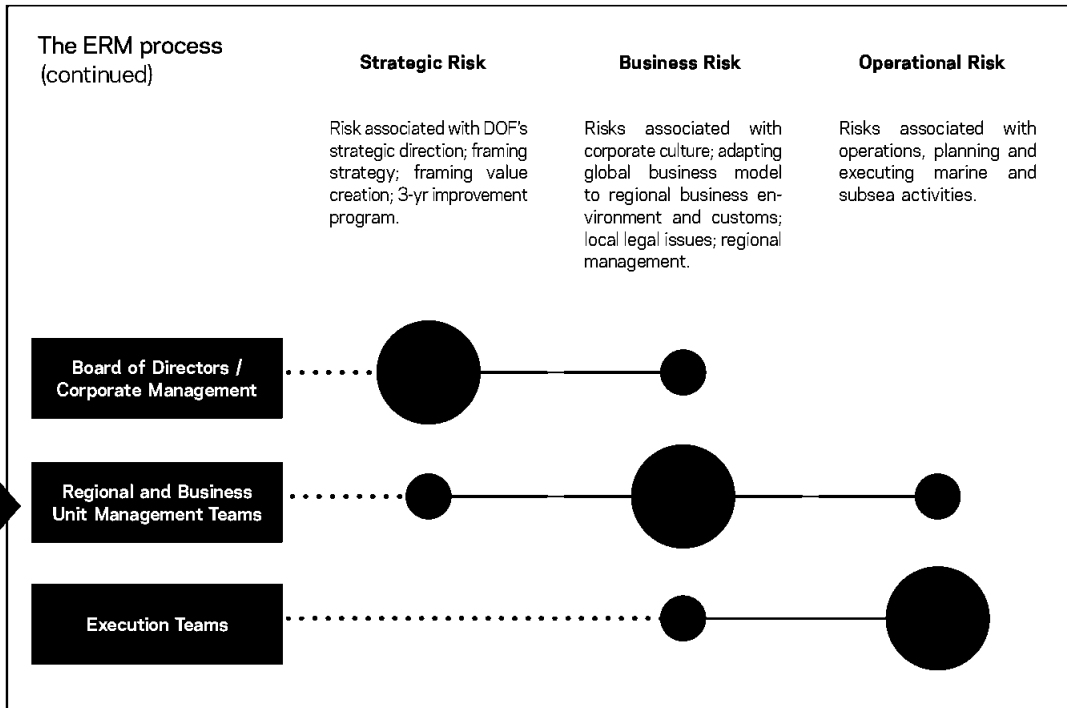
Value creation uses the Enterprise Risk Management (ERM) process: identify, evaluate, control and mitigate the risk and opportunities across DOF.



ERM principles and techniques are underpinned by:

- ISO 31000: Risk management – Principles and guidelines;
- ISO 31010: Risk management – Risk assessment techniques;
- ISO 17776: Guidelines on tools and techniques for hazard identification and risk assessment;
- DNV RP-H101: DNV Recommended Practice – RISK management in marine operations
- Value creation uses the ERM process: identify, evaluate, control and mitigate the risk and opportunities across DOF.

Appendix B.3 (continued) - Enterprise Risk Management (ERM)



BOD and Corporate levels of the management:
To produce lasting value for stakeholders, and a long-term competitive return on the investment the BOD and Corporate Management regularly evaluate long-term risk and opportunity and potential impact on strategic decisions taken today.

Engaging key stakeholders; evaluating value creation; setting risk appetite; consider high-level organisational risk from other areas of the business; strategic risk management and governance mechanisms to respond to mega-trends and long-term macro level shifts in the external market; cascading governance principles into cultural and process risk management areas.

The Corporate Management team as the governing body for assurance of the ERM model by overseeing activities and efficacy ERM Framework - reporting to the BOD

Review material issues, including: problematic cultural and operational risk and opportunities with specific focus on delays, cost overruns, commercial disputes, margins, and other concerns.	Perform audits against global frameworks; communicate concerns raised by audit committees or stakeholders relevant to business unit actions.	Oversee activities of the external and internal audit functions, receive input on the adequacy of financial reporting and control mechanisms on material risk issues that could impact company integrity.	Cascading lessons learned across DOF regions and business units.
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Appendix B.3 - DOF Subsea's value driver results 2021

The dashboard contains results from key targets, both financial and non-financial, established in DOF Subsea. Additional targets & review of current targets are ongoing. **Since 2014, we have made substantial progress in improving our sustainability reporting.**

Full details for both financial and non-financial 2021 performance are given in the financial statements and in the ESG factbook.

DOF Subsea's value drivers

Financial performance



3.9
BILLION

Subsea project total revenue in 2021

1.6*
BILLION

time charter total revenue in 2021
* According to management reporting

10.4
BILLION

group backlog per 31.12.2021

85%
Utilisation

of the group fleet in 2021

80%
Utilisation

of Subsea project fleet in 2021

Applying relevant UN SDGs



The UN Sustainability Development Goals (SDGs) are comprehensive in the issues that they address with each goal having specific actions and targets. As an organisation working principally with subsea engineering and offshore vessels, DOF has assessed the specific SDGs where we have the greatest impact and can make a significant contribution as part of our operations. We aligned eight SDGs (3, 4, 5, 8, 9, 13, 14, and 16) with corresponding material aspects. You can see how they fit together on page 136.

Read more about UN SDGs.
<https://sustainabledevelopment.un.org/>

Governance



0
Fines

or non-monetary sanctions due to non-compliance

0
Corruption

cases in 2021

172
NCRs

raised in 2021

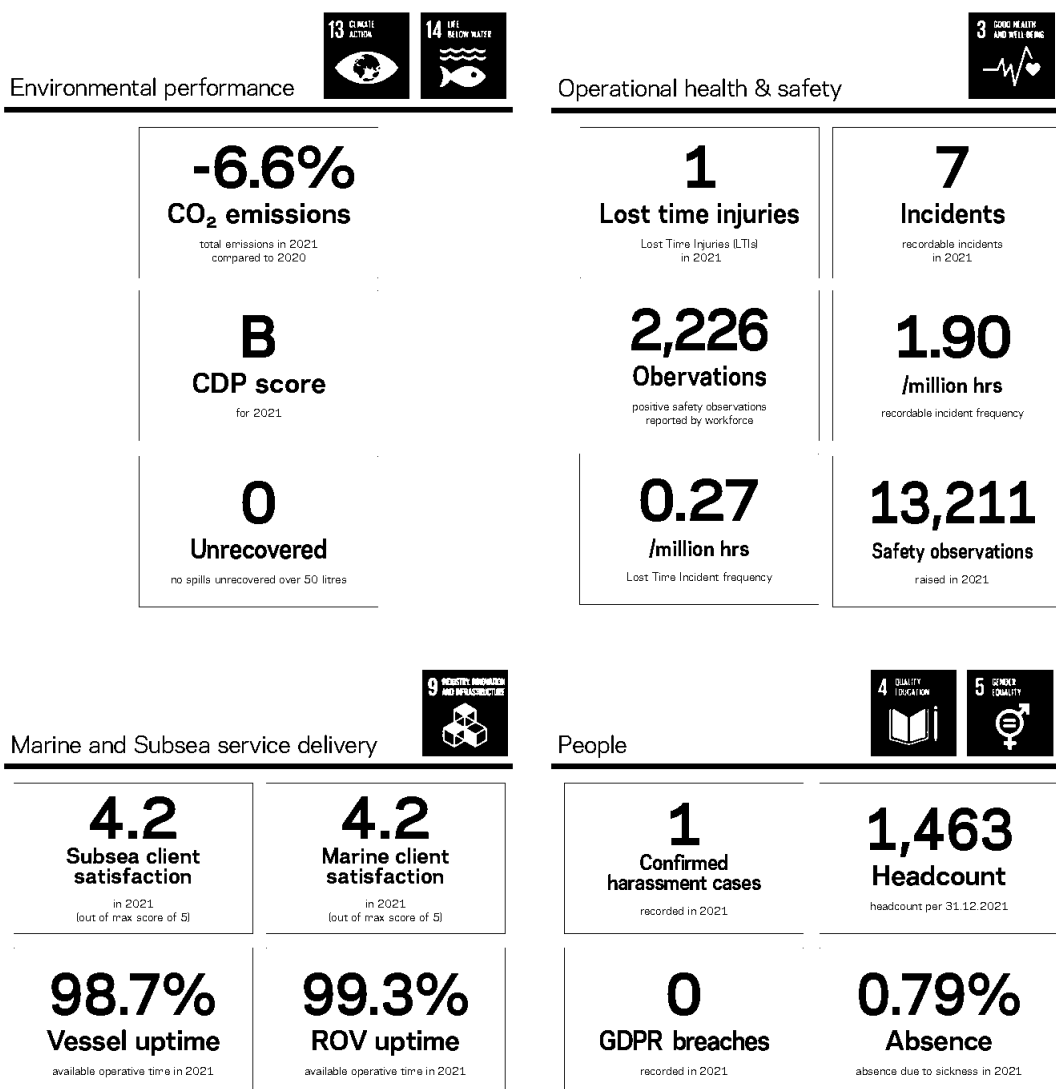
36
Audits & Inspections

completed in 2021



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Appendix B.3 - DOF Subsea's value driver results 2021





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Appendix B.4 - Figures & tables

Overview of emergency incidents and exercises - **Figure 7**

	2021	2020	2019
Incident	30	28	9
Exercise	28	36	41

Global HSE targets - **Figure 8**

HSEQ INPUT/OUTPUTS	GLOBAL TARGETS 2021 METRICS
Number of Lost Time Injuries	0
Lost Time Injury Frequency Rate (LTIFR)	< 0.3 / 1 000 000 man-hours
Lost Recordable Case Frequency Rate (TRCF) Includes LTIs, Restricted Workday Cases, Medical Treatment Cases and fatalities.	<1.1 / 1 000 000 man-hours
First Aid Cases	< 7.5 / 1 000 000 man-hours
Safety Observation Rate	600 / 200 000 man-hours



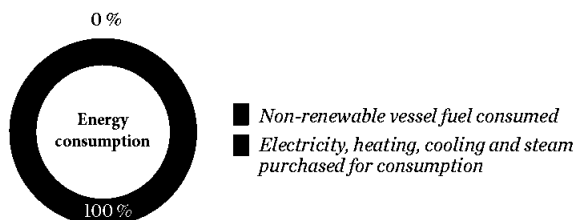
Appendix B.4 (continued) - Figures & tables

Occupational Health and Safety Indicators - Figure 9

OHS INPUTS / OUTPUTS	UNIT OF MEASUREMENT	2021 Target	2021	2020	2019
Man-hours	Number		8 784 602	7 558 323	9 104 679
High consequence injuries	Number		1	2	0
High consequence injury rate	Injuries per million man-hour		0.11	0.26	0
Fatalities	Number	0	0	0	0
Number of Lost Time Incidents (LTI)	Number	0	6	6	5
Lost Time Injury Frequency Rate	LTIs per million man-hour	< 0.3	0.68	0.79	0.55
Total Recordable Cases	Number		18	19	20
Total Recordable Case Frequency Rate	TRC per million man-hour	< 1.1	2.05	2.51	2.2
First Aid Cases	Number		55	57	53
First Aid Case Frequency Rate	FACs per million man-hour	< 7.5	6.26	7.54	5.82
Safety Observation Rate	SOB per 200,000 man-hour	> 600	711	656	598
Lost Day Rate	% lost days of scheduled days		0.04%	0.03%	0.02%
Absentee rate	% absent days of scheduled days		3.73%	3.28%	2.45%

Appendix B.4 (continued) - Figures & tables

Energy consumption - Figure 10



Total energy consumption within the organisation in joules (see below for conversion factors)

ENERGY CONSUMPTION	UNIT	2021	2020	2019
Nonrenewable fuel consumed (fuel oil and LNG, scope 1 vessels)	GJ	6 084 447	6 334 898	6 898 322
Renewable fuel consumed	GJ	0		
Electricity, heating, cooling and steam purchased for consumption	GJ	27 828	35 655	25 279
Self-generated electricity, heating, cooling and steam	GJ	0		
Electricity, heating, cooling and steam sold	GJ	0		
Total energy consumption within the organisation	GJ	6 112 275	6 370 553	6 923 601
Energy consumption outside the organisation (non-renewable fuel consumed (fuel oil, scope 3 vessels))	GJ	1 221 769	Not available	Not available

Electricity consumption per country - Figure 11

ELECTRICITY CONSUMPTION PER REGION	UNIT	2021	2020	2019
Australia *	MWh	231.0 *	231.0	311.5
Brazil	MWh	352.7	412.5	643.5
Canada	MWh	133.2	149.0	149.4
Norway	MWh	6 454.6	8 469.1	4 914.9
Singapore *	MWh	82.1 *	82.1	104.0
UK	MWh	144.5	179.5	281.5
USA	MWh	332.0	381.0	617.0
Total	MWh	7 730.1	9 904.2	7 021.9

* Estimate based on 2020

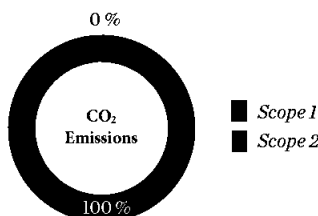
Conversion factors - Figure 12

ITEM	SOURCE
Marine gas oil (MGO)	DEFRA 2021
Electricity Norway	1) IEA (2021), Emission Factors 2) AIB (2021), European Residual Mixes 2020 3) %RE: IEA
Electricity Canada	1) IEA (2021), Emission Factors 2) 2021 Green-e Residual mix Emissions Rates (2019 data, approximation)
Electricity Brazil	1) IEA statistic 2020, emission factor for 2018
Electricity USA	1) IEA statistic 2021, emission factor for 2019 2) 2020 Green-e Residual Mix Emission Rates (2018 data)
Electricity UK	1) IEA (2021), Emission Factors 2) AIB (2021), European Residual Mixes 2020 3) %RE: IEA
Electricity Australia	1) IEA (2021), Emission Factors 2) No residual emission factor 3) %RE: IEA
Electricity Singapore	1) IEA (2021), Emission Factors 2) No residual emission factor 3) %RE: IEA
Residual waste, incinerated	Ecoinvent 3.8

Appendix B.4 (continued) - Figures & tables

CO₂ Emissions - Figure 13

Scope 1	81 %
Scope 2	1 %
Scope 3	18 %



Note: Prior to 2021, this table only showed Scopes 1 and 2, and Scope 2 was reported location-based. From 2021 going forward, Scope 2 will be reported market-based.

CO ₂ EMISSIONS	UNIT OF MEASURE	2021	2020	2019
Scope 1	ton (CO ₂ e)	436 671	462 683	481 649
Scope 2	ton (CO ₂ e)	3068	719	927
Scope 3	ton (CO ₂ e)	97 265	111 714	137 438
Total *	ton (CO₂e)	537 004	575 116	620 014
Change (total)	%	-6.6 %	-7.2 %	

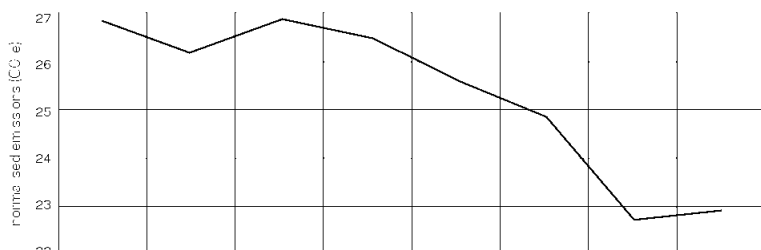
Note: Prior to 2021, this table only showed Scopes 1 and 2, and Scope 2 was reported location-based. From 2021 going forward, Scope 2 will be reported market-based.

Methodology used: The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition).

Notes:

- 1) Although DOF started to report to the CDP in 2010 the base year chosen was 2011, since the data for 2010 was quite weak. Emissions in base year (tons CO₂e) was 593,745 (Scope 1) and 700 (Scope 2).
- 2) As vessel fuel consumption has an element of inaccuracy due to the methods in which fuel consumption are recorded onboard vessels, there is a level of uncertainty associated with the final Scope 1 and Scope 3 emissions.
- 3) The chosen consolidation approach for emissions is Operational control.
- 4) GWP source: CO₂ (IPCC Fourth Assessment Report (AR4 - 100 year).
- 5) CO₂e (CO₂ equivalent) includes all major greenhouse gases; carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O)

Intensity reduction targets - Figure 14



	YEAR	EMISSION PER OPERATIONAL DAYS *	% CHANGE
Verified	2021	23.9	2.1 %
Verified	2020	23.4	0.4 %
Verified	2019	23.3	-8.9 %
Verified	2018	25.5	-1.2 %
Verified	2017	25.9	-3.3 %
Verified	2016	26.7	-1.3 %
Verified	2015	27.1	2.9 %
Verified	2014	26.3	-1.0 %
Verified	2013	26.6	

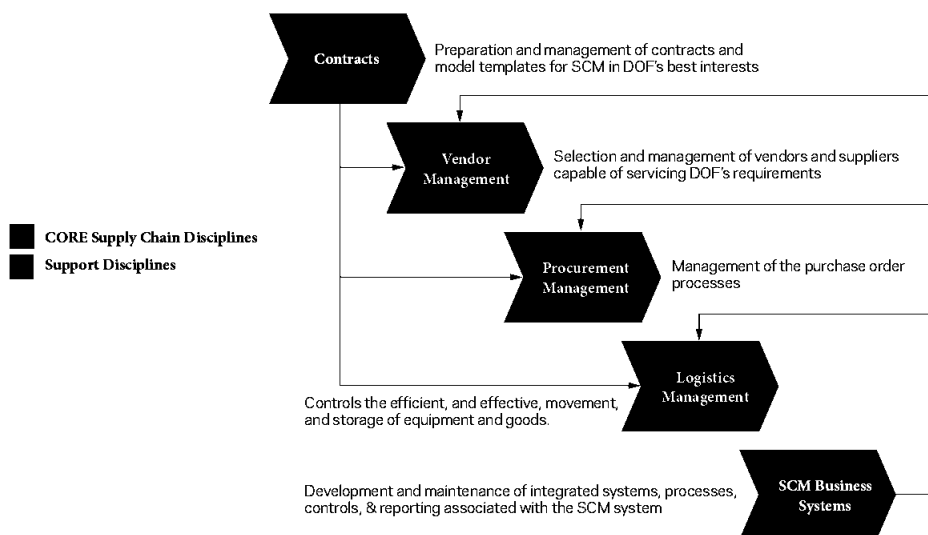
* Operational day is defined as days with vessel in warm layup, idle in port/field or in operation.

The above table shows the verified emission per operational day for Scope 1 vessels from 2013-2021 (total tons CO₂e Scope 1 / total operational days Scope 1).

Note: the figure has been recalculated with the assumptions for the 2021 reporting, to provide comparability year by year. The historical figures for 2020 and earlier will consequently vary slightly from what has been reported in previous years.

Appendix B.4 (continued) - Figures & tables

Supply Chain Management (SCM) - Figure 15



General information regarding our Supply Chain Management is also given on page 164 under the Principles chapter.

DOF 3 - Revenue per segment (DOF Subsea) - Figure 16

	2021	2020	2019
Subsea projects	71 %	61 %	63 %
Chartering of vessels	29 %	39 %	37 %
Total revenue (NOK Million)	5 545	5 337	5 147

Distribution of projects per project level (DOF Subsea) - Figure 17

Level 0: Budget Pricing	3 %
Level 1: Manpower or Equipment Hire	16 %
Level 2: Working on Clients Vessel or PM&E Contracts	7 %
Level 3: Vessel Charters or Minor IMR Campaign	53 %
Level 4: Light Construction or IMR	19 %
Level 5: Major Construction/Intervention Projects	2 %



ESG FACTBOOK / APPENDIX

Appendix B.4 (continued) - Figures & tables

Employment statistics as of 31.12.2021 - **Figure 18**

	TOTAL	MEN	WOMEN	ATLANTIC	ASIA-PACIFIC	NORTH AMERICA	SOUTH AMERICA
Permanent Contract (Full-time)	2719	2361	358	787	210	190	1532
Temporary Contract (Full-time)	79	73	6	56	11	4	8
Permanent Contract (Part-time)	23	9	14	19	4	0	0
Temporary Contract (Part-time)	73	46	27	10	0	0	63
Self-employed workers	926	847	79	338	255	58	275
Total	3820	3336	484	1210	480	252	1878

Overview of performance reviews by gender and employee category - **Figure 19**

BY GENDER	PERFORMANCE REVIEWS	TOTAL HEADCOUNT	% OF EMPLOYEES RECEIVED REVIEWS
Female	169	419	40.33 %
Male	1550	2550	60.78 %
Total	1719	2969	57.90 %

BY EMPLOYEE CATEGORY	PERFORMANCE REVIEWS	TOTAL HEADCOUNT	% OF EMPLOYEES RECEIVED REVIEWS
Senior managers	74	220	33.64 %
Managers	368	551	66.79 %
Staff	1277	2198	58.10 %
Total	1719	2969	57.90 %



Appendix B.4 (continued) - Figures & tables

Summary of pension schemes - Figure 20

ATLANTIC

Norway (DOF Management / DOF ASA)

- There are no longer defined benefit pension plans in DOF ASA or DOF Management.
- Employees have a defined contribution pension plan. A percentage of salary is paid to an insurance company in line with the earnings of wages.
- All employees are part of the pension scheme.
- Pension fund is handled by the insurance company.
- The company has no liabilities or obligation after payments to the insurance company on behalf of the individual employee.
- The individual employee's fund is based on actual payment done by the company and actual returns on funds.
- The employee gets the value of the fund paid in monthly payments when the employee reaches the age of pension.

Norway (DOF Subsea)

- DOF Subsea AS and DOF Subsea Norway AS have a defined contribution pension plan for employees. A percentage of salary is paid to an insurance company in line with the earnings of wages. The companies have no pension liability.
- All employees are part of the pension scheme.
- Pension fund is handled by the insurance company.
- The company has no liabilities or obligation after payments to the insurance company on behalf of the individual employee.
- The individual employee's fund is based on actual payment done by the company and actual returns on funds.
- The employee gets the value of the fund paid in monthly payments when the employee reaches the age of pension.

UK

- There is no liability for the company.
- In UK there are no defined benefit plans.

SOUTH AMERICA

Brazil

- There is no liability for the company.
 - In Brazil the company holds a private pension plan on a private bank.
 - Pension Plan is based on salary percentage contribution from both employee and the company. Department manager and above positions may contribute with up to 7.5% while for other employees the limit will be 3%.
 - Scheme is voluntary and it is estimated that 40% of all employees are participating in DOF Subsea Brazil and 50% in Norskan.
-



Appendix B.4 (continued) - Figures & tables

Summary of pension schemes - Figure 20 (continued)

NORTH AMERICA

USA

- The plan is fully funded and DOF Subsea has no liability to the plan. The plan matches the first 6% of contributions dollar for dollar; The company portion is immediately vested at 100% as soon as the money is remitted to the plan manager each pay period. The 401(k) plan is a DC plan. Such plans in the USA don't act like DB plans of old (aka pension plans). So there is no liability or estimates to cover obligations to the plan. All 401(k) plans are fully vested under the safe harbor act.
- In 2021, employees under age 50 could contribute up to a maximum of \$19,500, those 50 and over may contribute up to \$26,000. The company match is up to 6% of payroll per participant.
- Scheme is voluntary.

Canada

- There is no liability for the company.
- Employer/Employee funded RRSP through Manulife. Maximum employer contribution is 5% for employees with 5+ years of services or 4% for those with less than 5 years; employees have option to contribute based on individual RRSP contribution maximums. Monthly contributions are remitted to Manulife by the 15th of following month.
- Scheme is voluntary.

ASIA-PACIFIC

Australia

- There is no liability for the company.
- Australia operates compulsory superannuation schemes based on employer defined contributions.
- Employees have the right to choose which superannuation fund (external funds they are a member of).
- External superannuation funds in Australia are monitored by Australian Securities and Investment Commission as well as other Governmental agencies.
- i) 9.5% employer contribution on gross salary to cap of AUD 114,180 for 6-months to 30 June 2021, ii) 10% employer contribution on gross salary to cap of AUD 117,840 for 6 months ended 31 Dec 2021. iii) Employee contributions from payroll are voluntary

Singapore

- There is no liability for the company.
- Monthly contributions to the Central Provident Fund on wages up to an income ceiling of SGD 6,000. Rates for employees 55 and under:
 - i) employer - 17%
 - ii) employee - 20%
- For employees over 55, the rates reduce - the lowest level being of 7.5% (employer) and 5% (employee) for ages 70 and over.
- The scheme is mandatory for Singapore citizens and permanent residents. Others are not eligible.

Philippines

- Social security contributions are required under several social institutions, the aggregated maximum monthly amounts are:
 - i) employer - PHP 3,125
 - ii) employee - PHP 2,125
- The scheme is mandatory for all Philippine employees.

Indonesia

- In Indonesia, the company is required to pay monthly contributions to the Workers Social Security fund based on fixed rates.
- The scheme is mandatory for all Indonesian employees



Appendix B.4 (continued) - Figures & tables

Benefits provided to full-time employees that are not provided to temporary or part-time employees - Figure 21.

BRAZIL	<ul style="list-style-type: none">Life insurance (employee and spouse/husband)Funeral Insurance (employee and spouse/husband)Health and Dental Insurance (employee and direct dependents - spouse/wife and kids)Pension Plan (employee) company do a deposit of the same amount than employeeSupermarket Coupon (monthly basis)Restaurant Coupon (monthly basis only for onshore employee)
AUSTRALIA	All employees, whether full-time or part-time / fixed term have the same benefits, though if part-time some benefits are pro-rated e.g. leave accruals. With the exception of: 9 Day Fortnight (flexibility) Scheme for permanent onshore full-time employees only (or maximum duration >12 months) - Employee Assistance Program.
NORWAY	All employees, including temporary employees, are entitled the same benefits. Employees who are younger than 20 years old or work less than 20% are entitled to most of the benefits except: <ul style="list-style-type: none">Life insuranceDisability and invalidity coveragePaid parental leavePension
SINGAPORE	All employees, whether full-time or part-time have the same benefits. If fixed term or casual, benefits reduce. Different benefits may be offered to employees based on their Singapore residency status (e.g. health insurance, flights) or a car park bay based on their role seniority.
PHILIPPINES	All employees, whether full-time or part-time /fixed term, have the same benefits with the exception of: Service Incentive Leave entitlement after one year of service, an employee becomes entitled to a yearly service is provided with incentive leave of 5 days with pay (there are preclusions so must check always as to who this applies to, for example does not apply to Managers or those employed in establishments regularly employing less than 10 employees). Leave can be used in ill health or for general holidays and the balance must be paid out at the end of the year. TOWP (Time Off With Pay) sick - days not used at the end of each calendar year will be converted into money equivalent and paid to the employee. Not available to casual employees.



Appendix B.4 (continued) - Figures & tables

Benefits provided to full-time employees that are not provided to temporary or part-time employees - Figure 21 (continued)

US

Benefits provided to full-time employees that are not provided to temporary or part-time employees:

- Health and Dental Programs to include medical, dental, and vision
- Flexible Spending Accounts (FSA and HSA)
- Life Insurance - Company Paid
- Voluntary Life Insurance - Employee Paid
- Short term and long term disability
- Employee Assistance Program (EAP)
- Vacation
- Statutory Holidays
- Sick Leave
- Family Medical Leave (FMLA)
- Time off to Vote
- Jury/Witness Leave
- 401(k) retirement (6% company match currently)

CANADA

The benefits below are provided to full-time employees and not provided to temporary / casual employees. Part-time employees may have some or all of the benefits based on hours worked.

- Life Insurance
 - Critical Illness
 - Short term and Long term disability
 - Employee and Family Assistance Program (EAFP)
 - Vacation - Statutory Holidays
 - Registered Retirement Savings Program
 - Family Violence Leave - Personal Leave
 - Parental Leave
 - Adoptive Leave
 - Bereavement Leave
 - Compassionate Leave
 - Reserve Leave
 - Sick Leave
 - Time off to Vote
 - Jury/Witness Leave Duty
-



Appendix B.4 (continued) - Figures & tables

Entities included in the organisation's sustainability reporting - Figure 22

The below list shows the entities (operations) included in DOF's sustainability reporting and the region the entity is considered part of, in the context of significant area of operation.

The list below is determined based on entities with operational activity, and thus will differ from the list of companies within the group in the consolidated financial statements.

ENTITY (OPERATION)	REGION (SIGNIFICANT AREA OF OPERATION)
DOF Management Australia Pty	Asia Pacific
DOF Management Pte	Asia Pacific
DOF Subsea Asia Pacific Pte. Ltd	Asia Pacific
DOF Subsea Asia Pacific Pte. Ltd, Philippine Branch	Asia Pacific
DOF Subsea Australia Pty	Asia Pacific
PT DOF Subsea Indonesia	Asia Pacific
DOF ASA	Atlantic
DOF Management AS	Atlantic
DOF Management Egypt Branch	Atlantic
DOF Management UK	Atlantic
DOF OSM	Atlantic
DOF SJØ AS	Atlantic
DOF Subsea Angola Lda	Atlantic
DOF Subsea AS	Atlantic
DOF Subsea Ghana Ltd	Atlantic
DOF Subsea Norway AS	Atlantic
DOF Subsea Norway Offshore AS	Atlantic
DOF Subsea UK Ltd	Atlantic
Marin IT AS	Atlantic
DOF Subsea Canada Corp	North America
DOF Subsea US Inc	North America
DOF Management Argentina S.A.	South America
DOF Subsea Brasil Servicos Ltda	South America
Norskan Offshore Ltda	South America



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Appendix B.6 - Independent Assurance Report - EY



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To the Board of Directors of DOF ASA

Independent accountant's assurance report

Scope

We have been engaged by DOF ASA to perform a limited assurance engagement, as defined by International Standards on Assurance Engagements, here after referred to as the engagement, to report on DOF ASA's sustainability reporting as the DOF ASA have defined and referred to in the DOF ASA's GRI Index (the "Subject Matter") as of 31 December 2021 for the period from 01 January 2021 to 31 December 2021.

Other than as described in the preceding paragraph, which sets out the scope of our engagement, we did not perform assurance procedures on the remaining information included in the sustainability reporting, and accordingly, we do not express a conclusion on this information.

Criteria applied by DOF ASA

In preparing the Subject Matter, DOF ASA applied the relevant criteria from the Global Reporting Initiative (GRI) sustainability reporting standards, "Core" option (the "Criteria") and the Greenhouse Gas (GHG) Protocol Corporate Accounting and Reporting Standard. The Criteria can be accessed at globalreporting.org and are available to the public. Such Criteria were specifically designed for companies and other organizations that want to report their sustainability impacts in a consistent and credible way. As a result, the Subject Matter information may not be suitable for another purpose. We consider these reporting criteria to be relevant and appropriate to review the sustainability reporting.

DOF ASA's responsibilities

The Board of Directors and Chief Executive Officer (management) are responsible for the selecting the Criteria, and for presenting the Subject Matter in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the Subject Matter, such that it is free from material misstatement, whether due to fraud or error.

EY's responsibilities

Our responsibility is to express a conclusion on the presentation of the Subject Matter based on the evidence we have obtained.

We conducted our engagement in accordance with the International Standard for Assurance Engagements *Other Than Audits or Reviews of Historical Financial Information* ('ISAE 3000'). This standard requires that we plan and perform our engagement to obtain limited assurance about whether, in all material respects, the Subject Matter is presented in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusions.

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Penneo Dokumentnøkkel: BUKL-2N043-TWFE-XHGNT-CQIX3-ET15E



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Our Independence and Quality Control

We have maintained our independence and confirm that we have met the requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants. EY also applies *International Standard on Quality Control 1, Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements*, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Description of procedures performed

Procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing the Subject Matter and related information and applying analytical and other appropriate procedures.

Our procedures included:

- ▶ Review of DOF ASA's process for preparation and presentation of the sustainability report to develop an understanding of how the reporting is conducted within the business
- ▶ Interviewed those in charge of sustainability reporting to develop an understanding of the process for the preparation of the sustainability reporting
- ▶ Verified on a sample basis the information in the sustainability reporting against source data and other information prepared those in charge
- ▶ Assessed the overall presentation of sustainability reporting against the criteria in the GRI Standards including a review of the consistency of information against the GRI index.

We believe that our procedures provide us with an adequate basis for our conclusion. We also performed such other procedures as we considered necessary in the circumstances.

Independent accountant's assurance report - DOF ASA

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Peritso Dokumentihokkeat: BUKLL-2N043-TWFE-XI-GNT-CCUX3-E1Y5E



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Conclusion

Based on our procedures and the evidence obtained, we are not aware of any material modifications that should be made to the Subject Matter as of 31 December 2021 and for the period from 1 January 2021 to 31 December 2021 in order for it to be in accordance with the Criteria.

Oslo, 06 April 2022
ERNST & YOUNG AS

The assurance report is signed electronically

Eirik Moe
State Authorised Public Accountant

Penneo Dokumentnr: BUKLL-2ND43-TTWFE-AHGNF-CCLX3-ET15E

Independent accountant's assurance report - DOF ASA

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GLOSSARY

Glossary

AUV:	Autonomous Underwater Vehicle
CAPEX:	Capital Expenditure
CDP	Carbon Disclosure Project
CSV/Subsea	Construction Support Vessels and Subsea vessels
DNV-GL:	Det Norske Veritas. Classification company. Controlling and approving the vessels technical condition, security and quality according to the company's own rules and the national laws
DP:	Dynamic Positioning
E&P:	Exploration & Production
EPIC:	Engineering, Procurement, Installation & Commissioning
ERM	Emergency Risk Management
ESG	Environmental, Social, and Corporate Governance
FPSO:	Floating Production Storage and Offloading
GHG:	Greenhouse Gases
GOM:	Gulf of Mexico
GR:	Global Reporting Initiative
HR:	Human Resources
HSEQ:	Health, Safety, Environment and Quality
IFRS:	International Financial Reporting Standards
IMCA:	International Marine Contractors Association
IMO:	International Maritime Organisation
IMR:	Inspection, Maintenance, and Repair
IOC:	International Offshore Company
ISM:	International Safety Management Code
ISO:	International Standards Organisation
ISPS:	International Ship and Port Facility Security Code. International framework to detect/ assess security threats and take preventive measures against security incidents affecting ships or port facilities used in international trade
LNG:	Liquefied Natural Gas
MLC:	Maritime Labour Convention
NIBOR:	Norwegian Interbank Offered Rate
NIS:	Norwegian International Ship Register
NOR:	Norwegian Ordinary Ship Register
OHSAS:	Occupational Health & Safety Advisory Services
OSCV:	Offshore Subsea Construction Vessel
PLSV:	Pipelaying Support Vessel
ROV:	Remote Operated Vehicle
SDGs:	United Nations Sustainable Development Goals
SEMS:	Safety and Environmental Management Systems
STCW:	Standards of Training, Certification and Watch keeping
SURF:	Subsea, Umbilicals, Risers & Flowlines
T&I:	Transportation & Installation
Time Charter Party (TC):	Contract for Chartering a Vessel
UDW:	Ultra Deep Water
VAE:	Value Adjusted Equity



A dedication & thank you:

**Thank you to all our hard working
and dedicated colleagues.
It is you that makes DOF
the preferred OSV manager and
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Cover image

Skandi Skansen in the north of Norway.

Production team

The DOF Subsea Integrated Annual Report 2021 is produced with great care and would not be possible without the contribution of many of the DOF team across the globe. We thank everyone for their considerable efforts. Special thanks go to the project team who helped make this year's report come together. Committed to continuous improvement, we welcome and appreciate your feedback. If you would like to send us your views, please contact: stig.clements@dof.com

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