



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2022 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer: 995 962 349
Organisasjonsform: Aksjeselskap
Foretaksnavn: DOF SUBSEA CHARTERING AS
Forretningsadresse: Thormøhlens gate 53C
5006 BERGEN

Regnskapsår

Årsregnskapets periode: 01.01.2022 - 31.12.2022

Konsern

Morselskap i konsern: Nei

Regnskapsregler

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

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Christoffer Lunde
Dato for fastsettelse av årsregnskapet: 30.06.2023

Grunnlag for avgivelse

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

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

Brønnøysundregistrene, 12.07.2024



Resultatregnskap

Beløp i: NOK	Note	2022	2021
RESULTATREGNSKAP			
Inntekter			
Operating revenue	4,13	491 663 000	239 606 000
Sum inntekter		491 663 000	239 606 000
Kostnader			
Payroll expenses	5,13	162 579 000	91 007 000
Other operating expenses	13, 14	312 209 000	87 778 000
Sum kostnader		474 788 000	178 785 000
Driftsresultat		16 875 000	60 821 000
Finansinntekter og finanskostnader			
Financial income	6,12	19 447 000	10 219 000
Realised gain on financial derivatives	6	27 688 000	976 000
Unrealised gain on financial derivatives	6	-6 260 000	4 619 000
Sum finansinntekter		40 875 000	15 814 000
Financial expenses		14 717 000	14 128 000
Rounding corrections			
Sum finanskostnader		14 717 000	14 128 000
Netto finans		26 158 000	1 686 000
Ordinært resultat før skattekostnad		43 033 000	62 507 000
Income tax expenses	7	15 895 000	-5 055 000
Ordinært resultat etter skattekostnad		27 138 000	67 562 000
Årsresultat		27 138 000	67 562 000



Balanse

Beløp i: NOK	Note	2022	2021
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Finansielle anleggsmidler			
Non-current receivables sublease	12	1 177 032 000	0
Other non-current receivables		2 697 000	270 000
Sum finansielle anleggsmidler		1 179 729 000	270 000
Sum anleggsmidler		1 179 729 000	270 000
Omløpsmidler			
Varer			
Fordringer			
Trade receivables	8	34 716 000	68 542 000
Current receivables from Group companies	10,13	254 863 000	122 620 000
Current receivable sublease	12	213 602 000	142 609 000
Other current receivables	9	11 540 000	12 501 000
Sum fordringer		514 721 000	346 272 000
Bankinnskudd, kontanter og lignende			
Unrestricted cash and cash equivalents	10	719 000	570 000
Sum bankinnskudd, kontanter og lignende		719 000	570 000
Sum omløpsmidler		515 440 000	346 842 000
SUM EIENDELER		1 695 169 000	347 112 000
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Share capital	11	300 000	200 000
Annen innskutt egenkapital	11	88 530 000	88 530 000



Balanse

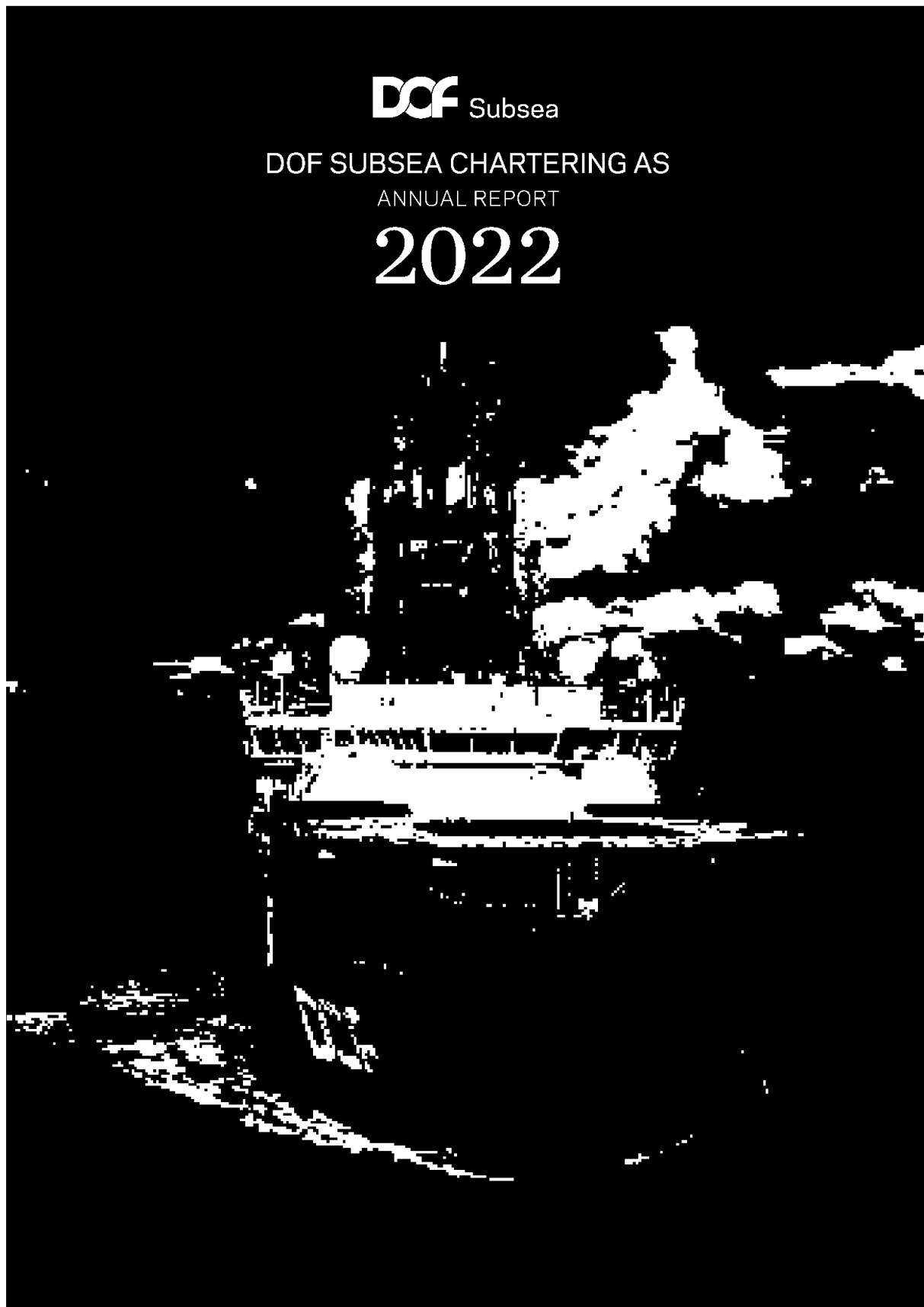
Beløp i: NOK	Note	2022	2021
Sum innskutt egenkapital		88 830 000	88 730 000
Opptjent egenkapital			
Share premium		61 247 000	40 954 000
Other equity		12 075 000	5 330 000
Sum opptjent egenkapital		73 322 000	46 284 000
Sum egenkapital		162 152 000	135 014 000
Gjeld			
Langsiktig gjeld			
Utsatt skatt	7	7 625 000	4 486 000
Sum avsetninger for forpliktelser		7 625 000	4 486 000
Annen langsiktig gjeld			
Lease liabilities	12	1 177 032 000	
Sum annen langsiktig gjeld		1 177 032 000	
Sum langsiktig gjeld		1 184 657 000	4 486 000
Kortsiktig gjeld			
Leverandørgjeld		27 675 000	20 977 000
Tax payable	7	13 214 000	2 597 000
Current liabilities to Group companies	10,13	93 420 000	41 427 000
Other current liabilities		449 000	2 000
Lease liabilities	12	213 602 000	142 609 000
Sum kortsiktig gjeld		348 360 000	207 612 000
Sum gjeld		1 533 017 000	212 098 000
SUM EGENKAPITAL OG GJELD		1 695 169 000	347 112 000



DOF Subsea

DOF SUBSEA CHARTERING AS
ANNUAL REPORT

2022





Board of Directors report

Key notes

DOF Subsea Chartering AS ("The Company") is 100 % owned by DOF Subsea AS and is part of DOF Subsea Group ("the Group") and DOF Group ASA ("DOF Group"). The Company's head office is at Thormøhlensgate in Bergen.

In 2022, the operating revenue was NOK 491 663 thousand (NOK 239 606 thousand in 2021) with an operating profit (EBITDA) of NOK 16 875 thousand (NOK 60 821 thousand). The total assets amounted to NOK 1 695 169 thousand (NOK 347 112 thousand) with a total equity of NOK 162 152 thousand (NOK 135 014 thousand).

Business overview and operations

DOF Subsea Chartering AS's core business is chartering of vessels. The vessels are chartered to and from DOF Subsea Group companies and to external charterers.

The Company is a part of the DOF Subsea Group and is working under DOF Subsea AS's certification and Business Management System. In 2022 DOF Management has provided ship management services to the Company.

For further reading, reference is given to the annual report for the DOF Subsea Group and DOF ASA Group.

Operational events 2022

Skandi Africa continued its contract with TechnipFMC. Skandi Acergy worked most of 2022 on charter to the Atlantic Region, working in the Offshore Wind segment. She further commenced a contract with DOF Subsea Australia in early December.

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' and ensures that the Group remains commercially feasible, socially acceptable and works within the capacity of the external environment.

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 DOF 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 DOF Group's Code of Business Conduct, ensuring that the 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 Integrated Annual Report 2022 for New DOF ASA (DOF Group ASA).

As the Group'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 the Group has effective mechanisms and reporting structures to communicate financial and non-financial information to these interested parties. DOF has adopted the World Economic Forum's Stakeholder Capitalism Metrics of, People, Planet, Prosperity, and Principles.

Not only does this framework compliment the Group's vision of creating broad stakeholder value, but it promotes a core set of non-financial metrics and disclosures for investors and stakeholders alike. The Group 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 DOF Group companies are certified to ISO 9001:2015, ISO 14001: 2015, and ISO 45001:2018. The certificates are issued at DOF Group ASA level, and valid until December 2023.

Employees

The Company has no employees as they are hired in from DOF Management. At the end of 2022, the headcount in the DOF Group was 3,774 people, of which approximately 13% were women.

Human Rights and Labor standards

The Group embraces practices consistent with international human rights standards and operates in compliance with fundamental as well as local labor 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.



DOF Subsea Chartering AS

Amounts in NOK thousand

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 2021, 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

During the year the strong COVID measures were brought into normalisation and COVID-19 outbreak treated like in-fluenza-like infection and guided by our medical protocols and HR handbooks.

The Group strives to improve safety and environmental performance across all worksites, globally. DOF Group experienced eight Lost Time Incidents (LTI) in 2022, which resulted in a Lost time injury frequency rate (LTIFR) of 0.68 LTIs per million man-hours. Combined with twelve Medical Treatment Cases and eight Restricted Workday Cases, the Total recordable injuries rate (TRIR) was 2.17 recordable incidents per million man-hours. No of the incidents have led to any disabilities and all workers are back in duty.

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. Various surveys among our offshore employees during the year concluded with a strong and unified safety culture build around our values and Safe the RITE way.

In 2022, DOF Group's absence due to illness has been 2.90 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 behavior in everything we do on behalf of the Group.

A new Ethics Helpline was launched in 2019. The helpline 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 2022.

During the year DOF became a member of MACN, Maritime Anti-Corruption Network, the leading anti-corruption initiative in the Maritime Industry.

Compliance to Law

The DOF Group acknowledges the importance for its internal and external stakeholders of being a reliable partner, compliance is therefore a key topic for the DOF Group. Compliance with both international and local laws and regulations and industry standards is important for the Group.

External environment

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

During 2022, the focus on energy efficiency has increased by implementing Key Performance Indicators (KPIs) related to environmental performance, e.g. energy consumption and CO2 emissions. During the year, there have been one loss of secondary containment spills that exceeded the 50-litre threshold to environment in the Group.

The DOF Group's total volume of all spills during 2022 was 3,575 litres, whereby 2,112 litres was considered loss of secondary containment.

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



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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 Group achieved a score of B in 2022.

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.

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

Risk Management and Compliance

The global community is witnessing the invasion of Ukraine, and we 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. The situation is monitored by the Groups Ukraine Task force. DOF will continue applying our values as guiding principles of good corporate governance and behaviour. Our company values and Code of Business Conduct are essential to navigating DOF through the volatile, complex, and uncertain challenges that we may 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. 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 1st of July 2022 the Norwegian Transparency Act entered 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. The Group's Transparency Act statement is published on the DOF's website www.dof.com.

Shareholders, Board of Directors and employees

DOF Subsea AS owns 100 % of the shares in the Company. The Board of Directors of the Company consists of two women and one man. The Company had no employees during the year.

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

Financing and capital structure

The Company has not any debt to credit institutions.

The company is part of DOF Subsea Group's cash pooling system and has at all times access to cash available in the cash pool.

DOF Group signed a Restructuring Agreement (RA) with its lenders in June 2022. As a consequence of the Restructuring



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Amounts in NOK thousand

Agreement all subsidiaries in DOF ASA were transferred to DOF Services AS, later named to New DOF ASA and then DOF Group ASA, as a planned "drop-down" process. As part of the agreements in the Addendum all the operations in the subsidiaries of DOF have continued as normal and was unaffected by the bankruptcy proceedings in DOF ASA. The refinancing of the Group was completed on the 22nd of March 2023.

Financial performance

Operating income totaled NOK 491 663 thousand (NOK 239 606 thousand in 2021) with an operating profit (EBITDA) of NOK 16 875 thousand (NOK 60 821 thousand). Net financial income was NOK 26 157 thousand (NOK 1 686).

The total assets amounted to NOK 1 695 169 thousand (NOK 347 112 thousand) of which NOK 1 179 729 thousand (NOK 270 thousand) represent non-current assets. Current assets was NOK 515 441 thousand (NOK 346 842 thousand) of which NOK 719 thousand (NOK 570 thousand) was cash and cash equivalents. The Company is part of DOF Subsea Group's cash pooling system and has at all times access to cash available in the Group's cash pool.

Total equity was NOK 162 152 thousand (NOK 135 014 thousand). Total liabilities was NOK 1 533 017 thousand (NOK 212 098 thousand) hereof NOK 348 360 thousand was current liabilities (NOK 207 612 thousand in 2021).

Net cash flow from operating activities during the year was NOK 8 205 thousand (NOK - 11 133 thousand). Cash flow from investing activities was NOK 185 148 thousand (NOK 125 463 thousand) and cash flow from financing activities was NOK -185 148 thousand (NOK -125 463 thousand in 2021).

Risk

Climate risk

The Company'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 Company's ability to meet changing stakeholder expectations associated with Greenhouse Gas emission from ships, including Nitrogen Oxides (NOX), Sulphur Oxides (SOX) and Particulate Matter (PM) in harbour areas.

Financial risk factors

The Company is exposed to financial and liquidity risk through its operations and the requirement for financing new ROVs.

Currency risk

The Company operates parts of its fleet globally and is to a certain extent exposed to foreign exchange risk arising from various currency exposures. Foreign exchange risk arises from future commercial transactions, contractual obligations (assets), liabilities and investments in foreign operations.

The Company's reporting currency is NOK. Foreign exchange risk arises when future commercial transactions, contractual obligations (assets) and liabilities are in different currencies than the reporting currency. The Company aims to achieve a natural hedge between cash inflows and cash outflows to secure the debt funding in equivalent and currency as the committed earnings from the charter contracts, and further to manage the remaining foreign exchange risk arising from commercial transactions, through forward contracts and similar instruments as appropriate. However, these forward contracts are limited in the new loan facility. Hence the Company's liquidity risk has increased in the currency fluctuate.

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 have an effect on the future results and balances.

Credit risk

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

Market risk

The Company is exposed to market fluctuations which have resulted in lower utilisation and reduced earnings for the Company's vessels and services due to continuing challenging markets in the period from 2014-2021. The Company's strategy is to focus on long term relationships with the clients and firm contracts for its fleet and has managed to continue a high utilisation also through the downturn. Since 2022 the client's willingness to agree contracts for longer periods have increased due to improving markets.

Price risk

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

Tax risk

The Company operate vessels in several different tax



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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.

Cyber risk

The continuous digitalization of routines and operations increases exposure of the Group's business information and communication systems to external and/or internal cyberattacks. These cyberattacks could lead to business disruption and/or data breaches. To manage this risk, the Group works systematically to make the organization more resistant to cyberattacks and reduce the consequences of breaches. Cyber Security is an integrated part of the organization and internal training material.

Allocation of the result

The Company's profit for the year was NOK 27 138 thousand. The Board of Directors recommends that the profit for the year is allocated to other equity.

The Board of Directors propose to the annual General Meeting that a group contribution of NOK 33 330 is distributed as a taxable group contribution to the parent company DOF Subsea AS.

Going concern

The financial statements are prepared on the assumption of going concern. The Group's financial position has since 2019 not been sustainable and standstill agreements with the financial creditors have been applicable for the debt since 2nd Quarter 2020. The Restructuring Agreement with the financial creditors was signed in June 2022 and the restructuring was completed in March 2023. Based on that the restructuring of the Group is now done and the budget

for the next 12 months, the Board is of the opinion that the Company is in compliance with going concern.

Events after balance date

On the 23rd of February 2023 the bondholders meeting in each of the DOFSUB07, DOFSUB08 and DOFSUB09 bond issues approved the required changes to the Restructuring Agreement following the commencement of bankruptcy proceeding in DOF ASA.

On the 22nd of March 2023 the restructuring of the Company and the Group was completed including effectuating of new loan facilities in DOF Subsea Group and conversion of approximately NOK 3 billion of bond loans to equity. From 22 June 2023 shares in DOF Group ASA was re-listed and traded on Oslo Stock Exchange.


The charterer for the PLSV, Skandi Africa has exercised its option until February 2025.

Outlook


The oil and gas markets have improved in 2022 resulting in better performance and earnings. This trend has continued into 2023. The Company has a strong back log in 2023 which gives a good visibility on the earnings in 2023. The Restructuring of the Group leaves the Company well positioned to support its operations, secure new contracts and to continue to deliver on the Group's strategy.

Bergen, 30th of June 2023


The Board of Directors of DOF Subsea Chartering AS


Mons Aase (Jun 30, 2023 14:07 GMT+2)

Mons S. Aase
Chairman


Marianne Møgster (Jun 30, 2023 14:09 GMT+2)

Marianne Møgster
Director


Hilde Drønen (Jun 30, 2023 14:03 GMT+2)

Hilde Drønen
Director



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Amounts in NOK thousand

Statement of comprehensive income

	Note	2022	2021
Operating revenue	4, 13	491 663	239 606
Payroll expenses	5, 13	-162 579	-91 007
Other operating expenses	13, 14	-312 209	-87 778
Operating profit before depreciation and impairment (EBITDA)		16 875	60 821
Operating profit (EBIT)		16 875	60 821
Financial income	6, 12	19 447	10 219
Financial expenses	6, 12	-14 717	-14 128
Realised gain / loss on financial derivatives and currency positions	6	27 688	976
Unrealised gain / loss on financial derivatives and currency positions	6	-6 260	4 619
Net financial income / loss	6	26 157	1 686
Profit / loss before tax		43 033	62 507
Income tax expense	7	-15 896	5 055
Profit / loss for the year		27 138	67 562
Other comprehensive income / loss, net of tax		-	-
Total comprehensive income / loss for the year, net of tax		27 138	67 562



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Amounts in NOK thousand

Statement of financial position

	Note	2022	2021
Assets			
Non-current receivable sublease	12	1 177 032	-
Other non-current receivables		2 697	270
Total non-current assets		1 179 729	270
<hr/>			
Trade receivables	8	34 716	68 542
Current receivables from Group companies	10, 13	254 863	122 620
Current receivable sublease	12	213 602	142 609
Other current receivables	9	11 540	12 501
Current assets		514 722	346 272
<hr/>			
Restricted cash	10	-	-
Unrestricted cash and cash equivalents	10	719	570
Cash and cash equivalents	10	719	570
<hr/>			
Total current assets		515 441	346 842
<hr/>			
Total assets		1 695 169	347 112



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DOF Subsea Chartering AS

Amounts in NOK thousand


	Note	2022	2021
Equity and liabilities			
Paid-in equity	11	150 077	129 684
Other equity		12 075	5 330
Total equity		162 152	135 014
Deferred taxes	7	7 625	4 486
Lease liabilities	12	1 177 032	-
Total non-current liabilities		1 184 657	4 486
Lease liabilities short term	12	213 602	142 609
Trade payables		27 675	20 977
Tax payable	7	13 214	2 597
Current liabilities to Group companies	10,13	93 420	41 427
Other current liabilities		449	2
Total current liabilities		348 360	207 612
Total liabilities		1 533 017	212 098
Total equity and liabilities		1 695 169	347 112

Bergen, 30th of June 2023


The Board of Directors of DOF Subsea Chartering AS


Mons Aase (Jun 30, 2023 14:07 GMT+2)

Mons S. Aase
Chairman


Marianne Møgster (Jun 30, 2023 14:09 GMT+2)

Marianne Møgster
Director


Hilde Drønen (Jun 30, 2023 14:03 GMT+2)

Hilde Drønen
Director



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Amounts in NOK thousand

Statement of changes in equity

Changes in equity	Share capital	Other paid-in capital	Share premium	Total paid-in capital	Other equity	Total equity
Equity at 01.01.2022	200	88 530	40 954	129 684	5 330	135 014
Profit for the year	-	-	-	-	27 138	27 138
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income / loss for the year	-	-	-	-	27 138	-
Capital increase	100	-	20 293	20 393	-	20 393
Group contribution given	-	-	-	-	-20 393	-
Equity at 31.12.2022	300	88 530	61 247	150 077	12 075	162 152
Equity at 01.01.2021	100	88 530	-	88 630	-21 178	67 452
Profit for the year	-	-	-	-	67 562	67 562
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income / loss for the year	-	-	-	-	67 562	67 562
Capital increase	100	-	40 954	41 054	-	41 054
Group contribution given	-	-	-	-	-41 054	-41 054
Equity at 31.12.2021	200	88 530	40 954	129 684	5 330	135 014

The Board of Directors propose to the annual General Meeting that a group contribution of NOK 33 300 thousand is distributed in 2023.



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Amounts in NOK thousand

Statement of cash flows

	Note	2022	2021
Operating profit (EBIT)		16 875	60 821
Change in trade receivables	8	33 827	-30 928
Change in trade payables		6 698	-2 082
Changes in other working capital	9,13	-77 245	-44 642
Exchange rate effect on operating activities		29 485	5 595
Cash flow from operating activities		9 639	-11 236
Interest received	6	19 447	10 219
Interest paid	6	-18 741	-10 116
Tax paid	7	-2 139	-
Net cash flow operating activities		8 205	-11 133
Changes in other receivable	12	185 148	125 463
Cash flow from investing activities		185 148	125 463
Capital increase		20 393	41 054
Group contribution		-20 393	-41 054
Installments on non-current liabilities	12	-185 148	-125 463
Cash flow from financing activities		-185 148	-125 463
Net change in cash and cash equivalents		8 205	-11 133
Cash and cash equivalents at 01.01.	10	570	11 703
Exchange rate gain/ loss on cash and cash equivalents		-8 056	-
Cash and cash equivalents at 31.12.	10	719	570



Notes to the financial statements

1 Corporate information and going concern

DOF Subsea Chartering AS, the Company, was founded 15th of September 2010. The main purpose of the Company is to conduct business within the shipping-, offshore- and energy sectors.

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

DOF Subsea Chartering AS is 100% owned by DOF Subsea AS.

Going concern

The financial statements are prepared on the assumption of going concern in accordance with the Norwegian Accounting Act § 3-3a. The Group's financial position has since 2019 not been sustainable and standstill agreements with the financial creditors have been applicable for the debt since 2nd Quarter 2020. The RA with the financial creditors was signed in June 2022 and the restructuring was completed in March 2023. Based on that the restructuring of the Group is now done and the budget for the next 12 months, the Board is of the opinion that the Company is in compliance with going concern.

2 Accounting policies

Summary of significant accounting principles

The financial statements of the Company have been prepared in accordance with the Norwegian Accounting Act § 3-9 and Finance Ministry's prescribed regulations on simplified IFRS. Principally this means that recognition and measurement complies with the International Financial Reporting Standards (IFRS) and presentation and note disclosures are in accordance with the Norwegian Accounting Act and generally accepted accounting principles. The financial statements have been prepared in accordance with the historical cost convention with the following exception: financial instruments at fair value through profit or loss are subsequently carried at fair value.

The fiscal year is the same as the calendar year.

Group companies

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

Conversion of foreign currency

a) Foreign currency

The functional currency is NOK. The statements are presented in NOK thousand.

b) Transactions and balances

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

Classification of assets and liabilities

Assets are classified as current assets when:

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

All other assets are classified as non-current assets.

Liabilities are classified as current liabilities when:

- the liability forms part of the entity's operating cycle, and is expected to be realised or consumed over the course of the entity's normal operations; or
- the liability is held for trading; or
- settlement of the liability has been agreed upon within 12 months after the reporting period; or
- the entity does not have an unconditional right to postpone settlement of the liability until at least 12 months after the reporting period

All other liabilities are classified as non-current liabilities.

Trade receivables

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

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

Equity

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

Revenue recognition

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

Day rate contracts

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

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

Distinct service components in a contract are accounted for separately from other promises in the contract. Where the contracts include multiple performance obligations, the transaction price is allocated to each performance obligation based on the stand-alone selling prices.



Revenue is recognised over time as the services are provided. The stage of completion for determining the amount of revenue to recognise is assessed based on an input or output method. The method applied is the one that most faithfully depicts the Company's progress towards complete satisfaction of the performance obligation. Progress is usually measured based on output methods such as days.

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

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

Mobilisation

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

Current and deferred income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the statement of financial position date in the countries where the Company operate and generate taxable income. The tax change in the income statement includes both payable taxes for the period and changes in deferred tax. Deferred tax is calculated at relevant tax rates on the basis of the temporary differences which exist between accounting and tax values, and any carry-forward losses for tax purposes at year-end. Tax enhancing or tax reducing temporary differences, which are reversed or may be reversed in the same period, have been eliminated.

The disclosure of deferred tax benefits on net tax reducing differences which have not been eliminated, and carry-forward losses, is based on estimated future earnings. Deferred tax and tax benefits which may be shown in the statement of financial position are presented net. Deferred tax is reflected at nominal value.

Management periodically evaluated positions taken in tax returns where applicable tax regulation is subject to interpretation and they establish provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Tax reduction on group contributions given and tax on group contribution received, booked as a reduction of cost price or taken directly to equity, are booked directly against tax in the statement of financial position (offset against payable taxes if the group contributions had effected deferred taxes). Group contributions is booked in the year when it is approved by the annual general meeting.

Leases

Where assets are financed through finance leases, under which substantially all the risks and rewards of ownership are transferred to the Company, 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 Company 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.

Events after period end

New information and other events that provide evidence of conditions that existed at the end of the reporting period is included in the accounts. Events occurring after the reporting period, which do not impact the Company's financial position, but which have a significant impact on future periods, are disclosed in the notes.

Use of estimates

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

Statement of cash flows

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

3 Financial risk management

The Company is exposed to various types of financial risk relating to its ongoing business operations: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. The Company's governing risk management strategy focuses on minimising the potential negative effects on the Company's results.

Credit and liquidity risk

Credit and liquidity risk arises 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 company is part of DOF Group and dependent on the parent company's performance. After refinancing of the Group in March 2023 the risk for losses on internal receivables is reduced and loss provision related to cash pool receivable towards DOF Subsea AS with NOK 4 024 million from 2021 has been reversed in 2022. The company continuously evaluates the financial strength and credit worthiness of customers including Group companies.



DOF Subsea Chartering Annual Report | 2022 FINANCIAL STATEMENTS

DOF Subsea Chartering AS

Amounts in NOK thousand

Currency risk

The Company has global operations, and a significant portion of the income and costs are denominated in foreign currencies, mainly USD and GBP. Fluctuations in foreign exchange rates against NOK have impact on the Company's financial statement.

Price risk

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

The Company is exposed to market fluctuations which may result in lower utilisation and reduced earnings for the Company's assets. Attempts are made to reduce this risk by entering into contracts that secure long-term utilisations of the ROV's, AUV's and other equipment.

Financing and capital structure

The company does not have any debt to credit institutions, but is part of DOF Subsea Group's cash pooling system and has at all times access to cash available in the cash pool.

Inflation risk and supply management

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



DOF Subsea Chartering Annual Report | 2022 FINANCIAL STATEMENTS

DOF Subsea Chartering AS

Amounts in NOK thousand

4 Operating revenue

2022	UK	Norway	US	Australia	Total
Operating revenue	287 504	88 054	101 765	14 339	491 663

2021	UK	Norway	US	Other	Total
Operating revenue	183 108	51 935	4 564	4	239 607

The Company has only one business segment, Chartering of vessels.

5 Payroll expenses

Payroll expenses	2022	2021
Personnel hire	162 578	91 008
Total payroll expenses	162 578	91 008

Average number of employees

The Company has no employees. Personnel are hired from DOF Sjø, DOF Management Pte Ltd and external suppliers.

6 Financial income and expenses

Financial income and expenses	2022	2021
Interest income	19 447	10 219
Other financial income		
Financial income	19 447	10 219
Interest expenses	-18 704	-10 116
Other financial expenses	3 987	-4 012
Financial expenses	-14 717	-14 128
Realised gain / loss on financial derivatives	-487	151
Realised gain / loss on currencies	28 176	825
Realised gain / loss on financial derivatives and currency positions	27 688	976
Unrealised gain / loss on currencies	6 260	4 619
Unrealised gain / loss on financial derivatives and currency positions	-6 260	4 619
Net financial income / loss	26 157	1 686

Other financial expenses in 2022 include reversal of impairment of NOK 4 024 thousand (impairment of NOK 4024 thousand in 2021).



DOF Subsea Chartering Annual Report | 2022 FINANCIAL STATEMENTS

DOF Subsea Chartering AS

Amounts in NOK thousand

7 Tax

Income tax expense	2022	2021
Current tax on profit for the year, Norway	-7 625	-4 487
Effect of Group contribution	4 486	9 032
Change in deferred tax, Norway	-	-
Withholding tax and PE tax foreign countries	-12 757	510
Adjustments of prior years to current tax	-	-
Total income tax expense	-15 896	5 055
Reconciliation of nominal and effective tax rate		
Profit before tax	43 033	62 507
Expected income tax expense 22%	-9 467	-13 752
Tax effect of		
Expenses not deductible for tax purposes	-	-112
Unrecognized tax losses and temporary differences	1 842	9 377
Group contribution	4 486	9 032
Effect of different tax regimes and effect of changes in estimates	-12 757	510
Total income tax expense	-15 896	5 055
Basis for deferred tax		
Current receivables	-3 903	-13 002
Other differences	1 330	-
Current year group contribution given (IFRS)	33 331	20 392
Total temporary differences	30 758	7 390
Total temporary differences not included in deferred tax	3 903	13 002
Total temporary differences included in deferred tax	34 661	20 392
Tax loss carry-forward	-	-
Basis for calculation deferred tax (-) / tax assets	34 661	20 392
Deferred tax / tax assets (-)	7 625	4 486
Deferred tax		
At 01.01	4 486	9 032
Adjustment of prior years	-	-
Income statement change	-	-
Effect of Group contribution	-4 486	-9 032
Current year group contribution given (IFRS)	7 625	4 486
At 31.12	7 625	4 486

The Company has tax payable of NOK 13 214 thousand in 2022 (NOK 2 597 thousand in 2021) related to accrued tax payable for permanent establishments in foreign entities. Taxable profit in Norway of NOK 33 331 thousand (NOK 20 392 thousand in 2021) will be eliminated when group contribution is approved in 2023.



DOF Subsea Chartering AS

Amounts in NOK thousand

8 Trade receivables

Trade receivables	2022	2021
Trade receivables at nominal value	38 619	68 992
Provision for bad debts	-3 903	-450
Trade receivables at 31.12	34 716	68 542

Historically, the portion of receivables not being collectable has been low.

9 Other current receivables

Other current receivables	2022	2021
Government taxes receivable	-1 049	855
Prepaid expenses and insurance claims	5 818	8 106
Fuel reserves and other inventory	6 858	3 540
Other current receivables	-87	-
Other current receivables at 31.12	11 540	12 501

10 Cash and cash equivalents

Cash and cash equivalents	2022	2021
Restricted deposits	-	-
Bank deposits	719	570
Cash pooling system deposit DOF Subsea AS	110 258	24 154

The Company is part of the DOF Subsea Group's cash pooling system and has at all times access to cash available in the Group's cash pool. For further reading about liquidity risk, please refer to note 3 'Financial risk management'. Pricing on deposits in the respective currencies is based on the Group's internal transfer pricing policy.

At year-end 2022 a bank balance of NOK 110 258 thousand has been classified as receivables to Group companies.

Some lenders have exercised their right to set off cash balances toward the outstanding external debt in Group companies. The Company has therefore chosen to present all restricted cash serving as security for loans, as receivable to Group companies.



DOF Subsea Chartering Annual Report | 2022 FINANCIAL STATEMENTS

DOF Subsea Chartering AS

Amounts in NOK thousand

11 Share capital and share information

Share capital

The share capital in the Company at 31 December 2022 was NOK 300 000 comprising 1 000 shares, each with a nominal value of NOK 300.

Shareholder overview

Shareholders at 31.12.2021/ 31.12.2022	No. of shares	Proportion of ownership	Share capital
DOF Subsea AS	1 000	100%	300 000

Board of Directors

	Title
Mons S. Aase	Chairman
Marianne Møgster	Director
Hilde Drønen	Director

12 Leases

The vessel Skandi Africa is chartered in from DOF Subsea Rederi AS and the vessel is on a long-term contract with TechnipFMC. The contract arrangement is presented as a sublease. In October 2022 the contract was extended, the period is firm until 15.02.2024 and then Charterer has option for the vessel in additional 4 years. In February 2023 the first option was declared.

Lease liabilities	Balance 1.1	New lease debt	Installments	Currency effect	Balance 31.12
2022	142 609	1 524 420	-185 148	-91 248	1 390 633
2021	282 061		-160 165	20 713	142 609

Payment Profile 2022	2023	2024	2025	2026	2027	Subsequent	Total
Lease liabilities	213 602	231 173	262 343	295 890	330 805	56 821	1 390 633
Receivables sublease	213 602	231 173	262 343	295 890	330 805	56 821	1 390 633

Payment Profile 2021	2022	2023	2024	2025	2026	Subsequent	Total
Lease liabilities	142 609	-	-	-	-	-	142 609
Receivables sublease	142 609	-	-	-	-	-	142 609

Interest related to the contract is presented as interest income and interest cost.



DOF Subsea Chartering AS

Amounts in NOK thousand

13 Related parties

DOF Subsea Chartering AS is owned 100% by DOF Subsea AS. DOF ASA (renamed to DOF Group ASA in 2023) is the only shareholder in DOF Subsea AS with a 100% holding.

Transactions with Group companies relates to rental of vessels and crewing- and administrative services.

The operating revenue from DOF Subsea Group is mainly related to vessel hire, while the cost relates to crew and other operational items. For DOF Group revenue relates to vessel hire, while the cost relates to crew, operational items and some administration, including management fee to DOF Management of NOK 17 704 thousand for 2022 (NOK 15 582 thousand).

Operating revenue	2022	2021
DOF Subsea Group	239 136	119 568
DOF Group ASA	548	9 859
Total	239 684	129 427
Operating expenses	2022	2021
DOF Subsea Group	198 244	241 227
DOF Group ASA	111 321	96 982
Total	309 565	338 209
Financial income and expenses	2022	2021
Interest expenses on lease liability	17 833	10 028
Total	17 833	10 028
Current receivables from Group companies	2022	2021
DOF Subsea Group	233 985	110 017
DOF Group ASA	20 878	12 603
Total	254 863	122 620
Current liabilities to Group companies	2022	2021
DOF Subsea Group	84 642	30 860
Current lease liability	213 602	142 609
DOF ASA	8 778	10 567
Total	307 022	184 036
Non-current liabilities from Group companies	2022	2021
Non-current lease liability	1 177 032	-
Total	1 177 032	-

In 2022 financial expenses include reversal of provision for loss on cash pool receivables with NOK 4 024 thousand (impairment of NOK 4 024 in 2021).



DOF Subsea Chartering Annual Report | 2022 FINANCIAL STATEMENTS

14 Remuneration to Board of Directors, Executives, and Auditor

No salaries or other remuneration have been paid to the Company's Board of Directors. No loans or guarantees have been provided for the Company's Board of Directors or close associates.

Specification of auditor's fee (excl. VAT)	2022	2021
Fee for audit of financial statements	398	278
Fee for other tax consultancy	-	20
Fee for other services	19	15
Total	417	313

15 Events occurring after period end

Finance

On the 23rd of February 2023 the bondholders meeting in each of the DOFSUB07, DOFSUB08 and DOFSUB09 bond issues approved the required changes to the Restructuring Agreement following the commencement of bankruptcy proceeding in DOF ASA.

On the 22nd of March 2023 the restructuring of the Company and the Group was completed including effectuating of new loan facilities in DOF Subsea Group and conversion of approximately NOK 3 billion of bond loans to equity. From 22 June 2023 shares in DOF Group ASA was re-listed and traded on Oslo Stock Exchange.

New contracts

The charterer of the PLSV, Skandi Africa has exercised its option until February 2025.



To the General Meeting of DOF Subsea Chartering AS

Independent Auditor's Report

Opinion

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

In our opinion

- the financial statements comply with applicable statutory requirements, and
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2022, and its financial performance and its cash flows for the year then ended in accordance with simplified application of international accounting standards according to section 3-9 of the Norwegian Accounting Act.

Basis for Opinion

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

Other Information

The Board of Directors (management) is responsible for the information in the Board of Directors' report. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report otherwise appears to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report. 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 statutory requirements.

PricewaterhouseCoopers AS, Sandviksbodene 2A, Postboks 3984 - Sandviken, NO-5835 Bergen
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Statsautoriserte revisorer, medlemmer av Den norske Revisorforening og autorisert regnskapsførerselskap



Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

For further description of Auditor's Responsibilities for the Audit of the Financial Statements reference is made to: <https://revisorforeningen.no/revisjonsberetninger>

Bergen, 30 June 2023

PricewaterhouseCoopers AS

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



 Securely signed with Brevio

Revisjonsberetning

Signers:

Name	Method	Date
Olsen, Marius Kaland	BANKID	2023-06-30 13:28

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DOF SUBSEA AS
Thormøhlens gate 53 C
5006 Bergen
NORWAY
dofsubsea.com



To the General Meeting of DOF Subsea Chartering AS

Independent Auditor's Report

Opinion

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

In our opinion

- the financial statements comply with applicable statutory requirements, and
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2022, and its financial performance and its cash flows for the year then ended in accordance with simplified application of international accounting standards according to section 3-9 of the Norwegian Accounting Act.

Basis for Opinion

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

For further description of Auditor's Responsibilities for the Audit of the Financial Statements reference is made to: <https://revisorforeningen.no/revisjonsberetninger>

Bergen, 30 June 2023

PricewaterhouseCoopers AS

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



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Revisjonsberetning

Signers:

Name	Method	Date
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Directorate of Taxes

Inquiries to Torstein Kinden Helleland	Your date 01.12.2011	Our date 20.12.2011
Telephone 22078139	Your reference Petter O. Pharo	Our reference 2009/276917

DOF Subsea Holding
Thormøhlens gate 53 C
5006 BERGEN

Permission to make the annual report and directors' report in English language

Dear Mr Petter O. Pharo

With reference to your letter of 1 December 2011, you apply for permission to keep annual accounts and directors' report in English language. The application in question concerns the companies mentioned below.

DOF Subsea Chartering AS	org. nr. 995 962 349
DOF Subsea ROV Holding AS	org. nr. 997 301 242
DOF Subsea Rederi AS	org. nr. 996 394 565

Conclusion

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

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

Background

The above mentioned companies are subsidiaries of DOF ASA. The DOF ASA Group is an international group of companies which owns and operates a modern fleet of offshore-/subsea vessels, and owns engineering capacity to service the subsea market. Other group companies have in decisions (2009/276917) of 17 June 2010 and 4 January 2011 been given permission to make the directors' report and annual accounts in English language.

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

Postal address	Visiting address	Telephone
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not foreign/international companies or institutions, master and use English language. The annual report and financial statements of the companies are required to be prepared each year in the Norwegian language only in order to satisfy the requirements of the Norwegian Accounting Act.

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

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

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

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

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

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

As mentioned above it is particularly the consideration of the users of the account information which has to be taken into consideration when considering the application for permission. In this assessment, the Directorate of Taxes has emphasized that other group companies have in decisions been given permission to make the directors' report and annual accounts in English language. The companies operates in highly international branch, where English is the common languages used. Internal, English is also only language used for reporting purpose. Furthermore, it is emphasized that non in the Board of directors speaks Norwegian.



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

Best regards

Rune Tystad
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Legal Department
Directorate of Taxes

Torstein Kinden Helleland