



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2022 - GENERELL INFORMASJON

Enheten

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

Regnskapsår

Årsregnskapets periode:	01.01.2022 - 31.12.2022
-------------------------	-------------------------

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 Søråsdekkan
Dato for fastsettelse av årsregnskapet:	21.04.2023

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, 07.07.2024



Resultatregnskap

Beløp i: NOK	Note	2022	2021
RESULTATREGNSKAP			
Inntekter			
Operating revenue	16	115 000 000	91 000 000
Sum inntekter		115 000 000	91 000 000
Kostnader			
Payroll expenses	4,17	63 000 000	47 000 000
Depreciation and impairment	7	6 000 000	4 000 000
Other operating expenses	17	67 000 000	14 000 000
Rounding error		1 000 000	-1 000 000
Sum kostnader		137 000 000	64 000 000
Driftsresultat		-22 000 000	27 000 000
Finansinntekter og finanskostnader			
Income from investments		59 000 000	1 000 000
Financial income	5	196 000 000	149 000 000
Realised net gain on derivative instruments and currency position	5	5 000 000	0
Unrealised net gain on derivative instruments and currency position	5	0	22 000 000
Sum finansinntekter		260 000 000	172 000 000
Financial expenses	5,8,18,19	408 000 000	-184 000 000
Realised net loss on derivative instruments and currency position	5	0	37 000 000
Unrealised net loss on derivative instruments and currency position	5	94 000 000	0
Sum finanskostnader		502 000 000	-147 000 000
Netto finans		-242 000 000	319 000 000
Ordinært resultat før skattekostnad		-264 000 000	346 000 000
Income tax expense	6	-34 000 000	-16 000 000
Ordinært resultat etter skattekostnad		-230 000 000	362 000 000
Årsresultat		-230 000 000	362 000 000



Resultatregnskap

Beløp i: NOK	Note	2022	2021
Overføringer og disponeringer			
To other equity		-230 000 000	362 000 000
Sum overføringer og disponeringer		-230 000 000	362 000 000



Balanse

Beløp i: NOK	Note	2022	2021
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Utsatt skattefordel	6	50 000 000	16 000 000
Sum immaterielle eiendeler		50 000 000	16 000 000
Varige driftsmidler			
Tangible assets	7	20 000 000	17 000 000
Sum varige driftsmidler		20 000 000	17 000 000
Finansielle anleggsmidler			
Investering i datterselskap	18	3 900 000 000	3 258 000 000
Investeringer i tilknyttet selskap	19	21 000 000	615 000 000
Non-current receivables from Group companies and joint ventures	5,8	280 000 000	11 000 000
Other non-current receivables	15	0	3 000 000
Sum finansielle anleggsmidler		4 201 000 000	3 887 000 000
Sum anleggsmidler		4 271 000 000	3 920 000 000
Omløpsmidler			
Varer			
Fordringer			
Current receivables from Group companies and joint ventures	5,8	814 000 000	658 000 000
Other current receivables	9,15	9 000 000	6 000 000
Rounding error		-1 000 000	-1 000 000
Sum fordringer		822 000 000	663 000 000
Bankinnskudd, kontanter og lignende			
Restricted cash	10	56 000 000	15 000 000
Unrestricted cash and cash equivalents	10	381 000 000	183 000 000
Rounding error			1 000 000
Sum bankinnskudd, kontanter og lignende		437 000 000	199 000 000
Sum omløpsmidler		1 259 000 000	862 000 000



Balanse

Beløp i: NOK	Note	2022	2021
SUM EIENDELER		5 530 000 000	4 782 000 000
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Paid-in equity	23	1 674 000 000	1 674 000 000
Sum innskutt egenkapital		1 674 000 000	1 674 000 000
Opptjent egenkapital			
Other equity		-1 127 000 000	-897 000 000
Rounding error			-1 000 000
Sum opptjent egenkapital		-1 127 000 000	-898 000 000
Sum egenkapital		547 000 000	776 000 000
Gjeld			
Langsiktig gjeld			
Annen langsiktig gjeld			
Lease liabilities	11	25 000 000	8 000 000
Sum annen langsiktig gjeld		25 000 000	8 000 000
Sum langsiktig gjeld		25 000 000	8 000 000
Kortsiktig gjeld			
Current portion of debt	11	3 761 000 000	3 220 000 000
Leverandørgjeld	12	8 000 000	5 000 000
Current liabilities to Group companies		1 057 000 000	586 000 000
Other current liabilities	13,15	132 000 000	186 000 000
Rounding error			1 000 000
Sum kortsiktig gjeld		4 958 000 000	3 998 000 000
Sum gjeld		4 983 000 000	4 006 000 000
SUM EGENKAPITAL OG GJELD		5 530 000 000	4 782 000 000



Konsernets resultatregnskap

Beløp i: NOK	Note	2022	2021
RESULTATREGNSKAP			
Inntekter			
Operating revenue	5,6	6 702 000 000	4 303 000 000
Share of net income from joint ventures and associates	28	606 000 000	296 000 000
Profit from sale of non-current assets	12	27 000 000	78 000 000
Rounding error			1 000 000
Sum inntekter		7 335 000 000	4 678 000 000
Kostnader			
Payroll expenses	7	1 876 000 000	1 395 000 000
Depreciation and impairment	12,13	-31 000 000	837 000 000
Other operating expenses	8	3 155 000 000	1 905 000 000
Sum kostnader		5 000 000 000	4 137 000 000
Driftsresultat		2 335 000 000	541 000 000
Finansinntekter og finanskostnader			
Financial income	9	71 000 000	339 000 000
Unrealised net gain on derivative instruments and currency position	9	0	11 000 000
Realised net gain on derivative instruments and currency position	9	45 000 000	0
Sum finansinntekter		116 000 000	350 000 000
Unrealised net loss on derivative instruments and currency position	9	636 000 000	0
Realised net loss on derivative instruments and currency position	9	0	145 000 000
Financial expenses	9	996 000 000	618 000 000
Rounding error		1 000 000	
Sum finanskostnader		1 633 000 000	763 000 000
Netto finans		-1 517 000 000	-413 000 000
Ordinært resultat før skattekostnad		818 000 000	128 000 000
Income tax expense	10	71 000 000	46 000 000
Ordinært resultat etter skattekostnad		747 000 000	82 000 000



Konsernets resultatregnskap

Beløp i: NOK	Note	2022	2021
Årsresultat		747 000 000	82 000 000
Currency translation difference (CTA)		-80 000 000	-36 000 000
Share of other comprehensive income of joint ventures and associates	28	361 000 000	115 000 000
Sum resultatkomponenter for IFRS-foretak		281 000 000	79 000 000
Totalresultat		1 028 000 000	161 000 000
Overføringer og disponeringer			
To other equity	28	1 041 000 000	171 000 000
To minority interest	28	-13 000 000	-10 000 000
Sum overføringer og disponeringer		1 028 000 000	161 000 000



Konsernets balanse

Beløp i: NOK	Note	2022	2021
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Utsatt skattefordel	10	101 000 000	9 000 000
Sum immaterielle eiendeler		101 000 000	9 000 000
Varige driftsmidler			
Tangible assets	12,13	7 656 000 000	7 226 000 000
Sum varige driftsmidler		7 656 000 000	7 226 000 000
Finansielle anleggsmidler			
Investeringer i tilknyttet selskap	28	80 000 000	77 000 000
Lån til tilknyttet selskap og felles kontrollert virksomhet		3 566 000 000	2 724 000 000
Other non-current assets	13,14, 23	194 000 000	114 000 000
Rounding error			1 000 000
Sum finansielle anleggsmidler		3 840 000 000	2 916 000 000
Sum anleggsmidler		11 597 000 000	10 151 000 000
Omløpsmidler			
Varer			
Fordringer			
Trade receivables	15	1 506 000 000	975 000 000
Other current receivables	16,25	458 000 000	503 000 000
Sum fordringer		1 964 000 000	1 478 000 000
Bankinnskudd, kontanter og lignende			
Restricted cash	17	178 000 000	116 000 000
Unrestricted cash and cash equivalents	17	2 035 000 000	1 067 000 000
Sum bankinnskudd, kontanter og lignende		2 213 000 000	1 183 000 000
Sum omløpsmidler		4 177 000 000	2 661 000 000
SUM EIENDELER		15 774 000 000	12 812 000 000



Konsernets balanse

Beløp i: NOK	Note	2022	2021
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		1 862 000 000	821 000 000
Minoritetsinteresser	27	86 000 000	99 000 000
Sum opptjent egenkapital		1 948 000 000	920 000 000
Sum egenkapital		3 622 000 000	2 594 000 000
Gjeld			
Langsiktig gjeld			
Annen langsiktig gjeld			
Lease liabilities	13,19	261 000 000	196 000 000
Other non-current liabilities	10,25	4 000 000	38 000 000
Sum annen langsiktig gjeld		265 000 000	234 000 000
Sum langsiktig gjeld		265 000 000	234 000 000
Kortsiktig gjeld			
Current portion of debt	19	10 183 000 000	9 104 000 000
Leverandørgjeld	20	907 000 000	496 000 000
Other current liabilities	21,25	798 000 000	385 000 000
Rounding error		-1 000 000	-1 000 000
Sum kortsiktig gjeld		11 887 000 000	9 984 000 000
Sum gjeld		12 152 000 000	10 218 000 000
SUM EGENKAPITAL OG GJELD		15 774 000 000	12 812 000 000



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."

Postadresse Postboks 9200 Grønland 0134 Oslo	Besøksadresse Fredrik Selmers vei 4 Org. nr: 974761076	Sentralbord 800 80 000 Telefaks 22 17 08 60
--	--	--

skattedirektoratet@skatteetaten.no



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

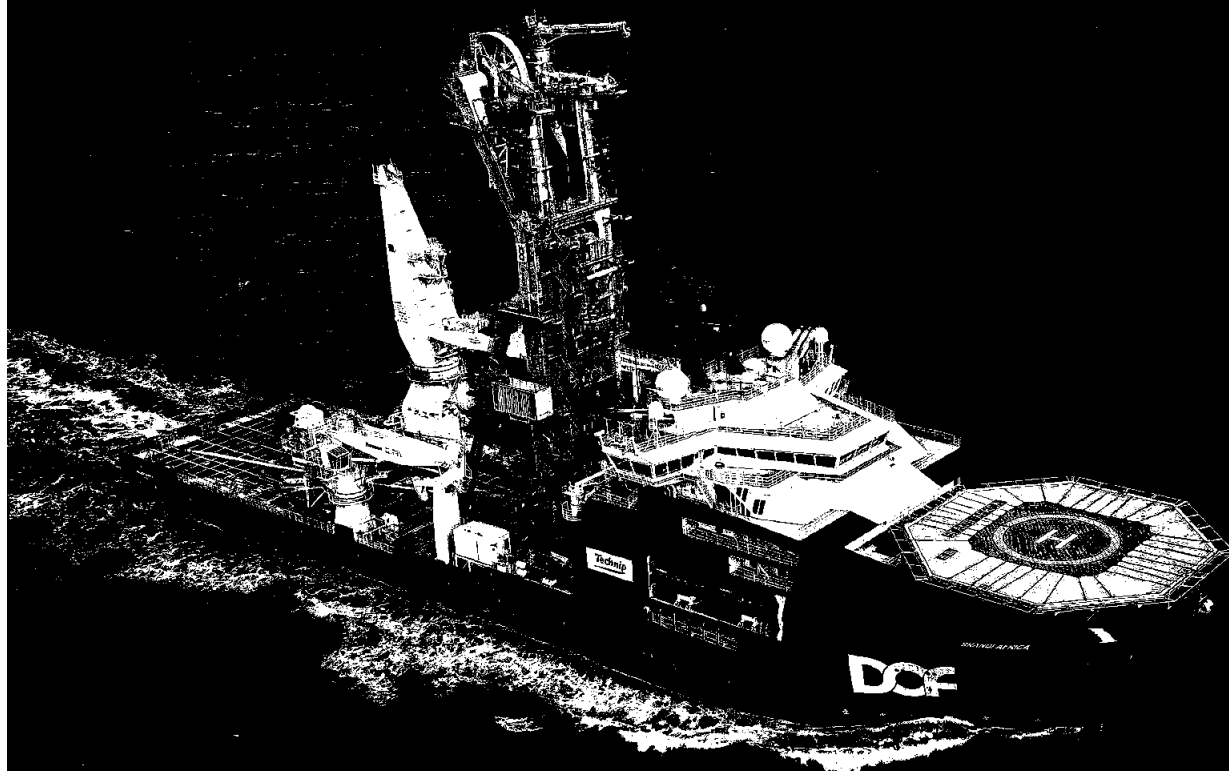
Jan Hoelstad
seniorrådgiver
Rettsavdelingen, foretaksskatt
Skattedirektoratet

Torstein Kinden Helleland



DOF Subsea

2022
Annual Report





REPORT INDEX

Index

Report of the Board of Directors	3
Financial results	
Group consolidated financial accounts	13
Financial results	58
Auditor's report	79



REPORT OF THE BOARD OF DIRECTORS

Report of the Board of Directors

Key notes

The O&G markets have continued to improve in 2022 in addition to an increased demand for vessels within the renewable markets. The DOF Subsea Group (“the Group”) achieved an average utilisation of its fleet of 93% through the year, and significant better performance compared to previous year especially within the Subsea IMR Project segment. The Group has further maintained its strong position within environmental and social sustainability, including investing in systems and equipment to improve environmental performance.

The Group had, since 2nd quarter 2020, been in negotiations with the financial creditors to secure a sustainable refinancing solution for the Group. A Restructuring Agreement (RA) was signed in June 2022 with the secured lenders and the bondholders, which among others included conversion of debt of approximately NOK 3 billion and new loan facilities for the Group. The RA was implemented and completed 22 March 2023.

The Group’s revenue (management reporting) was NOK 8,302 million (NOK 5,545 million) and the EBITDA was NOK 2,939 million (NOK 2,087 million). The EBIT was NOK 2,693 million (NOK 848 million). The net result was NOK 747 million (NOK 82 million). The Group’s operational cash flow was NOK 1,715 million (NOK 704 million) and net cash changes in cash after finance and investment activities was NOK 999 million (NOK -163 million). The cash flow has been positive impacted by standstill agreement (no interest and amortisation payments) with the financial creditors both in 2022 and in 2021.

Business Overview & Strategy

DOF Subsea AS (“the Company”) is the parent company of several subsidiaries and corporations which provide essential offshore and subsea services to the global offshore industry, and own and operate a fleet of AHTS (anchor handling tug support vessels) and construction and 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 2022 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 project.

The Group’s Vision and Mission statements are the following:

Vision:

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

Mission:

“The 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, including DOFCON JV, operates a diversified and advanced fleet of 24 offshore vessels with a value-adjusted average age of approximately 8.5 years, and a fleet of 71 ROVs including 2 AUVs. As of 31st of December 2022, the Group also had two vessels chartered in from external owners. The Group has offices on

REPORT OF THE BOARD OF DIRECTORS

all six 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.

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.

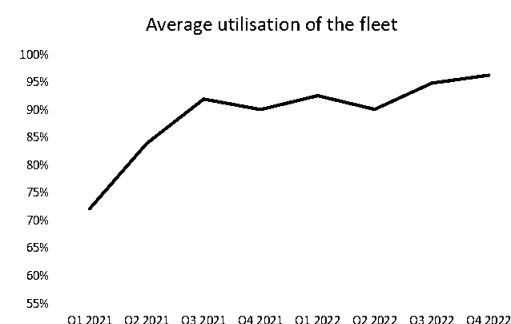
Operating segments

The Group experienced increased demand for its fleet in all regions and within all segments. The Group has through the year secured new contracts with a value of approximately NOK 12.6 billion (NOK 4 billion).

The utilisation of the vessels and ROV fleet has been stable and high during the year.

By year-end, the Group operated 24 vessels of which two vessels were on management or hired in from external parties. The majority of the subsea fleet is owned and operated by the subsidiary DOF Subsea Group ("DOF Subsea"). Two vessels have been agreed sold in 2022 of which one will be delivered in 2023.

Average utilization of the fleet



Subsea 24
 ROV 69
 AUV 2

Amounts in NOK million	Subsea/IMR Projects		Long-term Chartering		Total	
	2022	2021	2022	2021	2022	2021
Operating revenue	6 303	3 943	1 999	1 602	8 302	5 545
Operating result before depreciation and impairment – EBITDA	1 495	816	1 444	1 192	2 939	2 087
EBITDA margin	24%	21%	72%	74%	35%	38%

The activities from the subsea operations include operations from Subsea IMR project contracts and Long-term Chartering. During 2022, the Group has operated on average 17 vessels within the Subsea IMR projects and had by year-end approximately 1,650 employees engaged in this part of the business which is an increase of close to 15% since 2021. The Subsea IMR projects represented 76% (71%) of the Group's total revenue in 2022 (management reporting). The Subsea IMR project activities have been performed in four regions: the Atlantic region, the Asia-Pacific region, the North America region, and the South America region. The overall utilisation of the subsea project fleet during 2022 was 92% (80%). The Long-term Chartering comprises eight vessels of which seven vessels are PLSVs (pipe laying vessels). Six PLSVs are owned via the joint venture DOFCON, (50/50 owned with TechnipFMC). Total firm contract backlog is approximately NOK 16 billion, including the firm backlog of the DOFCON Brazil JV of NOK 4.4 billion.

The Atlantic region includes operations in the North Sea, Mediterranean and West Africa and has delivered good operating results with high project performance and utilisation of the Groups vessels. The region's activities

in 2022 have been within the IMR segment on existing infrastructure, FPSO installations, decommissioning and mooring projects for clients mainly within O&G markets. The region has also executed several projects within renewables markets (offshore wind), with the Hywind Tampen as the main project. The Hywind Tampen project comprises installation of 11 floating wind turbines with the capacity of 88 MW, and where DOF Subsea is responsible for all the marine operations including towing, hook-up and installation of the units. The region has utilised several of the Group's vessels and hired external vessels in its project activity in the North Sea, West-Africa and the Mediterranean.

In the Asia-Pacific region various IMR frame agreements were the core activities, in addition to several mooring installations, decommissioning and diving projects. One vessel continued to operate on a firm contract in the Philippines and another vessel commenced in third quarter on the 3+2-year contract with Esso Australia. The remaining fleet in the region has operated in the project market, mainly on short term contracts.

The North America region has grown substantially during



REPORT OF THE BOARD OF DIRECTORS

the year, and especially after the region was awarded a 3+2-year contract for two vessels with Esso in Guyana. The first vessel commenced operation in November, while the second vessel is planned to commence in first half of 2023. The vessels will perform IMR, intervention support, and subsea construction tasks to support the growing subsea infrastructures in the Stabroek Block offshore Guyana. The region has also been responsible for a SURF project in Gabon and mooring projects both in the Gulf of Mexico and in Equatorial Guinea. The region has further performed IMR, survey and light subsea construction projects for several key clients in the Gulf of Mexico utilising the Groups or hired in vessels. The North America region has further executed IMR and installation work under the long-term contract in Canada. Responding to higher activity the region has hired two Jones Act compliant vessels to support its operation in the Gulf of Mexico.

The activities in South America mainly represent operations in Brazil, and this region has shown strong performance throughout 2022. Throughout the year, the region operated multiple vessels and ROVs on a survey and inspection project (PIDF) for Petrobras, a diving vessel, and IMR and RSV vessels. The region has in 2022 secured several extensions on both the PIDF project, the RSV vessels, and ROV support on the AHTS vessels and built a considerable backlog for the Group in its region.

The PLSVs owned by the DOFCON JV have continued to operate on firm contracts in Brazil through the year and achieved a utilisation rate of 96% (90%). Two PLSVs were awarded two 3-year contracts with Petrobras in 2021, with commencement in 2022, and the other fleet has continued on firm contracts with Petrobras with a remaining duration of the contracts from 2-5 years. On the DOF Subsea owned PLSV, Skandi Africa, several options have been exercised and with the latest commitment the vessel will now run until February 2025.

Vessel management

The Group's management activities are performed by DOF Subsea Canada, the DOF companies DOF Management AS ("DOFMAN") and Norskan. DOFMAN's main office is in Norway and the company further controls branch offices in UK, Singapore, Australia, and Argentina. DOFMAN is responsible for the vessel management of the Group's fleet with operations outside Brazil and in addition all class renewals and conversion projects on the Group's total fleet. Norskan is responsible for vessel management of the fleet operating in Brazil.

The market

The Oil and Gas market continued with a high activity through the year mainly due to changes in the geopolitical picture after the Russian invasion of Ukraine resulting in instability on the supply side and increased demand for oil and gas in a transition phase into renewable energy sources. The positive trend has continued into 2023 and the supply-demand dynamics have tightened, and supporting continued strength in oil prices.

Total offshore capex is expected to rise 7.7% to USD 178

billion with both offshore deep water and offshore shelf adding 15.9%. Offshore opex is expected to rise by 15.5% to reach USD 203 billion with both offshore deep water and offshore shelf adding 14.2% according to Rystad Energy.

The subsea tree award activity has been slower over the last few years but is estimated to rise with an average of around 350 trees per year to be installed globally from 2023-2027 and more than 760 projects at an estimated value of USD 426 million are expected to be sanctioned of which 40% are subsea tiebacks. The amount of subsea tie backs in the SURF segment gives strong numbers to the pipe and cable lay market. In Norway and Brazil 69 of the 91 upcoming projects to be sanctioned between 2023 and 2027 are subsea tiebacks. 8 FPSOs were awarded last year, and 12 awards are expected this year, driven largely by Brazil and Guyana. More FPSOs are expected to come online in coming years, driving further demand in the regions.

The Offshore wind market was affected by slightly lower investments in 2022, impacted by volatile energy prices and supply chain constraints, however outlook remains positive towards 2030 and beyond. Further growth has intensified and throughout 2022 several nations set ambitious targets towards the next decades. This is further supported by strong estimates from the sector in 2023, where over 16 GW is expected to become active. Spending on offshore wind installation segment is forecasted to increase by 43% overall in 2023 and the installed base globally is expected to double towards 2027 to close to 23 000 turbines.

Petrobras has contracted several additional PLSVs on multi-year contracts, combined with high decommissioning activity, with USD 7.3 billion worth of commitments between 2023-2027.

The AHTS vessels demand has been in strong growth due to a fast increase in drilling activity, especially from jack-ups requiring AHTS vessels for moves and mooring. The demand is set to rise for both AHTS vessels and PSVs the next years.

OCVs are in demand due to increased installation of subsea infrastructure such as subsea trees and SURF lines. With additional pressure from the offshore wind sector, where traditional O&G tonnage is going to the offshore wind market.

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.

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.



REPORT OF THE BOARD OF DIRECTORS

'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.

The Group's sustainability efforts evolve, expand, and become more comprehensive. 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. 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 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 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. At the end of 2022, the headcount in the Group was 1,650 people, of which 279 are women.

998 men and 228 women are under full-time permanent contract. Further distribution is 35 men and 8 women on full-time temporary contract. 161 men and 21 women are self-employed workers. 1 men and 8 women have part-time permanent contract. 8 men and 5 women are working under part-time temporary contracts. Finally, 168 men and 9 women are non-guaranteed hours employees.

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 2022 that lead to dismissal.

The Group's campaign to promote and secure retention of female managers has continued in 2022, with communication internally and externally. Several measures such as flexible work hours, and working from home, has 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 2022, 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 influenza-like infection and guided by our medical protocols and HR handbooks.

The Group strives to improve safety and environmental performance across all worksites, globally. The Group experienced two Lost Time Incidents (LTI) in 2022, which resulted in a Lost time injury frequency rate (LTIFR) of 0.49 LTIs per million man-hours. Combined with six Medical Treatment Cases, the Total recordable injuries rate (TRIR) was 1.97 recordable incidents per million man-hours. None of the incidents have led to any disabilities and all workers are back in duty.

DOF Subsea Australia received 3 convictions related to breaches of the Offshore Petroleum and Greenhouse Gas Storage Act 2006 brought by NOPSEMA following their investigation into the July 2017 diving campaign.

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



REPORT OF THE BOARD OF DIRECTORS

strong and unified safety culture build around our values and Safe the RITE way.

In 2022, absence due to illness has been 0.87 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 2022.

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

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 2022, 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 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 were no loss of secondary containment spills that exceeded the 50-litre threshold to environment.

The total volume of all spills during 2022 was 294 litres, whereby 22 litres was considered loss of secondary containment. The KPI for the area set to be zero, but the result is 5.4 litres with loss of secondary containment per million man-hours.

No fines or other non-monetary sanctions from local governments connected to spills to external environment.

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 achieved a score of A- 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.

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 2023.

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 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. The Group will continue applying the Group's values as guiding principles of good corporate governance and behaviour. Group values and Code of Business Conduct are essential to navigating 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.



REPORT OF THE BOARD OF DIRECTORS

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 challenging markets and the Group's continued 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 Workbook for the Group 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 the Group 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 the Group was 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 globally. The organisation is aligned and prepared for the new requirements.

Shareholders & the Board

The share capital of the Company by year-end 2022 was NOK 1,673,527,620, divided by 167,352,762 number of shares. By year end 100% of the shares was owned by DOF Services (now renamed to New DOF ASA).

As part of the implementation of the Restructuring Agreement in 2023, Harald Thorstein resigned from the board 30th of March 2023.

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.

Financial performance

The Group revenue in 2022 totalled NOK 6,702 million (NOK 4,303 million), and the operating profit before depreciation and finance (EBITDA) totalled NOK 2,303 million (NOK 1,378 million). The main reason for the improved EBITDA is higher activity from subsea projects and improved rates on contract renewals during the year.

Consolidated profit or loss

Amounts in NOK million	2022	2021	Change
Operating revenue	6 702	4 303	56%
EBITDA	2 303	1 378	67%
Depreciation and impairment	31	-837	
EBIT	2 335	541	332%

The operating profit (EBIT) amounted to NOK 2,335 million (NOK 541 million) of which depreciation represents NOK 643 million (NOK 665 million) and reversal of impairment represent NOK 674 million (NOK -172 million). The basis for the impairment is fair market values received from independent broker companies and value in use (VIU) calculations. An improved market has resulted in increased fair market values of the Group's vessels combined with VIU estimates, and reversal of previous impairment on certain vessels in 2022.

Net financial items in 2022 totalled NOK -1,517 million (NOK -413 million), of which net finance costs represented NOK -996 million (NOK -618 million). The finance costs have been negatively impacted by the restructuring process through the year and in addition, the finance costs in 2021 was positively impacted by a gain due to prepayment of a loan at a discount. Net currency loss and changes in fair value of financial instruments amounted to NOK -591 million (NOK -134 million).

Income tax expenses amounts to NOK -71 million (NOK -46 million). Income tax expenses increased during the year as a result of higher taxable earnings. Income tax expenses is partly offset by increase in deferred tax asset of NOK 128 million.

The Group's net profit in 2022 was NOK 747 million (NOK 82 million). Adjusted for other comprehensive income the net result was NOK 1,028 million (NOK 161 million).

The consolidated balance sheet at year-end 2022 totalled NOK 15,774 million (NOK 12,812 million). The non-current assets are mainly vessels and subsea equipment at a book value of NOK 7,656 million (NOK 7,226 million) and the shares in joint ventures at a value of NOK 3,646 million (NOK 2,802 million) representing 72% of the Group's total assets.

The Group's cash and cash equivalents has increased from NOK 1,183 million to NOK 2,213 million by year-end 2022. The cash reserve has been positive impacted by improved operational result and standstill agreements with the financial creditors. The restricted cash by year-end



REPORT OF THE BOARD OF DIRECTORS

was NOK 178 million (NOK 116 million). A portion of the Group's unrestricted cash was not immediately available due to the existing standstill agreements, however parts of it will be released upon completion of the restructuring in 2023, ref note 1 to the accounts.

Consolidated balance sheet

Amounts in NOK million	31.12.2022	31.12.2021	Change
Non-current assets	11 597	10 151	14%
Cash and cash equivalents	2 213	1 183	87%
Equity	3 622	2 594	40%
Net interest bearing debt	8 065	7 784	-0,3%

The Group's equity is NOK 3,622 million (NOK 2,594 million). After completion of the restructuring in March 2023 the Group's booked equity has been significantly increased. See further details in note 1 'Corporate information and going concern' in the notes to the financial statements.

The Group reported net interest-bearing debt of NOK 8,065 million (NOK 7,784 million) as of 31st of December 2022. The current debt totals NOK 11,887 million (NOK 9,985 million), of which NOK 10,383 million (NOK 9,100 million) represent interest-bearing debt. Because the restructuring was not completed by year-end the relevant interest-bearing debt is classified as short-term.

The Group's net cash flow from operating activities was NOK 1,715 million (NOK 704 million) of which NOK -146 million is paid interest and other finance cost. Due to the standstill agreements, NOK 927 million of interests has been capitalised on loans. The net cash flow from investments activities was NOK -27 million (NOK -152 million) of which NOK -304 million (NOK -436 million) represent main class renewals and conversions of vessels, and NOK 313 million (NOK 291 million) is mainly repayment of shareholders loan from the Joint Venture with TechnipFMC and NOK 27 million (NOK 95 million) are mainly contribution after sale of vessels. Cash flow from financing activities was NOK -689 million (NOK -715 million) of which NOK -689 million (NOK -722 million) represent instalments on debt. Net changes in cash and cash equivalents for the year was NOK 999 million (NOK -163 million).

Parent company financial statements

The financial statements for the parent company for 2022 show a revenue of NOK 115 million (NOK 91 million) and an operating loss of NOK -22 million (NOK 27 million). Net financial items are NOK -242 million (NOK 319 million) hereof impairment on investments in subsidiaries and associates of NOK 12 million (reversal of NOK 652 million). Loss before taxes were NOK -263 million (NOK 345 million) and losses for the year were NOK -230 million (NOK 362 million).

The parent company's balance sheet as of 31st of December 2022 totals NOK 5,530 million (NOK 4,782 million), of which booked equity totalled NOK 547 million (NOK 776 million).

Financing and capital structure

The Group's total interest-bearing debt by end of the year is NOK 10,383 million (NOK 9,100 million) of which bond debt represents NOK 3,661 million (NOK 2,979 million). The main portion of the Group's debt is drawn in USD.

The Group's Restructuring Agreement (RA) was implemented and completed 22 March 2023. The main highlights in the RA affecting the Group included the following:

- A conversion of debt into equity of approximately NOK 3 billion.
- NOK 675 million of the DOF Subsea bonds to be reinstated into a new bond recovery instrument maturing in December 2027 with PIK interest and an option to convert into equity.
- The consolidation of most bilateral facilities in the Group to create a single syndicated loan with maturity in January 2026.

See further details on the restructuring in note 1 'Corporate information and going concern' in notes to the financial statements.

The DOFCON JV was 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 was waived 31.12.2022.

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.

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 (NOX), Sulphur Oxides (SOX) and Particulate Matter (PM) in harbour areas.

Financial and liquidity risk

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

The Group has historically achieved satisfactory long-term financing of its new-building program and refinancing of existing assets. However, a weak market in the period from 2014 to 2021 and an increased focus on ESG from financial institutions have increased the refinancing risk for the Group.

The Group has secured a runway until 2026 for its fleet as part of the restructuring, where the main focus is to reduce the debt and the opportunities to invest in new assets or new businesses are limited



REPORT OF THE BOARD OF DIRECTORS

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, these forward contracts are limited in the new loan facilities. 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 is exposed to changes in interest rates as parts of the Group's liabilities have a floating rate of interest. The Group has historically reduced its interest rate exposure by entering into interest rate swap agreements. The possibilities to enter into interest forward contracts (swap contracts), in the new loan facilities are limited and the Group's exposure to volatility in interest rates has increased.

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. Historically, the portion of receivables not being collectable has been low. Revenue from the 10 largest customers, large oil companies and operators, represent approximately 72% of the Group's revenue, whereof Petrobras represent the largest customer.

Market and price risk

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 in the period from 2014-2021. The Group'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.

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 some of the tax claims are disputed by the

Group, ref note 4 'Accounting estimates and assessments' to the accounts. In general, attention from tax authorities is increasing, and the trend is that each individual country has increased focus on protecting their tax base.

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 cyber-attacks. These cyber-attacks could lead to business disruption and/or data breaches.

To manage this risk, the Group works systematically to make the organization more resistant to cyber-attacks and reduce the consequences of breaches. Cyber Security is an integrated part of the organization and internal training material.

Going concern

The consolidated financial statements and the Parent Company 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 majority of the Group's 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 budgets for the next 12 months, the Board is of the opinion that the Group is in compliance with going concern.

Profit & loss allocation

The parent company financial statements have a loss for the year of NOK -230 (NOK 362 million). The Board of Directors proposes to allocate the loss to share premium, other paid-in capital and other equity.

The consolidated financial statements have a profit for the year of NOK 747 million (NOK 82 million), and total comprehensive profit of NOK 1,028 (NOK 161 million), of which NOK -13 million (NOK -10 million) is attributed to non-controlling interests and NOK 1,041 million (NOK 171 million) is allocated to other reserves.



REPORT OF THE BOARD OF DIRECTORS

Events after balance sheet date

New contracts

DOF Subsea has been awarded a decommissioning contract at the Heimdal field in the North Sea and LCV contract for a large SURF project in Brazil. 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 within all the Group's segments. This trend has continued into 2023. In parallel the demand for vessels has increased within the renewable markets as several projects have started or is underway in 2023. The growth within offshore wind is expected to be significant in the period from 2026 – 2030 and the Group is well positioned towards floating wind installations due to its subsea and mooring competence and advanced and flexible fleet. The Group currently has a backlog of approximately 91 % for 2023 which gives a good visibility on the earnings for 2023. The recent contract awards are further done at higher rates and better terms than the previous contracts.

The completion of the Restructuring has created a stable and viable financial platform for the Group through a substantial conversion of debt into equity. The reinstated debt terms support liquidity and provide significant maturity runway, and is further a simplification of the Group's financing structure. The Restructuring leaves the Group well positioned to support its operations, secure new contracts and to continue to deliver on the Group's strategy.



REPORT OF THE BOARD OF DIRECTORS

Bergen, 21st of April 2023
The Board of Directors of DOF Subsea AS

Mons S. Aase
CEO / Chairman

Martin Lundberg
Director

Hilde Drønen
Director



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	2022	2021
Operating revenue	5,6	6 702	4 303
Payroll expenses	7	-1 876	-1 395
Other operating expenses	8	-3 155	-1 905
Share of net income from joint ventures and associates	28	606	296
Profit from sale of non-current assets	12	27	78
Operating profit before depreciation and impairment (EBITDA)	5	2 303	1 378
Depreciation and impairment	12,13	31	-837
Operating profit (EBIT)		2 335	541
Financial income	9	71	339
Financial expenses	9	-996	-618
Realised net gain / loss on derivative instruments and currency position	9	45	-145
Unrealised net gain / loss on derivative instruments and currency position	9	-636	11
Net financial income / loss	9	-1 517	-413
Profit / loss before tax	5	818	128
Income tax expense	10	-71	-46
Profit / loss for the year		747	82
Other comprehensive income net of tax			
Items that may be subsequently reclassified to profit / loss			
Currency translation difference (CTA)		-80	-36
Share of other comprehensive income of joint ventures and associates	28	361	115
Other comprehensive income net of tax		281	79
Total comprehensive income net of tax		1 028	161
Profit / loss attributable to			
Non-controlling interests	27	-13	-10
Owners of the parent	27	760	92
Total comprehensive income / loss attributable to			
Non-controlling interests	27	-13	-10
Owners of the parent	27	1 041	171
Earnings per share			
Basic and diluted earnings per share (NOK)	11, 18	4.54	0.55



FINANCIAL STATEMENTS / DOF SUBSEA GROUP

DOF Subsea Group

Amounts in NOK million

Consolidated statement of financial position

Assets	Note	31.12.2022	31.12.2021
Tangible assets	12, 13	7 656	7 226
Deferred tax asset	10	101	9
Investments in joint ventures and associates	28	3 646	2 802
Other non-current assets	13, 14, 23	194	114
Total non-current assets		11 597	10 151
Trade receivables	15	1 506	975
Other current receivables	16, 25	458	503
Current receivables		1 964	1 478
Restricted cash	17	178	116
Unrestricted cash and cash equivalents	17	2 035	1 067
Cash and cash equivalents		2 213	1 183
Total current assets included assets held for sale		4 177	2 661
Total assets		15 774	12 812



FINANCIAL STATEMENTS / DOF SUBSEA GROUP

DOF Subsea Group

Amounts in NOK million

Consolidated statement of financial position

Equity and liabilities	Note	31.12.2022	31.12.2021
Paid-in equity	18	1 674	1 674
Other equity		1 862	821
Non-controlling interests	27	87	99
Total equity		3 622	2 594
Bond loans	19	-	-
Debt to credit institutions	19	-	-
Lease liabilities	13,19	261	196
Other non-current liabilities	10,25	4	38
Total non-current liabilities		265	234
Current portion of debt	19	10 183	9 104
Trade payables	20	907	496
Other current liabilities	21,25	798	385
Total current liabilities		11 887	9 985
Total liabilities		12 152	10 219
Total equity and liabilities		15 774	12 812

Bergen, 21th of April 2023
The Board of Directors of DOF Subsea AS

Mons S. Aase
CEO / Chairman

Martin Lundberg
Director

Hilde Drønen
Director



FINANCIAL STATEMENTS / DOF SUBSEA GROUP

DOF Subsea Group

Amounts in NOK million

Statement of changes in equity

Changes in equity	Share capital	Total paid-in equity	Retained earnings	Currency translation differences	Other equity	Non-controlling interests	Total equity
Equity at 01.01.2022	1 674	1 674	768	52	821	99	2 594
Profit / loss for the year	-	-	760	-	760	-13	747
Other comprehensive income net of tax	-	-	361	-80	281	-	281
Total comprehensive income net of tax	-	-	1 121	-80	1 041	-13	1 028
Equity at 31.12.2022	1 674	1 674	1 889	-28	1 862	86	3 622
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



FINANCIAL STATEMENTS / DOF SUBSEA GROUP

DOF Subsea Group

Amounts in NOK million

Consolidated statement of cash flows

	Note	2022	2021
Operating profit (EBIT)		2 335	541
Depreciation and impairment	12	-31	837
Profit from sale of non-current assets	12	-27	-78
Share of net income of joint ventures and associates	28	-606	-296
Dividend received from joint ventures		123	-
Amortisation of contract cost		56	65
Change in trade receivables		-531	-347
Change in trade payables		411	111
Changes in other working capital		116	-28
Exchange rate effect on operating activities		52	9
Cash flow from operating activities		1 898	814
Interest received		60	36
Interest and other finance cost paid		-146	-89
Tax paid		-98	-57
Net cash flow from operating activities		1 715	704
Sale of tangible assets	12	27	95
Purchase of tangible assets	12	-304	-436
Purchase of intangible assets		-62	-102
Net cash flows from other non-current receivables		313	291
Cash flow from investing activities		-27	-152
Proceeds of non-current debt	19	-	7
Installments on non-current debt	19	-689	-722
Cash flow from financing activities		-689	-715
Net change in cash and cash equivalents		999	-163
Cash and cash equivalents, included restricted cash, at 01.01	17	1 183	1 330
Exchange rate effect on cash and cash equivalents		31	16
Cash and cash equivalents, included restricted cash, at 31.12	17	2 213	1 183

Restricted cash at 31.12.2022 is NOK 178 million (NOK 116 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 consists of cash only available for specific purposes. A portion of restricted cash serves as security for outstanding debt following enforcements of account pledges. Some lenders have exercised their right to set off such cash balances toward the outstanding loans. Restricted cash of NOK 397 million in 2022 (NOK 315 million in 2021) has been presented net of debt to credit institutions and are included in the installments of non-current debt. In 2022 the Group has had standstill agreements with majority of the lenders and no interest and installments have been paid during standstill period to these lenders. Implementation of the Restructuring Agreement 22nd of March 2023 has affected cash and restricted cash. For further information about the effects on cash and restricted cash, see note 1 'Corporate information and going concern'.



FINANCIAL STATEMENTS / DOF SUBSEA GROUP

DOF Subsea Group

Contents

1. Corporate information and going concern	19	29. Contingencies.....	48
2. Financial risk management	19	30. Events occurring after period end.....	48
3. Accounting estimates and assessments	21	31. Accounting policies	48
4. Climate risk.....	21	A. Summary of significant accounting principles.....	48
5. Segment information and Management Reporting.....	23	B. Group	48
6. Operating revenue.....	25	C. Segment reporting.....	49
7. Payroll expenses.....	25	D. Conversion of foreign currency.....	49
8. Other operating expenses.....	26	E. Classification of assets and liabilities.....	49
9. Financial income and expenses.....	26	F. Cash and cash equivalents.....	49
10. Tax	27	G. Trade receivables.....	49
11. Earnings per share.....	29	H. Tangible assets and contract costs.....	49
12. Tangible assets and contract cost	29	I. Leases.....	50
13. Leases	32	J. Debt	50
14. Non-current assets	34	K. Provisions	50
15. Trade receivables	34	L. Contingent assets and liabilities.....	50
16. Other current assets	35	M. Equity.....	51
17. Cash and cash equivalents	35	N. Transactions with non-controlling interests.....	51
18. Share capital and share information.....	36	O. Revenue recognition.....	51
19. Interest-bearing debt	36	P. Current and deferred income tax.....	51
20. Trade payables	39	Q. Employee benefits.....	52
21. Other current liabilities.....	39	R. Financial assets.....	52
22. Fair value estimation.....	39	S. Derivative financial instruments and hedging activities ..	53
23. Financial assets and liabilities information on the balance sheet.....	40	T. Events after period end.....	53
24. Guarantees.....	41	U. Use of estimates.....	53
25. Related parties.....	41	V. Consolidated statement of cash flows.....	53
26. Remuneration to Board of Directors Executives and Auditor	43	W. New standards, amendments and interpretations adopted by the Group	53
27. Companies within the Group	44	X. New standards, amendments and interpretations not yet adopted.....	53
28. Investments in joint ventures and associates.....	45	32. Performance measurement definitions	54



FINANCIAL STATEMENTS / DOF SUBSEA GROUP

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.

100% of the shares in DOF Subsea AS were transferred from DOF ASA to DOF Services in November 2022 as part of the restructuring agreement for DOF ASA Group. In March 2023 DOF Services was renamed to New DOF ASA.

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 annual accounts were approved for publication by the Board of Directors on the 21st of April 2023. The financial report consist of the Group financial statements and the Parent Company financial statements.

If not stated otherwise all amounts in the notes are in NOK million.

Going concern

The consolidated financial statements and the Parent Company's financial statement are prepared on the assumption of going concern in accordance with IAS 1.25.

The going concern assumption is based on the refinancing that was completed on 22nd March 2023, strong operational performance and the contract coverage.

As part of the refinancing, debt of NOK 3,148 million was converted to equity in March 2023.

The proforma balance sheet below shows the effect of all the refinancing transactions as if these had been carried out on the balance sheet date 31.12.2022.

Proforma balance at 31.12.2022	31.12.2022	Effect of refinancing 3)	Proforma balance including refinancing effects 3)
Total non-current assets	11 597		11 597
Current receivables	1 964		1 964
Restricted cash	178	320	498
Unrestricted cash	2 035	-125	1 910
Cash and cash equivalents 1)	2 213	195	2 408
Total current assets	4 177	195	4 372
Total assets	15 774	195	15 969
Total equity 2)	3 622	3 047	6 669
Non-current liabilities	265	6 834	7 099
Current portion of debt	10 183	-9 686	497
Total liabilities	12 152	-2 852	9 300
Total equity and liabilities	15 774	195	15 969

1) Change in cash consist of cash previously presented net of debt to credit institutions with NOK 858 million, hereof NOK 320 million is restricted cash after refinancing. In addition cash paid in March 2023 for agreed settlement on loans, interest and refinancing expenses is presented as reduction of cash.

2) Refinancing had a net positive effect on equity with in total NOK 3,047 million (based on 31.12.2022 balances) , hereof debt conversion amounted to NOK 3,025 million. In addition, effects of reversal of interest, debt remission and refinancing cost is affecting equity.

3) The effect of refinancing and the Proforma balance are not audited.



FINANCIAL STATEMENTS / DOF SUBSEA GROUP

DOF Subsea Group

Amounts in NOK million

After refinancing the loan balance consist of loans in the following currencies:

	Currency	NOK
USD	657	6 472
NOK	796	796
Other		326
Total		7 594

Installments, balloons and interest profile	2023	2024	2025	2026	2027	Subsequent	Total
Bond loans					699		699
Debt to credit institutions	363	348	331	5 545	-	-	6 587
Lease debt	67	87	61	39	17	59	331
Total instalments and balloon	430	436	392	5 584	716	59	7 616
Calculated interest profile	378	447	423	64	46	4	1 361
Total instalments, balloons and interest	808	883	815	5 648	762	63	8 977

The repayment profile includes amortisation schedule for the bond and credit institutions. The loan agreements have regulations about cash sweeps. Cash balances are measured quarterly. Cash and cash equivalents above defined thresholds and dividend from the JV DOFCON Brasil will increase debt repayment.

Cash sweeps thresholds are as follows:

- DOF Subsea (ex DOF Subsea Brasil and ex minority interests in DOF Installer ASA): NOK 1,075 million
- DOF Subsea Brasil: BRL 50 million

Financial covenants in new loan agreements

After implementation of the Restructuring Agreement in March 2023, the Group's long-term financing agreements include new financial covenants. Covenants applicable to DOF Subsea Group also include covenants in sister companies DOF Rederi AS and Norskan Offshore Ltda. The most important financial covenants in the new loan agreements for the Group are the following:

DOF Subsea Group (excluding DOF Subsea Brasil Ltda.)

- The DOF Subsea Group shall have available cash of at least NOK 600 million on each testing date.
- DOF Subsea Group shall have positive working capital (current assets less current liabilities excluded current portion of debt to credit institutions), on each testing date.
- DOF Subsea Group's Interest Coverage Ratio (EBITDA / interest payable in period) shall be no less than the level set out that period. The Interest coverage ratios are the following: From June 23-Dec 23, 2.0x, from Marc 24-Dec 24, 2.50x and from March 25-Dec 25, 3.25x.
- Fair value (based on 2 brokers valuations) for the vessels shall be at least 100% of the total outstanding loans related to the vessels.
- Testing date is set to be the last day in each quarter.

DOF Rederi AS

- DOF Rederi AS shall have available cash of at least 175 million.
- DOF Rederi AS shall have positive working capital (current assets less current liabilities excluded current portion of debt to credit institutions), on each testing date.
- DOF Rederi AS Interest Coverage Ratio (EBITDA / interest payable in period) shall be no less than the level set out that period. The

interest coverage ratios are the following: From June 23-Dec 23, 2.50x, from Mars-24-Dec 24, 3.50x and from Mars 25-Dec 25, 5.0x.

- Fair value (based on 2 brokers valuations) for the vessels shall be at least 100% of the total outstanding loans related to the vessels.
- Testing date is set to be the last day in each quarter.

Norskan Offshore Ltda.

- Norskan Offshore shall have available cash of at least USD 1.5 million until June 23, USD 3.5 million until Sep 23, USD 7 million until Dec 23 and from Jan 24 USD 16 million.
- Norskan Interest Coverage Ratio (EBITDA / interest payable in period) shall be no less than the level set out that period. The interest coverage ratios are the following: From June 23-Dec 24 1.25x, from Mars-25 to June 25, 1.5x and from June 25-Dec 25, 1.75x.
- Fair value (based on 2 brokers valuations) for the vessels shall be at least in range of 63% to 77% of the total outstanding loans related to the vessels.
- Testing date is set to be the last day in each quarter.

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, cyber risk, inflation risk and tax risk. The Group's overall risk management seeks to minimise potential adverse effects of the Group's financial performance.

The current loan agreements limit the Group to entering hedging transactions to reduce foreign exchange risk, interest rate risk and liquidity risk. Hence, these risks have increased if the currencies and interest rates fluctuate.

Market risk

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, CAD, EUR and GBP. The Group's presentation currency is



DOF Subsea Group

Amounts in NOK million

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 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 within the limits for the new loan agreements. 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 and loss statement. Fluctuation in foreign exchange rates will therefore have an effect on the future results and balances.

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. The Group's has subsidiaries with USD debt, where the subsidiary's functional currency is BRL. The effect of change in BRL to USD is 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.

	Amounts in NOK million					
	Appreciation			Depreciation		
	10%	20%	30%	10%	20%	30%
Liabilities in currency	647	1 294	1 942	-647	-1 294	-1 942
Investment in joint venture	-355	-409	-1 064	355	709	1 064
Net effect	292	585	877	-292	-585	-877

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 a longer period have a positive impact on the Group's future earnings and cash in NOK. Current receivables and liabilities excluding bonds and debt to 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. After the balance sheet date, the Group has implemented the restructuring agreements with its lenders. After the implementation of the restructuring agreements total loans in USD amounts to NOK 6 472 million. For further information about the implementation of the restructuring agreements see note 1 'Corporate information and going concern'. The sensitivity analyses above are based on the refinanced balance.

Interest rates risk

The Group's existing 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.

The long-term funding of the Group's vessels built in Brazil are mainly secured at fixed interest rates for the entire duration of the loans.

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 have resulted in lower utilisation and reduced earnings for the Group's vessels and services due to continuing challenging markets in the period from 2014-2021. The Group's strategy is still to continue its focus on long-term contracts for its fleet. During the market downturn many of the clients have preferred shorter term contract renewals, however in 2022 and so far in 2023 the client's willingness to enter into contracts for longer periods has increased due to improving markets.

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's counterparty credit risk has been low as the Group's customers traditionally have had good financial capability to meet their obligations and have had high credit ratings. Historically, the portion of receivables not being collectable has been low. Revenue from the 10 largest customers, large oil companies and operators, represent approximately 72% 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.

The Group has routines to bi-weekly report cash flow forecasts in order to monitor the Group's future cash position.

Cyber risk

Continuous digitalisation of routines and operations increases exposure of the Group's business information and communication systems to external and/or internal cyber-attacks.

These cyber-attacks could lead to business disruption and/or data breaches.

To manage this risk, the Group works systematically to make the organisation more resistant to cyber-attacks and reduce the consequences of breaches. Cyber Security is an integrated part of the organization and internal training material.

Inflation risk and supply management

The Group is exposed to inflation risks. Effects of the covid pandemic together with the war in Ukraine have contributed to 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. The Group 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.



FINANCIAL STATEMENTS / DOF SUBSEA GROUP

DOF Subsea Group

Amounts in NOK million

Capital structure and equity

The DOF ASA Group signed the Restructuring Agreement in June 2022 which included the debt in DOF ASA and its subsidiaries debt (excluding the debt in the DOFCON JV and some lease debt in DOF Subsea Group). The parties to the Restructuring Agreement further signed an Addendum which described certain steps on how to implement the Restructuring Agreement should the shareholders not approve the restructuring. The implementation steps were the following: Step 1 - a filing for reconstruction and a new EGM with the existing shareholders to retain 1% post the restructuring. Step 2 - if step 1 cannot be implemented, the implementation will be done via bankruptcy with existing shareholders retaining no equity interest. The Restructuring Agreement including the Addendum was approved by all the relevant financial creditors in November, and BNDES (The Brazilian Development Bank) has further given their consent.

The main highlights in the Restructuring Agreement affecting the DOF Subsea Group included the following:

- A conversion of debt into equity (approximately NOK 3 148 billion) in DOF Subsea Group
- NOK 675 million of the DOF Subsea bonds to be reinstated into a new bond recovery instrument maturing in December 2027 with PIK interest and an option to convert into equity.
- The consolidation of most bilateral facilities at DOF Subsea Group to create a single syndicated loan with maturity on 9th of January 2026 and generally extended amortisation schedule and reduced interest cost.

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 Restructuring Agreement and the Addendum was approved by the bondholders in a meeting on the 7th of November 2022 but did not get the necessary majority votes (67%) from the shareholders in the EGM in DOF ASA on the 11th of November 2022 .

As a consequence of the above step 1 in the Addendum to the Restructuring Agreement all subsidiaries in DOF ASA were transferred to DOF Services AS, later renamed to New DOF ASA (DOF), as a planned "drop-down" process and DOF ASA thereafter filed for reconstruction on the 2nd of December 2022.

A group of shareholders representing more than 10% of DOF ASA requested a new EGM to decide on a new board. The 14th of December 2022 a new board was elected. The new board presented a revised restructuring proposal to the shareholders in DOF ASA which did not get sufficient consent from the majority shareholders. Step 2 in the Addendum was therefore effectuated resulting in that the financial creditors requested the new board to file for bankruptcy in the DOF ASA. The bankruptcy proceedings were opened on the 2nd of February 2023 in Hordaland Tingrett.

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 new loan facilities as described above have been signed in the EGM in DOF on the 22nd of March 2023. A process to list DOF at Oslo Stock Exchange has been initiated.

The Group has secured a runway until 2026 for its fleet as part of the restructuring, where the main focus is to reduce the debt and the opportunities to invest in new assets or new businesses are limited.

Debt ratio	Proforma	2022	2021
Interest-bearing debt	7 596	10 383	9 100
Interest-bearing assets non-current (sub-lease)	105	105	134
Restricted deposits	498	178	116
Cash	1 910	2 035	1 067
Net interest bearing debt	5 082	8 065	7 784
Total equity	6 669	3 622	2 594
Total equity and net debt	11 751	11 687	10 378
Debt ratio	43%	69%	75%

*) The balance sheet shows the effect of implementation of the Restructuring Agreement as if these transactions had been carried out on the balance sheet date 31/12/2022.

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 favourable terms and conditions for long term funding which is suitable for the Group's operation and growth.

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

The Group has historically achieved satisfactory long-term financing of its new-building program and refinancing of existing assets. However, a weak market in the period from 2014 to 2021 and an increased focus on ESG from financial institutions have increased the refinancing risk for the Group.

3. Accounting estimates and assessments

When preparing the annual accounts, the Group management has applied estimates based on best judgement and conditions considered to be realistic. Situations or changes may occur in the markets which may result in changes in assumptions with effects on for the estimates, thereby impacting the Group's assets, liabilities, equity and result.

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

Vessels

The carrying amount of the Group's vessels including ROVs represents 43% of the total assets. Consequently, policies and estimates linked to the vessels have a significant impact on the Group's financial statements. Depreciation is calculated on a straight-line basis over the 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.

Residual value of vessels

The level of depreciation depends on the calculated residual value. Residual value after 30 years is set to zero based on an assumption that environmental requirements related to disposal of vessels are estimated to offset the scrap value of the steel.



DOF Subsea Group

Amounts in NOK million

Useful life of investments related to periodical maintenance

Periodic maintenance is related to major inspections and overhaul costs which occur at regular intervals over the life of an asset. The expenditure is capitalised and depreciated until the vessel enters the next periodical maintenance. Estimated life of each periodical maintenance program is normally five years. When new vessels are acquired, a portion of the cost price is classified as periodical maintenance based on best estimates.

Impairment of assets

Vessels

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

Fair value less cost to sell

For vessels, fair value less cost to sell is based on an average of the brokers' estimates, taken into account sales commission. 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 has sought to substantiate the broker valuations, inter alia with value in use calculations or tests of reasonableness of implicit rates and other assumptions derived from the valuations. The value in use calculations adjust for positive or negative value in associated contracts and for the cost level going forward. When value in use calculations have lower value than broker estimates, value in use has been used in the impairment test.

Value in use

Estimated cash flows are based on next year's budgets per vessel and forecasted earnings 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 income rates, utilisation, operational and capital expenditure. The impairment test for vessels has included cost related to decarbonisation measures. For more information about calculation and assumption related to decarbonisation measures, see note 4, 'Climate risk'.

For vessels fixed on firm long-term contracts, the assumption is that the contracts run up until expiry of the contracts. Options held by the customers are not assumed to be exercised, unless the options are at or below current market rates. For vessels without a contract, assumptions derived from the evaluation of broker estimates, combined with other market information are considered when estimating future revenues.

The Weighted Average Cost of Capital (WACC) is used as a discount rate and reflects a normalised capital structure for the industry. The WACC represents the rate of return the 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 are ranging from 8,3%-10,8%.

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

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 assets are recognised on the basis of unused tax losses carried forward or deductible temporary differences to the extent that it is probable that there will be sufficient future earnings available against which the loss or deductible can be utilised. Earnings for several companies in the Group have continued to improve during 2022. Contracts entered into in 2022 have also longer duration than previous years which gives better visibility of future earnings. This development has provided the basis for recognition of an increase in deferred tax assets of NOK 92 million in 2022. However, there are still uncertainty related to taxable profit going forward and only a small part of loss carried forward are recognised as deferred tax asset.

For further information about deferred tax assets and tax loss carried forward please refer to note 10 'Tax'.

In general, each Individual country has become more concerned about protecting their tax base, and in this context the Group experiences more tax audits and followed up questions from tax authorities. Present tax claims and disputes are at year-end either in an administrative or legal process with local tax authorities. Tax claims are disputed, and the Group considers the risk of negative outcomes of the tax claims to be lower than 50% and has not recognised any liability regarding specific tax claims. There is always a risk that some of the ongoing cases may nevertheless go against the Group or that the tax authorities have a different interpretation on taxable profit related to ongoing activities. To reflect this risk, the company has made a tax provision of NOK 40 million.

In total the Group has exposures due to ongoing tax audit related to year 2009-2022 of approximately NOK 144 million (including the JV's of NOK 52 million). See note 10 'Tax' for further information about tax.

In 2014, the Brazilian Federal Revenue issued a Tax Assessment Notice against DOF Subsea Brasil Ltda. Loans given by the Parent company to DOF Subsea Brasil Ltda were deemed to be taxable revenue for DOF Subsea Brasil Ltda. The Tax Assessment Notice is being disputed under judicial courts. Estimated amount of the claim disputed is approximately BRL 43 million (NOK 80 million). DOF Subsea Brasil Ltda 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 DOF Subsea Brasil Ltda will not be reclassified as taxable revenue. No provision related to



DOF Subsea Group

Amounts in NOK million

the dispute is included in the Group's accounts as of 31st of December 2022. DOF Subsea Brasil Ltda has provided guarantee for the tax claim and the amount is included in restricted cash. Outcome of such processes are uncertain and changes in assumptions and interpretations of circumstances might result in future cash outflow.

4. Climate Risk

Like our industry peers, climate risk has evolved over the past decade to become an important consideration within overall financial risk management. There are multiple short, medium and long-term climate risks that manifest as material concerns for the organisation and its stakeholders. Through these material topics related to climate change, they interact with the Group's business continuity or revenue base by physically changing the environment and creating transition risks that the Group must build resilience against. As with any material issue, the approach to these topics is framed by transparency and integrity in communicating and reporting.

There are multiple ways in which climate change can interact with the business value chain. These are categorised into physical or transition climate risks. Physical climate risks account for the impacts of a changing environment and the relationship this has towards the continuity of DOF operations. Alternatively, transition risks acknowledge the socio-economic shifts towards low-carbon economies and how this may relate to the Group's business operations, demand for services and revenue base. Building resilience and reducing exposure to both types of climate risks is equally crucial for the Group and implies a need to map out the climate risks through scenario-based planning. Aligned to the philosophies of Task Force for Climate Change Disclosures (TCFD) framework the Group has emerged itself within the process of identifying, assessing and prioritising its climate risks and opportunities. This has been achieved through a process of climate scenario planning using Intergovernmental Panel of Climate Change (IPCC) climate outcomes.

Having built a picture of the climate risks profile, the Group has integrated these within existing Enterprise Risk Management processes to manage and resilience against foreseeable climate change impacts. The process of translating climate risks into Enterprise Risk Management processes, is an integral for financial planning, protecting its revenue base and establish resilience against impacts across short to long term timeframes. See also Appendix B.3 - Enterprise Risk Management in the Annual Report 2022 for New DOF ASA.

A large component of what will enable the Group to reduce exposure and build resilience against climate change challenges is the Group's ability to decarbonising the value chain. Read more about the Decarbonisation Commitment and initiatives. Read more about the Decarbonisation Commitment and initiatives in the section "Our Planet" in the Annual Report 2022 for New DOF ASA.

Climate Risk and Impairment test

The impairment test for vessels has included an analysis of which measures will be necessary to achieve GHG emissions reductions target. It is expected that decarbonisation measures will contain activities that have a greater degree of uncertainty than a traditional maintenance and upgrade program for the vessels. Cash flow effects related to risk and opportunities in a climate risk context therefore comes with higher degree of uncertainty. For further information about the Group's Decarbonisation Roadmap, see chapter "Our Planet" and section "Decarbonisation" in the Annual Report for New DOF ASA.

It is expected that a tax on GHG emissions can be implemented during the vessels' useful life. However, there is great uncertainty about when, where, and how this tax will affect future cash flows. In the current impairment model, the group has therefore not included any costs linked to a potential tax on GHG emissions.

A general transformation to a low-carbon economy can also affect future revenue for the Groups vessels. There will be risks and opportunities in energy transition to a low carbon economy. However, there are limited knowledge available about future cash flow effects on revenue, hence there has not been possible to quantify or measure these effects. The impairment test has therefore not included any potential effect on future income cash flow related to energy transition.

Climate Risk and Useful Lives of Vessels

The business model is founded on the principle of maximising the value of vessel assets across its operational lifespan. With a greater appreciation of climate change transition risks and circular economy, the Group seeks to extend assets' operational and economic life for as long as possible. With this objective comes increased business sustainability through maximising material value and reduced exposure asset write-down. These principles are a fundamental component of the Group's decarbonisation roadmap, building business resilience to climate change impact and offering greater value to our stakeholders.

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.

A key strategic area for DOF, to limit exposure to stranded assets is to incorporate climate-resilient strategies within our business model and create low-carbon value propositions for our clients across short, medium and long-term timeframes.

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

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

5. 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 75% of the Group's total revenues for the period ended 31st of December 2022 (71% in 2021). During 2022, DOF Subsea has operated on average 17 vessels within the Subsea IMR projects and had by year-end approximately 1,650 employees engaged in this part of the business which is an increase of close to 15% since 2021. The Subsea IMR projects represented 76% (71%) of the Group's total revenue in 2022 (management reporting). The Subsea IMR project activities have been performed in four regions: the Atlantic region, the Asia-Pacific



FINANCIAL STATEMENTS / DOF SUBSEA GROUP

region, the North America region, and the South America region. The overall utilisation of the subsea project fleet during 2022 was 89% (80%). The Long-term Chartering comprises eight vessels of which seven vessels are PLSVs (pipe laying vessels). Six PLSVs are owned via the joint venture DOFCON, (50/50 owned by DOF Subsea and TechnipFMC). Total firm contract backlog is approximately NOK 16 billion, including the firm backlog of the DOFCON Brazil JV of NOK 4.4 billion. Two vessels have been agreed sold in 2022 of which one will be delivered in 2023. Typical clients of the Group's Long-term Chartering services are major oil companies and subsea entrepreneurs.

In management reporting for 2022, DOF Subsea Group's share of reversal of impairment of vessels in the joint venture, NOK 61 million (Impairment of NOK 98 million in 2021) has been recognised. The joint venture company DOFCON Navegacao Ltda, closed a hedging position in Brazilian Real in 2017 in relation to conversion to functional currency USD. At the time of closing of the hedging positions, a change in value of the position had been booked directly against equity (other comprehensive income). A portion of this is circulated over comprehensive income as a finance cost over a period from 2017 to 2028. In 2022, NOK 32 million (NOK 30 million in 2021) was circulated over comprehensive income. The circulation over comprehensive income does not affect cash or total equity.

Reversal of impairment and the hedging correction give in total effect on the Group's "Share of net income of joint ventures and associates" with NOK 8 million (NOK -95 million in 2021). The effect of NOK 8 million (NOK -95 million in 2021) is included in the bridge between the management reporting and the financial statements.



FINANCIAL STATEMENTS / DOF SUBSEA GROUP

DOF Subsea Group

Amounts in NOK million

	Management reporting			Financial Statements		
	Subsea/IMR Projects	Long-term Chartering	Total	Reconciliation to equity method	Total	
2022						
Operating revenue	6 303	1 999	8 302	-1 600	6 702	
Operating profit before depreciation and impairment (EBITDA)	1 495	1 444	2 939	-636	2 303	
Depreciation and impairment			-246	277	31	
Operating profit (EBIT)			2 693	-358	2 335	
Net financial income / loss excl. unrealised net gain / loss on derivative instruments and currency position			-1070	189	-881	
Unrealised net gain / loss on derivative instruments and currency position			-610	-26	-636	
Profit / loss before tax			1 013	-195	818	
Tangible assets	5 433	2 223	14 200	-6 544	7 656	
Tangible assets jointly controlled companies	-	6 544	-	-	-	
Total tangible assets	5 433	8 767	14 200	-6 544	7 656	
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			-1 238	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	
Consolidated statement of cash flows	31.12.2022 Consistent with management reporting	Reconciliation to equity method	31.12.2022	31.12.2021 Consistent with management reporting	Reconciliation to equity method	31.12.2021
Net cash flow from operating activities	2 585	-870	1 715	1 565	-861	704
Cash flow from investing activities	-556	529	-27	-615	463	-152
Cash flow from financing activities	-1 153	464	-689	-1 111	396	-715
Net change in cash and cash equivalents	876	123	999	-161	-2	-163
Cash and cash equivalents at the beginning of the period	1 651	-468	1 183	1 782	-452	1 330
Exchange rate effect on cash and cash equivalents	83	-52	31	30	-14	16
Cash and cash equivalents at the end of the period	2 609	-396	2 213	1 651	-468	1 183



FINANCIAL STATEMENTS / DOF SUBSEA GROUP

DOF Subsea Group

Amounts in NOK million

6. Operating revenue

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

Operating revenue	Note	2022	2021
Lump sum contracts		385	117
Day rate contracts		6 317	4 187
Total operating revenue		6 702	4 303

Geographical distribution of operating revenue 2022	Angola	Norway	Great Britain	Brazil	Australia	Canada	USA	Other	Total
Operating revenue	527	836	778	1 888	1 210	224	1 087	153	6 702

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 revenue from contracts with customers is based on the location of clients. In 2022, two clients accounted for more than 10 % of the Group's revenue.

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 50-70% 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.

7. Payroll expenses

Payroll expenses	Note	2022	2021
Salary	26	-847	-682
Contract labor on vessels		-713	-528
Employer's contributions		-147	-111
Pension costs		-44	-32
Other personnel costs		-126	-42
Total payroll expenses		-1 876	-1 395
Full-time employees (at period end)		1 552	1 366

Pension cost is related to the defined contribution pension plan. Please refer to note 31 'Accounting policies', paragraph Q, for information on employee benefits.



FINANCIAL STATEMENTS / DOF SUBSEA GROUP

DOF Subsea Group

Amounts in NOK million

8. Other operating expenses

Other operating expenses	2022	2021
Short-term lease of vessels including crew expenses	-359	-189
Technical costs	-178	-124
Hired personnel	-563	-361
Equipment cost	-825	-524
Bunkers	-368	-155
Administration cost	-372	-169
Amortisation of contract cost	-56	-65
Other operating expenses	-435	-318
Total other operating expenses	-3 155	-1 905

9. Financial income and expenses

Financial income and expenses	Note	2022	2021
Interest income	25	29	17
Guarantee income from Joint Ventures	28	17	23
Interest income from sub-lease	11, 31	6	3
Gain on settlement of loan facility	19	4	249
Government support - debt forgiveness		-	37
Other financial income		16	10
Financial income		71	339
Interest expenses		-830	-556
Interest expenses on lease liability (right of use debt)	13	-17	-15
Interest expenses payable to DOF companies	25	-11	-7
Other financial expenses		-139	-40
Financial expenses		-996	-618
Realised foreign currency net gain / loss on non-current debt and current debt		3	-164
Realised foreign currency net gain / loss on current receivables / liabilities		-18	-1
Realised net gain / loss on foreign exchange derivatives		59	20
Realised net gain / loss on derivative instruments and currency position		45	-145
Unrealised foreign currency net gain / loss on non-current debt and current debt		-4	-10
Unrealised foreign currency net gain / loss on current receivables / liabilities		-639	-7
Net change in unrealised gain / loss on foreign exchange derivatives		-	-
Net change in unrealised gain / loss on interest rate derivatives		7	28
Unrealised net gain / loss on derivative instruments and currency position		-636	11
Net financial income / loss		-1 517	-413



FINANCIAL STATEMENTS / DOF SUBSEA GROUP

DOF Subsea Group

Amounts in NOK million

10. Tax

Income tax expense	2022	2021
Current tax on profits for the year	-199	-67
Change in deferred tax	128	21
Income tax expense	-71	-46

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	2022	2021
Profit / loss before tax	818	128
Tax estimated by use of domestic tax rates applicable to profits in the respective countries*	-203	5
Tax effect of:		
Income/expenses not deductible for tax purposes	16	-6
Unrecognised tax losses and temporary differences	-41	-47
Utilisation of previous unrecognised tax losses	157	-
Adjustments in respect to prior years	-	-4
Withholding taxes and effect of different tax regimes	-106	-59
Joint ventures and associates results reported net of tax	107	65
Income tax expense	-71	-46

* 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	2022		
	Before tax	Income tax	After tax
Currency translation differences	-80	-	-80
Share of other comprehensive income of associates and joint ventures	361	-	361
Other comprehensive income	281	-	281

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

The gross movement on the deferred tax in the statement of financial position	2022	2021
At 01.01	26	48
Tax related to comprehensive income	128	21
Tax related to components of other comprehensive income	-	1
At 31.12	-101	26



FINANCIAL STATEMENTS / DOF SUBSEA GROUP

DOF Subsea Group

Amounts in NOK million

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	2022	2021
Non-current assets	308	80
Current assets	-33	28
Liabilities	-812	-704
Tax position related to sold assets	18	2
Other differences	47	13
Total temporary differences	-473	-582
Temporary differences not included as deferred tax (+)	587	713
Total temporary differences included as deferred tax	114	131
Tax loss carried forward*	-4 885	-4 934
Tax loss not included as deferred tax asset	4 405	4 934
Tax loss included as deferred tax assets (-)	-479	-
Basis for calculating deferred tax / tax asset (-)	-365	131
Deferred tax / tax asset (-) calculated at domestic tax rates (17-35%)	-101	26
Deferred tax (included in other non-current liabilities)	-	35
Deferred tax asset	-101	-9
Total deferred tax / tax asset (-) recognised in the statement of financial position	-101	26

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

Deferred tax asset are recorded in the balance sheet on the basis of the extent that it is probably that there will be sufficient future earnings available against which the loss or deductible can be utilised. Earnings for several companies in the Group have continue to improve during 2022. Contracts entered into in 2022 have also a longer duration than previous years, which gives better visibility of future earnings. This development has provided the basis for booking of an increase in deferred tax asset of NOK 92 million per 31.12.2022.

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

2022

Country	Tax-loss carried forward	Temporary differences	Tax rate	Deferred tax asset
Norway	-325	150	22%	-38
Australia	-	-35	30%	-11
Brasil	-154	-	34%	-52
Total	-479	114		-101

2021

Country	Tax-loss carried forward	Temporary differences	Tax rate	Deferred tax asset
Norway	-	161	22%	35
Australia	-	-30	30%	-9
Total	-	131		26

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



FINANCIAL STATEMENTS / DOF SUBSEA GROUP

DOF Subsea Group

Amounts in NOK million

11. Earnings per share

Basis for calculating earnings per share	2022	2021
Profit / loss attributable to shareholders of the parent company	760	92
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)	4.54	0.55

12. Tangible assets and contract cost

2022	Vessels	Periodic maintenance	ROVs	Operating equipments	Right-of-use property	Total
Cost at 01.01	12 133	1 313	1 853	836	321	16 456
Additions	-9	194	121	46	34	386
Disposals	-258	-42	51	-9	-4	-364
Reallocation	-	-	-	-	-	-
Currency translation differences	95	15	19	38	11	179
Cost at 31.12	11 961	1 480	1 942	912	362	16 657
Depreciation at 01.01	-2 204	-915	-1 344	-568	-111	-5 142
Depreciation for the year	-316	-137	-109	-44	-38	-643
Depreciation eliminated on disposals	8	41	51	1	2	104
Reallocation	-	-	-	-	-	-
Currency translation differences	-38	-13	-16	-34	-5	-105
Depreciation at 31.12	-2 549	-1 025	-1 419	-644	-152	-5 786
Impairment at 01.01	-3 990	-	-13	-57	-26	-4 086
Impairment for the year	-	-	-13	-	-4	-18
Reversal of impairment	692	-	-	-	-	692
Impairment eliminated on disposals	201	-	-	-	-	201
Currency translation differences	-	-	-1	-1	-	-2
Impairment at 31.12	-3 096	-	-27	-58	-30	-3 214
Book value at 31.12	6 317	455	496	209	180	7 656
Lease assets included in book value			133	44	180	357
Asset lifetime (years)	30	2,5-5	12	5-15	5-30	
Depreciation schedule	Linear	Linear	Linear	Linear	Linear	



FINANCIAL STATEMENTS / DOF SUBSEA GROUP

DOF Subsea Group

Amounts in NOK million

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	

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.

Disposal

The charterer of Geosea exercised its purchase option in 1st quarter 2022, and the vessel was delivered in 3rd quarter 2022. In addition some subsea equipments were sold and delivered to new owners 2022.

Finance leases of tangible assets

The Group's assets held under finance leases include several ROVs, various cars and offices on long-term contracts with low residual value. The Group has assumed an expectation of purchase of the asset. These contracts are classified as ROV and operating equipment. Other contracts are classified as right- of use assets and are mainly related to office leases. For further information on these, please refer to note 13 'Leases' and note 31 'Accounting policies', paragraph H and I.

Impairment

The impairment test is based on operational performance, contract backlog and the completed refinancing 22nd of March 2023. The impairment test has resulted in a reversal of impairment of NOK 692 million. For further information about the impairment assessment, see note 3 'Accounting estimates and assessments'.



FINANCIAL STATEMENTS / DOF SUBSEA GROUP

DOF Subsea Group

Amounts in NOK million

Vessel	Reversal of impairment	Segment	Measurement level
Skandi Acergy	111	Subsea / IMR Projects	3
Skandi Carla	69	Subsea / IMR Projects	3
Skandi Hercules	20	Subsea / IMR Projects	3
Skandi Neptune	26	Subsea / IMR Projects	3
Skandi Seven	106	Subsea / IMR Projects	3
Skandi Skansen	74	Subsea / IMR Projects	3
Skandi Hawk	16	Subsea / IMR Projects	3
Skandi Constructor	95	Subsea / IMR Projects	3
Skandi Africa	175	Long-term Chartering	3
Total reversal impairment of vessels	692		
Total book value of vessels above	5 136		

2021

Vessel	Impairment	Segment	Measurement level
Geoholm	-5	Subsea / IMR Projects	3
Geosund	-16	Subsea / IMR Projects	3
Skandi Carla	-17	Subsea / IMR Projects	3
Skandi Neptune	30	Subsea / IMR Projects	3
Skandi Patagonia	-65	Long-term Chartering	3
Skandi Hawk	-21	Subsea / IMR Projects	3
Skandi Constructor	-16	Subsea / IMR Projects	3
Skandi Africa	-63	Long-term Chartering	3
Total impairment	-172		
Total book value of impaired vessels	2 967		

Depreciation and impairment	Note	2022	2021
Depreciation tangible asset		-643	-665
Impairment subsea equipment		-18	-202
Reversal of impairment vessel		692	30
Impairment Goodwill		-	-
Depreciation and impairment		31	-837

Sensitivity analysis and risk of further impairment

Impairment tests are highly sensitive to changes in NOK towards other currencies and a strengthening of NOK of 20% will result in an additional impairment of NOK 1 054 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 10.8 %. An increase in WACC with 200 basis points will result in an additional impairment of the vessels with NOK 137 million. Negative effect on net future cash flows with 20 % will result in an additional impairment of the vessels with NOK 443 million. Sensitivity analyses for vessels owned by the joint venture DOFCON Brasil are discussed in note 5 Management reporting.

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, charter rates, operational costs and climate related costs. Changes in these assumptions could have considerable effects on the value of the vessels.



FINANCIAL STATEMENTS / DOF SUBSEA GROUP

DOF Subsea Group

Amounts in NOK million

Contract cost

31.12.2022	2022	2021
Net booked value 01.01	84	51
Additions	62	102
Reclassification from tangible assets	-	-4
Amortisation	-56	-65
Currency translation differences	10	-
Net booked value 31.12	99	84

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 2022.

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	481	332	-	813
Minimum operating lease income amounts falling due in the periods including joint ventures	1 790	3 273	-	5 063

Total future minimum operating lease income from contracts is NOK 813 million (NOK 685 million).

Total future minimum operating lease income including joint ventures from contracts is NOK 5,063 million (NOK 6,334 million).

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

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.

Amounts recognised in the statement of financial position;

	2022	2021
Tangible assets - ROVs and operating equipment	177	219
Tangible assets - right-of-use property	180	185
Total tangible assets	357	404
Non-current receivables sub-lease	65	7
Current receivable sub-lease	40	128
Total assets	463	538
Non-current debt to credit institution for lease of ROVs	-	-
Current debt to credit institution for lease of ROVs	63	105
Non-current lease - right of use property	261	196
Current lease - right of use property	115	78
Total liabilities	439	379



FINANCIAL STATEMENTS / DOF SUBSEA GROUP

DOF Subsea Group

Amounts in NOK million

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;

	2022	2021
Short-term lease expenses of vessels including crew related cost	-359	-189
Depreciation ROVs and operating equipment	-30	-37
Depreciation right of use property	-38	-34
Total depreciation and impairment	-68	-70
Interest income	6	3
Interest expenses	-17	-15
Net financial income / loss	-11	-12
Total expenses in statement of comprehensive income	-438	-272

Financial lease	2022	2021
Cost at 01.01.	705	761
Additions	37	2
Disposals	-48	-58
Currency translation differences	11	-
Cost at 31.12.	705	705
Depreciation at 01.01.	-271	-223
Depreciation for the year	-68	-71
Depreciation disposals	32	22
Currency translation differences	-5	1
Depreciation at 31.12.	-312	-271
Impairment 01.01.	-30	-30
Impairment for the year	-5	-
Impairment 31.12	-35	-30
Book value at 31.12	358	404

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

14. Non-current assets

Non-current assets	Note	2022	2021
Non-current receivables from DOF companies	25	50	45
Contract cost	12	99	84
Other non-current receivables		30	24
Non-current receivables sub-lease	13	65	7
Provision for bad non-current receivables	25	-50	-45
Total non-current assets at 31.12		194	114

For further information about lease liability, see note 19 'Interest-bearing debt'. A provision of NOK 50 million is related to non-current receivable from DOF companies.



FINANCIAL STATEMENTS / DOF SUBSEA GROUP

DOF Subsea Group

Amounts in NOK million

15. Trade receivables

Trade receivables	2022	2021
Trade receivables at nominal value	960	593
Work in progress, not invoiced	576	388
Provision for bad debts	-30	-6
Total trade receivables	1 506	975

Currency specification at 31.12.2022	AUD	USD	BRL	NOK	GBP	Other	Total
Trade receivables	554	372	345	16	176	43	1 506
Aging profile and credit risk at 31.12.2022	Total	Not matured	< 30 d		30-60 d	60-90 d	>90 d
Trade receivables at nominal value	960	672	156		44	15	72
Expected credit loss rate		0.2%	2.5%		3.0%	7.0%	12.0%
Loss allowance trade receivables	10	1	4		1	1	3
Loss allowance specific contract	20						
Work in progress, not invoiced		576					
Expected credit loss rate		0.2%					
Loss allowance work in progress, not invoiced	-	1					
Total expected loss allowance	30						

Part of credit loss allowance > 90 days is included in loss allowance specific contract.

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	-						
Work in progress, not invoiced		388					
Expected credit loss rate		0.2%					
Loss allowance work in progress, not invoiced	-	1					
Total expected loss allowance	6						

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/TMR 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. Work in progress 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 2022 and 31st of December 2021 has been based on historical losses and updated view on general risk in the Group's industry.

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.



FINANCIAL STATEMENTS / DOF SUBSEA GROUP

DOF Subsea Group

Amounts in NOK million

16. Other current assets

Other current assets	Note	2022	2021
Receivables from DOF companies	25	149	128
Receivables from joint ventures	25	7	126
Government taxes receivable (VAT)		41	-1
Prepaid expenses		87	67
Fuel reserves and other inventory		101	56
Sub lease asset		40	128
Other current assets		33	2
Total other current receivables at 31.12		458	505

17. Cash and cash equivalents

Cash and cash equivalents	2022	2021
Total restricted cash	1 037	578
Restricted cash serving as security for loans	-859	-462
Restricted cash net	178	116
Unrestricted cash and cash equivalents	2 035	1 067
Total cash and cash equivalents at 31.12	2 213	1 183

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 859 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. Implementation of the Restructuring Agreement 22nd of March 2023 has affected cash and restricted cash. For further information about the effects on cash and restricted cash, see note 1 'Corporate information and going concern'.

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 709 million.

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

Group cash pool	2022		2021	
	Amount in currency	Book value	Amount in currency	Book value
NOK	35	35	38	38
USD	31	306	11	95
GBP	1	7	3	31
EUR	1	6	-	2
CAD	3	18	1	5
AUD	1	7	2	13
SGD	-	1	-	-
Net Group cash pool		381		184



FINANCIAL STATEMENTS / DOF SUBSEA GROUP

DOF Subsea Group

Amounts in NOK million

18. Share capital and share information

Share capital

The shares in DOF Subsea AS were transferred to DOF Services AS (renamed to New DOF ASA in 2023) in November 2022.

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. After implementation of the Restructuring Agreement in March 2023, share capital in DOF Subsea AS increased to NOK 1 925 million.

Shareholder overview

Shareholders at 31.12.2022	No. of shares	Proportion of ownership	Share capital
DOF Services AS (renamed to New DOF ASA)	167 352 762	100%	100%

Board of Directors

	Title
Mons Svendal Aase	Chairman
Martin Lundberg	Director
Hilde Drønen	Director

Executives

	Title
Mons S. Aase	CEO
Martin Lundberg	CFO

As part of the implementation of the Restructuring Agreement in 2023, Harald Thorstein resigned from the board 30th of March 2023. The Company is a part of DOF Group. Please refer to the annual report for DOF Group for further information. The annual report is published at www.dof.no.

19. Interest-bearing debt

The Group's Restructuring Agreement (RA) was implemented and completed 22 March 2023. The main highlights in the RA affecting the Group included the following:

- A conversion of debt into equity of approximately NOK 3 billion.
- NOK 675 million of the DOF Subsea bonds to be reinstated into a new bond recovery instrument maturing in December 2027 with PIK interest and an option to convert into equity.
- The consolidation of most bilateral facilities in the Group to create a single syndicated loan with maturity in January 2026.

The DOFCON JV was not part of the standstill agreements and serves its debt according to the terms in the relevant loan facilities. For further information about the effect of implementation of the Restructuring Agreement, see anote 1 'Corporate information and going concern'.

The Group's secured and unsecured debt are, in accordance with IFRS, classified as current debt at the 31st of December 2022. The classification is based on the standstill agreements that was present 31st of December 2022.

Non-current interest-bearing debt	2022	2021
Bond loans	-	-
Debt to credit institutions	-	-
Lease liabilities	261	196
Total non-current interest-bearing debt	261	196
Current interest-bearing debt		
Bond loans	3 661	2 979
Debt to credit institutions	6 394	5 847
Lease liabilities	67	78
Total current interest-bearing debt	10 122	8 904
Total non-current and current interest-bearing debt	10 383	9 100
Net interest-bearing debt		
Cash and cash equivalent	2 213	1 183
Other interest-bearing assets	105	134
Total net interest-bearing debt	8 065	7 784



FINANCIAL STATEMENTS / DOF SUBSEA GROUP

DOF Subsea Group

Amounts in NOK million

Current portion of debt in the statement of financial position includes accrued interest expenses of NOK 61 million 31.12.2022 (NOK 200 million 31.12.2021). Accrued interest expenses are excluded in the current interest-bearing debt above. Accrued interest to credit institutions and bond holders is capitalised on the loans on an ongoing basis.

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). In 2022 the Group has extended the leasing agreement for Skandi Darwin until mid 2025 resulting in increased lease liability with NOK 90 million included in proceeds lease debt below. The following is the changes in the Group's borrowings:

2022	Balance 31.12.21	Cash changes			Debt forgiveness	Capitalisation of interest and other changes	Non-cash changes			Balance 31.12.22
		Netting of restricted cash	Cash flows	Proceed lease debt			Amortised loan expense	Currency adjustment		
Interest bearing debt										
Bond loans	2 979	-	-	-	495	-	4	184	3 661	
Debt to credit institutions	5 847	-344	-264	-4	432	46	5	677	6 394	
Lease liabilities	274	-	-81	-	-	125	-	10	328	
Total interest bearing debt	9 100	-344	-345	-4	927	171	9	871	10 383	

2021	Balance 31.12.20	Cash changes			Debt forgiveness	Capitalisation of interest and other changes	Non-cash changes			Balance 31.12.21
		Netting of restricted cash	Cash flows	Proceed lease debt			Amortised loan expense	Currency adjustment		
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	

Lease debt

The table below summarises the repayment profile of leases;

Lease debt	2023	2024	2025	2026	2027	Subsequent	Total
Lease liabilities - related to ROV equipment	115						115
Lease liabilities - right-of-use asset and sub-lease	67	87	61	39	17	59	331
Total	182	87	61	39	17	59	446

Lease repayment profile for the lease debt above is exclud 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	2022	2021
Liabilities to credit institutions, incl. leases	6 045	5 562
Book value of assets pledged as security*	7 117	6 852
Average rate of interest	8.52%	6.37%

Currency distribution current and non-current liabilities	31.12.2022			31.12.2021		
	Currency	NOK	Ratio	Currency	NOK	Ratio
USD	814	8 020	77%	610	5 382	59%
NOK	2 037	2 037	20%	3 278	3 278	36%
Other currencies	31	326	3%	62	440	5%
Total		10 383	100%		9 100	100%



FINANCIAL STATEMENTS / DOF SUBSEA GROUP

DOF Subsea Group

Amounts in NOK million

Debt to credit institutions in USD and GBP are revaluated to NOK using exchange rate at period end. The estimated fair values of the Group's bond loans at period end, based on last transactions registered, were as follows:

Loan	Due date*)	31.12.2022			31.12.2021			
		Coupon rate	Price **)	Outstanding amount***)	Initial value	Price **)	Outstanding amount***)	Initial value
DOFSUB07	31.03.2021	10.26%	73.25	467	1 300	20.25	467	1 300
DOFSUB08	14.03.2022	9.50%	71.25	1 450	1 721	20.25	1 297	1 539
DOFSUB09	27.11.2023	11.48%	72.50	840	900	25.00	840	900
Capitalised interest				904			379	
Amortisation cost							-4	
Total				3 661	3 921		2 979	3 739

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

**) Price at par price is the latest turnover done in 2022.

***) 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 2 635 million. The amounts include fair value on capitalised interest based on the latest turnover on the bonds. The trustee on behalf of 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. After implementation of the refinancing agreements in March 2023 a significant part of Bond loans is converted to equity. For more information about the refinancing agreements, see note 1 'Corporate information and going concern'.

Financial covenants

The financial covenants have been waived in standstill agreements for the Group (excl. the DOFCON JV). DOF Subsea AS has further received waiver for the financial covenants as guarantor for two facilities in the DOFCON JV. Covenants in new loan agreements, signed in March 2023, are described in note 1 'Corporate information and going concern'.

20. Trade payables

Currency specification at 31.12.2022	NOK	AUD	BRL	GBP	USD	Other	Total
Trade payables	84	179	86	56	458	44	907
Currency specification at 31.12.2021	NOK	AUD	BRL	GBP	USD	Other	Total
Trade payables	139	63	89	47	132	26	496

21. Other current liabilities

Other current liabilities	Note	2022	2021
Current liabilities to DOF ASA companies	25	261	170
Tax payables	9	91	68
Public duties payables		60	31
Prepayment from customers		198	2
Financial current derivatives	22	-	6
Other current liabilities		188	109
Total other current liabilities at 31.12		798	385



FINANCIAL STATEMENTS / DOF SUBSEA GROUP

DOF Subsea Group

Amounts in NOK million

22. Fair value estimation

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.

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.

31.12.2022	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	-	95	95	65
Trade receivables and other current assets	15,16,19	-	1 731	1 731	40
Current derivatives	22	-	-	-	-
Restricted deposits	17,19	-	178	178	178
Unrestricted cash	17,19	-	2 035	2 035	2 035
Total financial assets		-	4 039	4 040	2 319
Liabilities					
Derivatives non-current	22	-	-	-	-
Interest-bearing non-current liabilities	19	-	261	261	261
Current portion of debt	19	-	10 183	10 183	10 122
Other non-current liabilities		-	4	4	-
Current derivatives	22	-	-	-	-
Trade payables and other current liabilities	20,21	-	1 355	1 355	-
Total financial liabilities		-	11 803	11 083	10 383



FINANCIAL STATEMENTS / DOF SUBSEA GROUP

DOF Subsea Group

Amounts in NOK million

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

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.

Implementation of the Restructuring Agreements in March 2023 has affected the book value and fair value of bond and debt to credit institutions. Fair value of bond is estimated to be NOK 471 million compared to a book value of NOK 699 million. Fair value of debt to credit institutions is estimated to be NOK 6 087 million compared to a book value of NOK 6 564 million. For further information about the refinancing and the debt see Note 1 'Corporate information and going concern' 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 309 million as per 31.12.2022.

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:

The shares in DOF Subsea AS were in November 2022 transferred from DOF ASA to DOF Services AS, renamed to New DOF ASA 23rd of March 2023. New DOF ASA(DOF) is the sole shareholder in DOF Subsea AS with a 100% holding on 31 December 2022.

DOF 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 companies. All related parties transactions and contracts are subject to standard terms and Group policies, and are entered into based on arm's length principle. Transactions below includes also transactions with New DOF ASA.

Operating revenue from DOF companies	2022	2021
Vessel hire	196	231
Hire of ROV equipment and services	108	92
Other revenue	85	78
Total	389	400



FINANCIAL STATEMENTS / DOF SUBSEA GROUP

DOF Subsea Group

Amounts in NOK million

Operating expenses to DOF companies	2022	2021
Vessel hire	84	61
Crew and other personnel hire	436	373
Vessel technical costs	40	19
Management fee vessels	77	70
Other management services and IT costs	194	47
Total	831	570

Vessel hire

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

Skandi Icedan was hired from DOF companies during the year.

Hire of ROV equipment and services

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

Crew and other personnel hire

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

Vessel technical costs

Vessel technical costs are purchases done by DOF 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 1 million till NOK 7 million (NOK 800 thousands till NOK 5 million 2021) 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 companies.

Other financial expenses

The Group has in June 2010 entered into a guarantee agreement with DOF ASA, the guarantee agreement is transferred to New DOF ASA in 2022. 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 97 million at year-end (USD 111 million as of 31st of December 2021).

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 Group based on agreements with the parties. All refinancing costs are classified and presented as external expenses.

Financial income and expenses from/to DOF companies		2022	2021
Interest income		-	1
Impairment of non-current receivables		30	3
Guarantee fees expenses		7	4
Balances arising from sales / purchases of goods / services and loans related to DOF companies	Note	2022	2021
Current receivables	16	175	128
Impairment current receivables		-25	-
Current liabilities	21	261	170
Loans to DOF Services DOF companies	Note	2022	2021
Non-current receivables	14	50	45
Impairment of non-current receivables	14	-50	-45
Financial income and expenses from/to joint ventures	Note	2022	2021
Interest income	8	-	6
Guarantee income	8	17	23
Loans to joint ventures	Note	2022	2021
Other non-current receivables from joint ventures	14	-	-
Other current receivables from joint ventures	16	7	126

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'.



FINANCIAL STATEMENTS / DOF SUBSEA GROUP

DOF Subsea Group

Amounts in NOK million

26. Remuneration to Board of Directors, Executives and Auditor

	2022		2021	
	CEO	CFO	CEO	CFO
Remuneration to Executives				
Salaries	-	2.0	-	1.9
Management fee	5.3	-	3.5	-
Payment from DOF Subsea	5.3	2.0	3.5	1.9

CEO = Mons Aase, CFO = Martin Lundberg

Board fees of NOK 275 000 is paid to a member of the board.

In addition the former chairman Hans Olav Lindal has invoiced for hour spend , in total NOK 794 306 is expensed in 2022.

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.

DOF Subsea is part of the DOF Group, see note 18 'Share capital and share information'. The contract with the CEO includes a 6 month termination period and 12 months termination compensation. The CEO's retirement compensation is based on 70% salary and the retirement age is set at 67 years. Cost related to CEO Mons Aase is included in the management fee . Please refer to the DOF annual report for further information of salary to CEO Mons Aase.

A loan to the CEO with NOK 2.5 million has been settled in 2022. 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)	2022	2021
Fee for audit of financial statements	8.0	6.6
Fee for other attestation services	0.0	0.1
Fee for other tax consultancy	1.0	0.1
Fee for other services	0.2	0.5
Total	9.2	7.3



FINANCIAL STATEMENTS / DOF SUBSEA GROUP

DOF Subsea Group

Amounts in NOK million

27. Companies within the Group

Subsidiary	Owner	Registered office	Proportion of ownership and votes
DOF Installer ASA	DOF Subsea AS	Austevoll, Norway	85.15%
DOF Subsea Chartering AS	DOF Subsea AS	Bergen, Norway	100%
DOF Subsea Congo S.A.	DOF Subsea AS	Pointe-Noire, Republice 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 PLSV Investments 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	2022	2021
EBITDA	33	17
Profit (loss) for the year	-12	-9
Tangible assets	222	222
Unrestricted cash and cash equivalents	107	85
Total equity	89	100
Current portion of debt	263	214

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.



FINANCIAL STATEMENTS / DOF SUBSEA GROUP

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

2022	DOFCON Brasil Group	KDS JV AS	Associated companies	Total
Book value of investment 01.01	2 724	-	77	2 802
Profit/loss for the period	585	19	3	606
Other comprehensive income	361	-	-	361
Repayment of capital	-123	-	-	-123
Book value of investment 31.12	3 547	19	80	3 646

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

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 operated under a subcontract with Aker Solutions to perform marine operations for the Hywind Tampen project for Equinor. Haywind Tampen is the world's largest offshore Floating windfarm. The Hywind Tampen project is planned to be finalised in 2023.

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 at long-term contracts in Brazil with Petrobras.

Skandi Açú and Skandi Buzios are owned by TechDOF Brasil AS. Skandi Niterói, Skandi Vitória, Skandi Recife and Skandi Olinda are owned by DOFCON Navegação Ltda.

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 recycled share of the accumulated hedge reserve to the consolidated statements of comprehensive income in 2022 is NOK 32 million (NOK 30 million). The Group's share of other comprehensive income related to hedging was NOK 115 million by 31.12.2022. 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 2022 a reversal of impairment of NOK 61 million was recognised compared to an impairment of NOK 98 million in 2021. The impairment and reversal of impairment are included in the Group's share of net income from joint ventures and associates.

All figures above are DOF Subsea Group's 50% share.

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



FINANCIAL STATEMENTS / DOF SUBSEA GROUP

Sensitivity analysis of investment in joint ventures

Negative effect on net future cash flows with 20% in DOFCON Brasil Group will result in an additional impairment of the vessels with NOK 1 107 million (DOF Subsea share: NOK 584 million). An impairment in DOFCON Brasil Group will in turn 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.

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 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.

			2022	2021
	DOFCON Brasil Group	KDS JV AS	Total	DOFCON Brasil Group
Statement of comprehensive income				
Operating revenue	2 960	453	3 413	2 473
Operating expenses	-528	-406	-934	-493
Operating profit before depreciation (EBITDA)	2 431	47	2 478	1 980
Depreciation and impairment	-554	-	-554	-803
Operating profit (EBIT)	1 877	47	1 924	1 177
Net financial income / loss	-327	1	-326	-469
Profit / loss before tax	1 550	48	1 598	707
Income tax expenses	-380	-10	-390	-145
Profit / loss for the year	1 170	38	1 208	562
Other comprehensive income / loss, net of tax	722	-	722	230
Total comprehensive income / loss for the year, net of tax	1 892	38	1 930	792
DOF Subsea Group's share of profit for the year	946	19	965	396
Statement of financial position			2022	2021
Assets				
Deferred tax asset	500	-	500	660
Tangible assets	13 295	-	13 295	11 705
Non-current assets	13 795	-	13 795	12 365
Total receivables	602	22	624	498
Cash and cash equivalents	749	43	792	884
Current assets	1 350	66	1 416	1 382
Total assets	15 146	66	15 212	13 747
Equity and liabilities				
Total equity	7 095	37	7 132	5 449
Non-current liabilities	6 490	-	6 490	6 678
Current liabilities	1 561	29	1 590	1 620
Total liabilities	8 051	29	8 080	8 298
Total equity and liabilities	15 146	66	15 212	13 747
DOF Subsea Group's carrying amount of the investment	3 547	19	3 565	2 724

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.



FINANCIAL STATEMENTS / DOF SUBSEA GROUP

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.

2022

Associated companies	Assets at 31.12	Liabilities at 31.12	Equity at 31.12.	Profit / loss for the year
DOF Management Group	129	66	64	2
Marin IT AS	33	22	11	2
Semar AS	8	4	5	-1
Group's carrying amount of investments	-	-	80	-

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	-



FINANCIAL STATEMENTS / DOF SUBSEA GROUP

29. Contingencies

In Q2 2020, DOF Subsea Australia Pty received a Prosecution Notice (superseded in 2021) as a result of NOPSEMA's investigation into a 2017 saturation campaign undertaken in Australian waters.

The decision of the Court handed down in October 2022 resulted in the company being acquitted on 3 separate charges of recklessness with guilty verdicts on 3 alternative charges of negligence. It is anticipated that sentencing will occur in May 2023.

Based on current facts and circumstances, it is the Director's view that the maximum future cash outflow relating to this matter is below AUD 4.8M under the Offshore Petroleum and Greenhouse Gas Storage Act 2006 (Cth) ('OPGGGS Act') and the Crimes Act 1914 (Cth) ('the Crimes Act') plus costs.

30. 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 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.

New contracts

DOF Subsea been awarded a decommissioning contract at the Heimdal field in the North Sea and LCV contract for a large SURF project in Brazil. The charterer for the PLSV, Skandi Africa has exercised its option until February 2025.

DOF Subsea Brasil has been awarded a contract for the RSV vessel Geoholm. The vessel with ROVs will support a large SURF Project in Brazil and will commence in beginning of March 2023. The contract has 180 days firm plus options and has a total value of more than USD 19 million for the firm period.



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 companies

DOF companies are defined as New DOF ASA (DOF) 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 are converted to the presentation currency at the foreign exchange rate at the end of the reporting period
- Income and expenses are converted using the rate of exchange
- All exchange differences are recognised in other comprehensive income and specified separately in the consolidated statement of changes in equity.

When the entire interest in a foreign entity is disposed of or control is lost, the cumulative exchange differences relating to that foreign entity are reclassified to profit or loss.



E. Classification of assets and liabilities

Assets are classified as current assets when:

- The asset forms part of the entity's service cycle, and is expected to be realised or consumed over the course of the entity's normal operations, or;
- The asset is held for trading; or;
- The asset is expected to be realised within 12 months 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 service cycle, and is expected to be settled in the course of normal production time, or;
- The liability is held for trading, or;
- Settlement of the liability has been agreed upon within 12 months 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 and classified as current assets. In addition to invoiced amounts, trade receivable also includes accrued, not invoiced revenues when the amounts are independent of future performance.

Accrued not invoiced revenues is recognised if the Group performs by transferring services to a customer before the customer pays consideration or before invoice can be issued.

Trade receivable for which there are no significant financing component are recognised at nominal amounts less expected credit losses. The Group applies the simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivable and accrued not invoiced revenue.

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, reclassified to asset held for sale, reclassified to financial lease or retired, their cost and accumulated depreciation and accumulated impairment loss are derecognised and any gain or loss resulting from their disposal or derecognition, 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 are 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 includes 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 inspections and overhaul costs which occur at regular intervals over the life of an asset. The expenditure is capitalised and 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. Amortisation is done in line with the satisfaction of the performance obligation and amortised and presented as operational expenses. 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 O. '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. The current portion of such debt includes undiscounted instalments due within the next 12 months.

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. Unavoidable cost includes both direct cost and indirect costs to fulfil the contract.

Provisions are reviewed at the end of each reporting period and adjusted to the best estimate. The best estimate of the expenditure required to settle the present obligation is the amount that rationally will have to be paid, to settle the obligation or to transfer it to a third party. When timing is significant for the obligation, the obligation is measured at its present value. Subsequent increases in the amount of the obligation due to interest are reported as interest costs.

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, except for 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 substantially 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 10 'Tax'.

Deferred income tax assets are recognised on the balance sheet to the extent it is probable that the future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax is calculated on the basis of temporary differences related to investments in subsidiaries and associated companies, except when the Company has control of the timing of the reversal of the temporary differences, and it is probable that reversal will not take place in the foreseeable future.

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

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 G 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 G. 'Trade receivables'.

S. Derivative financial instruments and hedging activities

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured on a continuous basis at fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group has various types of hedging relationships that are not documented as hedge accounting and measured at fair value with the resulting gain or loss recognised immediately in the profit or loss.

The Group has currently not applied hedge accounting for any hedging activities.

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

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.



DOF Subsea Group

Amounts in NOK million

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

The Group adopted changes in the amendment to IAS 37 regarding assessing whether a contract is onerous. Based on the changes the Group has changed its accounting policies.

X. New standards, amendments and interpretations not yet adopted

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

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

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

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



FINANCIAL STATEMENTS / DOF SUBSEA GROUP

DOF Subsea Group

Amounts in NOK million

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, and amortisation of contract costs before impairment of tangible and intangible assets, depreciation of tangible assets. EBITDA represents earnings before interest, tax, depreciation, 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 and impairment. 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.	



FINANCIAL STATEMENTS / DOF SUBSEA AS

Financial Statements DOF Subsea AS



FINANCIAL STATEMENTS / DOF SUBSEA AS

DOF Subsea AS

Amounts in NOK million

Statement of comprehensive income

	Note	2022	2021
Operating revenue	16	115	91
Payroll expenses	4, 17	-63	-47
Other operating expenses	17	-67	-14
Operating profit before depreciation and impairment (EBITDA)		-15	31
Depreciation and impairment	7	-6	-4
Operating profit (EBIT)		-22	27
Income/loss from investments		59	1
Financial income	5	196	149
Financial expenses	5, 8, 18, 19	-408	184
Realised net gain / loss on derivative instruments and currency position	5	5	-37
Unrealised net gain / loss on derivative instruments and currency position	5	-94	22
Net financial income / loss	5	-242	319
Profit / loss before tax		-263	345
Income tax expense	6	34	16
Profit / loss for the year		-230	362
Total comprehensive income / loss for the year net of tax		-230	362



FINANCIAL STATEMENTS / DOF SUBSEA AS

DOF Subsea AS

Amounts in NOK million

Statement of financial position

	Note	31.12.2022	31.12.2021
Assets			
Tangible assets	7	20	17
Deferred tax asset	6	50	16
Investments in subsidiaries	18	3 900	3 258
Investments in joint ventures and associates	19	21	615
Non-current receivables from Group companies and joint ventures	5, 8	280	11
Other non-current receivables	15	-	3
Total non-current assets		4 271	3 920
Current receivables from Group companies and joint ventures	5, 8	814	658
Other current receivables	9, 15	9	6
Current receivables		822	663
Restricted cash	10	56	15
Unrestricted cash and cash equivalents	10	381	183
Cash and cash equivalents		436	199
Total current assets		1 259	862
Total assets		5 530	4 782



FINANCIAL STATEMENTS / DOF SUBSEA AS

DOF Subsea AS

Amounts in NOK million

Statement of financial position

	Note	31.12.2022	31.12.2021
Equity and liabilities			
Paid-in equity	23	1 674	1 674
Other equity		-1 127	-897
Total equity		547	776
<hr/>			
Bond loans	11	-	-
Debt to credit institutions	11	-	-
Lease liabilities	11	25	8
Other non-current liabilities	4, 15	-	-
Total non-current liabilities		25	8
<hr/>			
Current portion of debt	11	3 761	3 220
Trade payables	12	8	5
Current liabilities to Group companies		1 057	586
Other current liabilities	13, 15	132	186
Total current liabilities		4 958	3 998
<hr/>			
Total liabilities		4 983	4 006
<hr/>			
Total equity and liabilities		5 530	4 782

Bergen, 21st of April 2023
The Board of Directors of DOF Subsea AS

Mons Aasel
Chairman/ CEO

Martin Lundberg
Director

Hilde Drønen
Director



FINANCIAL STATEMENTS / DOF SUBSEA AS

DOF Subsea AS

Amounts in NOK million

Statement of changes in equity

Changes in equity	Share capital	Paid-in equity	Other equity	Total equity
Equity at 01.01.2022	1 674	1 674	- 897	776
Profit / loss for the year	-	-	- 230	- 230
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	-	- 230	- 230
Equity at 31.12.2022	1 674	1 674	- 1 127	547
Equity at 01.01.2021	1 674	1 674	- 1 259	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



FINANCIAL STATEMENTS / DOF SUBSEA AS

DOF Subsea AS

Amounts in NOK million

Statement of cash flows

	Note	2022	2021
Operating profit (EBIT)		-22	27
Depreciation and impairment	7	6	4
Change in trade payables	12	3	-12
Changes in other working capital		-2	-142
Exchange rate effect on operating activities		-2	1
Cash flow from operating activities		-17	-122
Interest received	5	156	145
Interest and other financial cost paid	5, 11	-86	-32
Net cash flow from operating activities		54	-8
Purchase of tangible assets	7	-1	-8
Investment in shares		-59	-
Dividends / Group Contributions received		59	1
Changes in other non-current receivables		3	-
Payments on current receivables from Group companies and joint ventures		354	152
Cash flow from investing activities		355	145
Installments on interest-bearing debt	11	-134	-174
Cash flow from financing activities		-134	-174
Net change in cash and cash equivalents		275	-37
Cash and cash equivalents, included restricted cash, at 01.01	10	199	239
Exchange rate effect on cash and cash equivalents	5	-37	-3
Cash and cash equivalents, included restricted cash, at 31.12	10	436	199

Restricted cash at 31.12. 2022 is NOK 56 million (NOK 15 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'.



FINANCIAL STATEMENTS / DOF SUBSEA AS

DOF Subsea AS

Contents

1 Corporate information and going concern.....	65
2 Financial risk management	65
3 Accounting estimates and assessments	67
4 Payroll expenses	68
5 Financial income and expenses.....	68
6 Tax.....	69
7 Tangible assets	69
8 Receivables from Group companies and joint ventures	69
9 Other current receivables	70
10 Cash and cash equivalents.....	70
11 Interest-bearing debt.....	70
12 Trade payables.....	72
13 Other current liabilities	72
14 Fair value estimation	72
15 Financial instruments and hedging activities	73
16 Related parties	73
17 Remuneration to Board of Directors, Executives and Auditor	74
18 Investments in subsidiaries	75
19 Investments in joint ventures and associates	75
20 Contingencies	75
21 Guarantees	75
22 Earnings per share	76
23 Share capital and share information.....	76
24 Events occurring after period end	76
25 Accounting policies	77



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.

100% of the shares in DOF Subsea AS were transferred from DOF ASA to DOF Services in November 2022 as part of the restructuring agreement for DOF ASA Group. In March 2023 DOF Services was renamed to New DOF ASA.

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.

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 25 'Accounting policies'.

Going concern

The Company's financial statement are prepared on the assumption of going concern in accordance with IAS 1.25.

The going concern assumption is based on the refinancing that was completed on 22nd March 2023, strong operational performance and the contract coverage in the Group.

The main highlights in the RA affecting DOF Subsea AS include the following:

- Conversion of NOK 3 043 million in debt into equity
- NOK 675 million of the DOF Subsea bonds to be reinstated into a new bond recovery instrument maturing in December 2027 with PIK interest and an option to convert into equity.
- Consolidation of most bilateral facilities in DOF Subsea Group to create a single syndicated loan in DOF Subsea AS with maturity in January 2026 and corresponding loans to the subsidiaries.

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 current loan agreements limit the Company to entering hedging transactions to reduce foreign exchange risk, interest rate risk and liquidity risk. Hence, these risks have increased if the currencies and interest rates fluctuate.

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 debt arrangements, after implementation of the Restructuring Agreement in March 2023, are debt at floating interest rates. Movements in interest rates will have effects on the Company's cash flow and financial condition.

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. The Company is well informed about credit risks related to these positions. The Company has recognised a total impairment of loans and receivables of NOK 1 203 million in 2022 (NOK 1,306 million in 2021). Net effect of impairment and reversal of impairment on loans to Group companies is NOK 157 million in 2022 (NOK -132 million in 2021).

Liquidity risk

Credit and liquidity risk arise from cash and cash equivalents, derivatives 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.

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 Company has routines to report cash flow forecasts on a regular basis in order to monitor 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 Agreement for the Company and the Group was implemented 22nd of March 2023. Implementation of the Restructuring Agreement strengthened equity position and cash position for the Company. For further information and effects of the Restructuring Agreement, reference is made to the Group Financial statement for the Company.

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



DOF Subsea AS

Amounts in NOK million

The Company and the Group is exposed to financial risk through its operations and the requirement for refinancing and periodical maintenance of existing vessels. The Group has historically achieved satisfactory long-term financing of its new-building program and refinancing of existing assets. However, a weak market in the period from 2014 to 2021 and an increased focus on ESG from financial institutions have increased the refinancing risk for the Company and the Group. The Company and the Group have secured a runway until 2026 for its fleet as part of the restructuring, where the main focus is to reduce the debt and the opportunities to invest in new assets or new businesses are limited.

3 Accounting estimates and assessments

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

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 Company has recognised significant impairments of financial assets. However, improved market conditions in 2022 have resulted in reversal of some of the impairments from previous periods. Changes in the market and earnings in subsidiaries, 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.

Earnings for several subsidiaries of the Company have continued to improve during 2022. Contracts entered into in 2022 have also a longer duration than previous years, which gives better visibility of future earnings. This development has provided the basis for booking of an increase in deferred tax assets of NOK 50 million in the Company.

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



FINANCIAL STATEMENTS / DOF SUBSEA AS

DOF Subsea AS

Amounts in NOK million

4 Payroll expenses

Payroll expenses	Note	2022	2021
Salary	17	-54	-47
Employer's contributions		-5	-6
Pension costs		-2	-2
Other personnel costs		-2	9
Total payroll expenses		-63	-47
Full time employees (at period end)		30	27

5 Financial income and expenses

Financial income and expenses	Note	2022	2021
Dividends / Group Contributions from subsidiaries		59	-
Gain / loss from sale of shares / liquidation		-	1
Income / loss from investments		59	1
Interest income from Group companies and joint ventures		126	67
Interest income		16	2
Guarantee income from Group companies and joint ventures		54	80
Financial income		196	149
Impairment of investments	18, 19	-12	652
Impairment of loans to Group companies	8	157	-132
Interest expenses payable to Group companies		-2	-2
Interest expenses payable to DOF companies*		-7	-4
Interest expenses		-492	-299
Other financial expenses		-52	-30
Financial expenses		-408	184
Realised foreign currency net gain / loss on loans		12	-33
Realised foreign currency net gain / loss on current receivables / liabilities		-6	-4
Realised net gain / loss on financial derivatives		-1	-
Realised net gain / loss on derivative instruments and currency position		5	-37
Unrealised foreign currency net gain / loss on loans		-94	22
Net change in unrealised gain / loss on financial derivatives		-	-
Unrealised net gain / loss on derivative instruments and currency position		-94	22
Net financial income / loss		-242	319



FINANCIAL STATEMENTS / DOF SUBSEA AS

DOF Subsea AS

Amounts in NOK million

6 Tax

Income tax expense	2022	2021
Change in deferred tax	34	16
Total income tax expense	34	16

Reconciliation of nominal and effective tax rate

Profit before tax	-263	345
Tax calculated at domestic tax rate 22% (22%)	58	-76
Tax effect of:		
Impairment of financial assets	32	114
Group contribution approved in 2022	-13	-
Unrecognised tax losses	-43	-22
Total income tax expense	34	16

The gross movement on the deferred tax in the statement of financial position	2022	2021
Deferred tax at 01.01	16	-
Current year group contribution received	-16	-
Tax position related to expected group contribution from subsidiaries	50	16
Deferred tax 31.12	50	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. Deferred tax asset is recognised based on expected group contribution from subsidiaries and use of tax loss carried forward.

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

Basis for deferred tax	2022	2021
Non-current assets	2	-22
Current assets	-	-28
Liabilities	-	8
Temporary differences not included in deferred tax	2	41
Total temporary differences	-	-
Tax loss carryforward	-2 005	-1 680
Tax loss not included as deferred tax asset	1 779	1 608
Basis for calculating deferred tax / tax asset (-)	226	73
Total deferred tax / tax asset (-) recognised in the statement of financial position	50	16



FINANCIAL STATEMENTS / DOF SUBSEA AS

DOF Subsea AS

Amounts in NOK million

7 Tangible assets

Tangible assets	2022	2021
Cost 01.01	156	149
Additions	9	8
Cost at 31.12	165	156
Depreciation at 01.01	-140	-135
Depreciation for the year	-6	-4
Depreciation at 31.12	-146	-140
Book value at 31.12	20	17
Asset lifetime (years)	5-10	5-10
Depreciation schedule	Linear	Linear

IFRS16 lease has been implemented in 2019 and right of use asset is included in figures in the table above. The right of use asset in DOF Subsea AS per 31.12.2022 was NOK 9 million (NOK 4 million in 2021), 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	2022	2021
Non-current receivables from joint ventures	16	-	-
Non-current receivables from Group companies - basis		803	635
Non-current receivables from Group companies - impairment	5	-523	-623
Total non-current receivables from Group companies and joint ventures at 31.12		280	11

Current receivables from Group companies and joint ventures	Note	2022	2021
Current receivables from joint ventures		7	126
Current receivables from Group companies - basis		1 487	1 214
Current receivables from Group companies - impairment	5	-680	-682
Total current receivables from Group companies and joint ventures at 31.12		814	658

The Company has recognised reversal of previous impairment of receivables in 2022.

9 Other current receivables

Other current receivables	2022	2021
Government tax receivables	5	3
Prepaid expenses	3	3
Total other current receivables at 31.12	8	6



FINANCIAL STATEMENTS / DOF SUBSEA AS

DOF Subsea AS

Amounts in NOK million

10 Cash and cash equivalents

Cash and cash equivalents	2022	2021
Restricted cash	56	15
Unrestricted cash and cash equivalents	381	183
Total cash and cash equivalents at 31.12	436	199

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 421 million pr 31.12.2022 (NOK 265 million 31.12.2021). 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 56 million at year-end 2022 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 Restructuring Agreement (RA) was implemented and completed 22 March 2023. The main highlights in the RA affecting the Group included the following:

- A conversion of debt into equity of approximately NOK 3 billion.
- NOK 675 million of the DOF Subsea bonds to be reinstated into a new bond recovery instrument maturing in December 2027 with PIK interest and an option to convert into equity.
- The consolidation of most bilateral facilities in the Group to create a single syndicated loan with maturity in January 2026.

The DOFCON JV was not part of the standstill agreements and serves its debt according to the terms in the relevant loan facilities. For further information about the effect of implementation of the Restructuring Agreement, see anote 1 'Corporate information and going concern'.

The Group's secured and unsecured debt are, in accordance with IFRS, classified as current debt at the 31st of December 2022. The classification is based on the standstill agreements that was present 31st of December 2022.

Non-current interest-bearing debt	2022	2021
Bond loans	-	-
Debt to credit institutions	-	-
Leasing debt	25	8
Total non-current interest-bearing debt	25	8
Current interest-bearing debt		
Bond loans	3 661	2 979
Debt to credit institutions	65	130
Leasing debt	7	8
Current debt to Group companies	1 020	555



FINANCIAL STATEMENTS / DOF SUBSEA AS

DOF Subsea AS

Amounts in NOK million

Total current interest-bearing debt	4 754	3 672
Total non-current and current interest-bearing debt	4 779	3 681
Net interest-bearing debt		
Cash and cash equivalent	436	199
Interest bearing assets from Group companies	23	11
Total net interest-bearing debt	4 319	3 471

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:

2022	Cash changes		Non-cash changes			Balance 31.12.22
	Balance 31.12.21	Cash flows	Capitalisation of interest and other changes	Amortised loan expense	Currency adjustment	
Interest bearing debt						
Bond loans	2 979	0	495	4	184	3 661
Debt to credit institutions	130	-126	47	-	14	65
Debt to Group companies	555	465	-	-	-	1 020
Lease liabilities	16	-7	24	-	-	33
Total interest bearing debt	3 681	332	566	4	198	4 779

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

Liabilities secured by pledge

The secured loans has been netted with restricted cash deposits in 2022. Except for restricted bank accounts no other assets are pledged as security for the loans.

Average rate of interest	13.56%	9.99%
---------------------------------	---------------	--------------

Average interest rate is excluded interests on lease liabilities, which in 2022 yielded an average in the range of 4%-6%.

Currency distribution non-current liabilities incl first year repayment	NOK	USD	Total
Bond loans	1 740	1 921	3 661
Debt to credit institutions	47	17	65
Total	1 787	1 938	3 726

Debt to credit institution in USD are revaluated to NOK using exchange rate as per 31st of December 2022.



FINANCIAL STATEMENTS / DOF SUBSEA AS

DOF Subsea AS

Amounts in NOK million

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

Loan	31.12.2022				31.12.2021			
	Due date*)	Coupon rate	Price **)	Outstanding amount***)	Initial value	Price **)	Outstanding amount***)	Initial value
DOFSUB07	31.03.2021	10.26%	73.25	467	1 300	20.25	467	1 300
DOFSUB08	14.03.2022	9.50%	71.25	1 450	1 721	20.25	1 297	1 539
DOFSUB09	27.11.2023	11.48%	72.5	840	900	25	840	900
Capitalised interest				904			379	
Amortisation cost							-4	
Total				3 661	3 921		2 979	3 739

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

**) Price at par price is the latest turnover done in 2022.

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

The fair value of the bond loans is estimated to NOK 2635 million. The amounts include fair value on capitalised interest based on the latest turnover on the bonds.

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. After implementation of the refinancing agreements in March 2023 a significant part of Bond loans is converted to equity. For more information about the refinancing agreements, see note 1 'Corporate information and going concern'.

12 Trade payables

Trade payables	2022	2021
Trade payables at nominal value	5	4
Accrued expenses	3	1
Total trade payables at 31.12	8	5

13 Other current liabilities

Other current liabilities	Note	2022	2021
Provision foreign tax		1	1
Public duties payables		3	3
Other current liabilities		4	3
Accrued guarantee expenses for subsidiaries	21	124	179
Total other current liabilities at 31.12		132	186

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).



FINANCIAL STATEMENTS / DOF SUBSEA AS

DOF Subsea AS

Amounts in NOK million

15 Financial instruments - by category

This note gives an overview of the carrying value of the Company's financial instruments and the accounting treatment of these instruments. The table is the basis for further information regarding the Company's financial risk.

31.12.2022	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	-	280	280	17
Other current receivables	8	-	814	814	6
Restricted cash	10	-	56	56	56
Unrestricted cash	10	-	381	381	381
Total financial assets		-	1 530	1 530	460
Liabilities					
Interest-bearing non-current liabilities	11	-	25	25	25
Current portion of debt	11	-	3 761	3 761	3 733
Trade payables and other current liabilities	12, 13	-	1 193	1 193	1 020
Total financial liabilities		-	4 979	4 979	4 779
31.12.2021					
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
Trade payables and other current liabilities	12, 13	-	774	774	555
Total financial liabilities		-	4 002	4 002	3 681

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.

Implementation of the Restructuring Agreements in March 2023 has affected the book value and fair value of bond and debt to credit institutions. Fair value of bond is estimated to be NOK 471 million compared to a book value of NOK 699 million. Fair value of debt to credit institutions is estimated to be NOK 5 437 million compared to a book value of NOK 5 897 million. For further information about the refinancing and the debt see Note 1 'Corporate information and going concern'.

16 Related parties

Detailed description of related parties and DOF Subsea AS relationship to these

The Company is owned by DOF Services AS (renamed to DOF ASA in 2023) a sole shareholder with 100% ownership stake on 31st of December 2022. All sales transactions are carried out in accordance with DOF Subsea policy. DOF Group is defined as DOF ASA and/or DOF ASA companies.

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 Services AS (DOF ASA), DOF Subsea Norway AS and Marin IT AS. The rental fee charged to DOF Management AS, DOF Services AS, DOF Subsea Norway AS and Marin IT AS is NOK 8.9 million in 2022.



FINANCIAL STATEMENTS / DOF SUBSEA AS

DOF Subsea AS

Amounts in NOK million

Management services on behalf of subsidiaries and sales transactions

Management services and other deliveries of services to Group companies are from 2022 charged to the parent company, New DOF ASA (DOF ASA) with NOK 76 million in 2022 (NOK 68 million charged to Group companies in 2021). Other revenues, including reimbursables, related to DOF Group comprises NOK 35 million in 2022 (NOK 18 million).

Guarantee agreement between subsidiaries and the Company

The Company has issued guarantees on behalf of subsidiaries. For further information about the guarantees, see note 21 'Guarantees'

Guarantee agreement between DOF ASA and the Company

The Company has in June 2010 entered into a guarantee agreement with DOF ASA, the guarantee agreement is transferred to New DOF ASA in 2022. 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 97 million at year-end (USD 111 million as of 31st of December 2021).

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 309 million as per 31.12.2022, 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 19 'Investments in joint ventures and associates' in the consolidated financial statements.

17 Remuneration to Board of Directors, Executives and Auditor

	2022		2021	
	CEO	CFO	CEO	CFO
Remuneration to Executives				
Salaries	-	2.0	-	1.9
Management fee	5.3	-	3.5	-
Payment from DOF Subsea	5.3	2.0	3.5	1.9

CEO = Mons Aase. CFO = Martin Lundberg

Board fees with NOK 275 000 is paid to member of the board.

In addition the former chairman Hans Olav Lindal has invoiced for hour spend, in total NOK 794 306 is expensed in 2022.

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

For additional information on employee benefits, please refer to note 32 "accounting policies", paragraph S.

The Company is part of the New DOF ASA Group, see note 30 'Share capital and share information'. The contract with the CEO includes a 6 month termination period and 12 months termination compensation. The CEO's retirement compensation is based on 70% salary and the retirement age is set at 67 years. Cost related to CEO Mons Aase is included in the management fee. Please refer to the New DOF ASA annual report for further information of salary to CEO Mons Aase.

A loan to the CEO with NOK 2.5 million has been settled in 2022. 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	2022	2021
Fee for audit of financial statements	2.27	2.21
Fee for other attestation	-	-
Fee for other services	-	0.04
Total	2.27	2.25



FINANCIAL STATEMENTS / DOF SUBSEA AS

DOF Subsea AS

Amounts in NOK million

18 Investments in subsidiaries

Subsidiary	Registered office	Proportion of ownership and votes	Cost price	Accumulated impairment	Booked value
DOF Installer AS	Austevoll, Norway	85%	859	-350	509
DOF Subsea Angola Ltda.	Luanda, Angola	100%	-	-	-
DOF Subsea Asia Pacific Pte Ltd	Singapore	100%	678	-579	99
DOF Subsea Atlantic AS	Bergen, Norway	100%	129	-98	30
DOF Subsea Brasil Serviços Ltda	Macaé, Brasil	100%	706	-	706
DOF Subsea Chartering AS	Bergen, Norway	100%	94	-	94
DOF PLSV Investments AS	Bergen, Norway	100%	594	-	594
DOF Subsea Congo S.A.	Pointe-Noire, Republice du Congo	55%	-	-	-
DOF Subsea Rederi AS	Bergen, Norway	100%	2 465	-982	1 484
DOF Subsea Rederi III AS	Bergen, Norway	100%	486	-486	0
DOF Subsea ROV AS	Bergen, Norway	100%	384	-	384
DOF Subsea US Inc.	Houston, US	100%	423	-423	0
Total			6 817	-2 918	3 900

In 2022 shares in JV DOFCON Brasil AS were transferred to a new wholly owned company, DOFCON PLSV Investments AS.

In 2022 impairment of subsidiaries was recognised with NOK 12 million (reversal of impairment of NOK 652 million in 2021) and is included in the statement of comprehensive income as financial expenses. Please refer to note 5 'Financial income and expenses'.

19 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 01.01.2022	Transfer of shares	Impairment	Booked value 31.12.2022
DOFCON Brasil AS	Norway	50%	594	-594	-	-0
DOF Management AS	Norway	34%	16	-	-	16
Marin IT AS	Norway	35%	6	-	-	6
Master and Commander AS	Norway	20%	-	-	-	-
Total at 31.12.2022			615	-594	-	21

The shares in DOFCON Brasil AS have been transferred to the wholly owned subsidiary DOF PLSV Investments AS in 2022.

20 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.

21 Guarantees

Guarantees	2022	2021
Parent company guarantees	8 552	7 946
Total	8 552	7 946

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.



FINANCIAL STATEMENTS / DOF SUBSEA AS

DOF Subsea AS

Amounts in NOK million

In addition, the guarantees are given in relation to financing of vessels. In 2022, the Company has recognised a liability of NOK 125 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.

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 309 million as per 31.12.2022, see also note 5 'Financial income and expenses'.

22 Earnings per share

Basis for calculating earnings per share	2022	2021
Profit / loss attributable to shareholders of the Company	-230	362
Weighted average number of outstanding shares 31.12	167 352 762	167 352 762
Weighted average number of outstanding shares 31.12, diluted	167 352 762	167 352 762
Basic and diluted earnings per share (NOK)	-1.37	2.16

23 Share capital and share information

Share capital

The share capital in DOF Subsea AS at 31.12.2022 was NOK 1,674 million comprising 167,352,762 shares, each with a nominal value of NOK 10.00.

Shareholder overview

Shareholders at 31.12.2022	No. of shares	Proportion of ownership	Share capital
DOF Services AS(renamed to New DOF ASA in 2023)	167 352 762	100%	100%
Total		100%	100%

Board of Directors

	Title
Mons Aase	Chairman
Martin Lundberg	Director
Hilde Drønen	Director

Executives

	Title
Mons S Aase	CEO
Martin Lundberg	CFO

As part of the implementation of the Restructuring Agreement in 2023, Harald Thorstein resigned from the board 30th of March 2023. The Company is a part of DOF Group. Please refer to the annual report for DOF Group for further information. The annual report is published at www.dof.no.

24 Events occurring after period end

Finance

After the balance date, the new board in the parent company DOF ASA proposed a revised restructuring solution to the shareholders in DOF ASA which did not get sufficient support from the majority (>50%) of the shareholders. Step 2 of the Addendum was then effectuated by the financial creditors requesting the board to file for bankruptcy in DOF ASA. A bankruptcy proceeding was opened in Hordaland District Court on the 2nd of February.

On the 23rd of February the bondholders meeting in each of the DOFSUB07, DOFSUB08 and DOFSUB09 bond issues approved the required changes to the RA following the commencement of bankruptcy proceeding in DOF ASA. On the 22nd of March 2023 the restructuring of 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.



FINANCIAL STATEMENTS / DOF SUBSEA AS

DOF Subsea AS

Amounts in NOK million

25 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

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 2022 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, 21st of April 2023
The Board of Directors of DOF Subsea AS

Mons Aase
Chairman/ CEO

Martin Lundberg
Director

Hilde Drønen
Director



To the General Meeting of DOF Subsea AS

Independent Auditor's Report

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 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, and
- the consolidated financial statements of DOF Subsea AS and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2022, consolidated statement of comprehensive income, statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated 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 2022, 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, and
- the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2022, 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 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 and the Managing Director (management) are 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.

PricewaterhouseCoopers AS, Sandviksbodene 2A, Postboks 3984 - Sandviken, NO-5835 Bergen
T: 02316, org. no.: 987 009 713 MVA, www.pwc.no
Statsautoriserte revisorer, medlemmer av Den norske Revisorforening og autorisert regnskapsførerselskap



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.

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 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.

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

Bergen, 21 April 2023
PricewaterhouseCoopers AS

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









DOF Subsea
Thormøhlensgate 53 C
5006 Bergen
NORWAY
www.dofsubsea.com





To the General Meeting of DOF Subsea AS

Independent Auditor's Report

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 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, and
- the consolidated financial statements of DOF Subsea AS and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2022, consolidated statement of comprehensive income, statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated 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 2022, 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, and
- the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2022, 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 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 and the Managing Director (management) are 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.

PricewaterhouseCoopers AS, Sandviksbodene 2A, Postboks 3984 - Sandviken, NO-5835 Bergen
T: 02316, org. no.: 987 009 713 MVA, www.pwc.no
Statsautoriserte revisorer, medlemmer av Den norske Revisorforening og autorisert regnskapsførerselskap



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.

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 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.

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

Bergen, 21 April 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_MOBILE	2023-04-22 00:19

This document package contains:

- Closing page (this page)
- The original document(s)
- The electronic signatures. These are not visible in the document, but are electronically integrated.



This file is sealed with a digital signature.
The seal is a guarantee for the authenticity
of the document.