



## ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2021 - GENERELL INFORMASJON

### Enheten

Organisasjonsnummer: 912 176 673  
Organisasjonsform: Aksjeselskap  
Foretaksnavn: TECHDOF BRASIL AS  
Forretningsadresse: Thormøhlens gate 53C  
5006 BERGEN

### Regnskapsår

Årsregnskapets periode: 01.01.2021 - 31.12.2021

### Konsern

Morselskap i konsern: Nei

### Regnskapsregler

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

### Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Knut Søråsdekkan  
Dato for fastsettelse av årsregnskapet: 25.05.2022

### Grunnlag for avgivelse

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

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

Brønnøysundregistrene, 30.07.2023



### Resultatregnskap

Beløp i: USN	Note	2021	2020
<b>RESULTATREGNSKAP</b>			
<b>Inntekter</b>			
Operating revenue	5	142 000 000	154 000 000
<b>Sum inntekter</b>		<b>142 000 000</b>	<b>154 000 000</b>
<b>Kostnader</b>			
Depriciation	9	30 000 000	22 000 000
Other operating expenses	6,16	28 000 000	29 000 000
<b>Sum kostnader</b>		<b>58 000 000</b>	<b>51 000 000</b>
<b>Driftsresultat</b>		<b>84 000 000</b>	<b>103 000 000</b>
Financial expenses	7	20 000 000	24 000 000
<b>Sum finanskostnader</b>		<b>20 000 000</b>	<b>24 000 000</b>
<b>Netto finans</b>		<b>-20 000 000</b>	<b>-24 000 000</b>
<b>Ordinært resultat før skattekostnad</b>		<b>64 000 000</b>	<b>79 000 000</b>
Income tax expenses	8	5 000 000	5 000 000
<b>Ordinært resultat etter skattekostnad</b>		<b>59 000 000</b>	<b>74 000 000</b>
<b>Årsresultat</b>		<b>59 000 000</b>	<b>74 000 000</b>
<b>Overføringer og disponeringer</b>			
Ordinært utbytte		18 000 000	50 000 000
other equity		41 000 000	24 000 000
<b>Sum overføringer og disponeringer</b>		<b>59 000 000</b>	<b>74 000 000</b>



### Balanse

Beløp i: USN	Note	2021	2020
<b>BALANSE - EIENDELER</b>			
<b>Anleggsmidler</b>			
<b>Immaterielle eiendeler</b>			
<b>Varige driftsmidler</b>			
Vessels	4,9	590 000 000	606 000 000
ROVs	4,9	12 000 000	14 000 000
<b>Sum varige driftsmidler</b>		<b>602 000 000</b>	<b>620 000 000</b>
<b>Sum anleggsmidler</b>		<b>602 000 000</b>	<b>620 000 000</b>
<b>Omløpsmidler</b>			
<b>Varer</b>			
<b>Fordringer</b>			
Trade receivables	10	14 000 000	24 000 000
Other current receivables		0	1 000 000
<b>Sum fordringer</b>		<b>14 000 000</b>	<b>25 000 000</b>
<b>Bankinnskudd, kontanter og lignende</b>			
Unrestricted cash and cash equivalents	11	49 000 000	43 000 000
<b>Sum bankinnskudd, kontanter og lignende</b>		<b>49 000 000</b>	<b>43 000 000</b>
<b>Sum omløpsmidler</b>		<b>63 000 000</b>	<b>68 000 000</b>
<b>SUM EIENDELER</b>		<b>665 000 000</b>	<b>688 000 000</b>
<b>BALANSE - EGENKAPITAL OG GJELD</b>			
<b>Egenkapital</b>			
<b>Innskutt egenkapital</b>			
<b>Opptjent egenkapital</b>			
Other equity		170 000 000	136 000 000
<b>Sum opptjent egenkapital</b>		<b>170 000 000</b>	<b>136 000 000</b>



## Balanse

Beløp i: USN	Note	2021	2020
<b>Sum egenkapital</b>		<b>170 000 000</b>	<b>136 000 000</b>
<b>Gjeld</b>			
<b>Langsiktig gjeld</b>			
<b>Annen langsiktig gjeld</b>			
Gjeld til kredittinstitusjoner	13	269 000 000	313 000 000
Langsiktig konserngjeld	13,15	159 000 000	167 000 000
<b>Sum annen langsiktig gjeld</b>		<b>428 000 000</b>	<b>480 000 000</b>
<b>Sum langsiktig gjeld</b>		<b>428 000 000</b>	<b>480 000 000</b>
<b>Kortsiktig gjeld</b>			
Current portion of debt	13	49 000 000	50 000 000
Leverandørgjeld		0	1 000 000
Other current receivables	14,15	18 000 000	21 000 000
<b>Sum kortsiktig gjeld</b>		<b>67 000 000</b>	<b>72 000 000</b>
<b>Sum gjeld</b>		<b>495 000 000</b>	<b>552 000 000</b>
<b>SUM EGENKAPITAL OG GJELD</b>		<b>665 000 000</b>	<b>688 000 000</b>



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TECHDOF BRASIL AS  
ANNUAL REPORT  
**2021**





## Board of Directors Report 2021

TechDOF Brasil AS (the Company) was founded in June 2013 in connection with the awards of two 8+8-year contracts with Petrobras for the provision and operation of two Pipelay Support Vessels (PLSVs). At year-end 2021, the Company had its two vessels, Skandi Acu and Skandi Buzios, in operation on the charter contract with Petrobras in Brazil.

### Business concept and vision

The Company's core business is ownership and long-term chartering of vessels. TechDOF Brasil AS owns two vessels in operation, Skandi Acu and Skandi Buzios. The vessels owned by the Company are advanced Pipelay Support Vessels (PLSV). The Company has long-term employment for its fleet.

### Operational events during 2021

Skandi Acu and Skandi Buzios have been working under its 8-year contract with Petrobras since their contract started in August 2016 and April 2017, respectively.

The Company has suffered downtime on Skandi Buzios due to Covid-19 outbreak on two different occasions (Q2 and Q3). The vessel was suspended from its contract and the Company had a loss of approx. 40 days of contractual income. The vessel reached an average utilisation of 85% throughout the year.

Skandi Acu completed the five year class docking in first half of 2021 and was off-hire for 33 days. In addition, the vessel suffered downtime due to an operational breakdown on the crane and the vessel was off-hire for about 5 days. With the events mentioned, Skandi Acu were able to have about 88% utilization for 2021.

Brazil has been heavily impacted by the Covid-19 pandemic. The Company has implemented a Covid-19 protocol with procedures and guidelines related to crew changes. The procedures included measures for isolation in hotels prior to embarking vessels, hiring in helicopters for crew change, test procedures and face to face screening of employee's health conditions. The exceptional measures have resulted in increased costs for the Company.

### Financing

Both vessels in the Company have long-term funding.

### Subsea market risk

The market outlook for 2022 has improved mainly based on new Covid variants have been contained and lighter measures being enforced. However, the geopolitical picture encourages a more conservative view to the otherwise promising 2022 outlook. The oil price has seen levels above

USD 100/bbl in the first part of 2022, based on the market's response to the geopolitical instability and potential supply challenges. Based on external analysis the Company observes that the oil prices are likely to continue to climb, and the oil and gas macroenvironment continues to be dynamic. Gas demand had a strong rebound in 2021, but growth is expected to moderately increase in 2022, up by 2.2% y-o-y. Further gas demand gains in 2022 are expected to be strengthened by ongoing economic improvements, as well as coal-to-gas switching. However, exceptionally high gas prices and geopolitical instability may temper demand gains.

Total offshore capex is expected to rise 11.3% with both offshore deep-water and offshore shelf adding 14.2%. The five-year CAGR for capital expenditures towards 2026 is estimated at 4% with growth in all supply segments over the five-year period, according to Rystad Energy. Rig market conditions are improving with utilisation and day rates having now risen past start-20 levels. The outlooks are optimistic with positive sentiment that the utilisation and rate gain, seen in 2021, can be built upon in 2022. Rig demand is projected to rise by 9% this year to stand at 522 units at end-22 (85% utilisation). Mid-term demand is projected to rise by a further 8% in 2023, with utilisation reaching 89% towards end of 2023.

The overall offshore vessel market is expected to increase towards 2030. Overall offshore oil and gas is expected to slowly increase towards 2027, before declining towards the end of the decade. Regional growth markets that do not adhere to the curve are South America, Middle East and Africa that all deliver considerable growth. Offshore wind will continue to grow from 2025 towards 2030, taking up an increasingly larger share of the total global vessel demand. Spending on offshore installation segments is expected to increase by an average of 32% from 2021 to 2022. The pressure from a growing oil and gas price with growing offshore wind capex might increase the demand for AHTS and subsea vessels on short, medium and long term.

### Financial risk

The Company's financing, capital structure and liquidity are monitored closely. Liquidity risk is monitored on short,



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Amounts in USD million

medium and long-term, focusing on funding and liquidity requirements. The Company's loan agreements contain financial covenants, and the Company was in compliance with all financial covenants by year end 2021.

The Company has operations in Brazil. A significant portion of costs is denominated in foreign currencies, mainly BRL, EUR and NOK.

Fluctuations in foreign exchange rates against the USD have impact on the Company's financial statements.

The Company has limited exposure to interest rate risk on outstanding debt. Significant part of the long-term debt has a fixed interest rate.

The Company's external contracts are with Petrobras. Historically, the portion of receivables not being collectable has been low, and the Company continuously evaluates the financial strength and credit worthiness of its customers and suppliers. In addition, the Company has established policies and guidelines for follow-up and collection of outstanding receivables.

The Company has limited direct financial exposure to changes in the prices of commodities and raw materials, such as oil and refined oil products. To the extent the Company has such risk exposure, it is managed and partly hedged through clauses in the Company's contracts. The oil price is an important driver for the global demand for vessels and services within the subsea industry. The Company's strategy is to secure long-term contracts for its fleet and both vessels are on long-term contracts until 2024 and 2025.

The loan agreements in the Company have guarantees clauses. One of the Guarantors, DOF Subsea AS, has entered into a standstill agreement with its bondholders and 95 % of its secured lenders. The standstill agreement is part of the work to secure a long-term financial solution for the Guarantor DOF Subsea AS. The Guarantor DOF Subsea AS was in breach with some financial covenants per 31.12.2021 at guarantor level, but these were waived by relevant lenders. The DOF Subsea Group has further received waivers until 31st of May 2022 for the financial covenants as guarantor for two facilities in the Joint Venture with TechnipFMC.

The Company is of the opinion that this will not affect the annual accounts.

#### External environment

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

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

DOF ASA and subsidiaries promotes transparency and standard disclosure of information relating to key sustainability aspects. As part of this, DOF ASA Group reports key environmental performances through the Carbon Disclosure Project and the Global Reporting Initiative. For detailed reporting on these matters please find DOF ASA's integrated Annual Report on [www.dof.com](http://www.dof.com).

#### Board of Directors and employees

The Board of Directors of TechDOF Brasil AS consists of four men and two women. The Company had no employees at year-end 2021. The Company hires managements services from the Joint Venture partners.

There has been signed D&O insurance on behalf of the board members 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.

#### Shareholders

The Company has one shareholder, DOFCON Brasil AS.

#### Corporate Governance

Risk management and internal control is based on principles established in the Norwegian Code of Practice for Corporate Governance, available at [www.nues.no](http://www.nues.no).

The Board of Directors is responsible for ensuring a satisfactory monitoring of risk and internal control. This includes focus on business opportunities and establishing cost-efficient solutions. In addition, focus on operational and financial reporting provides comprehensive information for decision-making and risk assessment.



TechDOF Brasil AS

Amounts in USD million

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

The Management monitors monthly and quarterly operational and financial reports and carry out a detailed and thorough budgeting process for the Company.

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

#### Company Financial Statement

TechDOF Brasil AS has prepared the financial statements in accordance with the Norwegian Accounting Act § 3-9 and Finance Ministry's prescribed regulations on simplified IFRS.

#### Going concern

In accordance with the Norwegian Accounting Act § 3-3a, the Board of Directors confirms that the financial statements have been prepared under the assumption of going concern. This assumption is based on the budget for the year 2022 and the Company's contract backlog. The Company's economic and financial position is sound.

#### Company accounts

For 2021, the Company achieved an operating revenue of USD 142 million compared to an operating revenue USD 154 million in 2020. Operating profit before depreciation, EBITDA, was USD 113 million (compared to USD 125 million in 2020), whilst operating profit after depreciation, EBIT, was USD 84 million (USD 103 million). The EBITDA for the year is down compared with 2020, mainly due to the offhire related to Covid-19 and the operational incident and increased operating costs due to Covid-19 protocols.

Net financial result was USD -20 million (USD -24 million), profit before tax was USD 64 million (USD 79 million) and profit or the year was USD 59 million compared with USD 74 million in 2020.

The total assets were USD 665 million (USD 688 million) where total tangible assets amounted to USD 602 million (USD 620 million). The total current assets were USD 63 million (USD 68 million) of which USD 49 million (USD 43 million) were cash and cash equivalents. The liquidity in the Company was satisfactory at year end.

The total equity was USD 170 million (USD 136 million). Non-current liabilities were USD 428 million (USD 480 million), of which USD 160 million represented debt to the parent company, DOFCON Brasil AS (USD 166 million). Total current liabilities were USD 67 million (USD 72 million) of which USD 49 million (USD 50 million) was current portion of debt.

Net cash flow from operating activities during the year was USD 99 million (USD 98 million). Cash flow from the investing activities during the year was USD -12 million (USD -3 million), while the cash flow from financing activities was USD -80 million (USD -95 million).

#### Allocation of profits

The Company's profit for the year was USD 59 million in 2021.

The Board of Directors propose to the annual General Meeting that a dividend of USD 18 million is distributed to the parent company DOFCON Brasil AS and the remaining profit for the year is allocated to other equity.

#### Events after period end

The current situation in Eastern-Europe has in 2022 created instability in the world economy and it is difficult to predict how the market will respond to this situation going forward. The Company has no exposure to Russia and Ukraine, however the general risk has increased following the invasion of Ukraine and the impact on the world economy. The Covid pandemic may further impact the Company's result going forward.

The Board of Directors confirms that, to the best of its knowledge, the information contained in the Annual Report, gives a true and fair view of the Company's assets, liabilities, financial position and results.



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Bergen, 25th May 2022

The Board of Directors of TechDOF Brasil AS

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Mons S. Aase  
Chairman

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Board member

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Board member

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Lars Christian Eriksen  
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Petter Ove Pharo  
Board member

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Sian Christie  
Board member



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TechDOF Brasil AS

Amounts in USD million

## Financial statements TechDOF Brasil AS



TechDOF Brasil AS

Amounts in USD million

## Statement of comprehensive income

	Note	2021	2020
<b>Operating revenue</b>	5	142	154
Other operating expenses	6, 16	-28	-28
<b>Total operating expenses</b>		<b>-28</b>	<b>-28</b>
<b>Operating profit before depreciation (EBITDA)</b>		<b>113</b>	<b>125</b>
Depreciation	9	-30	-22
<b>Operating profit (EBIT)</b>		<b>84</b>	<b>103</b>
Financial income	7	-	-
Financial expenses	7	-20	-24
<b>Net financial income / loss</b>		<b>-20</b>	<b>-24</b>
<b>Profit before tax</b>		<b>64</b>	<b>79</b>
Income tax expenses	8	-5	-5
<b>Profit for the year</b>		<b>59</b>	<b>74</b>
Other comprehensive income for the year, net of tax		-	-
<b>Total comprehensive income for the year, net of tax</b>		<b>59</b>	<b>74</b>



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Amounts in USD million

## Statement of financial position

	Note	2021	2020
<b>Assets</b>			
Vessels	4,9	590	606
ROVs	4,9	12	14
<b>Tangible assets</b>		<b>602</b>	<b>620</b>
<b>Non-current assets</b>		<b>602</b>	<b>620</b>
Trade receivables	10	14	24
Current receivables from Group companies	15	-	-
Other current receivables		-	1
<b>Current receivables</b>		<b>14</b>	<b>25</b>
<b>Unrestricted cash and cash equivalents</b>	<b>11</b>	<b>49</b>	<b>43</b>
<b>Total current assets</b>		<b>63</b>	<b>68</b>
<b>Total assets</b>		<b>665</b>	<b>688</b>



TechDOF Brasil AS

Amounts in USD million

## Statement of financial position

	Note	2021	2020
<b>Equity and liabilities</b>			
Paid-in equity	12	-	-
Other equity		170	136
<b>Total equity</b>		<b>170</b>	<b>136</b>
Debt to credit institutions	13	269	313
Debt to Group companies	13, 15	160	166
<b>Total non-current liabilities</b>		<b>428</b>	<b>480</b>
Current portion of debt	13	49	50
Trade payables		-	1
Other current liabilities	14, 15	18	21
<b>Current liabilities</b>		<b>67</b>	<b>72</b>
<b>Total liabilities</b>		<b>495</b>	<b>552</b>
<b>Total equity and liabilities</b>		<b>665</b>	<b>688</b>

Bergen, 25th May 2022

The Board of Directors of TechDOF Brasil AS

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*Mons S. Aase*  
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Mons S. Aase  
Chairman

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Marianne Møgster  
Board member

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Amounts in USD million

## Statement of cash flows

	Note	2021	2020
Operating profit (EBIT)		84	103
Depreciation	9	30	22
Change in trade receivables		10	-8
Change in trade payables		-1	1
Changes in other working capital		-3	6
<b>Cash flow from operating activities</b>		<b>120</b>	<b>124</b>
Interest received		-	-
Interest paid	15	-17	-21
Tax paid		-5	-5
<b>Net cash flow from operating activities</b>		<b>99</b>	<b>98</b>
Purchase of tangible assets	9	-12	-3
<b>Cash flow from investing activities</b>		<b>-12</b>	<b>-3</b>
Installments on non-current liabilities		-45	-45
Installments on non-current liabilities to Group companies		-10	-
Dividend payments	12	-25	-50
<b>Cash flow from financing activities</b>		<b>-80</b>	<b>-95</b>
<b>Net change in cash and cash equivalents</b>		<b>7</b>	<b>-1</b>
<b>Cash and cash equivalents at 01.01.</b>	11	<b>43</b>	<b>43</b>
Exchange rate gain/ loss on cash and cash equivalents		-	-
<b>Cash and cash equivalents at 31.12.</b>	11	<b>49</b>	<b>43</b>



TechDOF Brasil AS

Amounts in USD million

## Notes to the financial statements

### 1 Corporate information and going concern

TechDOF Brasil AS, the Company, was founded in June 2013. The main purpose of the Company is to conduct business within the shipping, offshore and energy sectors. The Company owns and operates two modern vessels: Skandi Acu and Skandi Buzios.

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

TechDOF Brasil AS is 100 % owned by DOFCON BrasilAS.

#### Going concern

The Company has a satisfactory economical and financial position which provides the basis for the going concern assumption in accordance with the Norwegian Accounting Act section 3-3a.

### 2 Accounting policies

#### Summary of significant accounting principles

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

The fiscal year is the same as the calendar year.

#### Group companies

Group companies are defined as DOFCON Brasil AS and its subsidiaries.

#### Joint venture partners

Joint venture partners comprise of DOF Subsea companies and TechnipFMC plc companies.

DOF Subsea companies are defined as DOF Subsea AS, its subsidiaries and related parties.

TechnipFMC companies are defined as TechnipFMC, its subsidiaries and related parties.

#### Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-makers are responsible for allocating resources and assessing performance of the operating segments.

The Company operates within one business segment; Chartering of vessels.

#### Conversion of foreign currency

##### a) Foreign currency

The functional currency is USD. The statements are presented in USD million.

##### b) Transactions and balances

Foreign currency transactions are translated into the functional

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

#### Classification of assets and liabilities

Assets are classified as current assets when:

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

All other assets are classified as non-current assets.

Liabilities are classified as current when:

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

All other liabilities are classified as non-current liabilities .

#### Trade receivables

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

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

#### Tangible assets

Tangible assets are recognised at cost less accumulated depreciation and accumulated impairment losses. The cost of tangible assets comprises its purchase price, borrowing costs and any directly attributable costs of bringing the asset to its operating condition. If significant, the total expenditure is separated into components which have different expected useful lives.

Depreciation is calculated on a modified straight-line basis over the useful life of the asset.

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

When tangible assets are sold or retired, their cost and accumulated



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Amounts in USD million

depreciation and accumulated impairment loss are derecognised and any gain or loss resulting from their disposal is included in profit or loss.

For vessels, residual value is determined based on estimated fair value today as if the asset was at the end of its useful life. Useful life and economic life of the Groups vessels is estimated to be 30 years. For further information on depreciation policy see note 4 'accounting estimates and assessments'.

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

#### Impairment of assets

All assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognised in the statement of comprehensive income. The recoverable amount is the higher of an asset's net selling price and value in use. For further information on the calculation see note 4 'accounting estimates and assessments'.

#### Periodic maintenance of tangible assets

Periodic maintenance is related to major inspection and overhaul costs which occur at regular intervals over the life of an asset. The expenditure is capitalised when it is probable that the Company will derive future financial benefits from upgrading the assets. Periodic maintenance is depreciated on a straight-line basis until the vessel is due for its next periodic maintenance. When new vessels are acquired, a portion of the cost price is classified as periodic maintenance based on best estimates. Intervals between periodic maintenance are calculated on the basis of past experience. The estimated life of each periodic maintenance program is 5 years.

Ordinary repairs and maintenance costs of assets are expensed as incurred.

#### Debt

Debt is recognised initially at fair value, net of incurred transaction costs. Debt is subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the 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 drawdown, the fee is recognised as a pre-payment 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.

#### Provisions

Provisions are recognised when, and only when, the Company faces an obligation (legal or constructive) as a result of a past event, it is probable (more than 50%) that a settlement will be required and a reliable estimate can be made of the obligation amount.

#### Revenue recognition

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

#### Equity

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

#### Day rate contracts

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

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

The Company does not recognise revenue during periods when the underlying vessel is off-hire.

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

#### Current and deferred income tax

The Company is compliant to special tax rules for ship owners in the Norwegian Taxation Act (§ 8-10 - § 8-20). The Norwegian tonnage tax scheme is approved as legal state aid under the EU guidelines for a 10-year period, from 1 January 2018 until 31 December 2027. These tax rules stipulate certain requirements which will have to be met. A failure to meet such requirements may have an adverse effect on the effective tax rate of the Company.

Deferred tax is calculated at relevant tax rates on the basis of the temporary differences which exist between accounting and tax values, and any carry-forward losses for tax purposes at year-end. Tax enhancing or tax reducing temporary differences, which are reversed or may be reversed in the same period, have been eliminated. The disclosure of deferred tax benefits on net tax reducing differences which have not been eliminated, and carry-forward losses, is based on estimated future earnings. Deferred tax and tax benefits which may be shown in the statement of financial position are presented net. Deferred tax is reflected at nominal value.

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

The Company is liable for withholding tax on revenue in Brazil. Tax withheld in Brazil is presented as tax expense.



TechDOF Brasil AS

Amounts in USD million

## Events after period end

New information regarding the Company's financial position at period end is included in the financial statements. Events occurring after period end, which do not impact the Company's financial position, but which have a significant impact on future periods, are presented in the notes.

## Use of estimates

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

## Statement of cash flows

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

## New standards, amendments and interpretations adopted

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

## New standards, amendments and interpretations not yet adopted

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

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

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

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

## 3 Financial risk management

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

### Financial derivatives

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

### Foreign exchange risk

The Company's functional currency is USD. 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 forward contracts and similar instrument as appropriate.

### Interest risk

The Company's existing debt arrangements are non-current loans partly at floating and fixed interest rates. Movements in interest rates will have effects on the Company's cash flow and financial condition. The Company's policy is to maintain part of its debt at fixed rates.

### Credit and liquidity risk

Credit and liquidity risk arises from cash and cash equivalents, financial derivative instruments and deposits with banks as well as credit exposures to clients.

Credit exposures are to a client that traditionally has good financial position to meet their obligations. The Company's credit risk to clients is therefore considered low and historical losses have been low. Latest changes in the market condition increase these risks, but they are still considered to be acceptable.

Liquidity risk management implies maintaining sufficient cash and marketable securities, the available funding through committed credit facilities and the ability to close market positions.

### Capital structure and equity

The Company's business is capital intensive and the Company may need to raise additional funds to execute the Company's strategy and to fund capital expenditures. The Company's loan agreements include terms and conditions.

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



TechDOF Brasil AS

Amounts in USD million

## 4 Accounting estimates and assessments

### Depreciation of vessels

The carrying amount of the Company vessels represents 89% of the total statement of financial position. Consequently, policies and estimates linked to the vessels have a significant impact on the Company's financial statements. Depreciation is calculated on a modified straight-line basis over the useful life of the asset. Depreciable amount equals historical cost less residual value. Please see note 2 'Accounting policies' for further information about tangible assets.

### Useful life and climate risk

The depreciation of vessels depends on the vessels' estimated useful life in the Group. Useful life and economic life of the Groups vessels is estimated to be 30 years. The Group has reassessed useful life of vessels in 2021. From 01.01.2021 useful life of vessels in the Group has changed from 20 years to 30 years. The residual value has been set to zero after 30 years as the cost of increasing environmental requirements related to disposal of vessels are estimated to offset the scrap value of the steel.

Useful life and residual value of vessels is based on knowledge of the market and years of operations of these types of vessels. In addition, impact of climate risk has been considered when determining economic life.

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

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

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

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

### Residual value of vessels

The Company 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. Earlier periods the residual value was determined based on estimated fair value after 20 years. The change in useful life and residual value has in total increased annually depreciations.

### Impairment of Vessels

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

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 Company are assessed for indications of impairment by obtaining independent quarterly broker estimates. The broker's based estimates includes mounted equipment and assume that the vessels are without any charter contracts (i.e. charter-free basis). The Company adjusts for positive or negative value in associated contracts. Due to a limited number of vessel transactions in the current market the brokers' estimates only to a limited extent represent the results of transactions in the market. Because of this, the broker estimates are more influenced by the judgement of each broker. For this reason, the Company has sought to substantiate the broker valuations, inter alia with value in use calculations or tests of reasonableness of implicit rates and other assumptions derived from the valuations. The Company has deemed it necessary to perform separate calculations for all vessels to support the broker estimates. In addition, conducted sales transactions during the year are reviewed and compared to broker estimates.

After the evaluation, the Company has concluded that the average of the broker estimates is considered reliable.

When the broker valuations are substantiated with value in use calculations, 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. 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.

For vessels fixed on firm long-term contracts, the assumption is that the contracts run up until end of contract. Options held by the customers are not assumed to be exercised, unless the options are at or below current market rates.

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 Company 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.

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



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Amounts in USD million

## 5 Operating revenue

In 2021 both Skandi Açú and Skandi Buzios were operating for Petrobras in Brazil under 8-year time charter contracts.

## 6 Operating expenses

Other operating expenses relate to operation of Skandi Açú and Skandi Buzios.

## 7 Financial income and expenses

Financial income and expenses	Note	2021	2020
Interest income	15	-	-
<b>Financial income</b>		-	-
Guarantee expenses to Group companies and joint venture partners	15	-3	-3
Interest expenses	15	-17	-21
Other financial expenses		-1	-1
<b>Financial expenses</b>		<b>-20</b>	<b>-24</b>
<b>Net financial income / loss</b>		<b>-20</b>	<b>-24</b>

## 8 Tax

The Company is registered within the shipping tonnage tax regime. The Company has temporary differences relating to unrealised currency loss on loans in foreign currencies and unrealised effects on financial instruments. Best estimate is that it is unlikely that the company will have taxable financial profit going forward to offset the temporary differences. Deferred tax asset related to unrealised currency losses and tax loss carry forward will therefore not be recognised in the financial position.

The tax effects of unrealised financial items are dependent on the future relation between financial assets and total assets. Future relation between financial assets and total assets cannot be estimated reliably.

The current income tax expenses for 2021 of USD -5 million (compared to USD -5 million in 2020) is related to withholding taxes on operational revenue in Brazil. Tax payable included in other current liabilities of USD 1 million (USD 1 million) also relates to operational revenue in Brazil.



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Amounts in USD million

## 9 Tangible assets

2021	Vessels	Periodical maintenance	ROVs	Total
<b>Cost at 01.01</b>	<b>664</b>	<b>26</b>	<b>20</b>	<b>710</b>
Additions	-	12	-	12
<b>Cost at 31.12</b>	<b>664</b>	<b>37</b>	<b>20</b>	<b>721</b>
<b>Depreciation at 01.01</b>	<b>-65</b>	<b>-18</b>	<b>-7</b>	<b>-90</b>
Depreciation for the year	-24	-4	-2	-30
<b>Depreciation at 31.12</b>	<b>-89</b>	<b>-22</b>	<b>-8</b>	<b>-120</b>
<b>Book value at 31.12</b>	<b>574</b>	<b>15</b>	<b>12</b>	<b>602</b>
Asset lifetime (years)	30	2.5-5	12	
Depreciation schedule	*)	Linear	Linear	
2020	Vessels	Periodical maintenance	ROVs	Total
<b>Cost at 01.01</b>	<b>663</b>	<b>23</b>	<b>20</b>	<b>706</b>
Additions	-	3	-	3
<b>Cost at 31.12</b>	<b>664</b>	<b>26</b>	<b>20</b>	<b>710</b>
<b>Depreciation at 01.01</b>	<b>-49</b>	<b>-13</b>	<b>-5</b>	<b>-68</b>
Depreciation for the year	-16	-4	-2	-22
<b>Depreciation at 31.12</b>	<b>-65</b>	<b>-18</b>	<b>-7</b>	<b>-90</b>
<b>Book value at 31.12</b>	<b>598</b>	<b>8</b>	<b>14</b>	<b>620</b>
Asset lifetime (years)	20	2.5-5	12	
Depreciation schedule	*)	Linear	Linear	

\*) residual value varies based on market valuation of the vessel

### Impairment assessment

While testing the reasonableness of the broker estimates the Company has applied a nominal WACC after tax of 9.3%. An increase in WACC with 50 basis points will not result in an additional impairment. Negative effect on net future cash flows with 20 % will result in USD 34 million of impairment.

TechDOF Brasil AS has a new fleet of vessels. As a result, the future cash flows for the vessels are long. The key assumptions in discounted cash flow calculation for the vessels are utilization and charter rates. Changes in these assumptions would have considerable effects on the net present value of the vessels. For further information see note 4 'accounting estimates and assessments'.

### Useful life and residual value

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

## 10 Trade receivables

Trade receivables	2021	2020
Trade receivables	-	8
Accrued revenue not invoiced	14	16
<b>Trade receivables at 31.12</b>	<b>14</b>	<b>24</b>

Company trade receivables are to Petrobras for operation of Skandi Açú and Skandi Buzios vessels in Brazil.



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## 11 Cash and cash equivalents

The Company has no restricted deposits at year-end 2021.

## 12 Share capital and share information

### Share capital

The share capital in the Company at 31.12.2021 was NOK 100 000 comprising 1 000 shares, each with a nominal value of NOK 100. Share capital equals USD 16 815 as of 31.12.2021.

### Shareholder overview

At 31 December 2021 the shareholders in the Company were as follows:

Shareholders at 31.12	No. of shares	Proportion of ownership
DOFCON Brasil AS	1 000	100 %
<b>Total</b>	<b>1 000</b>	<b>100 %</b>

### Board of Directors

	Title
Mons S. Aase	Chairman
Marianne Møgster	Board member
Petter Ove Pharo	Board member
Knut Brovoll-Bø	Board member
Lars Christian Eriksen	Board member
Sian Christie	Board member

Please refer to the DOF ASA and Technip FMC annual reports for shares held in DOF ASA and Technip FMC by the management and the Board of Directors. The annual reports are published at [www.dof.no](http://www.dof.no) and [www.technipfmc.com](http://www.technipfmc.com).

Share capital	No. of shares	Share capital
Share capital 01.01.2021	1 000	16 815
Share capital 31.12.2021	1 000	16 815

Changes in equity	Share capital	Paid-in equity	Other equity	Total equity
<b>Equity at 31.12.2020</b>	-	-	136	136
Dividend	-	-	-25	-25
Profit / loss for the year	-	-	59	59
<b>Equity at 31.12.2021</b>	-	-	170	170

The extraordinary general meeting of TECHDOF Brasil AS was held on December 20th 2021, a dividend of USD 25 million, equivalent to USD 25 000 per share was approved.

The Board of Directors propose to the annual General Meeting that a dividend of USD 18 million is distributed to the parent company DOFCON Brasil AS.



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## 13 Interest-bearing debt

The loan agreements in the Company have guarantee clauses. One of the Guarantor, DOF Subsea AS has informed about a standstill agreement with its bondholders and 95 % of its secured lenders. The standstill agreement is part of work to secure a long-term financial solution for the Guarantor DOF Subsea AS.

The Company is of the opinion that this will not affect the annual accounts.

	2021	2020
<b>Non-current interest-bearing debt</b>		
Debt to credit institutions	269	313
Debt to Group companies	160	166
<b>Total non-current interest-bearing debt</b>	<b>428</b>	<b>480</b>
<b>Current interest-bearing debt</b>		
Debt to credit institutions	45	45
<b>Total current interest-bearing debt</b>	<b>45</b>	<b>45</b>
<b>Total non-current and current interest-bearing debt</b>	<b>474</b>	<b>525</b>
<b>Net interest-bearing debt</b>		
Cash and cash equivalent	49	43
Other interest-bearing assets	-	-
<b>Net interest-bearing debt</b>	<b>425</b>	<b>482</b>

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

Debt repayment profile	2022	2023	2024	2025	2026	Thereafter	Total
Debt to credit institutions	45	45	45	45	45	89	315
Debt to Group companies	-	-	-	160	-	-	160
<b>Total repayment</b>	<b>45</b>	<b>45</b>	<b>45</b>	<b>205</b>	<b>45</b>	<b>89</b>	<b>475</b>

Amortised costs are not included in the repayment profile above. Debt to Group companies matures in 2025 but may be repaid earlier based on company earnings.

Liabilities secured by mortgage	2021	2020
Liabilities to credit institutions	314	359
Book value of assets pledged as security for debt to credit institutions	602	620
<b>Average rate of interest of debt to credit institutions</b>	<b>4,02%</b>	<b>4,11%</b>



TechDOF Brasil AS

Amounts in USD million

## 13 Interest-bearing debt (continued)

### Financial covenants

- The Company's long-term financing agreements include the following financial covenants: The Company shall have positive working capital at all times, excl. current portion of debt to credit institutions. The Company is in compliance with all financial covenants at year-end 2021.

In addition to the above-mentioned financial covenants, the guarantor (DOF Subsea AS) on a consolidated basis should fulfil the following financial covenants:

- The Group shall have value adjusted equity to value adjusted assets of at least 30%
- The Group shall have a minimum book equity of NOK 3 000 million
- The Group shall have positive working capital at all times, excl. current portion of debt to credit institutions
- The Group shall have free cash of minimum NOK 500 million (based on the proportionate consolidation method of accounting for joint ventures)

The Guarantor DOF Subsea was in breach of some financial covenants per 31.12.2021 at guarantor level, but these were waived with relevant lenders. The DOF Subsea Group has further received waivers until the 31st of May 2022 for the financial covenants as guarantor for two facilities in the joint venture with TechnipFMC.

## 14 Other current liabilities

Other current liabilities	Note	2021	2020
Accrued expenses and prepaid income		7	9
Current liabilities to Group companies and joint venture partners	15	9	11
Tax payable	8	1	1
<b>Other current liabilities at 31.12</b>		<b>18</b>	<b>21</b>

## 15 Related parties

Detailed description of related parties and the Company's relationship to these:

TechDOF Brasil AS is 100 % owned by DOFCON Brasil AS, which is partially owned by DOF Subsea AS and Technip Coflexip Norge AS.

Technip Coflexip Norge AS is a company within the TechnipFMC plc Group.

DOF ASA is the sole shareholder in DOF Subsea AS with a 100 % ownership stake at 31 December 2021.

Technip Offshore International, a Company within TechnipFMC plc Group, DOF Subsea AS and DOFCON Brasil AS are guarantors for debt to credit institutions for the Company. The guarantees are given in proportion to ownership in the Company. For more information see note 13.

Financial expenses to Group companies and joint venture partners	2021	2020
Guarantee expenses to DOFCON Brasil AS	1	1
Guarantee expenses to DOF Subsea companies	1	1
Guarantee expenses to TechnipFMC companies	1	1
Interest expenses to DOFCON Brasil AS	4	5
<b>Total</b>	<b>6</b>	<b>8</b>



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	2021	2020
<b>Financial income from Group companies</b>		
DOFCON Brasil AS	-	-
<b>Total</b>	<b>-</b>	<b>-</b>
<b>Non-current liabilities to Group companies</b>		
DOFCON Brasil AS	160	166
<b>Total</b>	<b>160</b>	<b>166</b>
<b>Current liabilities to Group companies and joint venture partners</b>		
DOFCON Brasil Group companies	1	1
DOF Subsea companies	3	2
TechnipFMC companies	5	7
<b>Total</b>	<b>9</b>	<b>11</b>

For further information see financial statement for DOFCON Brasil AS.

## 16 Remuneration to Board of Directors, Executives, and Auditor

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

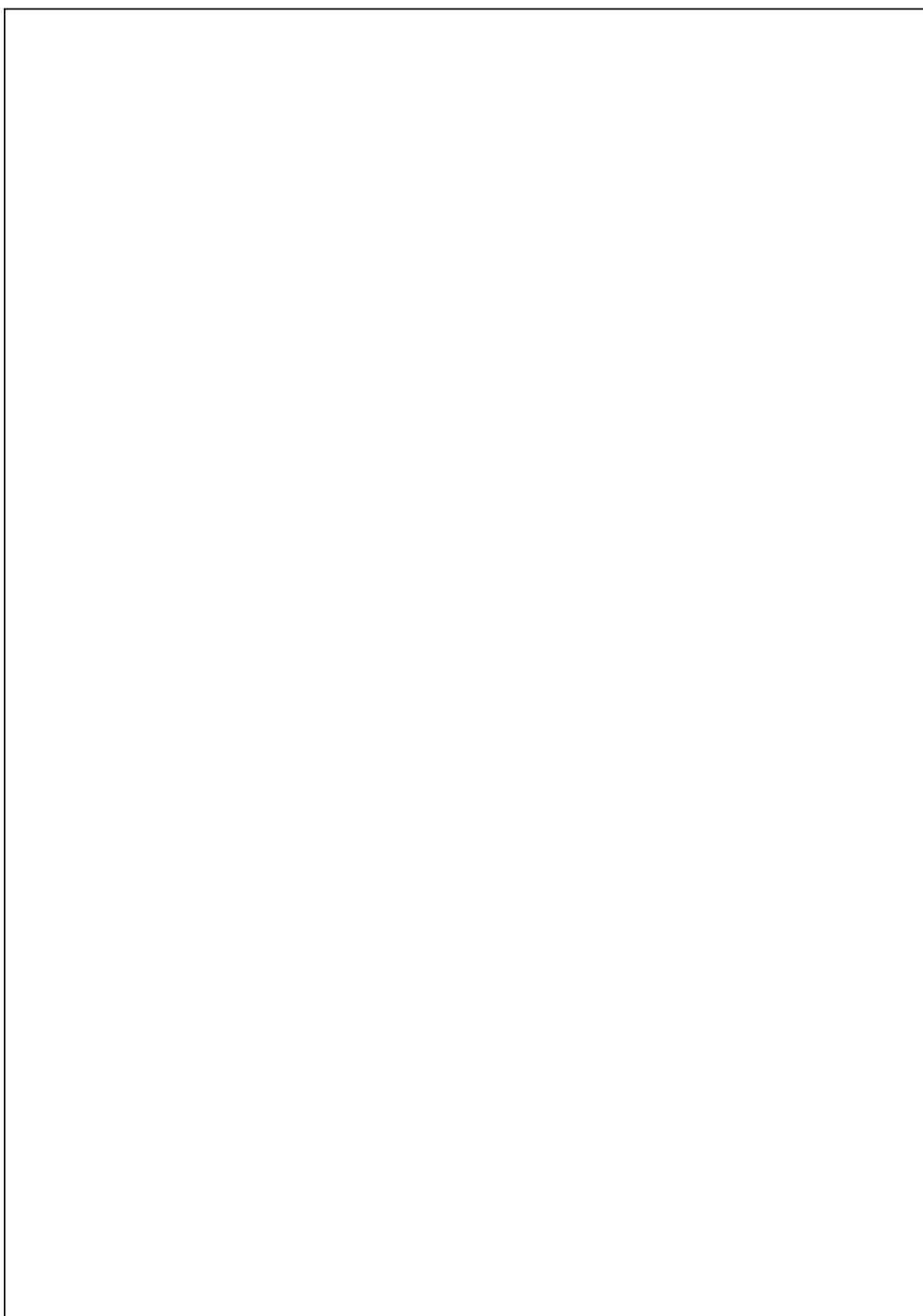
Specification of auditor's fee (excl. VAT), amounts in USD	2021	2020
Fee for audit of financial statements (USD)	40 896	23 408
<b>Total (USD)</b>	<b>40 896</b>	<b>23 408</b>

## 17 Events after period end

The current situation in Eastern-Europe has in 2022 created instability in the world economy and it is difficult to predict how the market will respond to this situation going forward. The Company has no exposure to Russia and Ukraine, however the general risk has increased following the invasion of Ukraine and the impact on the world economy. The Covid pandemic may further impact the Company's result going forward.



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TechDOF AS  
Thormøhlens gate 53 C  
5006 Bergen  
NORWAY





Norwegian Directorate of Taxes

Inquiries to  
Torstein Kinden Helleland

Your date  
07.08.2013

MOTTATT

Our date  
15.08.2013

Telephone  
22078139

Your reference  
Petter O. Pharo

Our reference  
2013/595413

DOF SUBSEA AS  
Thormøhlens gate 53C  
5006 BERGEN

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

Dear Mr Petter O. Pharo

With reference to your letter of 7 August 2013, you apply for permission to keep annual accounts and directors' report in English language. The application in question concerns the companies mentioned below.

**DOF Installer ASA**      **org. nr. 990 512 663**  
**TECHDOF Brasil AS**    **org. nr. 912 176 673**

### Conclusion

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

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

### Background

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

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

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are foreign/international companies or institutions. The companies' users, who are not foreign/international companies or institutions, must use English language. The annual report and financial statements of the companies are required to be prepared each year in the Norwegian language only in order to satisfy the requirements of the Norwegian Accounting Act.

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

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

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

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

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

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

As mentioned above it is particularly the consideration of the users of the account information which has to be taken into consideration when considering the application for permission. In this assessment, the Directorate of Taxes has emphasized that other group companies have in decisions been given permission to make the directors' report and annual accounts in English language. The companies operate in highly international branch, where English is the common language used. Internal, English is also only language used for reporting purpose. Furthermore, it is emphasized that none in the Board of directors speaks Norwegian.



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

Best regards

Rune Tystad

*Senior Adviser*

Rettsavdelingen, foretaksskatt  
Norwegian Directorate of Taxes

Torstein Kinden Helleland



To the General Meeting of TechDOF Brasil AS

## Independent Auditor's Report

### Opinion

We have audited the financial statements of TechDOF Brasil AS, which comprise the statement of financial position as at 31 December 2021, the statement of comprehensive income and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion

- the financial statements comply with applicable statutory requirements, and
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2021, and its financial performance and its cash flows for the year then ended in accordance with simplified application of international accounting standards according to section 3-9 of the Norwegian Accounting Act.

### Basis for Opinion

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

### Other Information

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

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report and the other information accompanying the financial statements. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the other information accompanying the financial statements and the financial statements or our knowledge

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## Independent Auditor's Report - TechDOF Brasil AS



obtained in the audit, or whether the Board of Directors' report and the other information accompanying the financial statements otherwise appears to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report or the other information accompanying the financial statements. We have nothing to report in this regard.

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

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

Our opinion on the Board of Director's report applies correspondingly to the statements on Corporate Governance and Corporate Social Responsibility, and to the report on payments to governments.

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### *Responsibilities of Management for the Financial Statements*

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

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

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### *Auditor's Responsibilities for the Audit of the Financial Statements*

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

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

Bergen, 27 May 2022  
**PricewaterhouseCoopers AS**

Marius Kaland Olsen  
State Authorised Public Accountant

(This document is signed electronically)

(2)



 Securely signed with Brevio

Revisjonsberetning JP 2021

**Signers:**

<b>Name</b>	<b>Method</b>	<b>Date</b>
Olsen, Marius Kaland	BANKID_MOBILE	2022-05-30 10:19

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